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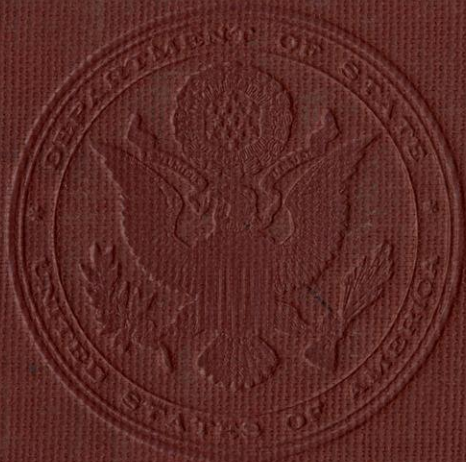
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# Foreign Relations of the United States

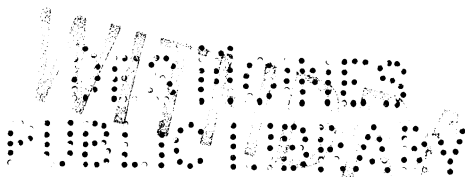
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### SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES HELD AT MONTEVIDEO, DECEMBER 3-26, 1933

#### PRELIMINARIES

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| Feb. 8<br>(15)   | <i>To the Ambassador in Chile (tel.)</i><br>Instructions to ascertain whether press reports are well-founded that postponement of the Seventh Pan-American Conference was discussed by the Argentine and Chilean Foreign Ministers at the Mendoza Conference.  | 2    |
| Feb. 9<br>(17)   | <i>From the Ambassador in Argentina (tel.)</i><br>Information from a member of the Chilean delegation at the Mendoza Conference that no question has been raised with regard to postponement of the Pan-American Conference, and that the only conclusion so far reached concerns the desirability of accord on the subjects to be discussed at the forthcoming Conference.  | 2    |
| Feb. 11<br>(18)  | <i>From the Ambassador in Argentina (tel.)</i><br>Foreign Minister's assurance that press report concerning his desire for postponement of the Pan-American Conference is unfounded.   | 3    |
| Feb. 13<br>(31)  | <i>From the Ambassador in Chile (tel.)</i><br>Chilean assurance that no decision was taken at Mendoza with respect to postponement of the Conference but that subject was discussed since Uruguay, according to reports, was desirous of delay.  | 3    |
| Mar. 23<br>(433) | <i>From the Minister in Uruguay</i><br>Information that Foreign Minister reports that Uruguay has received favorable replies from practically all of the American Governments in support of the Uruguayan proposal that the Conference be held in 1933 and that he was advised of U. S. willingness to participate in the Conference at any date that might prove acceptable to the majority of American States.<br>(Footnote: Information that acquiescent replies had been received from all the American States by June 6.) | 3    |
| Mar. 29          | <i>Memorandum by the Assistant Secretary of State</i><br>Discussion with Argentine Ambassador and with representatives of various other Latin American Governments concerning plans for expediting consideration of the Chaco and Leticia disputes, either by calling a special conference prior to the Seventh Pan-American Conference or by advancing the date of the Pan-American Conference and limiting the agenda.   | 4    |

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| Apr.<br>[May] 10<br>(A. 500)<br>(L. D.<br>641) | <i>From the Salvadoran de facto Minister for Foreign Affairs</i><br>Suggestion that an exchange of notes be made between the respective delegates to the Conference in order that a uniform basis of conduct might be determined with regard to the salient points of the program to be developed at the Conference.               | 5    |
| July 13<br>(62)                                | <i>From the Chargé in Colombia (tel.)</i><br>Advice that the Department will be approached by the Colombian Government as to the possibility of presenting to the Conference the fourth step proposed in President Roosevelt's disarmament message of May 16.  | 7    |
| July 17<br>(65)                                | <i>From the Chargé in Colombia (tel.)</i><br>President Olaya's explanation that his hope is for U. S. presentation of a resolution incorporating all proposals in Roosevelt's disarmament message.   | 7    |
| July 29  | <i>Memorandum of Conversation With the Mexican Minister of Finance</i><br>Finance Minister's views with regard to limitation of the agenda for the Montevideo Conference; information concerning President Roosevelt's belief that the subject of peace on the Western Hemisphere should come up for discussion at the Conference. | 8    |
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| Aug. 10  | <i>From the Colombian Minister</i><br>Colombian proposal that the United States present to the Conference a resolution embodying the proposals of Roosevelt's disarmament message.   | 10   |
| Aug. 28<br>(27)                                | <i>From the Minister in Uruguay (tel.)</i><br>Uruguayan hope that Secretary of State Hull will head the U. S. delegation to the Conference.  | 11   |
| Sept. 5<br>(16)                                | <i>To the Minister in Uruguay (tel.)</i><br>Advice that personnel of the U. S. delegation to the Conference will be discussed with the President shortly.  | 11   |
| Sept. 14<br>(603)                              | <i>From the Ambassador in Mexico</i><br>Mexican suggestion for form of the Fourth Chapter of the Agenda of the Conference (text printed), on economic and financial problems.  | 11   |
| Sept. 20                                       | <i>To the Uruguayan Minister for Foreign Affairs</i><br>U. S. acceptance of the Uruguayan invitation of August 7 for participation in the Conference.  | 14   |

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| Oct. 2                    | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Mexican Ambassador, who stated that the Mexican Government will not urge the additions to the agenda of the Conference as proposed by the Foreign Minister.   | 19   |
| Oct. 4<br>(86)            | <i>From the Ambassador in Brazil (tel.)</i><br>Advice that question of postponing Montevideo Conference will be discussed shortly between Argentine and Brazilian officials.   | 20   |
| Oct. 6<br>(668)           | <i>From the Ambassador in Mexico</i><br>Foreign Minister's memorandum (text printed) comprising his ideas on the Monroe Doctrine and its amplification at the Montevideo Conference.   | 20   |
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| Dec. 16<br>(62)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Unanimous passage of the economic and peace proposals in the plenary session; information that consideration has been given to the Chaco matter but that U. S. involvement has been avoided.  | 192  |
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| Dec. 19<br>(77)  | <i>From the Chairman of the American Delegation (tel.)</i><br>For the President and Phillips: Submission of subcommittee report on the Rights and Duties of States; information concerning U. S. vote and statement of policy (text printed) in regard to article concerning nonintervention in external or internal affairs of states. | 201  |
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| Dec. 23<br>(82)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Information with regard to text of the nationality convention which the American delegation proposes to sign.  | 206  |
| Dec. 24<br>(83)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Information that the Conference approved a U. S. resolution (text printed) for the establishment of a commission to study the means of further accelerating inter-American air communication.  | 206  |
| Dec. 24<br>(84)         | <i>From the Chairman of the American Delegation (tel.)</i><br>For the President and Phillips: Information that the Conference will formally adjourn on December 26.  | 207  |
| Dec. 27                 | <i>From the Ambassador in Argentina (tel.)</i><br>From the Secretary of State: Information concerning Conference resolution, in connection with passport formalities, for a system of gratis tourist passports to facilitate entry into all countries in the Americas, and concerning U. S. attitude toward joining such a move. | 207  |
| Dec. 27<br>(32)         | <i>To the Minister in Uruguay (tel.)</i><br>Instructions to report action taken by the American delegation with respect to the Convention on Nationality of Women, and by the Conference and the American delegation in regard to the general convention on nationality.   | 207  |
| Dec. 28<br>(47)         | <i>From the Minister in Uruguay (tel.)</i><br>Information that the Conference approved and the American delegation indicated it would sign with reservations the Convention on Nationality of Women and the general convention on nationality; advice that conventions will be signed shortly.                                   | 208  |
| Dec. 28<br>(33)         | <i>To the Minister in Uruguay (tel.)</i><br>Instructions to withhold signatures from the general nationality convention until the Department has more complete information concerning its provisions.  | 208  |
| Dec. 29<br>(48)         | <i>From the Minister in Uruguay (tel.)</i><br>Translation (text printed) upon which English version of the general nationality convention is based.  | 209  |
| Dec. 29                 | <i>To the Consul at Geneva</i><br>Views on an unofficial League memorandum prepared for the use of the Seventh Pan American Conference.  | 210  |
| Dec. 30<br>(50)         | <i>From the Minister in Uruguay (tel.)</i><br>Advice concerning U. S. submission to the Conference of a preliminary report compiled by engineers of the Bureau of Public Roads in connection with consideration of the Inter-American Highway project.   | 210  |
| Dec. 30<br>(51)         | <i>From the Minister in Uruguay (tel.)</i><br>Further advice concerning U. S. presentation of engineers' report referred to in telegram No. 50, December 30.   | 211  |

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| 1933            | (Bibliographical Note: List of conventions adopted at the Seventh International Conference of American States.) | 211  |
| Dec. 26         | <i>Convention on the Nationality of Women</i><br>Text of convention signed at Montevideo.                       | 212  |
| Dec. 26         | <i>Convention on Rights and Duties of States</i><br>Text of convention signed at Montevideo.                    | 214  |
| Dec. 26         | <i>Convention on Extradition</i><br>Text of convention signed at Montevideo.                                    | 219  |
| Dec. 26         | <i>Additional Protocol to the General Convention</i><br>Text of additional protocol signed at Montevideo.       | 226  |

DECISION OF THE UNITED STATES TO ADHERE TO THE ANTI-WAR,  
NONAGGRESSION AND CONCILIATION TREATY, SIGNED AT RIO  
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| 1933<br>Mar. 3                        | <i>To the Argentine Ambassador</i><br>Explanation of the reasons for the U. S. disinclination to conclude the Anti-War Treaty proposed by the Argentine Government.  | 228 |
| Undated<br>(Rec'd.<br>Oct. 4)<br>(87) | <i>From the Ambassador in Brazil (tel.)</i><br>Request for instructions as to what reply should be made to a Brazilian inquiry as to whether the United States will sign the Argentine Anti-War Treaty.  | 231 |
| Oct. 6<br>(75)                        | <i>To the Ambassador in Brazil (tel.)</i><br>Instructions for replying to the Brazilian Government's inquiry as to the U. S. position in regard to signature of the proposed Anti-War Treaty.  | 232 |
| Oct. 31                               | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Argentine Ambassador, who said that U. S. adherence to the Argentine Anti-War Treaty, reservations notwithstanding, would insure Argentine cooperation in other matters at the Montevideo Conference. | 232 |
|                                       | (Note: Information concerning U. S. position with respect to adherence to the Argentine Anti-War Treaty as defined in the Instructions to Delegates to the Seventh International Conference of American States; further data pertinent to the subject.)                              | 233 |
| Oct. 10                               | <i>Anti-War Treaty on Nonaggression and Conciliation</i><br>Text of treaty signed at Rio de Janeiro.   | 234 |
|                                       | (Note: Information concerning U. S. Senate ratification of treaty with reservation; data concerning other signatories to the treaty.)  | 239 |

## CHACO DISPUTE BETWEEN BOLIVIA AND PARAGUAY

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| 1933<br>Jan. 4<br>(1) | <p><i>To the Ambassador in Brazil (tel.)</i><br/>           Instructions to ascertain as far as possible the attitude of the Brazilian Government toward the Neutral Commission's request of December 31, 1932, for cooperation of the neighboring powers in settling the dispute between Bolivia and Paraguay.<br/>           (Footnote: The same telegram, January 4, to the diplomatic representatives in Argentina, Chile, and Peru.)</p>  | 241  |
| Jan. 4<br>(3)         | <p><i>From the Ambassador in Peru (tel.)</i><br/>           Information that the Government of Peru is in accord with the general aims of the Neutral Commission but is reluctant to propose any action until Argentine, Brazilian, and Chilean points of view have been received.</p>   | 241  |
| Jan. 4<br>(4)         | <p><i>From the Chargé in Chile (tel.)</i><br/>           Foreign Minister's advice that he has reached no conclusion with respect to the inquiry of the Neutral Commission.</p>  | 241  |
| Jan. 5<br>(2)         | <p><i>From the Ambassador in Argentina (tel.)</i><br/>           Indication that Argentina will issue a declaration of neutrality in Bolivian-Paraguayan matter if no conclusion can be reached with respect to the Neutral Commission's inquiry.</p>  | 242  |
| Jan. 6<br>(2)         | <p><i>From the Ambassador in Brazil (tel.)</i><br/>           Information that prompt Brazilian reply to the Neutral Commission's inquiry is forthcoming.<br/>           (Footnote: Information that Brazilian reply was made in telegram of January 11, p. 251.)</p>  | 242  |
| Jan. 6<br>(6)         | <p><i>From the Chargé in Chile (tel.)</i><br/>           Advice, after further conversation with Foreign Minister, that there is no indication that he has been active in advancing any proposals concerning the Chaco dispute.</p>  | 242  |
| Jan. 7<br>(4)         | <p><i>From the Minister in Paraguay (tel.)</i><br/>           Explanation that Paraguayan Government's delay in replying to the last Neutral Commission's communication is due to its expectation of receiving a proposal from either Argentina or Chile.</p>  | 243  |
| Jan. 7                | <p><i>To the Diplomatic Missions in Argentina, Bolivia, Brazil, Chile, Paraguay, and Peru (circ. tel.)</i><br/>           Information that the Bolivian Government has replied to Argentine and Chilean proposals for holding of conversations for solution of Chaco dispute with a suggestion that the neutral governments agree on a joint solution to be offered to the belligerents, and further proposed that the four neighboring powers join in the efforts of the Neutral Commission; instructions to report any information available concerning Bolivian proposal.</p> | 243  |
| Jan. 7                | <p><i>The President of the Council of the League of Nations to the Chairman of the Commission of Neutrals (tel.)</i><br/>           Advice that League Council is desirous of obtaining information concerning the Chaco dispute since such dispute is on the agenda of the next Council meeting.</p>  | 244  |
| Jan. 8<br>(5)         | <p><i>From the Minister in Paraguay (tel.)</i><br/>           Paraguayan President's suggestion that a joint presentation by the neighboring powers and the Neutral Commission of a modification in the Commission's proposal of December 15 might be accepted by Paraguay and Bolivia.</p>  | 244  |



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| 1933<br>Jan. 9<br>(4) | <i>From the Ambassador in Peru (tel.)</i><br>Information that the Peruvian Government is in accord with the suggestion outlined in Department's circular telegram, January 7.  | 245  |
| Jan. 9<br>(4)         | <i>From the Ambassador in Brazil (tel.)</i><br>Information that Foreign Minister will make a favorable reply to Argentine Foreign Minister's plan to transmit a proposal to governments of interested nations for settlement of the Chaco question.  | 245  |
| Jan. 9<br>(4)         | <i>From the Minister in Bolivia (tel.)</i><br>Details of Argentine proposal and information that Paraguay has indicated its willingness to accept terms.   | 246  |
| Jan. 9                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Information that the Chilean Chargé presented a telegram from the Chilean Foreign Minister (text printed), making informal inquiry as to plans of the Neutral Commission for cooperation with the four neighboring countries, and that a memorandum (text printed) in reply was handed to the Chargé, advising that the neighboring countries should come to an agreement among themselves which could then be discussed with the Neutral Commission. | 246  |
| Jan. 10<br>(4)        | <i>To the Ambassador in Peru (tel.)</i><br>Information from Chilean Foreign Minister that Paraguay and Bolivia would be disposed to consider a proposal by the five Neutrals and the four neighbors in conjunction for settlement of the Chaco dispute; inquiry as to whether Peru is in accord with Chile in the matter.<br>(Footnote: The same telegram, January 10, to the diplomatic representatives in Argentina and Brazil.)   | 248  |
| Jan. 10<br>(2)        | <i>To the Minister in Bolivia (tel.)</i><br>Instructions to ascertain Bolivian point of view in regard to the plan reported in telegram No. 4, January 10, to the Ambassador in Peru.<br>(Footnote: The same telegram, January 10, to the Minister in Paraguay as telegram No. 1.)   | 249  |
| Jan. 10<br>(6)        | <i>From the Ambassador in Argentina (tel.)</i><br>Conversation with the Foreign Minister, who reported his intention to communicate with the neighboring countries and the Neutrals as soon as he arrives at a concrete proposal based upon his sounding out of the Bolivian and Paraguayan Governments.   | 249  |
| Jan. 10<br>(6)        | <i>From the Ambassador in Peru (tel.)</i><br>Advice that the Peruvian Government is in accord with the Chilean Government in desiring to have the neighboring countries act together and in support of the Commission of Neutrals.   | 249  |
| Jan. 11<br>(6)        | <i>From the Minister in Paraguay (tel.)</i><br>Indication that Paraguay, although willing to consider joint proposals by the Neutrals and the neighboring powers, doubts whether any acceptable guarantee other than demilitarization could be devised as a condition for the cessation of hostilities pending discussion of the dispute.  | 250  |

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| 1933<br>Jan. 11<br>(5) | <i>From the Minister in Bolivia (tel.)</i><br>Indication that Bolivian acceptance of Chilean proposal is not likely.   | 250  |
| Jan. 11                | <i>From the Brazilian Minister for Foreign Affairs to the Chairman of the Commission of Neutrals (tel.)</i><br>Brazilian acceptance of the Neutral Commission's proposal of December 31, 1932, and willingness to cooperate with the neighboring countries in leading the Governments of Bolivia and Paraguay to reestablish a definitive peace.     | 251  |
| Jan. 11<br>(7)         | <i>From the Ambassador in Peru (tel.)</i><br>Reply to Department's telegram No. 4, January 10, indicating that Peru will accept proposed plan.   | 251  |
| Jan. 11                | <i>From the Argentine Ambassador to the Chairman of the Commission of Neutrals</i><br>Argentine reply (text printed) to Neutral Commission's inquiry of December 31, 1932, advising that Argentina will formulate a proposal for settlement of the Chaco conflict, of which it will advise the neighboring countries.                                | 251  |
| Jan. 12                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Suggestion to the Argentine Ambassador that his Government initiate a proposal on behalf of the neighboring countries, insisting that Bolivia and Paraguay cease hostilities and accept the Commission's proposal of December 15, 1932, as a basis for discussion of the problem. | 252  |
| Jan. 12<br>(6)         | <i>From the Ambassador in Brazil (tel.)</i><br>Information that Brazil would be in accord with any proposal agreed upon by the Neutral Commission and the neighboring countries, but is withholding a specific reply to the Chilean proposal in expectation of the receipt of a proposition from Argentina.  | 254  |
| Jan. 12<br>(7)         | <i>From the Ambassador in Argentina (tel.)</i><br>Information concerning Argentine negotiations for a successful settlement of the Chaco dispute, and attitude as to unacceptability of the Chilean formula.   | 254  |
| Jan. 12<br>(6)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the Bolivian Government has rejected the Chilean proposal and has suggested the revival of the Neutral Commission's proposal of December 15.   | 255  |
| Jan. 13                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Peruvian Ambassador concerning the nature of the Commission's inquiry of December 31 and the subsequent responses of Argentina, Brazil, and Chile.  | 256  |
| Jan. 14                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Chilean Chargé concerning the views of the interested countries toward the Chilean proposal.  | 257  |
| Jan. 16<br>(26)        | <i>From the Ambassador in Peru (tel.)</i><br>Information from the Chilean Ambassador that Bolivia and Paraguay have agreed with Chilean proposal and that efforts are being made to bring all four neighboring countries into line with proposal.  | 258  |

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| 1933<br>Jan. 17<br>(13) | <i>To the Ambassador in Peru (tel.)</i><br>Advice that Chilean information as reported in telegram No. 26, January 16, is inaccurate; Department's view that the four neighboring countries and the Neutral Commission should agree in advance upon some plan before approaching Bolivia and Paraguay.  | 258  |
| Jan. 18<br>(4)          | <i>From the Minister in Uruguay (tel.)</i><br>Conversation with the Foreign Minister, who said that Paraguayan representatives have been seeking his support of a proposal that the Commission of Neutrals be dissolved or its activities transferred to Montevideo since Uruguay enjoys an advantageous position for cooperation with the other interested powers.   | 259  |
| Jan. 20<br>(2)          | <i>To the Minister in Uruguay (tel.)</i><br>Instructions to express to the Foreign Minister the U. S. Government's appreciation for his cooperation in the attempt to solve the Chaco matter.   | 260  |
| Jan. 24<br>(17)         | <i>From the Ambassador in Chile (tel.)</i><br>Advice that the Foreign Minister will propose a conference with the Argentine Foreign Minister at Mendoza to discuss plans for ending the Chaco dispute.  | 260  |
| Jan. 25<br>(11)         | <i>From the Ambassador in Argentina (tel.)</i><br>Information that the Foreign Minister has accepted the Chilean Foreign Minister's invitation to meet at Mendoza.  | 260  |
| Jan. 26<br>(13)         | <i>From the Minister in Paraguay (tel.)</i><br>Inquiry by Chile as to Paraguay's position concerning the Chilean and Argentine proposals; indication that Paraguay's reluctance to express a preference will bring about a joint proposal from the two countries.   | 261  |
| Jan. 26<br>(13)         | <i>From the Ambassador in Argentina (tel.)</i><br>Foreign Minister's hope that his forthcoming conversation with the Chilean Foreign Minister will lead to agreement between their Governments on procedure in the Chaco dispute; his suggestion of bases for solution of the dispute.  | 261  |
| Jan. 27<br>(86)         | <i>From the Minister in Switzerland (tel.)</i><br>Information that in view of the apparent failure of efforts to bring about a peaceful settlement of the Chaco dispute, the League of Nations Council Committee is considering the appointment of a commission of inquiry, composed of an American, an Argentine, and a national of a small European state, for the purpose of seeking a solution to the conflict. | 262  |
| Jan. 30<br>(60)         | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Department's opinion that appointment of a League commission at present would complicate matters, in view of the fact that the scheduled meeting of the Foreign Ministers of Argentina and Chile promises tangible results toward agreed action on the Chaco question.   | 263  |
| Jan. 31<br>(87)         | <i>From the Minister in Switzerland (tel.)</i><br>Confidential information from the Secretary General of the League concerning the Paraguayan attitude toward the sending of a League commission; advice that Secretary General believes it advisable to delay action on the Chaco problem.   | 264  |

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| 1933<br>Jan. 31<br>(88) | <i>From the Minister in Switzerland (tel.)</i><br>Bolivian delegate's opinion that the Chaco dispute should be settled by American nations; his further opinion that Bolivian reply concerning League's proposal of a commission of inquiry should be delayed until the action of the neighboring states has been cleared up.   | 264  |
| Feb. 2                  | <i>From the Chairman of the Commission of Neutrals to the Minister in Switzerland, at Geneva</i><br>Conversation with the Bolivian Minister, who said that his Government objected to the inclusion of an Argentine on the suggested League commission of inquiry.  | 265  |
| Feb. 2<br>(12)          | <i>To the Ambassador in Chile (tel.)</i><br>Instructions to endeavor to ascertain discreetly from the Foreign Minister the result of his conversation at Mendoza with the Argentine Foreign Minister.   | 266  |
| Feb. 2<br>(90)          | <i>From the Minister in Switzerland (tel.)</i><br>Information that League Council Committee will report to the Council that Bolivia and Paraguay are of the opinion that any League action should be delayed pending negotiations by the neighboring states; further information that Committee report will state that the United States and the Neutrals, both unofficially consulted, hold similar views. | 266  |
| Feb. 2<br>(62)          | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Advice that the Commission of Neutrals, as such, was not consulted, but that Department believes that its views in the matter are shared by members of the Commission.   | 267  |
| Feb. 2<br>(91)          | <i>From the Minister in Switzerland (tel.)</i><br>Information that Council Committee report will add only that the United States and Argentina had been unofficially consulted.   | 267  |
| Feb. 3<br>(37)          | <i>From the Consul at Geneva (tel.)</i><br>League Council's adoption of a report by the Committee on the Chaco dispute, which recommends postponement of further consideration of sending a commission of inquiry, with reservation covering possibility of later action; League telegram (text printed) indicating that a communication has been sent to both disputants.                                  | 267  |
| Feb. 3<br>(22)          | <i>From the Ambassador in Chile (tel.)</i><br>Provisions of a secret agreement on the Chaco question signed by the Foreign Ministers of Argentina and Chile at Mendoza; information that Argentina and Chile are planning to consult with Brazil and Peru with a view to reaching an agreement on a peace formula which later would be communicated to the Neutral Commission for its approval.             | 268  |
| Feb. 6                  | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Advice that Chilean Chargé has been requested to transmit to Foreign Minister Cruchaga the Neutral Commission's appreciation of his successful negotiations at Mendoza.  | 269  |
| Feb. 8                  | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Advice of informal discussion in the Neutral Commission concerning the Mendoza meeting and new aspects of the Chaco situation.   | 269  |

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| 1933<br>Feb. 9<br>(44) | <i>From the Consul at Geneva (tel.)</i><br>Bolivian reply of February 4 (text printed), to League communication of February 3, expressing willingness to cooperate in any just peace effort.   | 270  |
| Feb. 9<br>(22)         | <i>From the Minister in Paraguay (tel.)</i><br>Paraguayan reply, February 8 (excerpt printed), in answer to the League communication of February 3, asserting that Bolivian aggression is the cause of the continuance of hostilities.   | 270  |
| Feb. 14                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Information from Chilean Chargé that Brazil is in accord with the Chilean and Argentine proposal and that a favorable reply from Peru is anticipated; Chargé's advice that as soon as Peru answers, Paraguay and Bolivia will be sounded out and then the Neutral Commission will be consulted in regard to the formulation of a joint proposal.  | 271  |
| Feb. 21<br>(25)        | <i>From the Minister in Paraguay (tel.)</i><br>Receipt of reports implying that Chile's reversal of policy in the matter of passing war materials through Arica for Bolivia was brought about by diplomatic pressure from the United States. Issuance by President Ayala, as a result of Chilean action, of a decree calling a special session of the Paraguayan Congress on February 24 to secure authorization for the Executive to declare war against Bolivia. | 272  |
| Feb. 25<br>(26)        | <i>From the Minister in Paraguay (tel.)</i><br>Advice that President's message to the special session of Congress asked constitutional authorization to declare war and that Congress will probably take action thereon on February 27th; further advice that peace proposal was jointly submitted by Argentine, Brazilian, Chilean, and Peruvian representatives and that if Paraguay's answer is favorable, it will then be laid before the Neutrals.            | 272  |
| [Feb. 25]<br>(27)      | <i>From the Minister in Paraguay (tel.)</i><br>Points of the ABCP proposal; information that Paraguay will accept the proposal in principle but will probably hold out for modification of the stipulated retirement lines for troops.   | 273  |
| Feb. 27<br>(7)         | <i>To the Minister in Paraguay (tel.)</i><br>Information that Department has not intervened in the matter of transit of Bolivian munitions through Chile.  | 274  |
| Feb. 28<br>(28)        | <i>From the Minister in Paraguay (tel.)</i><br>Paraguayan acceptance of the ABCP proposal with minor reservations.   | 274  |
| Feb. 28                | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Argentine Ambassador, who inquired as to the U. S. attitude toward an Argentine proposal to force an armistice on Bolivia and Paraguay; U. S. opinion that the best hope of success rests in the recent ABCP proposal.  | 275  |
| Feb. 28<br>(16)        | <i>From the Minister in Bolivia (tel.)</i><br>Information from the Chilean Minister that in view of Paraguayan acceptance of the ABCP proposal, he has been instructed by his Government to urge prompt acceptance of the proposal by Bolivia.   | 276  |
| Mar. 1<br>(29)         | <i>From the Minister in Paraguay (tel.)</i><br>Review of Paraguayan reservations to the ABCP proposal.   | 276  |

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| 1933<br>Mar. 1<br>(18) | <i>From the Minister in Bolivia (tel.)</i><br>Advice of the conditions of settlement suggested by Bolivia as prerequisite to her acceptance of the ABCP proposal.  | 277  |
| Mar. 1<br>(549)        | <i>From the Minister in Bolivia</i><br>Bolivian reply, February 28 (text printed), to the ABCP representatives in regard to the proposal for settlement of the Chaco dispute.  | 278  |
| Mar. 3<br>(31)         | <i>From the Minister in Paraguay (tel.)</i><br>Information that the Senate has given authorization to the Executive to declare war on Bolivia.   | 281  |
| Mar. 6<br>(41)         | <i>From the Ambassador in Chile (tel.)</i><br>Advice that Chilean and Argentine Foreign Ministers will transmit to the Neutrals the Paraguayan and Bolivian replies to the ABCP proposal and will request the support of the Neutrals to persuade Bolivia and Paraguay to declare an armistice immediately and to retire their forces to the lines referred to in the original proposal.   | 281  |
| Mar. 8<br>(19)         | <i>From the Minister in Bolivia (tel.)</i><br>Information that Chile will urge Bolivia to omit point 5, concerning delimitation of the arbitral zone, from her reply to the ABCP proposal.   | 282  |
| Mar. 8<br>(33)         | <i>From the Minister in Paraguay (tel.)</i><br>Paraguayan notification to Peru of concern over the possibility of transit of Bolivian war materials through Mollendo.  | 282  |
| Mar. 9                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Argentine Ambassador's inquiry as to whether the Neutral Commission would support a move for an armistice in the Chaco matter.  | 282  |
| Mar. 9<br>(20)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that Bolivia has refused to delete point 5 from her reservations to the ABCP proposal.  | 283  |
| Mar. 10                | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Bolivian Minister, who revealed his Government's displeasure with the Argentine and Chilean attitude toward the Bolivian reservations to the ABCP proposal; Bolivian insistence that any new suggestions in the matter be advanced by the four countries in unison; submission for personal information of the Chairman, of the Bolivian reply, March 2 (text printed), to the ABCP proposal and confidential memorandum on Chilean proposed modifications of Bolivian counterproposal. | 283  |
| Mar. 10<br>(44)        | <i>From the Ambassador in Chile (tel.)</i><br>Advice that Chilean Foreign Minister was informed by the Bolivian Minister that the Bolivian Government is not disposed to modify in any way the conditions laid down in its reply to the ABCP proposal.   | 285  |
| Mar. 13                | <i>To the Chairman of the Commission of Neutrals</i><br>Transmission of Bolivian request that the Neutral Commission be officially advised in the matter of the Bolivian reply to the ABCP proposal and in regard to the changes proposed by Chile to Bolivia's counterproposal.   | 285  |

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| 1933<br>Mar. 15<br>(1405) | <i>From the Ambassador in Chile</i><br>Further information concerning Chile's reversal of policy on the arms embargo against Bolivia.  | 286  |
| Mar. 17<br>(35)           | <i>From the Minister in Paraguay (tel.)</i><br>Anticipation of Paraguayan declaration of war against Bolivia within the next few days.   | 287  |
| Mar. 20<br>(36)           | <i>From the Minister in Paraguay (tel.)</i><br>Information that Paraguay has been approached by Uruguay concerning an independent proposal for an armistice; further information that the Chilean and Brazilian Ministers, by instruction of their Governments, have appealed to the Paraguayan President not to declare a state of war.   | 287  |
| Mar. 20                   | <i>From the Peruvian Ambassador to the Chairman of the Commission of Neutrals</i><br>Information concerning reservation made by Peruvian Government at signature of the ABCP peace proposal to Bolivia and Paraguay ( <i>infra</i> ).  | 287  |
| Mar. 20                   | <i>From the Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé to the Chairman of the Commission of Neutrals</i><br>Communication of the Act of Mendoza, signed February 2 (text printed), which contains the ABCP peace proposal to Bolivia and Paraguay, and of the Bolivian and Paraguayan replies (texts printed) to this proposal.   | 288  |
| Mar. 20                   | <i>From the Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé to the Chairman of the Commission of Neutrals</i><br>Request for the cooperation of the Neutrals in undertaking immediate negotiations with Bolivia and Paraguay for the purpose of bringing about a cessation of hostilities.   | 293  |
| Mar. 22<br>(9)            | <i>To the Minister in Paraguay (tel.)</i><br>Information that Neutral Commission has been requested by ABCP powers to join in representations to Bolivia and Paraguay for an immediate cessation of hostilities for 60 days, in order to conduct peace negotiations under the Mendoza formula; request for views of Paraguayan Government in the matter.<br>(Footnote: The same telegram, March 22, to the Minister in Bolivia.) | 293  |
| Mar. 22<br>(37)           | <i>From the Minister in Paraguay (tel.)</i><br>Advice that Paraguay will not agree to an armistice based on present troop positions; opinion that if the Bolivian Government were to accept the Mendoza formula of retirement, Paraguay would likewise agree.  | 294  |
| Mar. 23<br>(23)           | <i>From the Minister in Bolivia (tel.)</i><br>Indication that Bolivia will not agree to a cessation of hostilities, irrespective of the question of present positions, unless prior agreement has been made for the settlement of the fundamental question.  | 294  |
| Mar. 23                   | <i>From the Commission of Neutrals to the Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé</i><br>Acknowledgment of note of March 20 and expression of willingness to support the peace proposal of the limitrophe countries; advice that Bolivian and Paraguayan Governments may be so informed in arranging for cessation of hostilities.   | 295  |

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| 1933<br>Mar. 27<br>(10) | <i>To the Minister in Paraguay (tel.)</i><br>Information concerning position of Neutral Commission with respect to ABCP peace proposal and request for representations to Bolivia and Paraguay for an immediate cessation of hostilities.  | 295  |
| Mar. 30<br>(25)         | <i>From the Minister in Bolivia (tel.)</i><br>Information concerning Bolivian views on determination of the arbitral zone; further information that the Bolivian Minister in Washington has advised his Government that in his opinion the Neutral Commission is not supporting the activities of the limitrophe countries.  | 296  |
| Mar. 30<br>(7)          | <i>To the Minister in Bolivia (tel.)</i><br>Advice that there is no justification for the statement made by the Bolivian Minister as reported in telegram No. 25, March 30.  | 297  |
| Apr. 1                  | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Argentine Ambassador and the Chilean Chargé concerning the desire of their Governments to have the cooperation of the Neutrals in support of the Mendoza formula by joint action; Chairman's suggestion that informal representations be made in La Paz and Asunción by both U.S. representatives and representatives of the limitrophe countries with a view toward persuading Bolivia and Paraguay to modify their reservations in regard to the peace formula. | 297  |
| Apr. 6                  | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Brazilian Ambassador, who was informed that the United States was cooperating with the ABCP countries in preliminary explorations to see whether Bolivia and Paraguay would be willing to modify their reservations, and that if these negotiations succeeded, then the Neutral Commission and four neighbors would act again.  | 298  |
| Apr. 6<br>(41)          | <i>From the Minister in Paraguay (tel.)</i><br>Advice that President believes that Paraguayan reservations could be waived but that Bolivia will not be disposed to waive its reservations; further advice that President is averse to delaying the declaration of a state of war beyond a few days longer, irrespective of the progress of negotiations.  | 299  |
| Apr. 6<br>(8)           | <i>To the Minister in Bolivia (tel.)</i><br>Instructions to join with Argentine and Chilean colleagues in an endeavor to persuade Bolivia to accept retirement to Bolivian and Robore and to withdraw her reservation with respect to the limits of the arbitrable territory.  | 299  |
| Apr. 6<br>(11)          | <i>To the Minister in Paraguay (tel.)</i><br>Instructions to cooperate with Argentine and Chilean colleagues in an effort to have Paraguay withdraw her reservation requiring that Bolivian troops retire to Villa Montes.   | 300  |
| Apr. 7<br>(42)          | <i>From the Minister in Paraguay (tel.)</i><br>President's assurance that Paraguay will accede to the request that she withdraw her reservation in regard to the retirement of Bolivian troops.  | 300  |
| Apr. 7<br>(28)          | <i>From the Minister in Bolivia (tel.)</i><br>Advice, before making representations requested in Department's telegram No. 8, April 6, that results will probably be negative, but that representations will be made unless contrary instructions are received.  | 301  |



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| 1933<br>Apr. 7<br>(9)          | <i>To the Minister in Bolivia (tel.)</i><br>Instructions to proceed with representations as previously advised in conjunction with the representatives of Argentina and Chile, and also Brazil and Peru if they are willing to join in.  | 301  |
| Apr. 9<br>(29)                 | <i>From the Minister in Bolivia (tel.)</i><br>Information that a plan of action concerning representations to be made to Bolivia was discussed with the Brazilian and Chilean Ministers but that no action was taken pending Chilean Minister's receipt of further instructions from his Government; opinion that present negotiations will be fruitless unless mediating countries act in unison.                                       | 301  |
| Apr. 10<br>(43)                | <i>From the Minister in Paraguay (tel.)</i><br>Meeting with Argentine, Brazilian, and Chilean representatives and Foreign Minister, and lack of unanimity in presenting to the Foreign Minister joint representations with respect to the Mendoza agreement; Paraguayan identic memorandum (text printed) handed to the Argentine, Brazilian, Chilean, and U. S. representatives.  | 302  |
| Apr. 10<br>(30)                | <i>From the Minister in Bolivia (tel.)</i><br>Information that in reply to individual representations concerning the possible modification of the two principal Bolivian reservations, the Bolivian Foreign Minister indicated that his Government would not withdraw its reservations on these points but that it would entertain further suggestions as to modifications thereof.  | 303  |
| Undated<br>[Rec'd.<br>Apr. 11] | <i>From the Bolivian Minister</i><br>Memorandum defining in detail the reasons for Bolivia's non-agreement to the proposals presented to date for settlement of the Chaco dispute.   | 304  |
| Apr. 14                        | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Discussion with the Brazilian Ambassador concerning Bolivian position on the Chaco question; suggestion by the Chairman that a new proposal be presented combining the provisions of the Mendoza formula for Bolivian withdrawal to Bolivian and Robore with the features of the Neutrals' proposal of December 15, 1932, concerning zone limitation and arbitration. | 309  |
| Apr. 14<br>(10)                | <i>To the Minister in Bolivia (tel.)</i><br>Inquiry as to the possibility of finding a solution under a new proposal based on Neutrals' proposal of December 15 and Mendoza formula.   | 309  |
| Apr. 19<br>(57)                | <i>From the Ambassador in Chile (tel.)</i><br>Advice of Foreign Minister's proposal that similar notes be sent by the United States and the ABC countries to Bolivia urging the withdrawal of the latter's reservations to the Mendoza formula.  | 309  |
| Apr. 20<br>(33)                | <i>From the Minister in Bolivia (tel.)</i><br>Indication by the Foreign Minister that the new proposal, outlined in Department's telegram No. 10, April 14, would be acceptable as a basis for discussion.   | 311  |

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| 1933<br>Apr. 20<br>(34) | <i>From the Minister in Bolivia (tel.)</i><br>Informal conversation with the Foreign Minister, during which certain general principles were suggested upon which a concrete proposal might be based and inquiry made as to whether such proposal would be favorably received by Bolivia.  | 311  |
| Apr. 23<br>(37)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the Bolivian Government is perturbed over the receipt of a note from Chile (text printed) and a similar one from Argentina, pointing out Bolivian responsibility in the event of failure of the Mendoza formula, and that the success of the Mendoza proposal may have been seriously prejudiced.   | 312  |
| Apr. 24<br>(35)         | <i>From the Ambassador in Argentina (tel.)</i><br>Information that Brazil will submit a suggestion to Argentina concerning the method of determining retirement lines of Bolivian and Paraguayan armies in the Chaco and the territory to be submitted to arbitration.  | 312  |
| Apr. 27                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Argentine Ambassador concerning the ineffectiveness of the independent representations of the ABC countries to the Bolivian Government; reiteration of the Chairman's view that the best solution lies in a proposal based upon concerted agreement among the neighboring countries in conjunction with the Neutral Commission.  | 313  |
| Apr. 27                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Chilean Chargé's presentation of an <i>aide-mémoire (infra)</i> paraphrasing a cable from the Chilean Foreign Minister; repetition to Chargé of the views previously expressed by the Chairman to the Argentine Ambassador.  | 314  |
| Undated                 | <i>From the Chilean Embassy</i><br><i>Aide-mémoire</i> requesting U. S. cooperation with the ABC countries in a further effort directed toward obtaining Bolivian consent to the Act of Mendoza.  | 314  |
| May 5<br>(41)           | <i>From the Minister in Bolivia (tel.)</i><br>Further conversation with the Foreign Minister concerning the proposal suggested in telegram No. 34, April 20, and inquiry as to the possibility of a compromise between Bolivia and Paraguay with respect to the arbitrable zone.  | 315  |
| May 5<br>(183)          | <i>From the Bolivian Minister for Foreign Affairs to the Bolivian Diplomatic Missions in Argentina, Colombia, Brazil, Chile, Cuba, Mexico, Peru, the United States, and Uruguay (tel.)</i><br>Instructions to express the Bolivian Government's view that since Bolivia has made known her territorial claims in the Chaco, a definite statement of Paraguay's position in the matter would facilitate arbitral solution of the dispute; reiteration of Bolivian willingness to receive proposals of ABCP countries and Neutrals regarding arbitrable zone.<br>(Footnote: Information that a copy of this telegram was left with the Chairman of the Commission of Neutrals by the Bolivian Minister on May 6, and that the Chairman would call a meeting of the Commission for May 8.) | 316  |
| May 6                   | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Paraguayan Minister concerning the possibility of finding a satisfactory solution to the Chaco conflict.   | 316  |

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| 1933<br>May 8   | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Discussion at the opening meeting of the Neutral Commission of the Bolivian circular telegram of May 5; decision to invite the neighboring countries for consultation on May 9.  | 317  |
| May 8<br>(42)   | <i>From the Minister in Bolivia (tel.)</i><br>Information that the Bolivian Government has suggested Rio de Janeiro as the seat of a conference for the purpose of continuing negotiations for a peaceful settlement of the Chaco question.   | 317  |
| May 9           | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Report of meeting of Neutral Commission, at which Brazilian and Peruvian Ambassadors were present, and were advised of Commission's willingness to meet with ABCP countries and the two disputants for an exchange of views relative to a solution of the Chaco matter; withdrawal of Brazilian and Peruvian representatives and drafting by Commission of identic notes to Argentine Ambassador and Chilean Chargé ( <i>infra</i> ).                      | 318  |
| May 9           | <i>From the Chairman of the Commission of Neutrals to the Argentine Ambassador</i><br>Advice that in view of Bolivian and Paraguayan expressions of interest in the continuation of good offices of the Neutrals and neighboring nations, it is thought that an exchange of ideas between delegates of the nine countries would be useful and favorable to the interests of peace.<br>(Footnote: Identic note, May 9, to the Chilean Chargé and copies to the Brazilian and Peruvian Ambassadors and to all Neutral members.) | 318  |
| May 10          | <i>From the Paraguayan Minister</i><br>Notification that Paraguay has declared a state of war with Bolivia.   | 319  |
| May 10          | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Paraguayan Minister concerning the declaration of war on Bolivia; Minister's opinion that arbitral settlement of the conflict is impossible.   | 319  |
| May 10<br>(39)  | <i>From the Chargé in Argentina (tel.)</i><br>Foreign Minister's opinion that his Government should refrain from taking any further mediatory steps in the Chaco dispute at present.  | 320  |
| May 10<br>(13)  | <i>To the Minister in Bolivia (tel.)</i><br>Advice that Argentine representation at the consultation of the nine countries depends upon a satisfactory Bolivian reply to the latest Argentine communication concerning the Chaco question; instructions to discuss the matter with the Foreign Minister.  | 320  |
| May 11<br>(93)  | <i>From the Ambassador in Mexico (tel.)</i><br>Information that a press announcement of Mexico's intention to continue to cooperate with the ABCP group and the Neutrals in efforts to adjust the Chaco conflict, despite the recent formal declaration of war, was confirmed by the Foreign Minister.  | 321  |

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| 1933<br>May 11<br>(45) | <i>From the Minister in Bolivia (tel.)</i><br>Conversation with the Foreign Minister, who expressed Bolivia's reluctance to reply to the last Argentine note, but said that matter would be given serious consideration; opinion that a reply will be made within the next few days.   | 322  |
| May 11                 | <i>From the Secretary General of the League of Nations to the Chairman of the Commission of Neutrals (tel.)</i><br>Council's receipt of Bolivian telegram (text printed) denouncing Paraguayan action in declaring war; Council's reply (text printed) requesting to be advised of Bolivian attitude toward arbitration of the matter.   | 323  |
| May 12<br>(14)         | <i>To the Minister in Bolivia (tel.)</i><br>Argentine Ambassador's advice that any cooperation of Argentina in the nine-power conference depends upon the nature of Bolivia's reply to the last Argentine note and that if reply is unsatisfactory, Argentina will break off diplomatic relations with Bolivia.  | 323  |
| May 12                 | <i>From the Chairman of the Commission of Neutrals to the Secretary General of the League of Nations (tel.)</i><br>Assurance of the Commission's continued cooperation in the Chaco matter.  | 324  |
| May 12                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Brazilian Ambassador, who said that his Government had advised him that, Argentina having said that she would not take part in any Chaco peace negotiations, Brazil would not do so either; Chairman's explanation that Argentina had replied to the Commission that her participation depends upon a favorable reply from Bolivia. | 324  |
| May 13<br>(46)         | <i>From the Minister in Bolivia (tel.)</i><br>Information that Bolivian reply to the last Argentine note will be brief but cordial in tone.  | 324  |
| May 15                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Bolivian Minister, who said that his Government's reply to the League reiterated the Bolivian position that territorial claims in the dispute should be determined before the matter is submitted to arbitration.   | 325  |
| May 18<br>(182)        | <i>From the Minister in Switzerland (tel.)</i><br>Transmission of partial text of a report by the League Council relating to a proposed solution of the Chaco dispute; request for Department's views with respect to the procedure contemplated by the League.  | 325  |
| May 19<br>(48)         | <i>From the Minister in Bolivia (tel.)</i><br>Information concerning Bolivian Government's reply to the last Argentine note.   | 328  |
| May 20                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Résumé of conversations with the Argentine and Brazilian Ambassadors and the Chilean Chargé, in regard to Bolivian reply to the Argentine and Chilean notes, and suggestion that the nine countries support the League proposal so that there would be but one proposal before the two disputants.  | 328  |

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| 1933<br>May 20<br>(15) | <i>To the Minister in Bolivia (tel.)</i><br>Inquiry as to whether Bolivian Government has replied to the Chilean note.  | 329  |
| May 20<br>(105)        | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Information concerning recent developments in regard to Bolivian reply to Argentine and Chilean notes. Intention to endeavor to have the nine countries, composed of five Neutral nations and four neighbors, unite in supporting League proposal.   | 329  |
| May 20<br>(184)        | <i>From the Minister in Switzerland (tel.)</i><br>Letter (excerpt printed) from the Secretary General of the League, expressing hope for U. S. action recommending Bolivian acceptance of League report, and quoting a telegram from the League to the Commission of Neutrals and Argentina and Chile in respect to League action on the Chaco dispute. | 330  |
| May 21<br>(49)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that Bolivian reply to the Chilean note, identical to that made to Argentina, was delivered to Chilean Foreign Office by the Bolivian Minister in Chile.   | 331  |
| May 22                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Bolivian inquiry as to whether the consultation of the nine countries will be held; Chairman's explanation that the Commission is still awaiting replies from Argentina, Chile, and Brazil concerning their intention to participate.  | 331  |
| May 22<br>(51)         | <i>From the Minister in Bolivia (tel.)</i><br>Information that the Bolivian Government will not accept intervention of the League, that the Government desires, instead, a renewal of the negotiations by the Neutral Commission and the ABCP.  | 332  |
| May 23                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Argentine Ambassador concerning the uncertainty of his Government's action in the peace negotiations; Chairman's hope that Argentina will send a note to Bolivia in support of the League proposal and will make public the text of such note.                 | 332  |
| May 23<br>(155)        | <i>From the Ambassador in Peru (tel.)</i><br>Information that Bolivian Minister will urge Peruvian acceptance of Department's invitation to ABCP nations to cooperate with Neutral Commission in Chaco matter, and desires American Embassy's support; request for instructions.  | 333  |
| May 23<br>(53)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the Bolivian Government has instructed its Ministers in the four neighboring countries to urge acceptance of the invitation to join with the Neutrals in the renewal of negotiations.   | 333  |
| May 24<br>(26)         | <i>To the Chargé in Argentina (tel.)</i><br>Instructions to ascertain Argentina's intention concerning participation in the consultation of the nine countries and to endeavor to have a definite statement in regard thereto sent to the Commission.   | 334  |

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| 1933<br>May 24<br>(64) | <i>To the Ambassador in Peru (tel.)</i><br>Information concerning the Neutral Commission's invitation to the ABCP countries to participate in an exchange of ideas concerning the Chaco question and the League's latest proposal; hope that Peru will accept the invitation.  | 335  |
| May 25                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Chilean Chargé, who said that although a satisfactory answer had been received from Bolivia, his Government intended to refrain from any action in support of the League; Chairman's reiteration of desire to have the nine countries come to a common agreement in support of the League proposal. | 335  |
| May 25                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Bolivian Minister, who expressed his Government's concern at the failure of Chile and Argentina to participate in the meeting with the Neutrals; Minister's further advice that both of these countries have been active in Geneva in endeavors to have the League support the Mendoza formula.     | 336  |
| May 26<br>(45)         | <i>From the Chargé in Argentina (tel.)</i><br>Interview with the Foreign Minister, who maintains the position that Argentina should not participate further in the Chaco matter.   | 336  |
| May 29<br>(54)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the Bolivian Government desires a renewal of the Neutral and ABCP negotiations for an immediate peace on the basis of arbitration, and as a last resort, would accept cooperation of the League.   | 337  |
| May 31<br>(58)         | <i>From the Chargé in Brazil (tel.)</i><br>Information that the Brazilian Government does not desire to participate in joint American and League efforts to effect a settlement of the Chaco conflict, but feels that the problem should be settled by American means alone.   | 338  |
| June 1                 | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Conversation with the Bolivian Minister, who indicated that Bolivia would be willing to withdraw to Villa Montes once an agreement had been signed with Paraguay to settle the Chaco matter in accordance with the Neutrals' suggestion of December 15.   | 339  |
| June 2<br>(55)         | <i>From the Minister in Bolivia (tel.)</i><br>Advice concerning reply made by the Argentine, Brazilian, and Peruvian Ministers in answer to a Chilean request for their opinion as to whether Bolivia would consent to allow the four neighboring countries to determine the arbitral zone.  | 340  |
| June 9                 | <i>To President Roosevelt</i><br>Advice concerning opinion, shared by both the Chairman of the Neutral Commission and the Acting Secretary, that the Commission should be liquidated and that U. S. activities should be withdrawn entirely from mediation in the Chaco dispute so as to leave the matter in the hands of the League and the South American countries.                       | 340  |

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| 1933<br>June 21   | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Meetings of the Neutral Commission on June 16 and 17, during which discussions were held on the Chairman's proposal that the Commission be disbanded.  | 341  |
| June 27<br>(118)  | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Commission's statement to the press (text printed) concerning its withdrawal from the peace negotiations; instructions to mention informally to either the Secretary General of the League of Nations or the League Committee that, should it be decided by the League to send a commission to the Chaco, the United States does not desire representation on such commission nor that an American citizen be appointed thereon. | 343  |
| June 28           | <i>Memorandum by the Chairman of the Commission of Neutrals</i><br>Unanimous agreement of the Neutrals to disband.  | 344  |
| June 28           | <i>From the Paraguayan Minister to the Chairman of the Commission of Neutrals</i><br>Expression of appreciation for the Commission's efforts to bring about a peaceful settlement of the Chaco dispute.   | 345  |
| June 29           | <i>From the Chairman of the Commission of Neutrals to the Paraguayan Minister</i><br>Acknowledgment of Paraguayan note of appreciation.   | 345  |
| July 6<br>(59)    | <i>From the Minister in Bolivia (tel.)</i><br>Information that the Brazilian Government has suggested that the ABCP countries intimate to the League their willingness to organize an investigating commission and to arrange a direct agreement between Paraguay and Bolivia as to arbitration.  | 346  |
| July 15<br>(61)   | <i>From the Minister in Bolivia (tel.)</i><br>Bolivian and Paraguayan acceptance in principle of the ABCP suggestion initiated by Brazil.   | 346  |
| July 25<br>(62)   | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the Bolivian and Paraguayan delegations have received instructions to request that the League give a mandate to the ABCP countries to organize a commission of investigation and to make proposals for an arbitral agreement.   | 346  |
| July 25<br>(69)   | <i>From the Chargé in Brazil (tel.)</i><br>Information that the Foreign Office will issue a public statement to the effect that the ABCP countries will participate under League auspices in the settlement of the Chaco dispute.   | 347  |
| July 26<br>(78)   | <i>From the Chargé in Paraguay (tel.)</i><br>Advice that Paraguay has given her acceptance to the suggestion recently originated in Brazil and later approved by the other members of the ABCP group and the League.  | 347  |
| July 26<br>(4171) | <i>From the Chargé in Brazil</i><br>Foreign Office statement (text printed) referred to in telegram No. 69, July 25; advice that the Foreign Minister has expressed regret over the relinquishment by the Neutral Commission of its jurisdiction over the Chaco peace efforts.  | 347  |
| July 27<br>(79)   | <i>From the Chargé in Paraguay (tel.)</i><br>Information that the advice transmitted in telegram No. 78, July 26, was in error in stating that the League had approved the Brazilian suggestion.  | 348  |

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| 1933<br>July 27<br>(177) | <i>From the Consul at Geneva (tel.)</i><br>Communiqué issued by the League Secretariat (text printed) concerning the Bolivian and Paraguayan request for a League mandate to the ABCP states; advice that League Committee of Three has requested that the two countries submit a complete explanation of the meaning and scope of their proposal.  | 348  |
| July 28<br>(63)          | <i>From the Minister in Bolivia (tel.)</i><br>Advice that Bolivia will not make the explanation requested by the League until next week, and that, in the meantime, she is considering the advisability of suggesting to the ABCP countries that the neutral countries be invited to participate in the negotiations in the event that the League consents to give a mandate to the ABCP group.       | 349  |
| July 29<br>(4182)        | <i>From the Chargé in Brazil</i><br>Brazilian Foreign Minister's views concerning negotiations now in progress to bring about League appointment of the ABCP countries as a commission to the Chaco; reiteration of his regret that the Neutral Commission has abandoned the problem to the League.   | 350  |
| Aug. 4<br>(178)          | <i>From the Consul at Geneva (tel.)</i><br>Summary of League Council's report proposing action by the limitrophe countries under mandate of the League.   | 351  |
| Aug. 10<br>(64)          | <i>From the Minister in Bolivia (tel.)</i><br>Information from Foreign Minister that Argentina, Chile, and Peru are insisting upon cessation of hostilities as a condition precedent to further negotiations, and that Bolivia has advised the Brazilian Government that she cannot accept that condition and would prefer to have the negotiations returned to Geneva.                               | 352  |
| Aug. 23<br>(184)         | <i>From the Consul at Geneva (tel.)</i><br>Information that League is expecting a reply from the limitrophe countries saying that they are unable to secure conditions necessary for the execution of the Council mandate; further information that, if the reply is a clear-cut refusal, it is believed that the Committee of Three will proceed at once with the dispatch of the League Commission. | 352  |
| Aug. 23<br>(15)          | <i>From the Ambassador in Brazil</i><br>Memorandum of a conversation with the Foreign Minister on August 21 with respect to the progress of the Chaco negotiations.   | 353  |
| Aug. 24<br>(90)          | <i>From the Chargé in Chile (tel.)</i><br>Information concerning the Brazilian formula agreed upon by the neighboring countries and soon to be presented by Brazil to the two belligerents.   | 354  |
| Aug. 27<br>(86)          | <i>From the Chargé in Paraguay (tel.)</i><br>Advice that the new ABCP proposal will be discussed at a Cabinet meeting; opinion that Paraguay will accept the proposal as presented.   | 355  |
| Aug. 28<br>(185)         | <i>From the Consul at Geneva (tel.)</i><br>Advice that League's proposal has been accepted by the Brazilian Foreign Minister in the name of the ABCP countries, and that negotiations are in progress toward securing a "preliminary conciliation formula" from the belligerents.   | 355  |



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| 1933<br>Aug. 29   | <i>Memorandum by the Assistant Secretary of State</i><br>Information from a Chilean source that the Chaco formula agreed upon by the ABCP countries had been altered later by the Brazilian Foreign Minister, thereby creating "a delicate situation for the four powers involved".  | 356  |
| Sept. 8<br>(90)   | <i>From the Chargé in Paraguay (tel.)</i><br>Foreign Minister's note (text printed) conveying Paraguayan acceptance of the ABCP proposal.  | 356  |
| Sept. 12<br>(80)  | <i>From the Ambassador in Brazil (tel.)</i><br>Advice from Foreign Minister that his proposal has been accepted by Bolivia with very minor changes; outline of points covered by the proposal.   | 356  |
| Sept. 22<br>(71)  | <i>From the Minister in Bolivia (tel.)</i><br>Opinion that Bolivia's suggested modification of the arbitral zone will nullify the effect of that Government's official acceptance of the ABCP proposal.  | 357  |
| Sept. 26<br>(92)  | <i>From the Chargé in Paraguay (tel.)</i><br>Paraguayan President's opinion that the ABCP proposal will have little chance of success owing to his Government's refusal to consider the Bolivian suggestion as to modification of the arbitral zone.   | 357  |
| Sept. 26<br>(83)  | <i>From the Ambassador in Brazil (tel.)</i><br>Report concerning present state of Chaco negotiations; indication that Foreign Minister would like Department's support of his proposal.  | 358  |
| Sept. 27<br>(23)  | <i>To the Minister in Bolivia (tel.)</i><br>Instructions to convey to the Foreign Minister informally the U. S. Government's gratification over the favorable progress of the present Chaco negotiations.<br>(Footnote: The same, <i>mutatis mutandis</i> , September 27, to the Chargé in Paraguay; text repeated for information to the Ambassador in Brazil.) | 359  |
| Sept. 28<br>(75)  | <i>From the Minister in Bolivia (tel.)</i><br>Information that the Bolivian Government has been advised by the Brazilian Foreign Minister that ABCP acceptance of the League mandate is contingent upon Bolivia's willingness to accept without reservation either the ABCP proposal of August 25th or the Chilean suggestion for a double arbitration.          | 360  |
| Sept. 29<br>(93)  | <i>From the Chargé in Paraguay (tel.)</i><br>Foreign Minister's expression of appreciation for the friendly interest manifested by the United States.  | 360  |
| Sept. 29<br>(204) | <i>From the Consul at Geneva (tel.)</i><br>Review of status of the Bolivia-Paraguay conflict at meeting of the Council Committee; Paraguayan representative's reaffirmation of his country's willingness to cooperate in settlement of the dispute; Bolivian delegate's statement that he would refrain from entering into a discussion.                         | 360  |
| Sept. 29<br>(94)  | <i>From the Chargé in Paraguay (tel.)</i><br>Paraguayan note (text printed) informing the U. S. Government that Paraguay has accepted without reservations the proposal of the mediators acting under mandate of the League.   | 361  |

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| 1933<br>Oct. 2<br>(208) | <i>From the Consul at Geneva (tel.)</i><br>ABCP reply to the League Council (text printed), declining the latter's invitation to participate in settlement of the Chaco dispute.   | 361  |
| Oct. 3<br>(211)         | <i>From the Consul at Geneva (tel.)</i><br>Advice that the League Chaco Commission is being notified to be prepared to proceed at an early date.   | 362  |
| Oct. 4                  | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Bolivian Minister concerning the recent course of events in the ABCP efforts to settle the Chaco dispute; Minister's remark that his Government would welcome at any time an effort on the part of the United States alone, or in association with other powers, to mediate in the controversy.   | 362  |
| Oct. 5<br>(216)         | <i>From the Consul at Geneva (tel.)</i><br>Information that the Committee of Three has solicited the cooperation of the limitrophe states in the work of the League Commission.  | 363  |
| Oct. 13<br>(92)         | <i>From the Ambassador in Brazil (tel.)</i><br>Conversation with the Foreign Minister, who said that Argentina and Brazil had drafted a fresh proposal to be made to Paraguay and Bolivia.   | 363  |
| Oct. 24<br>(82)         | <i>From the Chargé in Bolivia (tel.)</i><br>Advice that Bolivia has appointed Dr. Carlos Calvo as special envoy to participate in negotiations relative to a new peace proposal initiated by Argentina and Brazil.   | 364  |
| Oct. 26<br>(83)         | <i>From the Chargé in Bolivia (tel.)</i><br>Information that the Calvo Mission has been indefinitely postponed in view of Paraguayan rejection of the Argentine-Brazilian proposal.  | 364  |
| Oct. 31<br>(278)        | <i>From the Consul at Geneva (tel.)</i><br>Résumé of note received by the League Secretariat from the Bolivian representative, wherein the Bolivian Government attributes the failure of all previous negotiations to conclude an arbitral agreement to the circumstance that the parties have not agreed on a delimitation of the zone to be arbitrated; advice concerning Council Committee's reply to the note. | 364  |
| Nov. 4<br>(282)         | <i>From the Consul at Geneva (tel.)</i><br>Information concerning reply made by Bolivia in answer to a request from the League for the name and rank of the Bolivian representative appointed as assessor to the Chaco Commission.   | 365  |
| Nov. 8<br>(287)         | <i>From the Consul at Geneva (tel.)</i><br>Bolivian communication to the Council citing certain conditions as being prerequisite to Bolivia's collaboration with the Chaco Commission, and Commission's conciliatory reply thereto; request for instructions as to whether Department desires that such information as may be obtained in regard to the situation continue to be transmitted from Geneva.          | 366  |
| Nov. 11<br>(124)        | <i>To the Consul at Geneva (tel.)</i><br>Instructions to keep the Department informed of important developments.   | 367  |

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| 1933<br>Nov. 17<br>(299) | <i>From the Consul at Geneva (tel.)</i><br>Advice that the Bolivian Government has extended an invitation to the Chaco Commission to come to La Paz and has also expressed its intention of appointing an assessor to the Commission.   | 367  |
| Nov. 19<br>(107)         | <i>From the Minister in Paraguay (tel.)</i><br>Information that League Commission has arrived at Asunción and will leave for the Chaco shortly; Paraguayan confidence that Bolivia will modify her attitude.  | 367  |
| Nov. 20<br>(108)         | <i>From the Minister in Paraguay (tel.)</i><br>Advice concerning League Commission's interviews with Paraguayan officials, during which Paraguayan President set forth his Government's terms for settlement of the Chaco conflict; further advice that the Commission has left Asunción for the Chaco and is expected to return within a week. | 368  |
| Nov. 24<br>(302)         | <i>From the Consul at Geneva (tel.)</i><br>Information that the League has published the correspondence between the ABCP powers relating to their mediatory action in the Bolivia-Paraguay dispute.   | 368  |
| Dec. 2<br>(109)          | <i>From the Minister in Paraguay (tel.)</i><br>League Commission's return to Asunción from the Chaco on November 28 and meeting with the Paraguayan President on November 29; advice as to Commission's findings in the Chaco.  | 369  |
| Dec. 5<br>(110)          | <i>From the Minister in Paraguay (tel.)</i><br>Transmission of telegram (text printed) which has been sent to the American delegation at Montevideo in regard to possible consideration of the Chaco question by the Pan-American Conference.   | 370  |
| Dec. 5<br>(111)          | <i>From the Minister in Paraguay (tel.)</i><br>Request for approval of proposal to repeat to the American delegation at Montevideo and the Legation at La Paz telegrams to the Department concerning Paraguayan-Bolivian relations.<br>(Footnote: Approval of request, December 7.)   | 370  |
| Dec. 6<br>(94)           | <i>From the Minister in Bolivia (tel.)</i><br>Advice that the League Commission has arrived in La Paz and has been warmly welcomed.   | 371  |
| Dec. 9<br>(95)           | <i>From the Minister in Bolivia (tel.)</i><br>Information that League Commission has held sessions with Bolivian officials for the consideration of historical questions; report that Bolivian military forces have suffered a severe reverse.  | 371  |
| Dec. 11<br>(112)         | <i>From the Minister in Paraguay (tel.)</i><br>Report concerning the Paraguayan offensive launched on December 5, which culminated in the unconditional surrender of two Bolivian divisions.  | 371  |
| Dec. 12<br>(97)          | <i>From the Minister in Bolivia (tel.)</i><br>Advice that rumors of revolution in Bolivia are unfounded; also that travel of the military members of the League Commission to the front has been delayed.   | 372  |

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| 1933<br>Dec. 12<br>(50) | <i>From the Chairman of the American Delegation to the Seventh International Conference of American States (tel.)</i><br>For the President from Secretary Hull (Chairman of the American delegation): Advice of plan to promote peace in the Chaco by having telegrams read at the Conference from a few heads of Governments expressing hope for success of the peace efforts being made by the Conference, the League, and other agencies; request that President either send a suitable telegram or that authorization be granted the Secretary to deliver such to the President of the Conference. | 372  |
| Dec. 12<br>(69)         | <i>To the Chairman of the American Delegation to the Seventh International Conference of American States (tel.)</i><br>Message from President Roosevelt to the President of the Conference (text printed) along the lines indicated in telegram No. 50, December 12.   | 373  |
| Dec. 14<br>(314)        | <i>From the Consul at Geneva (tel.)</i><br>Information concerning League action on a request of the Chaco Investigating Commission for support by League members at Montevideo of the Commission's formula for settlement of the dispute.  | 373  |
| Dec. 14<br>(210)        | <i>From the Ambassador in Peru (tel.)</i><br>Advice from Foreign Minister that his last information from La Paz indicates the likelihood of a revolution and the overthrow of the Bolivian Government; his anticipation that the way will very soon be open for a further effort to bring about peace.   | 375  |
| Dec. 15<br>(317)        | <i>From the Consul at Geneva (tel.)</i><br>Instructions by various League members to their delegates at Montevideo for support of Chaco Investigating Commission.  | 375  |
| Dec. 16<br>(85)         | <i>To the Chairman of the American Delegation (tel.)</i><br>Approval of suggested alteration of a Chilean proposal that the Conference be placed on record as supporting the League in the application of the Covenant to the Bolivian-Paraguayan controversy.   | 376  |
| Dec. 16<br>(60)         | <i>From the Chairman of the American Delegation (tel.)</i><br>For the President and Acting Secretary of State Phillips: Advice that steps have been taken to avoid obligation of the U.S. Government with respect to sanctions as set forth in the Chilean proposal to end the Chaco war.  | 376  |
| Dec. 18<br>(100)        | <i>From the Minister in Bolivia (tel.)</i><br>Information that three members of the League Commission, having been assured of Bolivian agreement to integral arbitration, are returning to Asunción expecting acceptance from the Paraguayan President but difficulties with other leaders.  | 376  |
| Dec. 18<br>(64)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Advice concerning a form of declaration on the Chaco question which was submitted in a private meeting of the heads of the delegations; request for Department's views.  | 377  |
| Dec. 18<br>(66)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Information that entire committee approves of and wishes to take final action on the declaration referred to in telegram No. 64, December 18; request for immediate reply.   | 377  |

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| 1933<br>Dec. 18<br>(94) | <i>To the Chairman of the American Delegation (tel.)</i><br>Department's approval of the Chaco declaration.   | 377  |
| Dec. 19<br>(113)        | <i>From the Minister in Paraguay (tel.)</i><br>For the Secretary: Information that the League Commission has received a communication from the Paraguayan President proposing a 10-day general armistice; that the Paraguayan Government has earnestly requested a direct answer so that orders to cease hostilities may be issued.                                   | 378  |
| Dec. 19<br>(114)        | <i>From the Minister in Paraguay (tel.)</i><br>For the Secretary: Advice that Bolivia has accepted the armistice proposed by Paraguay; also that the League Commission hopes to arrive in Montevideo on December 24 where it will be at the disposal of the Bolivian and Paraguayan plenipotentiaries.  | 378  |
| Dec. 19<br>(71)         | <i>From the Chairman of the American Delegation (tel.)</i><br>Conference President's hope that Bolivia and Paraguay will reach a definitive agreement as to demobilization and arbitration before the Conference closes.  | 378  |
| Dec. 19<br>(102)        | <i>To the Chairman of the American Delegation (tel.)</i><br>Congratulations for recent achievement in the Chaco peace efforts.  | 379  |
| Dec. 22<br>(115)        | <i>From the Minister in Paraguay (tel.)</i><br>For the Secretary: Manifestation of growing demand in Paraguay for peace commensurate with sweeping military successes, and indication that submission to arbitration by any agency of the territorial question will be resisted.  | 379  |
| Dec. 22<br>(115)        | <i>To the Chairman of the American Delegation (tel.)</i><br>Advice that the Bolivian Government has complained of a violation of the truce on the part of the Paraguayan Government.  | 380  |
| Dec. 22<br>(80)         | <i>From the Chairman of the American Delegation (tel.)</i><br>For the President and Acting Secretary of State Phillips: Delay in the plenary session of the Conference owing to threats made by the Bolivians in connection with their charges of Paraguayan truce violation; subsequent agreement of the two belligerents to submit the controversy to a commission. | 380  |
| Dec. 23<br>(102)        | <i>From the Minister in Bolivia (tel.)</i><br>Information that the Bolivian Government has accepted the suggestion that the truce violation question be given to a subcommittee designated by the League Commission.  | 381  |
| Dec. 28                 | <i>From the Ambassador in Argentina (tel.)</i><br>For the President and Acting Secretary of State Phillips from Secretary of State Hull: Report that in conference with the Argentine President, the Secretary urged that Argentina make special efforts to induce Paraguay to agree to arbitrate; advice that Bolivia is already agreeable to arbitration.           | 381  |
| Dec. 29                 | <i>From the Minister in Paraguay (tel.)</i><br>Telegram (text printed), which was sent to the Legation at Montevideo and repeated to the Secretary of State at Buenos Aires, reporting conversation with the Paraguayan President in regard to his Government's attitude toward possible extension of the armistice and demobilization.                               | 381  |

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| 1933<br>Dec. 29  | <i>From the Minister in Paraguay (tel.)</i><br>Advice that Paraguay has agreed to an 8-day extension of the armistice.  | 382  |
| Dec. 29<br>(323) | <i>From the Consul at Geneva (tel.)</i><br>Advice concerning a series of cablegrams summarizing recent action by the Pan American Conference and the Investigating Commission in regard to the Chaco dispute received by the League Secretariat from the Investigating Commission.  | 382  |
| Dec. 29<br>(124) | <i>From the Ambassador in Argentina (tel.)</i><br>For the President and Acting Secretary of State Phillips from Secretary Hull: Discussion of Chaco problems with the Argentine President and Foreign Minister, wherein the Secretary stated his belief that Argentina is in a better position than other Governments to influence Paraguay to extend the armistice and agree to arbitration. | 383  |

## LETICIA DISPUTE BETWEEN COLOMBIA AND PERU

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| 1933<br>Jan. 4 | <i>Memorandum by the Assistant Secretary of State</i><br>Expression of regret to Colombian Minister, Fabio Lozano, that Colombia has rejected the good offices of the Permanent Commission at Washington in the dispute with Peru over Leticia.  | 384 |
| Jan. 5         | <i>Memorandum by the Assistant Secretary of State</i><br>Advice by the Peruvian representative before the Permanent Commission that the Peruvian Government has now accepted a Brazilian proposal for solution of the Leticia dispute, which has already been accepted by Colombia, and that the Permanent Commission is being informed, since its connection with the question is at an end, at least for the present time. | 384 |
| Jan. 5         | <i>Memorandum by the Secretary of State</i><br>Concern of Uruguayan Minister, as Chairman of the Permanent Commission, over Colombian refusal to have a conference under the Gondra Treaty, and his desire that the question be taken up with Assistant Secretary White.   | 385 |
| Jan. 5<br>(2)  | <i>To the Ambassador in Brazil (tel.)</i><br>Colombian Minister's notification of his Government's acceptance of Brazilian proposal; instructions to inform Brazilian Government of U. S. satisfaction upon learning that negotiations will take place in Rio de Janeiro.  | 386 |
| Jan. 6<br>(1)  | <i>From the Ambassador in Brazil (tel.)</i><br>Information that in view of Peruvian objections, Brazil has now suggested that Colombian-Peruvian conversations at Rio de Janeiro take place before, instead of after, Leticia has been returned to Colombia, and that the Brazilian Government requests U. S. views and assistance in obtaining Peruvian acceptance of this new proposal.                                    | 386 |

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| 1933<br>Jan. 6  | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with President Olaya of Colombia, who expressed dissatisfaction with a Peruvian counterproposal which would result in restoring Leticia to the Peruvian rebels in the event of unsuccessful negotiations; his further comment that, while he is willing to consider any Peruvian suggestions, he cannot promise in advance the revision of the boundary treaty of 1922 desired by Peru. | 387  |
| Jan. 7          | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with the Counselor of Embassy in Brazil indicating Department's willingness to support Brazilian proposal as requested in Embassy's telegram No. 1, January 6 on condition that Department be informed as to exactly what the proposal is, and whether Colombia has accepted it.  | 389  |
| Jan. 7          | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with the Ambassador in Brazil, who explained revised proposal and said he had been informed that it was acceptable to Colombia; Department's agreement to send a telegram to Peru in support of the proposal.   | 390  |
| Jan. 7          | <i>Memorandum by the Assistant Secretary of State</i><br>Request, in telephone conversation with the Minister in Colombia, to be advised whether Colombia has accepted new Brazilian proposal, as reported; intention to suspend delivery of proposed message to Peruvian Government pending receipt of this information.   | 392  |
| Jan. 7<br>(7)   | <i>From the Minister in Colombia (tel.)</i><br>Information that President Olaya has not, as reported, agreed to new Brazilian proposal.   | 392  |
| Jan. 7<br>(8)   | <i>From the Minister in Colombia (tel.)</i><br>Information that President Olaya has telegraphed to the Colombian Legation at Rio de Janeiro a summary (text printed) containing the formula agreed to by Colombia, together with observations as to Colombian position regarding revision of the boundary treaty of 1922.   | 393  |
| Jan. 7<br>(4)   | <i>To the Ambassador in Brazil (tel.)</i><br>From White (Assistant Secretary of State): Information that Department will not take up with Peruvian Government matter of support for second Brazilian proposal until question of Colombian acceptance is straightened out.   | 393  |
| Jan. 8<br>(5)   | <i>To the Ambassador in Brazil (tel.)</i><br>Transmittal of contents of telegram No. 8, January 7, from the Minister in Colombia.   | 394  |
| Jan. 9<br>(6)   | <i>To the Minister in Colombia (tel.)</i><br>Inquiry as to Colombian objection to the modified formula proposed by Brazil.  | 394  |
| Jan. 9<br>(3)   | <i>To the Ambassador in Brazil (tel.)</i><br>Request to be informed immediately concerning Brazilian plans for obtaining Peruvian and Colombian acceptance of proposed formula.   | 394  |

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| 1933<br>Jan. 9  | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with Ambassador in Brazil, expressing Department's concern over the advance of Colombian troops up the Amazon River, with danger of an imminent conflict, and failure of Colombia and Peru to reach a definite understanding on Brazilian proposal.  | 395  |
| Jan. 9<br>(3)   | <i>From the Ambassador in Brazil (tel.)</i><br>Information that Colombian Minister has received the telegram from his Government repeated to Department in telegram No. 8, January 7, from the Minister in Colombia; willingness of Peruvian Minister in Brazil to confer informally with Colombian Minister on Leticia problem.   | 397  |
| Jan. 9<br>(9)   | <i>From the Minister in Colombia (tel.)</i><br>Comment, with regard to modified Brazilian proposal, that any government which agreed to a further 3-month delay in the recovery of Leticia would be turned out of office.  | 398  |
| Jan. 10<br>(5)  | <i>From the Ambassador in Brazil (tel.)</i><br>Report of Brazilian intention to support proposition presented by Colombian Minister, and to request U. S. action to endeavor to persuade Peruvian Government to accept this proposal.  | 398  |
| Jan. 10         | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Brazilian Ambassador concerning nature of new proposal of Brazilian Government to Colombia and Peru, and his assurance that it agrees with that reported in telegram No. 5, January 10, from the Ambassador in Brazil; U. S. consent to urge Peruvian Government's acceptance of this proposal. | 399  |
| Jan. 10<br>(5)  | <i>To the Ambassador in Peru (tel.)</i><br>Note for Foreign Minister (text printed), for immediate presentation, urging Peruvian acceptance of new Brazilian proposal; instructions to inform Brazilian colleague when note is delivered, and to cooperate with him in supporting proposal.  | 400  |
| Jan. 11         | <i>Memorandum by the Assistant Secretary of State</i><br>Brazilian Ambassador's expression of thanks on behalf of his Government for U. S. support of proposal with Peruvian Government.   | 401  |
| Jan. 12<br>(13) | <i>From the Ambassador in Peru (tel.)</i><br>Refusal by President and Foreign Minister to accept second point of new Brazilian proposal, concerning delivery of Leticia to Colombia, and request that, instead, Brazil occupy Leticia pending final outcome of negotiations.   | 401  |
| Jan. 13         | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Peruvian Ambassador, who mentioned various factors involved in Leticia dispute.   | 401  |
| Jan. 15<br>(21) | <i>From the Ambassador in Peru (tel.)</i><br>Formal presentation, January 13, of Brazilian plan to Peruvian Government with request for an early reply.  | 403  |
| Jan. 16<br>(25) | <i>From the Ambassador in Peru (tel.)</i><br>Peruvian reply, January 14 (text printed), to U. S. note of January 10, advising that U. S. desires and opinions will be carefully considered in connection with the Brazilian proposal.  | 404  |



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| 1933<br>Jan. 16<br>(6) | <i>From the Consul at Geneva (tel.)</i><br>Telegram from the President of the League of Nations Council to the Colombian Government, January 14 (text printed), quoting a telegram to the Peruvian Government, which advised that Colombia has submitted its views on the Leticia situation and invited Peru to present its views also.   | 405  |
| Jan. 17<br>(7)         | <i>From the Ambassador in Brazil (tel.)</i><br>Information that Colombian ships have left Manãos but will stop at Teffe provided Peru's attitude is modified.   | 405  |
| Jan. 17<br>(19)        | <i>From the Minister in Colombia (tel.)</i><br>Information that President Olaya will not follow a recent intimation of League of Nations of its willingness to intervene in the Leticia question, but that he will make an appeal to the Kellogg Pact signatories.  | 406  |
| Jan. 18<br>(7)         | <i>From the Consul at Geneva (tel.)</i><br>Telegrams to the President of the League Council from Colombia and Peru, January 16 (texts printed), replying to the League message cited in telegram No. 6, January 16, from the Consul at Geneva. Information that Leticia question is being placed on the agenda of the Council.  | 406  |
| Jan. 18<br>(14)        | <i>To the Ambassador in Peru (tel.)</i><br>Request for texts of the Brazilian proposal to Peru and the Peruvian reply.  | 407  |
| Jan. 18<br>(31)        | <i>From the Ambassador in Peru (tel.)</i><br>Texts of Brazilian note and Peruvian reply requested in Department's telegram No. 14, January 18.  | 408  |
| Jan. 19<br>(14)        | <i>To the Ambassador in Brazil (tel.)</i><br>Information that the proposal outlined by the Peruvian Ambassador as the one accepted by his Government differs from the Brazilian proposal in respect to the boundary modification provision, and that the Ambassador was advised that the United States will only support proposal as communicated by Brazil; instructions to advise the Brazilian Government accordingly.<br>(Footnote: The same telegram, except for last paragraph, to the Ambassador in Peru.) | 411  |
| Jan. 20                | <i>To the Secretary of the Navy</i><br>Information that in view of the situation between Peru and Colombia, the Peruvian Government has been informed that the use of the drydock at Balboa will not be available to the Peruvian cruiser now proceeding there; request that Commandant of the Fifteenth Naval District be informed accordingly.  | 412  |
| Jan. 21<br>(21)        | <i>From the Minister in Colombia (tel.)</i><br>Information that Colombian note to Kellogg Pact signatories, which had been delayed pending outcome of Brazilian mediation, will be transmitted as of January 21.  | 413  |
| Jan. 23                | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Peruvian Ambassador, who presented certain modifications desired by his Government in the Brazilian mediation proposal, and who was advised that the United States was unable to support such changes, although it would be willing under certain conditions to support an understanding that Leticia should be held by Brazil during negotiations.  | 413  |

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| 1933<br>Jan. 23<br>(37) | <i>From the Ambassador in Peru (tel.)</i><br>Summary of Brazilian note to Peruvian Government, reviewing Brazilian efforts at mediation and Colombian concessions in effort to reach an agreement, and requesting Peruvian reply.  | 416  |
| Jan. 23<br>(41)         | <i>From the Colombian Minister</i><br>Appeal to the United States to call the attention of the Peruvian Government to its obligations under the Kellogg-Briand Pact, with regard to the unlawful seizure of Colombian territory by Peruvian military forces.   | 418  |
| Jan. 24<br>(9)          | <i>From the Ambassador in Brazil (tel.)</i><br>Brazilian proposal to make circular request of all American powers for individual representations to the Peruvian Government for the maintenance of peace, in view of Peru's intransigent attitude and the fact that the Colombian flotilla is only 4 days distant from Leticia.  | 420  |
| Jan. 24<br>(17)         | <i>To the Ambassador in Brazil (tel.)</i><br>Accordance with Brazilian efforts to maintain peace, and information concerning U. S. action in response to Colombian appeal under the Kellogg Pact.  | 420  |
| Jan. 24<br>(17)         | <i>From the Consul at Geneva (tel.)</i><br>Telegram from Peru to the League of Nations, January 23 (text printed), requesting the League to order the suspension of all measures of force in the dispute between Colombia and Peru. Information that question is now under consideration by a Council committee.   | 420  |
| Jan. 25                 | <i>Memorandum by the Assistant Secretary of State and Comment Thereon by the Secretary of State</i><br>Discussion of Leticia dispute with British, French, Italian, German, and Japanese Ambassadors, who were informed of U. S. intention, in response to Colombian appeal, to send a note to Peru with respect to its violation of the Kellogg Pact.   | 421  |
| Jan. 25                 | <i>To the Peruvian Minister for Foreign Affairs (tel.)</i><br>Review of background of Leticia dispute, and urgent appeal to Peruvian Government to stand by its commitments under the Kellogg Pact and to accept the Brazilian proposal for settling the question.   | 423  |
| Jan. 25<br>(9)          | <i>To the Consul at Geneva (tel.)</i><br>Transmittal, for information of the Secretary General of the League, of text of U. S. telegram to Peru of January 25.   | 428  |
| Jan. 25                 | <i>To All Diplomatic Missions in Latin America (cir. tel.)</i><br>Information concerning communication to Peru of January 25.  | 428  |
| Jan. 26<br>(21)         | <i>From the Consul at Geneva (tel.)</i><br>Telegram from the League Council to Colombia (text printed), incorporating a telegram to Peru, referring to Peruvian duty to refrain from any intervention by force on Colombian territory; expression of confidence that Colombian authorities will avoid violation of Peruvian territory and exercise clemency in the restoration of their legitimate rights. | 429  |

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| 1933<br>Jan. 26<br>(25) | <i>From the Consul at Geneva (tel.)</i><br>Request of Drummond, Secretary General of the League, for the formal communication to him, with permission to circulate it, of Department's telegram to Peru of January 25; Consul's suggestion for the inclusion of an explanatory paragraph, referring to Colombia's appeal under the Kellogg Pact.   | 430  |
| Jan. 26<br>(10)         | <i>To the Consul at Geneva (tel.)</i><br>Instructions to make formal communication to Drummond of Department's telegram of January 25 to Peru, with suggested explanatory paragraph.   | 431  |
| Jan. 27                 | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Proposal by Dr. Rowe, Director General of the Pan American Union, that the State Department call a meeting of heads of the Latin American missions in Washington to consider the attitudes to be taken by their respective Governments on the Brazilian proposal; U. S. feeling that such a meeting, if it were thought desirable to have one, should be summoned by Brazil. | 431  |
| Jan. 27<br>(26)         | <i>From the Consul at Geneva (tel.)</i><br>Drummond's report of discussion with Colombian and Peruvian representatives concerning possible methods of reaching a settlement of the dispute, in which it was proposed that Brazilian occupation of Leticia should be extended from the period of 10 days to a month or 6 weeks; agreement of both delegates to submit this proposal to their respective Governments.                                      | 433  |
| Jan. 27                 | <i>From the Peruvian Minister for Foreign Affairs (tel.)</i><br>Reply to U. S. telegram of January 25, explaining Peruvian military and juridical position with respect to Leticia, affirming its intent to comply with the Kellogg Pact and other international obligations, but reiterating its desire for rectification of the Colombian-Peruvian boundary by revision of the Salomon-Lozano Treaty.  | 434  |
| Jan. 30<br>(4)          | <i>From the Minister in Ecuador (tel.)</i><br>Ecuadoran note to Peru with regard to Leticia dispute, expressing hope that Peru will observe its obligations under the Kellogg Pact; similar note to Colombia, omitting reference to Kellogg Pact. Foreign Minister's renewal of request for assistance in securing Ecuadoran participation in negotiations for solution of Amazon territorial problems.  | 437  |
| Jan. 30<br>(30)         | <i>From the Consul at Geneva (tel.)</i><br>Report of conversation between Drummond and the Colombian and Peruvian representatives, and their agreement to refrain from further suggestions at Geneva in order to allow time for developments in the various proposals now before the Peruvian Government.  | 438  |
| Jan. 30                 | <i>To the Peruvian Minister for Foreign Affairs (tel.)</i><br>Acknowledgment of Peruvian telegram of January 27, expressing hope for Peru's immediate acceptance of Brazilian proposal without modification.   | 439  |

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| 1933<br>Jan. 30<br>(18) | <i>To the Ambassador in Brazil (tel.)</i><br>Instructions to make suggestion to the Foreign Minister, in the event of Peruvian nonacceptance of Brazilian proposal within a reasonable period, for a last Brazilian appeal to Peru to secure the peaceful occupation of Leticia by Colombia, to be followed by the conference in Rio de Janeiro for the adjustment of outstanding Colombian-Peruvian differences. | 439  |
| Jan. 31                 | <i>From the Peruvian Minister for Foreign Affairs (tel.)</i><br>Notification of unconditional acceptance of first and third bases of Brazilian proposal, and willingness to accept the second with certain modifications.   | 440  |
| Jan. 31<br>(10)         | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Minister's willingness to adopt suggestion conveyed in Department's telegram No. 18, January 30, should circumstances develop as outlined.   | 440  |
| Feb. 1                  | <i>To Certain Diplomatic Missions in Latin America (cir. tel.)</i><br>Instructions to report telegraphically whether the Government concerned has sent a note to Peru urging compliance with Kellogg Pact and acceptance of Brazilian proposal, and, if not, to point out the importance of its doing so.   | 441  |
| Feb. 1<br>(25)          | <i>To the Ambassador in Great Britain (tel.)</i><br>Instructions to discuss with Foreign Secretary a recent British <i>aide-mémoire</i> , which shows British misconception of Brazilian proposal, and to urge that British make representations to Peru in support of the Kellogg Pact and the bona fide Brazilian proposal.   | 441  |
| Feb. 2<br>(18)          | <i>From the Minister in Paraguay (tel.)</i><br>Report concerning Paraguayan telegram to Peru urging acceptance of Brazilian proposal.   | 444  |
| Feb. 2<br>(3)           | <i>From the Minister in Costa Rica (tel.)</i><br>Information that text of Costa Rican cable to Peru expressing hope that Brazilian proposal would be accepted has been transmitted to Department by despatch of January 31.   | 444  |
| Feb. 2<br>(5)           | <i>From the Minister in Guatemala (tel.)</i><br>Information concerning Guatemalan message to Peruvian Government.   | 444  |
| Feb. 2<br>(8)           | <i>From the Ambassador in Cuba (tel.)</i><br>Information that instructions (text printed) have been sent to the Cuban Chargé in Peru for representations in support of the Brazilian proposal, and that further instructions are being sent, but that they are not based on the Kellogg Pact.   | 444  |
| Feb. 2<br>(2)           | <i>From the Minister in the Dominican Republic (tel.)</i><br>Information that Dominican Government on January 30 telegraphed Peru urging acceptance of the Brazilian proposal.  | 445  |
| Feb. 2<br>(25)          | <i>From the Minister in Nicaragua (tel.)</i><br>Information that on January 27 Nicaragua sent a telegram to Peru urging acceptance of the Brazilian proposal.   | 445  |
| Feb. 2<br>(24)          | <i>From the Ambassador in Mexico (tel.)</i><br>Information that as Mexico has no diplomatic relations with Peru, it is not possible for Mexico to make any representations to Peru.   | 446  |

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| 1933<br>Feb. 2<br>(22) | <i>From the Minister in Panama (tel.)</i><br>Panamanian Government's representations to Peru, January 27 (text printed), based on Kellogg Pact.  | 446  |
| Feb. 2<br>(5)          | <i>To the Ambassador in Cuba (tel.)</i><br>Instructions to explain to the Foreign Minister Department's view that it is important that Cuban representations to Peru in the Leticia dispute be based on the Kellogg Pact.  | 446  |
| Feb. 2<br>(21)         | <i>From the Ambassador in Chile (tel.)</i><br>Information that Chilean Foreign Minister intends to send a communication to Peru based on the Kellogg Pact, but is reserving action pending his conference with the Argentine Foreign Minister.   | 447  |
| Feb. 3<br>(4)          | <i>From the Minister in Costa Rica (tel.)</i><br>Information that Costa Rican telegram to Peru urging acceptance of Brazilian proposal made no mention of the Kellogg Pact.  | 447  |
| Feb. 3<br>(9)          | <i>From the Ambassador in Cuba (tel.)</i><br>Information that Cuban Chargé in Peru has been instructed to present a note supporting action on the basis of the Kellogg Pact.   | 448  |
| Feb. 3<br>(5)          | <i>From the Minister in Haiti (tel.)</i><br>Information that on January 28 the Haitian Government sent a telegram to Peru along the lines of Department's circular telegram of February 1.   | 448  |
| Feb. 3<br>(26)         | <i>From the Minister in Nicaragua (tel.)</i><br>Information that Nicaragua will telegraph Peru, referring to its commitments under Kellogg Pact and declaration of August 3, 1932.   | 448  |
| Feb. 3<br>(21)         | <i>From the Ambassador in Great Britain (tel.)</i><br>Information that British agree with American position as conveyed in Department's telegram No. 25 of February 1, and that Foreign Minister is considering representations under the Kellogg Pact.  | 448  |
| Feb. 3<br>(2)          | <i>From the Minister in Venezuela (tel.)</i><br>Information that Venezuela is telegraphing Peru in support of position as outlined in Department's circular telegram of February 1.  | 449  |
| Feb. 3<br>(13)         | <i>To the Ambassador in Chile (tel.)</i><br>Opinion as to importance of Chilean Government's taking action on the basis of the Kellogg Pact.   | 449  |
| Feb. 3<br>(27)         | <i>To the Ambassador in Great Britain (tel.)</i><br>Hope that British Foreign Office will make representations to Peru under the Kellogg Pact, and information that Germany and Italy have authorized their representatives in Peru to make such representations when the British and French do so.  | 449  |
| Feb. 3<br>(16)         | <i>To the Minister in Colombia (tel.)</i><br>From Rublee (Financial Adviser to the Colombian Government): Inquiry as to whether President Olaya will accept Peruvian suggestion for a limited period of negotiations to be followed by arbitration in case of failure to reach accord, and if so, whether he will notify Brazil accordingly. | 450  |

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| 1933<br>Feb. 3<br>(24) | <i>From the Ambassador in Chile (tel.)</i><br>Disinclination of Foreign Minister to take further action in the Leticia matter.  | 450  |
| Feb. 4<br>(21)         | <i>From the Minister in Paraguay (tel.)</i><br>Information that Paraguay has sent a further communication to Peru referring to the Kellogg Pact.  | 451  |
| Feb. 4<br>(25)         | <i>From the Ambassador in Chile (tel.)</i><br>Report of undecided attitude of the Foreign Minister with regard to action under the Kellogg Pact.  | 451  |
| Feb. 4<br>(3)          | <i>From the Minister in the Dominican Republic (tel.)</i><br>Information that express reference to the Kellogg Pact was not included in the Dominican Government's first telegram to Peru, but will be made in a further communication.   | 451  |
| Feb. 4<br>(27)         | <i>To the Ambassador in Peru (tel.)</i><br>Receipt of information that British Government has now instructed its Minister in Peru to make representations on the basis of the Kellogg Pact; expectation that France will soon take similar action.  | 452  |
| Feb. 4<br>(25)         | <i>From the Minister in Colombia (tel.)</i><br>For Rublee: Advice that President Olaya would accept formula proposed in Department's telegram No. 16, February 3, if it has been correctly understood, but would not suggest it to Brazil, which has declared its efforts at mediation are at an end.<br>(Footnote: Information that understanding of formula is correct.)  | 452  |
| Feb. 5<br>(7)          | <i>From the Minister in Haiti (tel.)</i><br>Information concerning proposed Haitian telegram to Peru expressing satisfaction at Peruvian decision to accept Brazilian proposal, and making direct reference to the Kellogg Pact.  | 453  |
| Feb. 5<br>(26)         | <i>From the Minister in Colombia (tel.)</i><br>Additional condition proposed by President Olaya to formula referred to in Minister's telegram No. 25, February 4, which concerns freedom of movement for Colombian flotilla under Vasquez Cobo.   | 453  |
| Feb. 6                 | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with Embassy in Brazil, which was instructed to take up with the Foreign Office question of modified proposal and continuance of Brazilian mediation efforts; further suggestion for arrangements for Brazilian flotilla to accompany Colombian flotilla to Colombian port of Leticia as a guarantee of nonaggression against Peru. | 453  |
| Feb. 6                 | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with German and Italian Ambassadors, who were informed that the British had now made representations to Peru based on the Kellogg Pact, and were requested to suggest that their Governments proceed with representations without waiting for France.   | 455  |
| Feb. 6<br>(8)          | <i>From the Minister in Haiti (tel.)</i><br>Request for Department's suggestions, if any, in regard to proposed Haitian telegram to Peru reported in Minister's telegram No. 7, February 5.   | 456  |

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| 1933<br>Feb. 6<br>(6) | <i>From the Minister in Costa Rica (tel.)</i><br>Information that Foreign Minister is cabling note to Peru invoking Kellogg Pact.   | 456  |
| Feb. 6<br>(27)        | <i>From the Minister in Colombia (tel.)</i><br>For Rublee: Olaya's withdrawal of acceptance of modified proposal because of opposition of Foreign Affairs Advisory Committee and of representative at League of Nations.  | 456  |
| Feb. 6<br>(94)        | <i>From the Minister in Switzerland (tel.)</i><br>Drummond's request for confirmation or refutation of reports of end of Brazilian mediation and possibility of an armed clash between Colombian and Peruvian forces on Colombian territory.  | 457  |
| Feb. 6<br>(9)         | <i>From the Minister in Haiti (tel.)</i><br>Haitian telegram to Peru (text printed), which is based definitely on the Kellogg Pact.   | 457  |
| Feb. 6<br>(68)        | <i>From the Ambassador in Peru (tel.)</i><br>British Minister's oral representations to Foreign Minister concerning Peruvian obligations under the Kellogg Pact, and Peruvian determination to hold Leticia.  | 457  |
| Feb. 6<br>(20)        | <i>To the Ambassador in Brazil (tel.)</i><br>Advice with reference to telephone conversation of Assistant Secretary of State with Embassy in Brazil, February 6, that Olaya's withdrawal of acceptance of proposal has changed the situation.   | 458  |
| Feb. 6<br>(29)        | <i>To the Ambassador in France (tel.)</i><br>Instructions to urge Foreign Minister to make representations to Peru concerning its obligations under the Kellogg Pact.   | 458  |
| Feb. 6<br>(63)        | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Advice that Department's information confirms reports contained in Minister's telegram No. 94 of February 6, but opinion that way is still open for mediation and that best course is to continue support of Brazilian Government. | 459  |
| Feb. 6<br>(18)        | <i>To the Minister in Colombia (tel.)</i><br>Information that Department has not yet been advised of the end of Brazilian mediation; disappointment at Olaya's withdrawal of acceptance of recent proposal.   | 460  |
| Feb. 6<br>(21)        | <i>To the Ambassador in Brazil (tel.)</i><br>Determination to continue full support of Brazilian proposal, and desire to be kept informed of developments in the matter.  | 460  |
| Feb. 6<br>(3)         | <i>To the Minister in Haiti (tel.)</i><br>Observations with respect to proposed Haitian telegram to Peru, reported in Minister's telegram No. 8, February 6.  | 461  |
| Feb. 6<br>(12)        | <i>From the Ambassador in Brazil (tel.)</i><br>Advice that Brazil has not abandoned mediation, but is unwilling to accept Peruvian suggestion with respect to long tenure of Leticia.   | 461  |
| Feb. 7                | <i>Memorandum by the Assistant Secretary of State</i><br>German Ambassador's advice that his Government is making representations to Peru with respect to its obligations under the Kellogg Pact.   | 461  |

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| 1933<br>Feb. 7<br>(13) | <i>From the Ambassador in Brazil (tel.)</i><br>Reports that Peruvian Government is in difficulties and may fall.  | 462  |
| Feb. 7<br>(3)          | <i>From the Minister in Venezuela (tel.)</i><br>Information that Venezuelan note to Peru supported Brazilian proposal and U. S. note, but did not mention Kellogg Pact.   | 462  |
| Feb. 7<br>(10)         | <i>From the Minister in Honduras (tel.)</i><br>Honduran representations to Peru (text printed), urging acceptance of Brazilian proposal and referring to Kellogg Pact.  | 462  |
| Feb. 7<br>(28)         | <i>From the Minister in Colombia (tel.)</i><br>Olaya's agreement to renew acceptance of modified proposal with provision that Colombian ships will enter the Putumayo; his desire for Peruvian reply by February 8.   | 463  |
| Feb. 7<br>(14)         | <i>From the Ambassador in Brazil (tel.)</i><br>Brazilian acceptance of Peruvian suggestion for joint Colombian-Peruvian cession to Brazil of Leticia territory for period of approximately 60 days, and desire that U. S. Government advise Colombia to accept this plan. | 463  |
| Feb. 7<br>(54)         | <i>From the Ambassador in France (tel.)</i><br>Information that French representative in Peru has been instructed to make representations reminding Peru of its obligations under the Kellogg Pact.   | 464  |
| Feb. 7<br>(22)         | <i>To the Ambassador in Brazil (tel.)</i><br>Request for text of revised Brazilian formula, and inquiry as to whether it is definitely understood that Colombia will receive Leticia whatever the outcome of the negotiations.  | 464  |
| Feb. 7<br>(20)         | <i>To the Minister in Colombia (tel.)</i><br>Information that it will be impossible to obtain Peruvian reply to revised proposal by February 8, and instructions to endeavor to have advance of Colombian ships delayed as much as possible.                              | 465  |
| Feb. 7<br>(4)          | <i>From the Minister in the Dominican Republic (tel.)</i><br>Information from Foreign Minister that he does not recall receiving a request from Colombia, but that he is sending a telegram to Peru referring specifically to the Kellogg Pact.                           | 465  |
| Feb. 8<br>(5)          | <i>From the Minister in the Dominican Republic (tel.)</i><br>Foreign Minister's confirmation of facts reported in telegram No. 4, February 7.   | 466  |
| Feb. 8<br>(16)         | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Minister's confirmation of understanding that Leticia is to be returned to Colombia; question as to when 60-day period of Brazilian tenure is to begin.  | 466  |
| Feb. 8<br>(24)         | <i>To the Ambassador in Brazil (tel.)</i><br>Reiteration of necessity, if effective action is to be taken, for Brazil to formulate its proposal and submit it to Peru immediately, and to furnish U.S. Government with the exact text.                                    | 466  |
| Feb. 9<br>(17)         | <i>From the Ambassador in Brazil (tel.)</i><br>Memorandum of Brazil's position (text printed), submitted by Foreign Minister, upholding Brazil's original formula, but expressing willingness to extend period of Brazil's temporary occupancy of Leticia.                | 467  |



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| 1933<br>Feb. 9  | <i>Memorandum by the Assistant Secretary of State</i><br>Telephone conversation with Ambassador in Brazil in which important omissions in the Brazilian memorandum of February 9 were pointed out; request for actual text of proposal being sent to Peru, and suggestion that the same proposal should be sent also to Colombia. | 467  |
| Feb. 9<br>(18)  | <i>From the Ambassador in Brazil (tel.)</i><br>Information that Brazilian proposal is being telegraphed to the Brazilian Embassy in Peru for submission to the Peruvian Government.   | 469  |
| Feb. 9<br>(29)  | <i>From the Minister in Colombia (tel.)</i><br>Critical position of Olaya domestically, but willingness to stand by his acceptance of formula exactly as contained in Minister's telegram No. 25, February 4.   | 469  |
| Feb. 10<br>(25) | <i>To the Ambassador in Brazil (tel.)</i><br>Information concerning difficulties in Colombia and Olaya's position as reported in telegram No. 29, February 9, from the Minister in Colombia.  | 469  |
| Feb. 10<br>(32) | <i>From the Minister in Colombia (tel.)</i><br>Foreign Minister's emphasis on Colombian objections to use of certain phrases in proposal.   | 470  |
| Feb. 10<br>(19) | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Office telegram to Colombia and Peru (text printed) setting forth mediation proposal.  | 470  |
| Feb. 10<br>(33) | <i>From the Minister in Colombia (tel.)</i><br>Information that a delay in the advance of the Colombian flotilla has been ordered.  | 471  |
| Feb. 10<br>(20) | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Office amplification of Brazilian note to Colombia and Peru.   | 471  |
| Feb. 10<br>(30) | <i>From the Ambassador in Chile (tel.)</i><br>Information that Chilean response to Colombian request for action under the Kellogg Pact gave support of peaceful settlement in general terms only.   | 471  |
| Feb. 10<br>(26) | <i>To the Ambassador in Brazil (tel.)</i><br>Desire that Brazilian proposal be clarified in certain respects; intention to make no representations in support of proposal until this is done, and to make no further request for delay in Colombian naval expedition.   | 472  |
| Feb. 10<br>(21) | <i>To the Minister in Colombia (tel.)</i><br>Transmittal of contents of Department's telegram No. 26, February 10, to the Ambassador in Brazil; expression of appreciation of Colombian policy of moderation in holding up expedition to Leticia.   | 473  |
| Feb. 11<br>(21) | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Office agreement to make substitution in phrasing of proposal to meet Colombian objection.   | 473  |

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| 1933<br>Feb. 11<br>(29) | <i>To the Ambassador in Brazil (tel.)</i><br>Observation that substitution suggested in telegram No. 21, February 11, appears satisfactory, but that provision for return of Leticia to Colombia after 60 days should also be included; instructions to impress Brazilian Government with need for haste.  | 473  |
| Feb. 11<br>(22)         | <i>From the Ambassador in Brazil (tel.)</i><br>Brazilian explanation concerning equivalent Spanish translation for Portuguese expression to which Colombia objects.  | 474  |
| Feb. 12<br>(35)         | <i>From the Minister in Colombia (tel.)</i><br>Information that Colombia refuses to accept wording "in compensation".  | 474  |
| Feb. 13<br>(23)         | <i>From the Ambassador in Brazil (tel.)</i><br>Foreign Minister's explanation as to why the changes requested by Colombia either need not or cannot be made in the proposal.   | 475  |
| Feb. 13<br>(36)         | <i>From the Minister in Colombia (tel.)</i><br>Information that Vasquez Cobo in charge of Colombian flotilla has arrived at the Brazilian-Colombian boundary near Tarapacá.  | 475  |
| Feb. 13                 | <i>Memorandum by the Assistant Secretary of State</i><br>Italian Ambassador's advice that his Government has now made representations to Peru under the Kellogg Pact similar to those made by the British.   | 475  |
| Feb. 14                 | <i>From the Colombian Minister for Foreign Affairs (tel.)</i><br>Account of Peruvian air attack on Colombian vessels following delivery of a communication (text printed) from Vasquez Cobo, Commander of Colombian Expedition, to the inhabitants of Tarapacá, concerning Colombian intention to reoccupy that territory and restore order; observation that the attack was made while the ships were in Brazilian waters, 81 kilometers from the nearest Peruvian territory. | 476  |
| Feb. 14                 | <i>Memorandum by the Assistant Secretary of State</i><br>Report by Colombian representatives of Peruvian attack on Colombian ships; discussion of Colombian proposal to try to secure a Brazilian squadron to accompany Colombian ships, and of U. S. policy concerning a declaration of neutrality where hostilities occurred without a declaration of war.   | 477  |
| Feb. 14<br>(37)         | <i>From the Minister in Colombia (tel.)</i><br>Report by Vasquez Cobo concerning Peruvian attack.  | 477  |
| Feb. 14<br>(25)         | <i>From the Ambassador in Brazil (tel.)</i><br>Brazilian intention to confine its efforts in Leticia hostilities to the preservation of the inviolability of Brazilian territory.  | 478  |
| Feb. 15<br>(38)         | <i>From the Minister in Colombia (tel.)</i><br>Report that Tarapacá has been occupied.   | 478  |
| Feb. 15<br>(82)         | <i>From the Ambassador in Peru (tel.)</i><br>Official notification of the withdrawal of Brazilian mediation.   | 478  |
| Feb. 15<br>(39)         | <i>From the Minister in Colombia (tel.)</i><br>Colombian Government's severance of diplomatic relations with Peru, but nonintention of declaring war.  | 479  |

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| 1933<br>Feb. 15<br>(26) | <i>To the Minister in Colombia (tel.)</i><br>Explanation by Colombian representative of Colombia's decision to attack and occupy certain Peruvian positions along the Putumayo; discussion as to effect of such action on Colombian assurances to the League and on its position before world opinion.   | 479  |
| Feb. 16<br>(40)         | <i>From the Minister in Colombia (tel.)</i><br>Information that after discussion Olaya changed military plans and will instruct the Colombian representative at the League of Nations to proceed under article 16 of the League Covenant; his desire for the presence of observers from the Department of State, the League, and Brazil, and his further request for discreet inquiry by Department concerning the possibility of a change in Brazilian attitude toward the Colombian expeditionary force. | 480  |
| Feb. 16<br>(115)        | <i>From the Minister in Switzerland (tel.)</i><br>Information that League Council Committee has sent an inquiry to Peru concerning hostilities which are taking place on Colombian territory.  | 481  |
| Feb. 17<br>(29)         | <i>To the Minister in Colombia (tel.)</i><br>Department's attitude concerning inadvisability of complying with Colombian requests for an official observer with Colombian forces, and for inquiry concerning Brazilian attitude.   | 482  |
| Feb. 17<br>(35)         | <i>To the Ambassador in Brazil (tel.)</i><br>Arrangements for dispatch of Military Attaché, Major Sackville, to scene of operations in Leticia to obtain accurate and impartial information concerning the entire situation; instructions to request Brazilian Government for permission and all possible facilities for him to proceed to that area.  | 482  |
| Feb. 17<br>(67)         | <i>From the Colombian Minister</i><br>Information concerning Colombian severance of diplomatic relations with Peru following outbreak of hostilities at Leticia.   | 483  |
| Feb. 18<br>(52)         | <i>From the Consul at Geneva (tel.)</i><br>League Council Committee's further inquiry to Peru (text printed) concerning presence of Peruvian military posts on Colombian territory.  | 484  |
| Feb. 18<br>(27)         | <i>From the Ambassador in Brazil (tel.)</i><br>Brazilian Government's willingness to afford observation facilities for Major Sackville.  | 484  |
| Feb. 20<br>(28)         | <i>From the Ambassador in Brazil (tel.)</i><br>Information as to arrangements for Major Sackville's trip.  | 485  |
| Feb. 20                 | <i>From the Peruvian Minister for Foreign Affairs (tel.)</i><br>Historical background with relation to recent events in Leticia area.  | 485  |
| Feb. 21<br>(53)         | <i>From the Consul at Geneva (tel.)</i><br>Account of meeting of the League Council in response to Colombia's request and invocation of article 15; nonattendance of Peruvian delegate.  | 488  |
| Feb. 23<br>(100)        | <i>From the Ambassador in Peru (tel.)</i><br>Information that Argentina, Brazil, and Chile contemplate making suggestions for settling the Peruvian-Colombian dispute.   | 489  |

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| 1933<br>Feb. 23<br>(124) | <i>From the Minister in Switzerland (tel.)</i><br>Information that the Council Committee has presented a memorandum to the Peruvian representative (text printed) and one to the Colombian representative (text printed), suggesting certain actions as preliminary to conciliation proceedings under article 15, involving evacuation of Leticia territory by Peru and the presence there of a League commission with command over Colombian forces.   | 490  |
| Feb. 25<br>(76)          | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Information that U.S. reply ( <i>infra</i> ) to Peruvian Foreign Minister's telegram of February 20 supports position taken by the League; assurance of future support of League action.   | 491  |
| Feb. 25                  | <i>To the Peruvian Minister for Foreign Affairs (tel.)</i><br>Reply to Peruvian telegram of February 20, reiterating previous U.S. views with regard to a peaceful settlement of the Peruvian-Colombian dispute, and expressing hope that Peru will now accept League proposal of February 23.  | 492  |
| Feb. 25<br>(130)         | <i>From the Minister in Switzerland (tel.)</i><br>Memorandum from Drummond (text printed), advising that upon receipt of satisfactory Peruvian assurances, an <i>aide-mémoire</i> , almost identical with that presented to Colombian representative on February 23, was given to Colombian and Peruvian representatives as Committee's final and definite suggestion for a settlement.   | 492  |
| Feb. 27                  | <i>To the Colombian Minister for Foreign Affairs (tel.)</i><br>Expression of fullest support for League proposal of February 25 and hope that Colombian Government will accept it.<br>(Footnote: The same telegram, <i>mutatis mutandis</i> , February 27, to the Peruvian Foreign Minister; text also quoted to the Minister in Switzerland.)  | 493  |
| Feb. 27                  | <i>From the Colombian Minister for Foreign Affairs (tel.)</i><br>Information that Colombia is accepting without any modification the League proposal of February 25.  | 494  |
| Mar. 2                   | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Colombian Minister and Señor Guzman, Colombian special representative, concerning their belief that Colombia should take the Putumayo ports immediately, as Peru is delaying in order to improve its military position; U.S. refusal to express an opinion, but advice that League will soon proceed with its report, if Peruvian reply is not received within a reasonable time, and that Colombian Government should take this into consideration. | 494  |
| Mar. 7<br>(140)          | <i>From the Minister in Switzerland (tel.)</i><br>Peruvian objections to League proposal; Committee's intention to formulate draft report under paragraph 4, article 15 of the Covenant; discussion with Drummond of measures under consideration by the League, including possibility of an arms embargo against Peru, establishment of an advisory committee in the matter, and probable U.S. attitude concerning invitation to appoint an American member on the committee.  | 495  |
| Mar. 10<br>(144)         | <i>From the Minister in Switzerland (tel.)</i><br>Request for U. S. views on proposed arms embargo against Peru.  | 496  |

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| 1933<br>Mar. 11  | <i>From the Peruvian Minister for Foreign Affairs (tel.)</i><br>Information that Peru has accepted the League proposal with the request that the police in the Leticia territory be of any other nationality than Colombian.   | 496  |
| Mar. 13<br>(148) | <i>From the Minister in Switzerland (tel.)</i><br>Confidential summary of Committee's draft report and draft recommendation to be submitted to the Council, latter of which includes appointment of an advisory committee with which the U. S. and Brazilian Governments will be invited to cooperate.                         | 497  |
| Mar. 15<br>(80)  | <i>From the Consul at Geneva (tel.)</i><br>Information that draft report and resolution, essentially as reported in telegram No. 148, March 13, will be submitted to the Council for final adoption within a few days.   | 499  |
| Mar. 15<br>(88)  | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Instructions for reply with regard to probable invitation to United States to cooperate with advisory committee to be set up to watch the Leticia situation.  | 499  |
| Mar. 16          | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Colombian Minister and Dr. Guzman, who were advised that the United States and the League were acting independently in the Leticia situation; U. S. unwillingness to indicate in advance what action it will take on the forthcoming League report. | 499  |
| Mar. 16          | <i>From the Peruvian Embassy</i><br>Advice that Peru has accepted the proposals of the League on condition that occupying troops of some other nationality be substituted for Colombian forces; explanation of Peruvian demand.  | 501  |
| Mar. 18<br>(81)  | <i>From the Consul at Geneva (tel.)</i><br>Information that report and resolution were adopted unanimously by the League Council, and accepted by Colombia, but not by Peru.   | 505  |
| Mar. 18<br>(82)  | <i>From the Consul at Geneva (tel.)</i><br>Account of proceedings leading to adoption of report by League Council; intention of Advisory Committee to invite cooperation of United States and Brazil.  | 505  |
| Mar. 18<br>(154) | <i>From the Minister in Switzerland (tel.)</i><br>Letter from Drummond concerning invitation for United States to collaborate in work of the Advisory Committee on Leticia, and reply in accordance with Department's instructions in telegram No. 88, March 15 (texts printed).   | 506  |
| Mar. 20<br>(34)  | <i>From the Ambassador in Brazil (tel.)</i><br>Information that out of courtesy Brazil is accepting the League invitation to cooperate with the Advisory Committee on Leticia, but is doubtful that its efforts will be successful.  | 508  |
| Mar. 22<br>(155) | <i>From the Minister in Switzerland (tel.)</i><br>Account of Advisory Committee meeting, which U. S. representative attended in accordance with previously expressed conditions, at which the question of the application of an arms embargo against Peru was discussed.   | 508  |

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| 1933<br>Mar. 22<br>(156) | <i>From the Minister in Switzerland (tel.)</i><br>Observations with regard to the League's proposed arms embargo against Peru as to the precedent it would establish in relation to Japan and to possible eventualities elsewhere.   | 509  |
| Mar. 23<br>(35)          | <i>From the Ambassador in Brazil (tel.)</i><br>From Major Sackville: Request that permission be obtained for him to enter Peruvian and Colombian territory for purposes of observation and information.  | 510  |
| Mar. 24<br>(157)         | <i>From the Minister in Switzerland (tel.)</i><br>Information that Brazil is accepting participation in the League Advisory Committee on Leticia upon the same conditions as those imposed by the United States.   | 510  |
| Mar. 24<br>(44)          | <i>To the Ambassador in Brazil (tel.)</i><br>For Major Sackville: Advice that situation has changed and that it is not advisable to enter Peruvian or Colombian territory; instructions to make observations for a few days on the Brazilian side and then return to Rio de Janeiro.   | 510  |
| Mar. 29<br>(44)          | <i>From the Minister in Panama (tel.)</i><br>Information that the Panaman Legation in France has transmitted an inquiry from League Consultative Committee (text printed) as to Panama's attitude toward prohibiting reexportation and transit of arms to Peru; Panaman desire to know U.S. attitude in the matter.  | 511  |
| Mar. 31<br>(38)          | <i>To the Minister in Panama (tel.)</i><br>U.S. nonintention to take any position in regard to arms embargo prior to League decision in the matter.  | 511  |
| Apr. 5<br>(163)          | <i>From the Minister in Switzerland (tel.)</i><br>Information that at meeting of the Advisory Committee a communication of March 30 from Peru was considered, which reported the seizure by Colombian forces on March 27 of the outer Putumayo Peruvian post of Güepi.   | 511  |
| Apr. 6<br>(164)          | <i>From the Minister in Switzerland (tel.)</i><br>Report of Advisory Committee meeting at which there was brought up a new Peruvian proposal made to British and Italian representatives concerning Peru's willingness to enter into discussions for a settlement of the Leticia dispute on the basis of the recommendations of the Committee of Three of February 25.   | 512  |
| Apr. 7<br>(165)          | <i>From the Minister in Switzerland (tel.)</i><br>Advisory Committee letter of April 6 to the Peruvian representative (text printed), advising that the Committee is deferring its reply to the Peruvian communication of March 30, in view of the possibility of securing the cooperation of the two interested parties in the execution of the Council recommendation of March 18.   | 513  |
| Apr. 7<br>(167)          | <i>From the Minister in Switzerland (tel.)</i><br>Communication from Chairman of the Advisory Committee (text printed) concerning arrangement for the execution of the Council's recommendation of March 18, which the Peruvian representative has advised that his Government accepts, and which the Colombian representative is transmitting to his Government for approval; hope that the United States will urge Colombian acceptance. | 514  |

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| 1933<br>Apr. 8<br>(40) | <i>To the Minister in Colombia (tel.)</i><br>Transmittal of telegram No. 167, April 7, from the Minister in Switzerland, with authorization to discuss arrangement with President Olaya and express hope that Colombia will accept it.   | 515  |
| Apr. 11<br>(44)        | <i>From the Minister in Colombia (tel.)</i><br>Information concerning telegram sent by the British Minister to his Government (text printed), reporting Colombia's objections to the new League proposal, and containing a suggested formula to meet these objections, the principal point being a guarantee by the League of the recognition and protection of Colombian sovereignty over the Leticia area.   | 516  |
| Apr. 12<br>(94)        | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Transmittal of telegram No. 44, April 11, from the Minister in Colombia.  | 518  |
| Apr. 13                | <i>Memorandum by the Under Secretary of State</i><br>Conversation with the Peruvian Ambassador, who submitted a memorandum ( <i>infra</i> ), and made some observations with regard to the occupying forces for the Leticia area under the League plan.  | 518  |
| Apr. 13                | <i>From the Peruvian Embassy</i><br>Desire of the Peruvian Government that the United States use its influence in an appeal to Colombia to accept the League plan.   | 519  |
| Apr. 20<br>(168)       | <i>From the Minister in Switzerland (tel.)</i><br>Conversation with Chairman of the Advisory Committee, who commented that Council's action of March 18, recommending Peruvian evacuation of Leticia unconditionally, made Colombia's position stronger legally and morally.   | 519  |
| Apr. 21<br>(46)        | <i>From the Minister in Colombia (tel.)</i><br>Colombian Government's formula and two separate notes (texts printed) addressed to the League as proposed settlement of the Leticia dispute.  | 520  |
| Apr. 27<br>(80)        | <i>To the Chargé in Great Britain (tel.)</i><br>Transmittal of telegram No. 46, April 21, from the Minister in Colombia, with instructions to advise Foreign Office of U. S. opinion that it is a fair solution, and hope that British Government will urge its acceptance at the League.  | 521  |
| Apr. 27<br>(96)        | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Transmittal of telegram No. 46, April 21, from the Minister in Colombia, with instructions informally to advise the Chairman of the Advisory Committee of U.S. view that it is a fair solution.   | 521  |
| May 3<br>(42)          | <i>To the Minister in Colombia (tel.)</i><br>Information that the Department has supported the Colombian proposal with the British Government and at the League, and, in response to British objections, has sent further instructions to London in support of the stipulation that the administration of the Leticia area shall be taken over in the name and the representation of the Colombian Government. | 522  |

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| 1933<br>May 3<br>(96) | <i>From the Chargé in Great Britain (tel.)</i><br>British Government's willingness to support the Colombian formula with the League and with the Peruvian Government upon consideration of three points relating to the taking over of the administration of the Leticia territory and the occupation forces.   | 523  |
| May 5                 | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Discussion with Mr. Rublee, Special Financial Adviser to the Colombian Government, who said that President Olaya earnestly desired some effort by the United States to end the Colombian-Peruvian conflict; U.S. attitude that it had supported the Colombian counterproposal now under consideration by the League, and that nothing more could be done for the present.   | 524  |
| May 9<br>(99)         | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Information concerning the application to Colombia and Peru of U.S. policy on the granting of facilities in the case of armed conflict between two American states.  | 525  |
| May 10<br>(178)       | <i>From the Minister in Switzerland (tel.)</i><br>Recommendations of the Advisory Committee to Colombia and Peru constituting settlement provided for in Council recommendations of March 18, and confidential letter to Colombian Government respecting use of Colombian troops (texts printed); request of Advisory Committee President that those members in a position to do so make representations to Colombia and Peru, in support of the document; request to be advised whether U. S. representatives will take such action. | 525  |
| May 11<br>(59)        | <i>To the Ambassador in Peru (tel.)</i><br>Note for Foreign Minister (text printed) expressing hope that the recommendations of the League Advisory Committee of May 10 will be accepted.<br>(Footnote: Sent also to the Minister in Colombia as No. 45.)   | 527  |
| May 12<br>(179)       | <i>From the Minister in Switzerland (tel.)</i><br>Advice from President of Advisory Committee that the Peruvian representative has informed him that the leader of the Liberal Party in Colombia is being sent to Peru for the purpose of settling the dispute by direct negotiation, and that consequently an early reply to Advisory Committee's recommendations is not expected.   | 528  |
| Undated<br>(49)       | <i>From the Minister in Colombia (tel.)</i><br>Information that note transmitted in Department's telegram No. 45, May 11 (see No. 59, May 11, to Peru) is being delivered, and that Colombian representative at the League has been instructed to accept the formula on behalf of the Colombian Government.   | 529  |
| May 12<br>(141)       | <i>From the Ambassador in Peru (tel.)</i><br>Information that arrangements have been made for direct negotiations between Alfonso Lopez of Colombia and President Benavides of Peru; suggestion that note transmitted in Department's telegram No. 59, May 11, be withheld pending further developments.  | 529  |



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| 1933<br>May 13<br>(61) | <i>To the Ambassador in Peru (tel.)</i><br>Instructions, in reply to telegram No. 141, <i>supra</i> , to present note immediately.   | 530  |
| May 13<br>(144)        | <i>From the Ambassador in Peru (tel.)</i><br>Information that Department's instructions in telegram No. 61, May 13, have been carried out.   | 530  |
| May 13<br>(180)        | <i>From the Minister in Switzerland (tel.)</i><br>Summary of Advisory Committee meeting, at which it was reported that the Colombian Government considered the League negotiations as the only official negotiations in the Leticia dispute, the Benavides-Lopez conversations being merely informal, and at which a decision was taken concerning furnishing of facilities to the Peruvian fleet.                     | 530  |
| May 14<br>(51)         | <i>From the Minister in Colombia (tel.)</i><br>Information that Lopez is going to Peru in a personal, not an official capacity, and that Colombia has accepted League formula.   | 532  |
| May 16<br>(145)        | <i>From the Ambassador in Peru (tel.)</i><br>Report of arrival of Lopez and party.   | 532  |
| May 17<br>(53)         | <i>From the Minister in Colombia (tel.)</i><br>Assertion by President Olaya that the Lopez negotiations appear to have been unsuccessful; his opinion that League recommendations of May 10 are the only hope of solution.   | 533  |
| May 19<br>(148)        | <i>From the Ambassador in Peru (tel.)</i><br>Information from Foreign Office official that Benavides and Lopez have agreed in principle to accept League proposals; further report that Peru has agreed to pay an indemnity to Colombia.   | 533  |
| May 19<br>(149)        | <i>From the Ambassador in Peru (tel.)</i><br>Acceptance by Benavides and Cabinet of last League proposal, and intention to request approval of Congress at special session May 20; information that question of indemnity and supervision of cessation of hostilities will be handled by the League Commission.  | 533  |
| May 20<br>(104)        | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Information that the Colombian Minister has received a telegram from his Government (text printed), advising that no official notice has been received from Geneva of the settlement of the Leticia dispute, but that new Peruvian modifications to the League formula have been announced, which are unacceptable to Colombia.                             | 534  |
| May 20<br>(130)        | <i>From the Consul at Geneva (tel.)</i><br>Exchange of telegrams between Peru and the League, May 17 and 18 (texts printed) concerning terms of arrangement providing for simultaneous evacuation of Leticia territory by Peru, and of Güepi and other Peruvian territory by Colombia; information that League has notified Peru of Colombian acceptance of proposal and requested an indication of Peruvian decision. | 534  |

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| 1933<br>May 20<br>(150) | <i>From the Ambassador in Peru (tel.)</i><br>Information that Benavides-Lopez conversations resulted in only one change, with which Colombia has agreed, in the League proposal, respecting the method of recognizing Colombian sovereignty in the taking over of the Leticia territory by the League Commission.   | 535  |
| May 22<br>(185)         | <i>From the Minister in Switzerland (tel.)</i><br>Peruvian Government's acceptance of Committee's proposal subject to four minor alterations, and Secretary General's comments regarding these points; Peruvian representative's intention to request clarification of his Government's instructions concerning tenure of Commission's administration of the territory.                               | 535  |
| May 25<br>(187)         | <i>From the Minister in Switzerland (tel.)</i><br>Information concerning Peruvian acceptance of the League proposal and arrangements for the conclusion of the accord between the two countries; suggestion for expression of gratification to the Secretary General and President of the Advisory Committee at the successful conclusion of League efforts to settle the Colombian-Peruvian dispute. | 537  |
| May 25<br>(110)         | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Instructions to make appropriate expressions of gratification as suggested in telegram No. 187, May 25.  | 538  |
| May 26<br>(5602)        | <i>From the Chargé in Colombia</i><br>Information that Colombian delegate to the League of Nations has reported that the commission to be appointed to administer the Leticia territory will be composed of an American, a Brazilian, and a Spaniard.   | 538  |
| May 26<br>(157)         | <i>From the Ambassador in Peru (tel.)</i><br>Information that text of Geneva agreement signed May 25 was published in Peru with eight points substantially as contained in Department's telegram No. 59, May 11, except for point 2 (text printed).   | 539  |
| May 26<br>(190)         | <i>From the Minister in Switzerland (tel.)</i><br>Discussion by League Advisory Committee of the question of appointment of members of the Leticia commission, in which suggestion was made for the appointment of an American army officer; request for early instructions concerning the appointment of an American member.   | 539  |
| May 27<br>(52)          | <i>To the Chargé in Colombia (tel.)</i><br>Instructions to express to Foreign Minister U. S. gratification at the conclusion of an agreement between Colombia and Peru for the settlement of the difficulties arising out of the Leticia incident.<br>(Footnote: The same, <i>mutatis mutandis</i> , to the Ambassador in Peru.)  | 540  |
| June 1<br>(194)         | <i>From the Minister in Switzerland (tel.)</i><br>League request for an early decision with regard to American member on Leticia commission.  | 541  |
| June 1<br>(111)         | <i>To the Minister in Switzerland, at Geneva (tel.)</i><br>Information that Col. Arthur W. Brown will be available for appointment as American member of the Leticia commission.  | 541  |

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| 1933<br>June 23<br>(5679) | <i>From the Chargé in Colombia</i><br>Note from the Foreign Minister, June 21, and enclosed telegram from the President of the commission for the administration of the Leticia territory, June 19 (texts printed), advising that the commission has begun to function.   | 541  |
| June 27<br>(168)          | <i>From the Ambassador in Peru (tel.)</i><br>Information that Leticia has been successfully delivered to the League commissioners.  | 543  |
| June 27<br>(5685)         | <i>From the Chargé in Colombia</i><br>Information concerning disposition of Colombian and Peruvian troops on the occasion of the delivery of the Leticia territory to the League commission.  | 543  |
| June 29<br>(59)           | <i>From the Chargé in Colombia (tel.)</i><br>President Olaya's desire that Bogotá be selected as the site of the negotiations to be held under the League recommendations, and hope that the United States will suggest this to Peru.   | 544  |
| June 30<br>(59)           | <i>To the Chargé in Colombia (tel.)</i><br>Opinion that it would not be appropriate for the United States to intervene in the matter of the site of the Colombian-Peruvian negotiations, since this is a question for the League to decide.   | 545  |
| July 7<br>(2905)          | <i>From the Ambassador in Peru</i><br>Account of the turning over of Leticia by the Peruvian authorities to the League commission.  | 545  |
| July 24<br>(68)           | <i>From the Chargé in Colombia (tel.)</i><br>Foreign Minister's telegram to the American Ambassador in Peru (text printed), requesting him to bring to the attention of the Peruvian Government the suggestion that the negotiations under the League recommendations be held at Geneva, with Panama or Washington as second choice.                                    | 546  |
| July 25<br>(176)          | <i>From the Ambassador in Peru (tel.)</i><br>Request for instructions with regard to telegram No. 68, July 24, from Colombia.   | 546  |
| July 26<br>(75)           | <i>To the Ambassador in Peru (tel.)</i><br>Instructions to transmit message to Peruvian Government.   | 547  |
| Aug. 1<br>(177)           | <i>From the Ambassador in Peru (tel.)</i><br>Inquiry as to method of transmittal of a memorandum from the Peruvian Government to the Colombian Government (text printed), making countersuggestion that one of several South American capitals be chosen as site of negotiations.<br>(Footnote: Department's instructions to transmit memorandum directly to Colombia.) | 547  |
| Aug. 11<br>(70)           | <i>From the Chargé in Colombia (tel.)</i><br>Colombian acceptance of Rio de Janeiro as site of Leticia negotiations, and desire that negotiations begin October 1.  | 548  |
| Aug. 14<br>(71)           | <i>From the Chargé in Colombia (tel.)</i><br>Information that Rio de Janeiro has definitely been agreed on, and the Brazilian Government informed, and that Peru has suggested that negotiations begin before October 1 if possible.  | 548  |

## ASSUMPTION BY THE AMERICAN EMBASSY IN PERU OF COLOMBIAN INTERESTS IN PERU; SACKING OF THE COLOMBIAN LEGATION

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| 1933<br>Feb. 16<br>(32) | <i>To the Ambassador in Peru (tel.)</i><br>Instructions to advise the Peruvian Government and cable reply concerning U. S. arrangements with Colombian Government to take charge of Colombian interests in Peru, in view of severance of diplomatic relations between Colombia and Peru. | 549  |
| Feb. 16<br>(87)         | <i>From the Ambassador in Peru (tel.)</i><br>Foreign Minister's cordial acquiescence in proposed U. S. assumption of Colombian interests.  | 549  |
| Feb. 18<br>(89)         | <i>From the Ambassador in Peru (tel.)</i><br>Inquiry as to moment at which custodianship of Colombian archives and interests begins.   | 549  |
| Feb. 19<br>(90)         | <i>From the Ambassador in Peru (tel.)</i><br>Account of sacking of Colombian Legation by a mob, and narrow escape of Colombian Minister.   | 550  |
| Feb. 19<br>(91)         | <i>From the Ambassador in Peru (tel.)</i><br>Peruvian Government's assurance of protection and promise of investigation and report in regard to sacking of Colombian Legation; recommendation, in view of present uncertain conditions, that a U. S. warship be sent to Callao.          | 550  |
| Feb. 20<br>(92)         | <i>From the Ambassador in Peru (tel.)</i><br>Apprehension over huge patriotic demonstration to be held the afternoon of February 20.   | 551  |
| Feb. 20<br>(36)         | <i>To the Ambassador in Peru (tel.)</i><br>Opinion that the situation does not warrant the dispatch of a U. S. war vessel to Peruvian waters.  | 552  |
| Feb. 20<br>(93)         | <i>From the Ambassador in Peru (tel.)</i><br>Request that Department seek Colombian authorization for payment of passages for repatriation of a group of Colombians, and for information as to possible future repatriations.  | 552  |
| Feb. 20<br>(37)         | <i>To the Ambassador in Peru (tel.)</i><br>Advice as to when responsibility for assumption of Colombian interests and custody of Colombian archives was begun, and instructions for guidance in carrying out duties.   | 553  |
| Feb. 21<br>(38)         | <i>To the Ambassador in Peru (tel.)</i><br>Instructions to communicate directly with the Legation at Bogotá with regard to arrangements for repatriation of Colombians.  | 553  |
| Feb. 21<br>(5241)       | <i>From the Minister in Colombia</i><br>Foreign Office request that Legation act as transmitting agent for Colombian Government's cables to American Embassy at Lima in code.  | 553  |
| Feb. 21<br>(95)         | <i>From the Ambassador in Peru (tel.)</i><br>Information that political demonstration on February 20 passed without unfortunate event.   | 554  |
| Feb. 21<br>(96)         | <i>From the Ambassador in Peru (tel.)</i><br>Suggestion that United States offer to take charge of Peruvian interests in Colombia.   | 554  |

## COLOMBIAN INTERESTS IN PERU—Continued

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| 1933<br>Feb. 22<br>(97) | <i>From the Ambassador in Peru (tel.)</i><br>Diplomatic Corps' intention to present to the Foreign Minister its views in regard to recent sacking of Colombian Legation, expressing expectation of a report in the matter and precautionary action by Peru in event of any new threat.<br>(Footnote: Information that Diplomatic Corps' views were presented on February 23 with exception of reference to future precautions.) | 555  |
| Feb. 23<br>(99)         | <i>From the Ambassador in Peru (tel.)</i><br>Request for action on suggestion that United States offer to take charge of Peruvian interests in Colombia.  | 555  |
| Feb. 24<br>(40)         | <i>To the Ambassador in Peru (tel.)</i><br>Opinion as to inadvisability of U. S. action requested in Ambassador's telegram No. 99, February 23.   | 556  |
| Mar. 9<br>(490)         | <i>To the Ambassador in Peru</i><br>Commendation for Ambassador's conscientious actions on behalf of Colombian interests during sacking of Colombian Legation on February 19; general instructions as to informal nature of duties on behalf of Colombia, and other pertinent questions.  | 556  |
| Mar. 31<br>(2733)       | <i>From the Ambassador in Peru</i><br>Report of activities of the Embassy on behalf of Colombian interests; observations with regard to Colombian request for a report by the Embassy on the sacking of the Colombian Legation.   | 557  |
| Apr. 20<br>(511)        | <i>To the Ambassador in Peru</i><br>Concurrence in opinion as to inadvisability of complying with Colombian request for a report by the Embassy on the sacking of the Colombian Legation, and information that an appropriate instruction has been sent to the Legation at Bogotá ( <i>infra</i> ).   | 559  |
| Apr. 20<br>(549)        | <i>To the Minister in Colombia</i><br>Instructions to point out informally to the Foreign Minister the impropriety of the U. S. Embassy in Peru making a report on the sacking of the Colombian Legation.<br><br>(Note: Information that U. S. representation of Colombian interests in Peru continued until August 3, 1934.)   | 559  |

## BOUNDARY DISPUTE BETWEEN ECUADOR AND PERU

|                |   |     |
|----------------|---|-----|
| 1933<br>Jan. 4 | <i>Memorandum by the Assistant Secretary of State</i><br>Discussion with Ecuadoran Minister concerning Ecuador's interest in the Leticia dispute between Colombia and Peru. Minister's advice that negotiations in the boundary dispute between Ecuador and Peru are proceeding on the basis of the Ponce-Castro Agreement of 1924, under which the dispute will be brought to Washington if not settled by direct negotiation. | 561 |
| Jan. 9<br>(1)  | <i>From the Minister in Ecuador (tel.)</i><br>Foreign Minister's expression of Ecuadoran Government's desire to participate in the negotiations at Rio de Janeiro regarding the Leticia dispute in order to protect its interests and to obtain a lasting settlement of boundary questions in the Amazon region.  | 562 |

## BOUNDARY DISPUTE BETWEEN ECUADOR AND PERU—Continued

| Date and number  | Subject  | Page |
|------------------|--|------|
| 1933<br>Jan. 11  | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with the Ecuadoran Minister, who was advised that the United States, in a note to Peru, has supported the Brazilian proposal in the Leticia dispute, which includes possibility of Ecuador's being invited to participate in conversations to be held in Rio de Janeiro.   | 563  |
| Jan. 11<br>(1)   | <i>To the Minister in Ecuador (tel.)</i><br>Information that United States has supported in writing the Brazilian proposal in the Leticia dispute; understanding that Colombia has accepted the Brazilian proposal, including the participation of Ecuador.  | 564  |
| Jan. 14          | <i>Memorandum by the Assistant Secretary of State</i><br>Conversation with Ecuadoran Minister, who was advised that Brazil, Colombia, and Peru have agreed not to include Ecuador in the Leticia negotiations; suggestion that, as Brazil and Colombia had indicated their willingness to include Ecuador, the Ecuadoran Government might endeavor to obtain Peruvian acceptance.  | 564  |
| Jan. 16<br>(2)   | <i>From the Minister in Ecuador (tel.)</i><br>Brazilian withdrawal of suggestion of invitation for Ecuador, leaving question of Ecuadoran participation in Rio de Janeiro conference up to Colombia and Peru; Ecuadoran request for use of U. S. good offices with Brazil in order to secure invitation for Ecuador.   | 565  |
| Jan. 19          | <i>Memorandum by the Assistant Secretary of State</i><br>Ecuadoran Minister's request that United States exert its influence with Peruvian Government, which is now apparently reluctant to include Ecuador in the conference; U. S. promise to examine the situation when the time comes and to do anything that can properly be done on behalf of Ecuador.   | 565  |
| May 18           | <i>Memorandum by the Assistant Secretary of State</i><br>Ecuadoran Minister's further request for U. S. action on behalf of Ecuador; U. S. views as to possible action which might be taken at appropriate time.   | 567  |
| June 2           | <i>Memorandum by the Assistant Secretary of State</i><br>Discussion with the Ecuadoran Minister concerning Ecuadoran desire to be admitted to Leticia negotiations; advice that United States is sending instructions in the matter to U. S. missions in Colombia and Peru ( <i>infra</i> ).   | 568  |
| June 2<br>(53)   | <i>To the Chargé in Colombia (tel.)</i><br><i>Aide-mémoire</i> for Foreign Minister (text printed) presenting for friendly consideration of the Colombian Government the desire of Ecuador to be admitted to the Leticia negotiations; information that instructions (text printed) have been sent to the Legation in Ecuador to inform the Foreign Minister of action taken.<br>(Footnote: The same telegram, June 2, to the Ambassador in Peru.) | 569  |
| June 6<br>(5634) | <i>From the Chargé in Colombia</i><br>Information that <i>aide-mémoire</i> was presented to the Foreign Minister, who said that he would endeavor to have a reply ready by June 7.   | 569  |

## BOUNDARY DISPUTE BETWEEN ECUADOR AND PERU—Continued

| Date and number           | Subject   | Page |
|---------------------------|---|------|
| 1933<br>June 13<br>(5657) | <i>From the Chargé in Colombia</i><br>Foreign Office memorandum, June 12 (text printed), advising that it would be premature to express at the present time an opinion as to the possible inclusion of Ecuador in the conversations between Peru and Colombia.  | 571  |
| June 27<br>(2891)         | <i>From the Ambassador in Peru</i><br>Foreign Office memorandum, June 24 (text printed), in reply to U. S. <i>aide-mémoire</i> , advising that circumstances do not permit of a tripartite negotiation, but that Peruvian Government is prepared to negotiate directly with Ecuador with regard to the boundary dispute between the two countries.  | 572  |
| Aug. 29                   | <i>Memorandum by the Assistant Secretary of State</i><br>Ecuadoran Minister's expression of his Government's appreciation of U. S. action in bringing Ecuador's views before the Colombian and Peruvian Governments.  | 574  |
| Aug. 24<br>(183)          | <i>From the Ambassador in Peru (tel.)</i><br>Information from Foreign Minister that boundary negotiations will be conducted with the Ecuadoran Minister at Lima simultaneously with Leticia negotiations at Rio de Janeiro.   | 574  |
| Aug. 29                   | <i>From the Ecuadoran Minister</i><br>Expression of hope, since it has been decided by Colombia and Peru to conduct negotiations at Rio de Janeiro, that United States will renew its recommendation for the inclusion of Ecuador.  | 574  |
| Sept. 7                   | <i>Memorandum by the Assistant Secretary of State</i><br>Discussion with Ecuadoran Minister, who was informed that the Department was not inclined to take any further steps toward securing the inclusion of Ecuador in the boundary discussions between Colombia and Peru.  | 576  |
| Sept. 15<br>(1133)        | <i>From the Minister in Ecuador</i><br>Information that Ecuador is apparently seeking admission to the Leticia discussions as an interested observer. Probability that the proposed Ecuadoran-Peruvian boundary negotiations to be conducted simultaneously and parallel with the Leticia discussions will be held at Lima; Ecuadoran preference that they be held in Washington.   | 576  |
| Sept. 20<br>(3042)        | <i>From the Ambassador in Peru</i><br>Memorandum of conversation with the Foreign Minister, September 19 (text printed), concerning Peruvian readiness to undertake boundary negotiations with Ecuador at any time agreeable to Ecuador; attitude of Peru that an Ecuadoran observer at the Leticia negotiations would be undesirable, but willingness to give a written statement that Ecuadoran interests will not be involved in the discussions in any way. | 578  |
| Oct. 4                    | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Discussion with Ecuadoran Minister concerning Ecuador's right to participate in any territorial settlement in the Amazon Basin.   | 579  |

## BOUNDARY DISPUTE BETWEEN ECUADOR AND PERU—Continued

| Date and number  | Subject   | Page |
|------------------|---|------|
| 1933<br>Oct. 18  | <i>From the Peruvian Ambassador</i><br>Information that Peruvian Government has addressed a note to Ecuador ratifying former assurance that Ecuadoran interests will not be involved in Leticia discussions, and formally inviting the initiation of direct boundary negotiations.  | 580  |
| Oct. 19<br>(199) | <i>From the Ambassador in Peru (tel.)</i><br>Probability that Ecuador will accept Peruvian proposal for direct negotiations in lieu of participation in Rio de Janeiro conference.  | 581  |
| Nov. 8<br>(54)   | <i>From the Chargé in Ecuador (tel.)</i><br>Information that the Ecuadoran Minister at Lima has been instructed to reply affirmatively to Peruvian invitation for direct negotiations in Lima; unofficial information that Ecuador will ask that negotiations be held in Washington, in accordance with Ponce-Castro agreement. | 581  |
| Nov. 9           | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Conversation with Ecuadoran Minister, who requested U. S. assistance in efforts to have Peruvian-Ecuadoran boundary negotiations take place in Washington; U. S. attitude that the United States could not appropriately take such action.          | 581  |

NORTH AND CENTRAL AMERICAN REGIONAL RADIO CONFERENCE,  
MEXICO, JULY 10—AUGUST 9, 1933

|                          |   |     |
|--------------------------|---|-----|
| 1932<br>July 20<br>(730) | <i>To the Ambassador in Mexico</i><br>Information that the International Radio Conference will convene at Madrid, September 3, 1932, and will probably revise the International Radio Convention and Regulations signed in 1927; instructions to ascertain the Mexican Government's views as to the desirability of discussing the bases of a possible North American regional agreement on radio within the framework of the Convention.<br>(Footnote: The same, <i>mutatis mutandis</i> , to the diplomatic representatives in Canada, Cuba, and Newfoundland.) | 583 |
|                          | [Editor's Note: Information that at the Madrid Conference, the American, Canadian, Cuban, and Mexican delegates agreed that regional arrangements under the new convention should be considered at a North American Radio Conference to be held at Habana in April, 1933; subsequent proposal by the Mexican delegation that the Conference be held in Mexico City, which proposal was acceptable to the interested Governments.]   | 584 |
| 1933<br>May 23<br>(9775) | <i>From the Mexican Minister for Foreign Affairs to the American Ambassador in Mexico</i><br>Invitation of the Mexican Government to the U. S. Government to attend the North and Central American Regional Radio Conference beginning July 10.   | 585 |
| June 7<br>(67)           | <i>To the Ambassador in Mexico (tel.)</i><br>Acceptance of the Mexican Government's invitation.   | 586 |



## REGIONAL RADIO CONFERENCE—Continued

| Date and number         | Subject  | Page |
|-------------------------|--|------|
| 1933<br>June 21<br>(62) | <i>To the Ambassador in Mexico</i><br>Instructions to ascertain the Mexican Government's attitude with respect to the admission of representatives of private organizations and companies to the meetings of the Conference and of its committees; Department's view that it is inadvisable to admit such representatives.         | 586  |
| June 29                 | <i>To the American Delegation to the North and Central American Radio Conference</i><br>General instructions to the delegates and advice that the main purpose of the delegation should be to endeavor to obtain the elimination of interference to American broadcasting stations with a minimum of sacrifice to U. S. interests. | 587  |
| June 30<br>(139)        | <i>From the Ambassador in Mexico (tel.)</i><br>Advice that Foreign Office concurs in the Department's views concerning nonadmittance of representatives of private organizations and companies to the Conference.  | 590  |
| Aug. 29                 | <i>From the Chairman of the American Delegation to the North and Central American Radio Conference</i><br>Report of the proceedings of the Conference; minutes of the closing plenary session (text printed).  | 590  |

INTERPRETATION OF ARTICLE IV OF HABANA CONVENTION ON  
COMMERCIAL AVIATION ADOPTED FEBRUARY 20, 1928

## COSTA RICA

|                           |   |     |
|---------------------------|---|-----|
| 1933<br>Oct. 13<br>(1663) | <i>From the Chargé in Costa Rica</i><br>Advice that correspondence exchanged between Legation and Foreign Office appears to establish on the part of the Costa Rican Government complete agreement with the U. S. interpretation of the convention on Commercial Aviation of 1928; request to be advised whenever appropriate U. S. authorities have been given instructions regarding the entry and clearance of private aircraft of Costa Rican registry. | 607 |
| 1934<br>Jan. 3<br>(9)     | <i>To the Minister in Costa Rica</i><br>Advice that the appropriate American authorities have been instructed that no special authorization from the U. S. Government is necessary for the entry of Costa Rican civil aircraft into the United States.  | 608 |
| Jan. 16<br>(92)           | <i>From the Minister in Costa Rica</i><br>Advice that the Foreign Minister has been informed of U. S. action; opinion that the mutual operation of the Department's interpretation of the convention has been definitely established.   | 609 |

## INTERPRETATION OF HABANA CONVENTION

## DOMINICAN REPUBLIC

| Date and number          | Subject  | Page |
|--------------------------|--|------|
| 1933<br>Jan. 27<br>(150) | <i>To the Minister in the Dominican Republic</i><br>Instructions to endeavor to reach an understanding with the Dominican Republic with a view toward establishing mutual operation of the Department's interpretation of article IV of the Habana Convention on Commercial Aviation; advice that a similar instruction has been sent to the American diplomatic missions in Mexico, Nicaragua, Panama, and Guatemala. | 609  |
| May 11<br>(971)          | <i>From the Minister in the Dominican Republic</i><br>Note from the Foreign Minister, May 8 (text printed), advising that the Dominican Republic concurs in the Department's interpretation of article IV.   | 612  |
| June 7<br>(187)          | <i>To the Minister in the Dominican Republic</i><br>Acknowledgment of Dominican concurrence with U. S. interpretation; advice that the Department of Commerce has been notified accordingly in order that it may communicate the information to interested aviators.   | 614  |

## GUATEMALA

|                          |  |     |
|--------------------------|--|-----|
| 1933<br>Mar. 29<br>(909) | <i>From the Minister in Guatemala</i><br>Foreign Office reply, March 27 (text printed), to a Legation note relative to the Habana Convention, stating that clearance of civil aircraft will be handled by Guatemalan Consuls at the point of departure if such aircraft is that of a country which has a treaty with Guatemala on the subject of air navigation.   | 614 |
| May 2<br>(276)           | <i>To the Chargé in Guatemala</i><br>Instructions to ascertain and report whether it is to be understood that the Guatemalan Government concurs in the Department's interpretation of the Habana Convention; request for more detailed information on the provision in regard to clearance by Guatemalan Consuls.  | 616 |
| June 22<br>(971)         | <i>From the Minister in Guatemala</i><br>Foreign Office note, June 12 (text printed), containing the report of the General Bureau of Civil Aeronautics on the points raised in Department's instruction No. 276, May 2.  | 617 |
| Aug. 25<br>(296)         | <i>To the Chargé in Guatemala</i><br>Observations in regard to Guatemalan nonagreement with Department's interpretation of the Habana Convention; instructions to assure Guatemala that the United States has no intention of insisting upon any procedure contrary to Guatemalan security regulations, and hopes that the two Governments may be able to agree upon a mutually satisfactory solution of the matter. | 620 |
| Jan. 3<br>(8)            | <i>To the Chargé in Guatemala</i><br>Advice that Costa Rica, the Dominican Republic, Honduras, Nicaragua, and Panama, all parties to the Habana Convention, are in accord with the U. S. interpretation of article IV of the Convention; that this information may be used in discussions with the Guatemalan authorities should it appear advisable.  | 625 |

## INTERPRETATION OF HABANA CONVENTION

## HAITI

| Date and number        | Subject  | Page |
|------------------------|--|------|
| 1933<br>June 7<br>(61) | <i>To the Minister in Haiti</i><br>Advice of U. S. Government's desire to reach an understanding on the interpretation of article IV of the Habana Convention with the countries parties to that Convention.   | 626  |
| Nov. 27<br>(106)       | <i>To the Minister in Haiti</i><br>Information that Costa Rica, the Dominican Republic, Nicaragua, and Panama have agreed with the U. S. interpretation of article IV; advice that this information may be used in discussions with the Haitian authorities if deemed advisable. | 626  |

## HONDURAS

|                         |   |     |
|-------------------------|---|-----|
| 1933<br>Dec. 1<br>(960) | <i>From the Chargé in Honduras</i><br>Honduran Government's agreement with the U. S. interpretation of article IV of the Habana Convention and subsequent decision to dispense with the former Honduran requirement that permission be obtained from the Government for each flight of American private aircraft to Honduras. | 627 |
|-------------------------|---|-----|

## MEXICO

|                          |  |     |
|--------------------------|--|-----|
| 1933<br>Feb. 9<br>(2270) | <i>From the Ambassador in Mexico</i><br>Views expressed by the Chief of the Diplomatic Department of the Foreign Office in regard to interpretation of article IV of the Habana Convention.  | 628 |
| May 12<br>(44)           | <i>From the Ambassador in Mexico</i><br>Apparent agreement of the Mexican Government with the U. S. interpretation of article IV according to provisions of the Law of General Lines of Communication; information that the Foreign Office has been requested to make a definite decision on the matter.             | 629 |
| June 9<br>(51)           | <i>To the Ambassador in Mexico</i><br>Approval of action in requesting a definite decision by Mexican Government on the interpretation of the right of entry under the Habana Convention; general observations for use in case of further representations to the Mexican Government.                                 | 630 |
| Nov. 8<br>(184)          | <i>To the Ambassador in Mexico</i><br>Advice that the U. S. Government is reluctant to permit Mexican aviators to fly Mexican aircraft in the United States without requiring that the aviators obtain formal authorization for such flights, unless the Mexican Government is willing to act on a reciprocal basis. | 632 |
| Dec. 2<br>(208)          | <i>To the Ambassador in Mexico</i><br>Indication that in further discussions with the Mexican authorities concerning the entry and clearance of foreign civil aircraft, the Ambassador may use the information that Costa Rica, the Dominican Republic, Nicaragua, and Panama are in accord with U. S. views.        | 633 |

## INTERPRETATION OF HABANA CONVENTION

## NICARAGUA

| Date and number          | Subject  | Page |
|--------------------------|--|------|
| 1933<br>Mar. 1<br>(1164) | <i>From the Minister in Nicaragua</i><br>Nicaraguan acceptance of the Department's interpretation of article IV of the Habana Convention and readiness to enter into an agreement.   | 634  |
| May 2<br>(560)           | <i>To the Minister in Nicaragua</i><br>Instructions to advise the Nicaraguan Government that the United States is desirous of having Nicaraguan authorities concerned with the entrance of aircraft informed of the interpretation agreed upon by the two Governments. | 635  |

## PANAMA

|                         |  |     |
|-------------------------|--|-----|
| 1933<br>Feb. 6<br>(480) | <i>To the Minister in Panama</i><br>Instructions to explore the possibility of gaining recognition of the right of American registered aircraft to make flights in Panama on a reciprocal basis, under the conditions stipulated in the Habana Convention on Commercial Aviation.  | 635 |
| May 11<br>(1520)        | <i>From the Minister in Panama</i><br>Advice that the matter of reaching the agreement concerning interpretation of article IV desired by the Department will be pursued following receipt of information as to the action taken by the Commercial Aviation Commission, to which the question has been presented by the Panamanian Government. | 636 |
| June 21<br>(1559)       | <i>From the Chargé in Panama</i><br>Information that the American members of the Commercial Aviation Commission have recommended to the President of the Commission that the United States and Panama enter into the proposed agreement; opinion that the Panamanian members will concur.  | 637 |
| Aug. 23<br>(564)        | <i>To the Chargé in Panama</i><br>Advice that Department does not contemplate entering into special agreements supplementing the Habana Convention, but desires merely to reach an agreement with respect to interpretation of article IV; request that Legation confer again with Panamanian officials.                                       | 637 |
| Oct. 27                 | <i>From the Minister in Panama</i><br>Exchange of notes between the American Chargé and the Panamanian Foreign Minister, October 23 (texts printed), indicating Panamanian concurrence in U. S. interpretation of article IV.  | 639 |

## ARGENTINA

## PRELIMINARY DISCUSSIONS RESPECTING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA

| Date and number  | Subject   | Page |
|------------------|---|------|
| 1933<br>Mar. 16  | <p><i>Memorandum by the Secretary of State</i><br/>Argentine Ambassador Espil's inquiries as to the U. S. attitude toward entering into negotiations for improved commercial relations between the United States and Argentina; U. S. view that the forthcoming World Economic Conference should produce a program of economic policies upon which reciprocity arrangements with individual nations could be based.</p> | 642  |
| Mar. 23          | <p><i>Memorandum by the Secretary of State</i><br/>Conversation with Espil, who indicated a special interest in the matter of reciprocal commercial agreements based on mutual tariff concessions; Secretary's advice that consideration of the commercial treaties would be contingent upon enactment of legislation authorizing the President to negotiate such treaties.</p>   | 642  |
| June 2<br>(2093) | <p><i>From the Chargé in Argentina</i><br/>Additional indication of Argentina's keen interest in beginning negotiations for a commercial agreement with the United States.</p>  | 643  |
| June 22          | <p><i>Memorandum by the Acting Secretary of State</i><br/>Discussion with Espil, who was advised of the unlikelihood of trade agreement negotiations being undertaken with Argentina at the present time.</p>   | 643  |
| July 1           | <p><i>Memorandum by the Assistant Secretary of State</i><br/>Argentine Ambassador's request for a brief conversation with President Roosevelt concerning possible early negotiations for a treaty.</p>  | 644  |
| July 6           | <p><i>Memorandum by the Acting Secretary of State</i><br/>Argentine Ambassador's further attempt, as a result of urgent instructions from his Government, to ascertain the U. S. viewpoint with respect to a commercial treaty.</p>   | 645  |
| July 12          | <p><i>Memorandum by the Acting Secretary of State</i><br/>Conversation with Espil regarding his recent interview with the President, wherein he was told that the United States was willing to undertake exploratory conversations with Argentina with a view to reaching a trade agreement.</p>  | 646  |
| July 12<br>(52)  | <p><i>To the Chargé in Argentina (tel.)</i><br/>Instructions to discuss informally with the Foreign Minister the Department's plan to undertake preliminary conversations with the Argentine Ambassador; information that Ambassador may ask to have someone sent to assist him in the conversations.</p>   | 647  |
| July 13<br>(67)  | <p><i>From the Chargé in Argentina (tel.)</i><br/>Advice that information transmitted in telegram No. 52, July 12, has been communicated to the Foreign Minister; his intention to authorize Espil to begin conversations together with any technical experts whom the latter may desire sent.</p>  | 647  |
| July 14          | <p><i>Memorandum by the Acting Secretary of State</i><br/>Argentine Ambassador's conveyance of his Government's satisfaction at the prospect of negotiating a trade agreement with the United States; Ambassador's desire to await the arrival of one or two experts before beginning the conversations.</p>  | 648  |

## ARGENTINA

## PRELIMINARY DISCUSSIONS RESPECTING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA—Continued

| Date and number   | Subject  | Page |
|-------------------|--|------|
| 1933<br>Aug. 10   | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Conversation with the Argentine Ambassador concerning the schedule and preparation of data for the Argentine conversations.  | 648  |
| Aug. 10           | <i>Memorandum by the Secretary of State</i><br>Conversation with the Argentine Ambassador during which the Secretary suggested, with regard to the forthcoming reciprocity negotiations, that it would be necessary to proceed gradually with a certain number of commodities and then contemplate enlarging the list from time to time.   | 649  |
| Aug. 16<br>(2194) | <i>From the Chargé in Argentina</i><br>Observations regarding the Argentine tendency to encourage the development of a competitive spirit among foreign countries in order that satisfactory outlets for Argentine trade might be secured.   | 650  |
| Sept. 8<br>(1)    | <i>From the Ambassador in Argentina</i><br>Memorandum (text printed) of a conversation with Luis Fiore, member of the Argentine governmental commission handling commercial matters, concerning trade relations between the United States and Argentina and referring to the proposed trade agreement between Argentina and Great Britain. | 651  |
| Sept. 19<br>(9)   | <i>From the Ambassador in Argentina</i><br>Résumé of an interview (text printed) granted by President Roosevelt on August 15 to James H. Drumm, manager of the National City Bank of New York, regarding the U. S. endeavor to effect a satisfactory trade balance with Argentina.   | 653  |
| Oct. 2            | <i>Memorandum by the Assistant Secretary of State</i><br>Argentine Ambassador's decision to present a memorandum to the Department outlining the general ideas of his Government pertaining to the treaty conversations.   | 660  |
| Oct. 5            | <i>Memorandum by the Assistant Secretary of State</i><br>Argentine Ambassador's informal presentation of a memorandum ( <i>infra</i> ) setting out general views of the Embassy in connection with possible U. S.-Argentine negotiations.  | 661  |
| [Oct. 5]          | <i>From the Argentine Embassy</i><br>Memorandum in regard to Argentine-American trade and reciprocity.   | 661  |
| Dec. 11           | <i>Memorandum by Mr. Harry Hawkins, of the Treaty Division, of a Conversation Between the Assistant Secretary of State and the Argentine Ambassador</i><br>Ambassador's inquiry as to the progress being made toward the formulation of a reply to the Argentine memorandum of October 5.  | 682  |

## ARGENTINA

## PRELIMINARY DISCUSSIONS RESPECTING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA—Continued

| Date and number  | Subject  | Page |
|--|--|------|
| 1933<br>Dec. 29  | <p data-bbox="191 319 890 394"><i>Memorandum by Mr. Harry Hawkins, of the Treaty Division, of a Conversation Between the Assistant Secretary of State and the Argentine Ambassador</i></p> <p data-bbox="191 394 890 529">Assistant Secretary's advice that a draft reply to the Argentine memorandum of October 5 had been discussed with the President, who suggested that there should be further exploration of the subject of a proposed U. S.-Argentine trade agreement and that there should also be some consultation with Congressional leaders in order carefully to prepare the way for an agreement.</p> | 682  |
| <b>REPRESENTATIONS AGAINST APPARENT VIOLATION BY ARGENTINA OF MOST-FAVORED-NATION CLAUSES IN TREATY OF JULY 27, 1853</b> |  |      |
| 1932<br>Nov. 18<br>(1865)  | <p data-bbox="191 646 569 680"><i>From the Ambassador in Argentina</i></p> <p data-bbox="191 680 890 722">Conclusion of an Argentine-Chilean provisional commercial agreement (text printed).</p>  | 683  |
| Nov. 25<br>(1877)  | <p data-bbox="191 730 569 764"><i>From the Ambassador in Argentina</i></p> <p data-bbox="191 764 890 932">Note delivered to the Foreign Minister, November 24 (text printed), upon Ambassador's own initiative, requesting, on the basis of article 4 of the U. S.-Argentine commercial treaty of 1853, that products from the United States imported into Argentina be accorded the reduction in duties provided for in the recent Argentine-Chilean <i>modus vivendi</i>; observation that these reductions have already been extended to the products of several countries other than Chile.</p>                  | 686  |
| Nov. 30<br>(77)  | <p data-bbox="191 940 590 974"><i>To the Ambassador in Argentina (tel.)</i></p> <p data-bbox="191 974 890 1058">Information from Commerce Department that Great Britain and Northern Ireland, France, and Italy have obtained reductions under the Argentine-Chilean <i>modus vivendi</i>; inquiry as to what treaties were invoked by these countries.</p>  | 689  |
| Dec. 1<br>(104)  | <p data-bbox="191 1066 621 1100"><i>From the Ambassador in Argentina (tel.)</i></p> <p data-bbox="191 1100 890 1201">Information requested in Department's telegram No. 77, November 30. Report concerning representations made to Foreign Minister on behalf of U. S. commercial interests, and his intimation that treaty of 1853 did not provide unconditional most-favored-nation treatment; request for instructions.</p>   | 689  |
| Dec. 2<br>(1882)   | <p data-bbox="191 1209 569 1243"><i>From the Ambassador in Argentina</i></p> <p data-bbox="191 1243 890 1369">Information concerning automatic extension to Great Britain, Northern Ireland, France, and Italy of concessions under the Argentine-Chilean <i>modus vivendi</i>; intention to await Department's instructions before again taking up with Foreign Minister question of interpretation of article 4 of treaty of 1853 as providing for unconditional most-favored-nation treatment.</p>  | 690  |
| Dec. 9<br>(79)   | <p data-bbox="191 1377 590 1411"><i>To the Ambassador in Argentina (tel.)</i></p> <p data-bbox="191 1411 890 1528">Opinion that since tariff reductions were extended to Great Britain, France, and Italy under most-favored-nation treaty provisions, and not for equivalent concessions, the United States is entitled by treaty rights to receive similar treatment; instructions to press representations in accordance with this interpretation.</p>  | 692  |

## ARGENTINA

## REPRESENTATIONS AGAINST APPARENT VIOLATION BY ARGENTINA OF MOST-FAVORED-NATION CLAUSES IN TREATY OF JULY 27, 1853—Continued

| Date and number           | Subject   | Page |
|---------------------------|---|------|
| 1932<br>Dec. 15<br>(1897) | <i>From the Ambassador in Argentina</i><br>Note to the Foreign Minister, December 10 (text printed), in accordance with Department's telegraphic instruction No. 79, December 9; memorandum of conversation with Foreign Minister, December 14 (text printed), in which he agreed to give careful consideration to U. S. views.   | 693  |
| 1933<br>Jan. 17<br>(6)    | <i>To the Ambassador in Argentina (tel.)</i><br>Argentine Ambassador's request that the U. S. Government refrain from pressing its views as to its treaty rights to tariff reductions in connection with the Chilean <i>modus vivendi</i> , and U. S. advice that it must adhere to its position; inquiry as to whether a reply to U. S. note of December 10 has been received from the Argentine Government. | 696  |
| Jan. 18<br>(9)            | <i>From the Ambassador in Argentina (tel.)</i><br>Foreign Minister's assurance that a reply to U. S. notes will be made immediately.  | 696  |
| Jan. 19<br>(1939)         | <i>From the Ambassador in Argentina</i><br>Further discussion with Foreign Minister with regard to U. S. position on <i>modus vivendi</i> between Argentina and Chile, and impression that his attitude is one of procrastination.  | 697  |
| Jan. 25<br>(7)            | <i>To the Ambassador in Argentina (tel.)</i><br>Instructions, if reply has not yet been received, to point out to Foreign Minister discriminatory effect of delay in granting tariff reduction to United States, and to express hope for a prompt and favorable reply.  | 697  |
| Jan. 27<br>(1947)         | <i>From the Ambassador in Argentina</i><br>Foreign Minister's note, January 23 (text printed), rejecting U. S. claim for similar treatment with Chile, France, Great Britain, and Italy under Argentine-Chilean <i>modus vivendi</i> .  | 698  |
| Jan. 28                   | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Conversation with the Argentine Ambassador, who expressed his Government's earnest desire that the United States would not press its views regarding concessions under the Argentine-Chilean <i>modus vivendi</i> .   | 707  |
| Feb. 1<br>(1954)          | <i>From the Ambassador in Argentina</i><br>Exchange of information with German Chargé with respect to representations made to the Argentine Government concerning the Argentine-Chilean <i>modus vivendi</i> and the Argentine reply.   | 708  |
| Feb. 14<br>(11)           | <i>To the Ambassador in Argentina (tel.)</i><br>Request for confirmation of press report that difficulties between Germany and Argentina with regard to the Argentine-Chilean <i>modus vivendi</i> have been settled.   | 710  |
| Feb. 15<br>(20)           | <i>From the Ambassador in Argentina (tel.)</i><br>Information concerning amendment of Argentine-Chilean <i>modus vivendi</i> , which, by the elimination of certain articles, will give Germany practical satisfaction.   | 711  |



## ARGENTINA

## REPRESENTATIONS AGAINST APPARENT VIOLATION BY ARGENTINA OF MOST-FAVORED-NATION CLAUSES IN TREATY OF JULY 27, 1853—Continued

| Date and number          | Subject  | Page |
|--------------------------|--|------|
| 1933<br>May 19<br>(2073) | <i>From the Chargé in Argentina</i><br>Information that Argentine-Chilean <i>modus vivendi</i> has been renewed for 60 days to permit ratification of a new commercial treaty, which is being drafted.   | 711  |
| May 23<br>(709)          | <i>To the Chargé in Argentina</i><br>Instructions for replying to Argentine note of January 23, maintaining Department's views on interpretation of most-favored-nation clauses; interest in being kept informed concerning Argentine commission created to study commercial relations, especially with regard to possible conclusion of a U. S.-Argentine reciprocity treaty.   | 712  |
| May 31<br>(2087)         | <i>From the Chargé in Argentina</i><br>Unofficial information concerning Argentine-Chilean commercial treaty, which indicates that Argentina has carefully avoided the question of most-favored-nation clause.   | 718  |
| June 9<br>(2101)         | <i>From the Chargé in Argentina</i><br>Information that a note was sent to the Foreign Minister based on Department's instruction No. 709 of May 23.   | 719  |
| Oct. 6<br>(37)           | <i>From the Ambassador in Argentina</i><br>Information that Argentine-Chilean commercial treaty has been approved by the Congresses of both countries and will enter into effect as soon as ratifications are exchanged.   | 720  |
| Nov. 7<br>(102)          | <i>From the Ambassador in Argentina (tel.)</i><br>Information concerning two decrees issued by Argentina, one extending provisions of the Anglo-Argentine commercial agreement (the Roca Agreement) to merchandise enumerated in the agreement and its annexes without regard to country of origin, and the other providing that reductions and facilities accorded Chile under the recent Argentine-Chilean agreement should apply also to Great Britain and Northern Ireland, France, and Italy. | 720  |
| Nov. 10<br>(90)          | <i>From the Ambassador in Argentina</i><br>Foreign Minister's note, November 8 (text printed), advising that the provisions of the Anglo-Argentine agreement will be extended to U. S. merchandise, despite Argentina's maintenance of position as to the conditional nature of the most-favored-nation clause of the U. S.-Argentine treaty of 1853, and anticipating the conclusion, at some future time, of a reciprocity treaty between the United States and Argentina.                       | 721  |

## ARGENTINA

## REPRESENTATIONS REGARDING THE EXCHANGE PROVISIONS OF THE ANGLO-ARGENTINE (ROCA) AGREEMENT OF MAY 1, 1933, AND ARGENTINE EXCHANGE REGULATIONS

| Date and number         | Subject   | Page |
|-------------------------|---|------|
| 1933<br>Mar. 31<br>(29) | <i>From the Ambassador in Argentina (tel.)</i><br>Information concerning certain exchange provisions, involving a sterling loan which would release British blocked pesos, adopted in Roca Mission negotiations in London; advice that Anglo-Argentine agreement may have adverse effect on American interests.   | 722  |
| Apr. 1<br>(18)          | <i>To the Ambassador in Argentina (tel.)</i><br>Request for views as to amount of British-held pesos which will be released, and as to why American interests would be placed at a disadvantage by this loan.   | 723  |
| Apr. 4<br>(30)          | <i>From the Ambassador in Argentina (tel.)</i><br>Estimate as to amount of British blocked pesos in arrears; advice that it is not the loan, but a proposed allotment of a fixed percentage of exchange for British interests, which would be prejudicial to American interests.  | 723  |
| Apr. 7<br>(2027)        | <i>From the Ambassador in Argentina</i><br>Information that the issue of the sterling loan depends upon settlement of the percentage of exchange to be allotted to British interests, upon which point no agreement has yet been reached.   | 723  |
| Apr. 7<br>(19)          | <i>To the Ambassador in Argentina (tel.)</i><br>Request for opinion as to whether proposed allotment of 33 percent of all available exchange to Great Britain represents a fair proportion for that country, and as to whether it would be advisable to ask for an allotment for the United States.   | 725  |
| Apr. 11<br>(32)         | <i>From the Ambassador in Argentina (tel.)</i><br>Data concerning probable allotment of exchange to various countries on basis of percentage of exports; doubt as to acceptance by American firms of a loan arrangement similar to suggested British loan.  | 725  |
| Apr. 21<br>(34)         | <i>From the Ambassador in Argentina (tel.)</i><br>Information that full powers have been telegraphed to Roca to effect final arrangement and sign agreement.  | 726  |
| May 2<br>(93)           | <i>From the Chargé in Great Britain (tel.)</i><br>Report of signature of Anglo-Argentine trade agreement, and details of agreement.   | 726  |
| May 4                   | <i>Press Release Issued by the Department of State</i><br>Account of an exchange of views between representatives of the Argentine and U.S. Governments on subjects relating to the Economic Conference and to the Anglo-Argentine trade agreement.   | 727  |
| May 5<br>(96)           | <i>To the Chargé in Great Britain (tel.)</i><br>For Norman Davis (American representative on Organizing Committee for the Monetary and Economic Conference): View that proposed Anglo-Argentine trade agreement contains elements of discrimination in favor of British trade inconsistent with the aims of the Economic Conference; desire that U.S. position be made clear to the British Government. | 727  |

## ARGENTINA

## REPRESENTATIONS REGARDING THE EXCHANGE PROVISIONS OF THE ANGLO-ARGENTINE (ROCA) AGREEMENT OF MAY 1, 1933, AND ARGENTINE EXCHANGE REGULATIONS—Continued

| Date and number       | Subject   | Page |
|-----------------------|---|------|
| 1933<br>May 5<br>(24) | <i>To the Chargé in Argentina (tel.)</i><br>Estimates as to amount of exchange to be affected by article 2, clause 1, of Anglo-Argentine agreement; request for verification and comments with regard to these estimates.   | 728  |
| May 10<br>(40)        | <i>From the Chargé in Argentina (tel.)</i><br>Advice that further information is being sought before replying to Department's telegram No. 24 of May 5.   | 729  |
| May 12<br>(2063)      | <i>From the Chargé in Argentina</i><br>Data on exchange figures with respect to application and effect of article 2, clause 1, of the Anglo-Argentine agreement.  | 730  |
| May 19<br>(2076)      | <i>From the Chargé in Argentina</i><br>Argentine plans for initiation of conversations with the British respecting customs tariff provisions of the Roca Agreement.   | 733  |
| May 31<br>(2085)      | <i>From the Chargé in Argentina</i><br>Figures with respect to the estimated distribution of British exchange, furnished orally and from memory by President of the Exchange Control Commission.  | 734  |
| June 2<br>(2090)      | <i>From the Chargé in Argentina</i><br>Information that Roca Agreement is of provisional nature, subject to modification if affected by subsequent arrangements between Great Britain and other countries, or between Argentina and other countries, and also subject to conclusion of Anglo-Argentine tariff negotiations.                                     | 735  |
| June 2<br>(2097)      | <i>From the Chargé in Argentina</i><br>Memorandum for Foreign Minister, June 1 (text printed), quoting Exchange Control Commission circular instruction of May 31, which places the dollar in an inferior position with respect to other currencies; Foreign Minister's promise to forward the memorandum immediately to the Finance Minister.                  | 735  |
| June 3<br>(30)        | <i>To the Chargé in Argentina (tel.)</i><br>Instructions for representations to the Argentine Government, urging withdrawal of Exchange Control Commission decree of May 31; also protesting discriminatory effect on American interests of provisions of article 2, clause 1, of the Anglo-Argentine agreement.  | 737  |
| June 5<br>(48)        | <i>From the Chargé in Argentina (tel.)</i><br>Advice that matter of trade discrimination has been taken up with the Foreign Minister; information that an Exchange Control Commission circular of June 2 has relieved some of the restrictions against the dollar, but that question will be discussed with Foreign Minister at diplomatic reception on June 6. | 738  |
| June 5<br>(31)        | <i>To the Chargé in Argentina (tel.)</i><br>Instructions to seek special interview with Foreign Minister for representations on matters of currency restrictions and trade discrimination.  | 739  |
| June 7<br>(51)        | <i>From the Chargé in Argentina (tel.)</i><br>Advice that Foreign Minister has requested written statement in regard to subjects under discussion.  | 739  |

## ARGENTINA

## REPRESENTATIONS REGARDING THE EXCHANGE PROVISIONS OF THE ANGLO-ARGENTINE (ROCA) AGREEMENT OF MAY 1, 1933, AND ARGENTINE EXCHANGE REGULATIONS—Continued

| Date and number        | Subject   | Page |
|------------------------|---|------|
| 1933<br>June 8<br>(53) | <i>From the Chargé in Argentina (tel.)</i><br>Intention of Argentine Government to rescind circular of May 31.  | 739  |
| June 9<br>(34)         | <i>To the Chargé in Argentina (tel.)</i><br>Authorization to present an <i>aide-mémoire</i> on each of the subjects under discussion.   | 740  |
| June 9<br>(2100)       | <i>From the Chargé in Argentina</i><br>Finance Minister's note to Foreign Minister (text printed), replying to U. S. memorandum of June 1, and indicating satisfactory arrangements with regard to exchange regulations reached at meeting of Exchange Control Committee and representatives of American banking firms. | 740  |
| June 9<br>(2105)       | <i>From the Chargé in Argentina</i><br>Information that copy of Exchange Control Committee circular of June 8, rescinding May 31 circular, has been received.   | 743  |
| June 13<br>(37)        | <i>To the Chargé in Argentina (tel.)</i><br>Argentine Ambassador's expression of his Government's concern at U. S. attitude with respect to exchange restrictions of Roca Agreement, and his suggestion that matter be discussed with Finance Minister.   | 743  |
| June 16<br>(2118)      | <i>From the Chargé in Argentina</i><br>Opinion that nothing would be gained at present by a discussion with the Finance Minister, but that in the future, an appeal might be made in some particular case.  | 744  |
| June 26<br>(44)        | <i>To the Chargé in Argentina (tel.)</i><br>Exchange of telegrams with the American delegation at the Economic Conference (texts printed) concerning the question, raised by Argentine representative, of suspension of discussion of Roca agreement for duration of the Conference.                                    | 746  |
| June 28<br>(59)        | <i>From the Chargé in Argentina (tel.)</i><br>Data concerning amount of exchange allotted to American interests recently.   | 747  |
| June 28<br>(2135)      | <i>From the Chargé in Argentina</i><br>Observations with respect to Argentine distribution of exchange being effected in accordance with Roca Agreement provisions; opinion that U. S. interests will receive adequate consideration while Economic Conference lasts.   | 748  |
| July 20<br>(55)        | <i>To the Chargé in Argentina (tel.)</i><br>Request for comment on reported resignation of Finance Minister and impending changes in Argentine financial policy.  | 750  |
| July 20<br>(69)        | <i>From the Chargé in Argentina (tel.)</i><br>Confirmation of report of resignation of Finance Minister; lack of information as to changes in financial policy.   | 750  |
| Aug. 1<br>(71)         | <i>From the Chargé in Argentina (tel.)</i><br>Information that principal Anglo-Argentine commercial convention has been approved by both Houses of Congress.  | 750  |

## ARGENTINA

REPRESENTATIONS REGARDING THE EXCHANGE PROVISIONS OF THE ANGLO-ARGENTINE  
(ROCA AGREEMENT OF MAY 1, 1933, AND ARGENTINA EXCHANGE REGULATIONS—Continued

| Date and number  | Subject  | Page |
|------------------|--|------|
| 1933<br>Sept. 27 | <p><i>From the Consul General at Buenos Aires (tel.)</i><br/>Information that supplementary tariff convention to Roca agreement was signed September 26, ratification by Congress being subject to signature of loan agreement and unblocking of British funds.<br/>(Footnotes: Information that loan agreement was signed September 28; also, that law approving supplementary convention was passed September 30 and promulgated October 9.)</p> | 751  |
| Oct. 18<br>(12)  | <p><i>From the Consul General at Buenos Aires (tel.)</i><br/>From the Commercial Attaché for Commerce Department: Finance Minister's prohibition of issuance of exchange permits for funds blocked prior to May 1, as contrary to Roca agreement; assumption that this order does not refer to documentary bills.</p>  | 751  |
| Oct. 19          | <p><i>From the Consul General at Buenos Aires (tel.)</i><br/>Information concerning subscriptions to loan for unblocking British funds under Roca agreement.</p>   | 751  |
| Oct. 25<br>(13)  | <p><i>From the Consul at Buenos Aires (tel.)</i><br/>From the Commercial Attaché for Commerce Department: Further information concerning Exchange Control Commission prohibition against granting of exchange permits.</p>   | 752  |
| Nov. 15<br>(97)  | <p><i>From the Ambassador in Argentina</i><br/>New decree issued by the Finance Minister November 10, by which importers may obtain exchange permits in advance when making orders; observation that new regulations, while an improvement over former ones, may permit discrimination against American importers.</p>   | 752  |
| Nov. 29<br>(118) | <p><i>From the Chargé in Argentina (tel.)</i><br/>Two new Finance Ministry decrees, one further regulating exchange control, and the other creating a grain regulating board.</p>  | 754  |
| Dec. 16<br>(120) | <p><i>From the Chargé in Argentina (tel.)</i><br/>Two additional decrees issued by Finance Minister December 15, one suspending application of tax on remittances by private persons, the other modifying exchange regulations decree reported in telegram No. 118, November 29.</p>   | 754  |

AGREEMENT BETWEEN THE GOVERNMENT OF ARGENTINA AND AMERICAN HOLDERS  
OF BLOCKED FUNDS IN ARGENTINA, EXECUTED DECEMBER 1, 1933

|                 |   |     |
|-----------------|---|-----|
| 1933<br>Aug. 12 | <p><i>Memorandum by the Chief of the Division of Latin American Affairs</i><br/>Advice from the Argentine Ambassador that a New York business group is considering possibility of negotiations to free American frozen commercial credits in Argentina.</p> | 755 |
|-----------------|---|-----|

## ARGENTINA

AGREEMENT BETWEEN THE GOVERNMENT OF ARGENTINA AND AMERICAN HOLDERS OF  
BLOCKED FUNDS IN ARGENTINA, EXECUTED DECEMBER 1, 1933—Continued

| Date and number  | Subject  | Page |
|------------------|--|------|
| 1933<br>Aug. 17  | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Conversation with General Pierce, Chairman of the Council on Inter-American Relations, and Mr. Thomas of the National Foreign Trade Council, who reported a discussion with the Argentine Ambassador concerning possibility of negotiating an agreement with Argentina for the liberation of frozen American credits similar to the agreement recently concluded with Brazil.  | 755  |
| Sept. 8          | <i>Memorandum by Mr. Willard L. Beaulac, of the Division of Latin American Affairs</i><br>Commerce official's explanation of a newspaper report that the American Manufacturers Export Association, with the cooperation of the Department of Commerce, had arranged with the Argentine Exchange Control Commission for the release of \$12,000,000 to \$15,000,000 of blocked funds; his observation that no large amount of blocked funds could be released by this system, which involved the investment of new capital in Argentina. | 756  |
| Sept. 18         | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Discussion with General Pierce, Mr. Thomas, and Mr. Carson, who have been authorized by a group of 18 American firms doing business in Argentina to act as a committee to enter into an arrangement with the Argentine Government for the release of American frozen credits.  | 758  |
| Sept. 22<br>(88) | <i>From the Ambassador in Argentina (tel.)</i><br>Telegram (excerpt printed) drafted at meeting of 30 American firms and forwarded to home offices and Council of Inter-American Relations, reporting a proposal by Finance Minister for conversion of American blocked funds into 20-year dollar bonds with terms identical to arrangement recently concluded with Great Britain for sterling loan.   | 759  |
| Oct. 5<br>(93)   | <i>From the Ambassador in Argentina (tel.)</i><br>Information that a plan of the American Manufacturers Export Association for liquidation of frozen funds was shown unofficially to the Finance Minister, who expressed opinion that the plan did not appear to be feasible.  | 760  |
| Oct. 7<br>(75)   | <i>To the Ambassador in Argentina (tel.)</i><br>Instructions to avoid impression that U. S. Government favors any particular group or is in any way involved in the negotiations of private groups with the Argentine Government.  | 760  |
| Oct. 17          | <i>From Mr. Francis T. Cole, Vice President and General Manager, American Manufacturers Export Association</i><br>Advice that some members of the Association desire to leave funds as they are rather than be forced into proposed 20-year bond plan; inquiry as to whether this question could be negotiated with the Argentine Government.  | 761  |

## ARGENTINA

AGREEMENT BETWEEN THE GOVERNMENT OF ARGENTINA AND AMERICAN HOLDERS OF  
BLOCKED FUNDS IN ARGENTINA, EXECUTED DECEMBER 1, 1933—Continued

| Date and number | Subject   | Page |
|-----------------|---|------|
| 1933<br>Oct. 25 | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Discussion with General Pierce of banking difficulties involved in arrangements for unblocking American credits in Argentina.   | 761  |
| Nov. 2<br>(15)  | <i>From the Consul at Buenos Aires (tel.)</i><br>From Commercial Attaché for Commerce Department: Information that Commercial Attaché has been requested to act as unofficial adviser to an Argentine subcommittee on Argentine blocked balances.   | 762  |
| Nov. 4<br>(84)  | <i>To the Ambassador in Argentina (tel.)</i><br>Department's preference that Commercial Attaché not be given any designation in connection with subcommittee.   | 763  |
| Nov. 9<br>(104) | <i>From the Ambassador in Argentina (tel.)</i><br>From Commercial Attaché for Commerce Department: Information that Argentine Government has concluded a loan agreement with French, Swiss, Belgian, and Netherlands holders of blocked pesos on terms similar to the Roca Agreement.   | 763  |
| Nov. 15         | <i>To the American Manufacturers Export Association</i><br>Reply to letter of October 17, indicating that Department has not been advised that the Argentine Government intends to force owners of blocked funds to convert funds into bonds.   | 764  |
| Nov. 16<br>(7)  | <i>From the Acting Secretary of State to the Secretary of State</i><br>Information concerning terms of agreement to be concluded between American holders of blocked funds and the Argentine Government.<br>(Footnotes: (1) Secretary of State was on board ship at sea; (2) execution of agreement December 1.)  | 764  |
| Dec. 8          | <i>Memorandum by Mr. Willard L. Beaulac, of the Division of Latin American Affairs</i><br>Telegram (excerpt printed) from the committee of American business firms which negotiated agreement of December 1 with Argentine Government to the Secretary of State upon his departure for the Seventh International Conference of American States at Montevideo, expressing view that provision for an adequate dollar exchange should be an essential part of any future reciprocal trade agreement concluded with Argentina or any other Latin American country. | 765  |

REPRESENTATIONS AGAINST THE DISCRIMINATORY FEATURES OF THE NEW DEBT  
PLAN OF THE PROVINCE OF BUENOS AIRES

|                           |  |     |
|---------------------------|--|-----|
| 1932<br>Dec. 13<br>(1895) | <i>From the Ambassador in Argentina</i><br>Discussion with Finance Minister of the Province of Buenos Aires concerning proposed plan for the payment of Provincial debts, which appears to discriminate against American bondholders in favor of French and British holders. | 766 |
| Dec. 13<br>(81)           | <i>To the Ambassador in Argentina (tel.)</i><br>Instructions to investigate the proposed plan and report recommendations.  | 769 |

## ARGENTINA

REPRESENTATIONS AGAINST THE DISCRIMINATORY FEATURES OF THE NEW DEBT PLAN  
OF THE PROVINCE OF BUENOS AIRES—*Continued*

| Date and number          | Subject   | Page |
|--------------------------|---|------|
| 1932<br>Dec. 14<br>(107) | <i>From the Ambassador in Argentina (tel.)</i><br>Informal discussion with Finance Minister of the Province of Buenos Aires, who was advised of the discrimination against American bondholders involved in his plan for Provincial debt payments.  | 770  |
| Dec. 30<br>(1914)        | <i>From the Ambassador in Argentina</i><br>Memorandum of a conversation with the Foreign Minister, December 27 (text printed), who agreed to take up with Finance Minister of Buenos Aires the matter of the proposed debt payment plan; information that plan has been submitted to Provincial Legislature; intention to continue informal efforts to prevent discriminatory actions against American interests. | 770  |
| 1933<br>Jan. 13<br>(5)   | <i>To the Ambassador in Argentina (tel.)</i><br>Approval of proposed course of action.  | 773  |
| Jan. 19<br>(1940)        | <i>From the Ambassador in Argentina</i><br>Memoranda of conversations (1) with Foreign Minister, January 18, and (2) with Provincial Finance Minister, January 19 (texts printed), in endeavor to prevent discrimination against American bondholders; regret that efforts were unsuccessful.   | 773  |
| Jan. 27<br>(1950)        | <i>From the Ambassador in Argentina</i><br>Information that authorization has been granted by the Legislature of the Province of Buenos Aires for the proposed debt plan.   | 778  |
| Feb. 8<br>(10)           | <i>To the Ambassador in Argentina (tel.)</i><br>Instructions to express to Foreign Office U. S. Government's regret and disapproval of the discriminatory features of the debt plan of the Province of Buenos Aires, which it believes could have been avoided.   | 779  |

## REPRESENTATIONS BY ARGENTINA AGAINST SANITARY RESTRICTIONS ON IMPORTATION INTO THE UNITED STATES OF ARGENTINE MEATS FROM AREA NOT SUBJECT TO SPECIFIED ANIMAL DISEASES

|                 |  |     |
|-----------------|--|-----|
| 1933<br>June 22 | <i>Memorandum by the Acting Secretary of State of a Conversation With the Argentine Ambassador</i><br>Ambassador's reference to previous representations of his Government on the subject of the export to the United States of Argentine beef; suggestion that the Ambassador again raise the question with the Department. | 780 |
| June 22         | <i>From the Argentine Ambassador</i><br>Renewal of request that United States authorize the entry of mutton from Argentine Patagonia, with reference to promises made during the previous Administration for a satisfactory solution of the problem.   | 780 |
| June 28         | <i>Memorandum by the Chief of the Division of Latin American Affairs</i><br>Comment with respect to Argentine Ambassador's note of June 22 that there is no record of any promises having been made with regard to the question of the importation of Argentine meat.  | 781 |



## ARGENTINA

## REPRESENTATIONS BY ARGENTINA AGAINST SANITARY RESTRICTIONS ON IMPORTATION INTO THE UNITED STATES OF ARGENTINE MEATS FROM AREA NOT SUBJECT TO SPECIFIED ANIMAL DISEASES—Continued

| Date and number | Subject   | Page |
|-----------------|---|------|
| 1933<br>July 27 | <p><i>To the Attorney General</i></p> <p>Expression of opinion, at Attorney General's request in connection with interpretation of Section 306 (a) of Tariff Act of 1930, that the Argentine view concerning the geographical isolation of Patagonia from the rest of Argentina appears to be correct.</p>  | 782  |
| Aug. 11         | <p><i>From the Acting Attorney General to the Secretary of Agriculture</i></p> <p>Opinion that Patagonia is a part of Argentina and may not be considered a separate country, and that, therefore, the importation of the commodities described in Section 306 (a) of the Tariff Act of 1930 from any part of Argentina is prohibited as long as rinderpest or foot-and-mouth disease is determined by the Secretary of Agriculture to exist in that country.</p> | 784  |

## REPRESENTATIONS AGAINST THE IMPOSITION BY THE GOVERNMENT OF ARGENTINA OF A TAX ON MARINE INSURANCE WRITTEN ABROAD

|                         |   |     |
|-------------------------|---|-----|
| 1933<br>July 21<br>(57) | <p><i>To the Chargé in Argentina (tel.)</i></p> <p>Instructions for representations to the appropriate authorities concerning an Argentine law enacted in June 1932 and about to be enforced, imposing a tax on marine insurance written abroad.</p>  | 785 |
| July 28<br>(2172)       | <p><i>From the Chargé in Argentina</i></p> <p>Advice that on July 25 a memorandum was presented to the Foreign Minister with regard to the question of the marine insurance law, which he agreed to transmit to the Interim Finance Minister.</p>   | 786 |
| Aug. 11<br>(2190)       | <p><i>From the Chargé in Argentina</i></p> <p>Memorandum for Interim Finance Minister (text printed), outlining difficulties which the proposed marine tax would raise, and expressing hope that means may be found to prevent the application of pertinent portions of the law under reference.</p>  | 786 |
| Sept. 7<br>(2222)       | <p><i>From the Chargé in Argentina</i></p> <p>Foreign Office note of September 4 (text printed) quoting reply of Finance Minister to U. S. note of July 25, advising that U. S. recommendations will be taken into consideration in deciding upon regulations to put law into effect. Account of interview with the new Finance Minister.</p> | 791 |

SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES HELD AT MONTEVIDEO, DECEMBER 3-26, 1933

PRELIMINARIES

[BIBLIOGRAPHICAL NOTE:

1. *Program and Regulations of the Seventh International Conference of American States to Assemble at Montevideo, Uruguay, in December 1933, Adopted by the Governing Board of the Pan American Union* (Washington, Government Printing Office, 1927).

2. Seventh International Conference of American States, Montevideo, Uruguay, December 3, 1933, *Special Handbook for the Use of Delegates* (Washington, Pan American Union, 1933).

3. *Documents for the Use of Delegates to the Seventh International Conference of American States, Montevideo, Uruguay, December 3, 1933* (Pan American Union [Washington, D. C., 1933 (?)]):

No. 1. Report of the Permanent Committee on Public International Law of Rio de Janeiro, on Topic 7 of the Program of the Conference: "Report of the Permanent Committee on Public International Law of Rio de Janeiro on the general principles which may facilitate regional agreements between adjacent states on the industrial and agricultural use of the waters of international rivers."

No. 2. Commercial Arbitration in the American Republics, a Contribution to the Consideration of Topic 9c of the Program of the Conference: "Commercial Arbitration."

No. 3. A Comparative Study of the Laws and Regulations Governing Aerial Navigation in the Countries, Members of the Pan American Union, by Leland Hyzer of Miami, Florida: A Contribution to the Consideration of Topic 27 of the Program of the Conference: "Study of the penal provisions and of the regulations of the convention on commercial aviation signed at the Sixth International Conference of American States."

No. 4. Projects on certain Topics of the Program submitted by the Executive Committee of the American Institute of International Law pursuant to a Resolution of the Governing Board of the Pan American Union.

No. 5. Report Submitted by the Executive Committee of the American Institute of International Law pursuant to a Resolu-

tion of the Governing Board of the Pan American Union concerning Topic 21 of the Program of the Conference: "Inter-american copyright protection and the possibility of reconciling the Habana and Rome Conventions."

4. Seventh International Conference of American States, Montevideo, Uruguay, December 3-26, 1933, *Final Act, Including the Conventions and Additional Protocol adopted by the Conference* (J. Florensa, Impresor, Cerrito, 740 Montevideo).

5. Seventh International Conference of American States, *Plenary Sessions, Minutes and Antecedents* (Montevideo, 1933).

6. *Report of the Delegates of the United States of America to the Seventh International Conference of American States, Montevideo, Uruguay, December 3-26, 1933*, Department of State Conference Series No. 19 (Washington, Government Printing Office, 1934).]

710.G/124 : Telegram

*The Secretary of State to the Ambassador in Chile (Culbertson)* <sup>1</sup>

WASHINGTON, February 8, 1933—noon.

15. Press reports Ministers of Foreign Affairs of Argentina and Chile discussed at Mendoza <sup>2</sup> postponement Seventh Pan American Conference. Department understands that this is probably inaccurate but that agreement was reached concerning attitude the Governments would take towards topics on the program. Please report fully any information discreetly ascertainable regarding this.

STIMSON

710.G/125 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, February 9, 1933—1 p. m.

[Received 4: 52 p. m.]

17. Your 9, February 8, noon.<sup>3</sup> Member of Chilean delegation at Mendoza conference tells me no question was raised regarding postponement Pan American Conference, only desirability of accord on subjects to be discussed. See paragraph 6 enclosure 1 my despatch No. 1957, February 3d.<sup>4</sup> I understand no agreement yet reached regarding definite topics of the program.

BLISS

<sup>1</sup> The same, February 8, to the Ambassador in Argentina as telegram No. 9.

<sup>2</sup> See footnote 55, p. 268.

<sup>3</sup> See footnote 1, above.

<sup>4</sup> Not printed.

710.G/126 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, February 11, 1933—10 a. m.

[Received 10:15 a. m.]

18. My number 17, February 9, 1 p. m. Minister for Foreign Affairs voluntarily told me yesterday afternoon that report was unfounded he desired postponement Pan American Conference; that on the contrary he was most desirous Conference be held as arranged if not earlier.

BLISS

710.G/128 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 13, 1933—3 p. m.

[Received 4:05 p. m.]

31. Department's telegram No. 15, February 8, noon. Foreign Office states categorically no decision taken Mendoza meeting toward postponement Pan American Conference but subject was discussed as it was reported Uruguay anxious for further delay. Chilean delegation took position that the two powers should do nothing on their own. However, the attitude of the Foreign Office is that while it will not initiate a move for postponement neither will it oppose one.

As indicated in point 6 of Mendoza communiqué agenda of Pan American Conference was reviewed and resolution taken to collaborate in opportune time towards an understanding on certain topics. What these topics are specifically I have not yet been able to learn but the Foreign Office explained that the resolution was prompted by a desire to have in advance some nucleus of agreement on the most important questions which would be helpful in giving direction to the discussions.

CULBERTSON

710.G/135

*The Minister in Uruguay (Wright) to the Secretary of State*

No. 433

MONTEVIDEO, March 23, 1933.

[Received April 3.]

SIR: With further reference to my telegram No. 9, of March 2, 12 noon,<sup>5</sup> I have the honor to report that the Minister for Foreign Affairs informed me today that he has received favorable replies from prac-

<sup>5</sup> Not printed.

tically all the American Governments in response to his telegrams bespeaking support of the proposal of this Government that the VII International Conference of American States be held this year.<sup>6</sup> He added that the Mexican Government, while expressing concurrence, had stated that it desired to study further the present agenda for the Conference.

Dr. Mañé also observed that he hoped it might be possible for our Government to support the efforts of the Uruguayan Government by likewise bespeaking acquiescence in the proposal. I informed him that my Government, while willing and ready to participate in the Conference at any date that might prove acceptable to the majority of American States, could pursue no other course than gladly to acquiesce in the majority opinion with regard to this matter—just as we had in the past declined to associate ourselves with any movement either for convocation or postponement.

Respectfully yours,

J. BUTLER WRIGHT

710.G 1A/127

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] March 29, 1933.

Mr. Espil, the Argentine Ambassador, in conversation with me a day or two ago, said that his Government is anxious to call a special conference quickly to consider the Chaco matter<sup>7</sup> and presumably the Leticia matter<sup>8</sup> also. Another alternative would be to limit topics on the agenda of the Seventh Pan American Conference and have the meeting of that Conference advanced so that the Chaco matter could be discussed promptly. He said that he had discussed the matter with the Mexican Ambassador who was thoroughly in accord with cutting down the program of the Seventh Pan American Conference and advancing the date thereof, and he thought some of the others were also, and he asked if I would sound out some of them. I told Mr. Espil that I would do so and had intended discussing the limitation of the program in any event (the Secretary had asked me to sound out some of the Latin American diplomats before the next Governing Board meeting on April fifth). Accordingly I discussed the matter with the Brazilian, Peruvian and Cuban Ambassadors, the Chilean Chargé d' Affaires, and the Ministers of Colombia, Guatemala, Venezuela, and Panama. All were in favor personally of cutting down the program and the Cuban Ambassador, the Guatemalan and Panamanian Minis-

<sup>6</sup> In despatch No. 465, June 6, the Minister reported that acquiescent replies had then been received from all the American States (710.G/151).

<sup>7</sup> See pp. 241 ff.

<sup>8</sup> See pp. 384 ff.

ters, and the Chilean Chargé indicated that they were ready to act in that sense if a proposal should be made at the next meeting. The Chilean Chargé said that he would consult his Government but he knew that Señor Cruchaga favored some such action. The Peruvian and Brazilian Ambassadors said they would consult their Governments. The Brazilian Ambassador indicated that his Government last year had been very explicit that the Seventh Pan American Conference should not be held before December, 1933, and he did not know how they would look upon holding it at an earlier date. The Colombian Minister was in favor of cutting down the agenda but talked rather disconnectedly and inexplicitly regarding a conference having anything to do with the Leticia matter.

The Ecuadoran Minister personally is in favor of limiting the program to the question of peace in this hemisphere and feels confident that his Government is of the same opinion. He is also personally in favor of advancing the date of the Conference but does not know the views of his Government on this matter.

F[RANCIS] W[HITE]

710.G 1A/121

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] April 1, 1933.

The Mexican Ambassador, Doctor González Roa, called and advised me that his Government is in favor of cutting down the program of the Seventh Pan American Conference and limiting it to questions of peace and economic relations.

He said that his Government is also in favor of advancing the date of the Conference and that as there are obstacles in the way of holding the Conference immediately he thought a suitable compromise would be to hold it about the first of August.

F[RANCIS] W[HITE]

710.G/147

*The Salvadoran de facto Minister for Foreign Affairs (Araujo) to the Secretary of State*<sup>9</sup>

[Translation]

No. A. 500

SAN SALVADOR, April [May?] 10, 1933.

L. D. No. 641

[Received June 5.]

MR. MINISTER: Urged by the necessity, which is daily becoming greater in the New World, of finding for the international situation

<sup>9</sup> Note not acknowledged (710.G/150).

a common solution guaranteed by the resolution of a group of nations linked together by common historical ties, I take the liberty of suggesting to Your Excellency the advisability of adopting a basis of conduct that may determine our common attitude, at least with regard to the salient points of the program that will be developed at the Seventh Panamerican Conference, which is to be held in Montevideo, Uruguay.

There is no doubt that the sentiment of the Ibero-American peoples, aside from regional idiosyncracies, has expressed itself in mutually harmonious ways, with regard to definite political ideals, and we may be sure that there is already a doctrine, supported by the will of the same peoples, which awaits only its sanction in the form of a juridical system.

Aside from purely political plans in which there are valuable precedents for establishing a ruling orientation of sovereignty, by generous principles derived from realities of American life, there might be a discussion on the establishment of a purely economic policy directed toward the abolition of the prejudices that formerly made national selfishness the only working program.

I would leave in an incomplete form the suggestion which I respectfully present to Your Excellency, if I did not specify, as an urgent necessity, that of strengthening and converting into a present objective the Bolivarian tendencies directed toward the creation of an American League of Nations, within the modalities of modern International Law, taking into account the urgent need of an institutional readjustment, which would promise and guarantee a firm fraternity.

In this respect, and taking as a point of departure our traditional spirit of harmony, I wish to bring to the attention of Your Excellency the initiative taken by the Salvadorian Congress of 1912, in authorizing the Supreme Executive Power of my country to propose to the chancelleries of the Latin American countries, the establishment of a Court of Arbitration, to render decisions on international controversies of any kind arising between the signatory countries. This inter-American juridical organ might be the basis of a policy of effective *rapprochement* and concentration.

I believe that the exchange of ideas which I respectfully suggest to Your Excellency, to the end that the respective delegates to the Seventh Conference may readily coordinate a uniform orientation with regard to the subjects proposed above, might be effected by means of an exchange of notes, in order to prepare, for the time when the Assembly will meet, an international criterion more or less harmonious and capable of influencing the decisions which they may respectively adopt.

Finally, I take the liberty of respectfully suggesting to Your Excellency, to bring about, if you consider it advisable, a public discussion through the press of your country, to the end that the various opinions to which these problems give rise in the conscience of Hispano-America may be known and that the establishment of firm and secure bases, which may expedite the course of their full realization, may be arrived at more easily.

I beg Your Excellency to accept my sincere thanks in advance for the kind attention that you may give to the foregoing, together with the assurances of my distinguished consideration.

MIGUEL ANGEL ARAUJO

710.G 1A/145 : Telegram

*The Chargé in Colombia (Dawson) to the Acting Secretary of State*

Bogotá, July 13, 1933—8 p. m.

[Received 9:05 p. m.]

62. Minister for Foreign Affairs is instructing Lozano<sup>10</sup> to approach Department regarding possible presentation to Seventh Pan American Conference of fourth step proposed in President Roosevelt's disarmament message May 16.<sup>11</sup> His interest is obviously in securing general Pan American commitment not to send armed forces across frontiers. I pointed out that fourth step was suggested as a corollary to fulfillment of three preceding proposals made in message and expressed doubt as to possibility of singling it out for action.

DAWSON

710.G 1A/147 : Telegram

*The Chargé in Colombia (Dawson) to the Acting Secretary of State*

Bogotá, July 17, 1933—4 p. m.

[Received 6:44 p. m.]

65. Legation's 62, July 13, 8 p. m. Olaya<sup>12</sup> says Minister for Foreign Affairs misunderstood his idea. What he hopes for is presentation by the United States at Seventh Pan-American Conference of resolution or other document embodying all proposals in President Roosevelt's disarmament message.

DAWSON

<sup>10</sup> Fabio Lozano T., Colombian Minister in the United States.

<sup>11</sup> Vol. I, p. 143.

<sup>12</sup> Enrique Olaya-Herrera, President of Colombia.



710.G 1A/164

*Memorandum of Conversation With the Mexican Minister of Finance (Pani)*<sup>13</sup>

[WASHINGTON,] July 29, 1933.

Dr. Pani called to say that he believed that the agenda for the Montevideo Conference<sup>14</sup> was too full and should be cut down to a few topics of real importance. Among these, however, he did not think is the question of peace on the Western Hemisphere.

I told Dr. Pani that I concurred in his opinion that the agenda for the Montevideo Conference was too long, and that if his Government would suggest that it be abbreviated the Department would be glad to support this view.

In reply to my question as to what subjects should go on a revised agenda, Dr. Pani suggested the "matters which failed at London": economic and financial topics. He specifically mentioned central bank cooperation.

I asked Dr. Pani whether he was speaking for his Government. Dr. Pani replied that although he was giving me only his personal views, he intended to discuss the suggestion just made with his Government upon his return to Mexico City.

I mentioned Dr. Pani's suggestion to the President, who concurs in the desirability of confining discussions at the next conference to subjects of vital and immediate importance. He strongly believes, however, that the subject of peace on this hemisphere should come up for discussion. In this regard he suggested that the proposals in his message of May 16 to the Chiefs of Government, for the definition of an aggressor nation, be considered.

The President threw out another idea for consideration: that when a revolution within a country overflows its boundaries, that is, when it involves the neighboring countries regardless of their desire to stay aloof, the neighboring countries agree to confer in order 1) to suggest a solution or 2) to request some third nation to suggest a satisfactory adjustment.

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<sup>13</sup> The conversation was presumably with Acting Secretary of State Phillips. The memorandum is unsigned and uninitialed; it was dictated by "L. D.", presumably Laurence Duggan, Divisional Assistant, Division of Latin American Affairs.

For text of agenda, see pp. 49-51.

710.G/214

*The Uruguayan Minister for Foreign Affairs (Mañé) to the Secretary of State*<sup>15</sup>

[Translation]

MONTEVIDEO, August 7, 1933.

**MR. SECRETARY OF STATE:** By decision of the VIth International Conference at Habana, the next meeting of the American States is to be held in the city of Montevideo.

December 3 having been definitively set by the Pan American Union by agreement with the Government of Uruguay as the date of the opening session of the VIIth Conference, my Government has the high honor to address Your Excellency in order to transmit to you the respective invitation, in the hope that no American country will fail to be present at the coming Assembly of American States.

The order of the day of the VIIth International American Conference was sent in due time to Your Excellency by the Office of the Director of the Pan American Union, together with the Regulations of the conference.

It would be a needless effort to emphasize on this occasion the capital importance of the subjects which are to be examined, inasmuch as the exceptional seriousness of the hour gives the meeting of the American countries a transcendent importance which has never previously been equaled.

In this sense it may be said that the Montevideo Conference will not be one of mere formal international fellowship.

The deep and anxious preoccupation created by the economic, financial, political and social difficulties in which are involved, equally with all other States, the States of the New World, will surround the Conference with an atmosphere of expectant serenity and restless hope.

It will be necessary that a keen sense of actuality pass through what has been up to now a stock of ideas whose gradual crystallization into facts has been taking place over a period of many years.

Economic interdependence must be examined with a sincere and deep understanding of the fraternally reciprocal interest of all the nations of the Continent.

America can and must discover with her creative ability the new road which will lead to peace and stability without and within and to labor which is productive only when it is just and normally paid.

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<sup>15</sup> Handed to the Secretary of State by the Uruguayan Minister on September 2.

There must be confidence between men and between Nations, political peace and economic peace must walk together, as both are aspects of the mind of the Nations; our eyes must not be closed to harsh and unhappy reality; in short, Pan Americanism and fraternity must be what they ought to be, an affirmation of concerted power and an unceasing will to collective betterment.

With such hopes the Government of Uruguay trusts that Your Excellency's Government will see fit to attend the coming Assembly of the American States which is to be held at Montevideo, where the delegates of the United States of America will be received by their Uruguayan brothers with the affectionate pleasure and the cordial welcome proper to a meeting between brothers.

On this occasion I renew to Your Excellency [etc.]

A. MAÑÉ

710.G 1A/1584

*The Colombian Minister (Lozano) to the Assistant Secretary of State (Caffery)*

[Translation]

WASHINGTON, August 10, 1933.

MY DEAR MR. CAFFERY: Thinking over the subject of our last conversation, I wish to sum up here my ideas, which are, in all essentials, those of the Government of Colombia.

As it has already been decided by the Governing Board of the Pan American Union that the Montevideo Conference is to meet next December, it seems natural to make an effort to the end that some result useful to this continent and to mankind may be obtained from its deliberations and resolutions. And there is nothing more in accordance with this idea than an immediate development of the thesis set forth by His Excellency, Mr. Roosevelt, in one of his great speeches: the arrangement of a pact effective in maintaining peace among nations. He has said: "That all the nations of the world should enter into a solemn and definite pact of non-aggression: That they should solemnly reaffirm the obligations they have assumed to limit and reduce their armaments, and, provided these obligations are faithfully executed by all signatory powers, individually agree that they will send no armed force of whatsoever nature across their frontiers."<sup>16</sup> On this basis, a program of effective action could be completed and results could be attained that would bless the world and would cover with honor the already historic Roosevelt Administration. One of

<sup>16</sup> Original text restored; complete text of the President's message on disarmament, May 16, 1933, is printed in vol. 1, p. 143.

its natural results might be the drawing up in a clear and exact form, free from discussions and hermeneutics, of the definition that may be given in American International Law of the "aggressor country."

When fighting has been going on with fury in the Chaco for a year, when the unparalleled Leticia case has come up and there are so many reasons for the world to be uneasy and concerned about peace, with the train of consequent depression to business, would not that Pact be the beginning of a wholesome reaction for all peoples?

I believe so and I can assure you that if the United States Government should wish to initiate the saving effort at the Montevideo Conference the Government of Colombia would second it very decisively.

Why should not America take a step forward that may be decisive and that would by all means be opportune, in defense of peace?

I send you my best wishes [etc.]

FABIO LOZANO T.

710.G Personnel/39 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, August 28, 1933—noon.

[Received 1:30 p. m.]

27. For the Secretary. The Foreign Office has telegraphically directed Varela<sup>17</sup> to express the hope that you may head our delegation to the forthcoming Conference and to intimate that affirmative decision by you would undoubtedly result in attendance by other Foreign Ministers and contribute greatly to the importance of the meeting.

WRIGHT

710.G Personnel/43 : Telegram

*The Secretary of State to the Minister in Uruguay (Wright)*

WASHINGTON, September 5, 1933—1 p. m.

16. For the Minister. Your 27, August 28, noon. I will confer with President within next week or 10 days about personnel of mission to Montevideo conference in December and then advise you and Varela.

HULL

710.G 1A/177

*The Ambassador in Mexico (Daniels) to the Secretary of State*

No. 603

MEXICO, September 14, 1933.

[Received September 18.]

SIR: I have the honor to enclose herewith in translation the form which Mexico suggests for the Fourth Chapter of the Agenda of the

<sup>17</sup> J. Varela, Uruguayan Minister in the United States.

VII Pan American Conference. This form was given to me by Doctor Puig <sup>17a</sup> this morning. Doctor Puig said he had forwarded a copy to Ambassador González Roa in Washington, and has promised me that he will give me tomorrow a memorandum elaborating upon the reasons why Mexico suggests that Chapter IV should take this form.

Respectfully yours,

JOSEPHUS DANIELS

[Enclosure—Translation]

*Form Which Mexico Suggests for Chapter IV of the Agenda of the VII Pan American Conference Which Is To Meet in Montevideo, Republic of Uruguay, in December Next*

## CHAPTER IV

### ECONOMIC AND FINANCIAL PROBLEMS

#### 9.—*Debts.*

a) Acceptance of the "Drago" Doctrine <sup>18</sup> in its original scope in order to protect the decorum of international public unity and the conclusion of the corresponding treaty.

b) Examination of matters relating to external obligations with private creditors, including State loans contracted in foreign markets to define:

I.—Convenience of joint resolution by the Pan American Union regarding a uniform moratorium, without interests, of ample duration, not less than six years and not longer than ten.

II.—Possibility of establishing international juridical bodies (*órganos*) to negotiate settlements regarding debts without the mediation of committees of bankers, for the more effective projection of debtors and bondholders.

#### 10.—*Money and Credit.*

a) Stabilization of currency (*moneda*) by the adoption of a common bimetallic monetary system.

b) Convenience of taking the internal price level as the basis of the monetary policy.

c) Uniformity of principles regarding structure and operation of the central banks; creation of these institutions in the countries of America where they are not functioning.

d) Possibility of creating an institution that will function like a continental central bank to prevent useless movements of metal and to assist national central banks, serving them as a clearing house (*cámara*

<sup>17a</sup> José Manuel Puig Casauranc, Mexican Minister for Foreign Affairs.

<sup>18</sup> See *Foreign Relations*, 1903, p. 1; John Bassett Moore, *A Digest of International Law*, vol. VI, p. 592.

*de compensación*), as a body of relation with the other banks, and as a means of contact with the general money and capital market.

e) Even without the modification or unification of monetary systems, inclusion of silver in the reserves and utilization of this metal in the coining of money.

f) Resolutions regarding the mechanism for the payment of balances (*saldos*) between the countries of America. Possibility of including silver as partial means of payment under the control of the international bank to which clause "c" refers.

g) Control of the exchange market (*mercado de divisas*).

h) Uniformity of the mechanism and of the means of credit:

I.—For the State;

II.—For the central banks;

III.—For public works or public services;

IV.—For the encouragement of agricultural or industrial production;

V.—For the development of natural resources other than agriculture;

IV [VI].—For commercial traffic.

i) Organization of an American security market (stocks, bonds, obligations, notes and other credit documents) (*letras y demás títulos de crédito*); consideration of the requirements which securities admitted on the market (*admitidos a cotización*) should fulfill, the mechanism and operation of the market and the elements for its initiation.

#### 11.—*Organization of continental commerce.*

a) Tariffs.

b) Quotas and prohibitions.

c) Commercial treaties.

d) Project for convention regarding customs procedure and port formalities, formulated by the Pan American Commission on Customs Procedures and Port Formalities, which met in Washington, from November 18th to the 26th in 1929.

e) Consideration of projects of uniform legislation regarding:

I.—Securities (drafts, checks, notes and other negotiable documents);

II.—Vouchers (*conocimientos*) and documents representing merchandise);

III.—Insurance (*Seguros*);

IV.—Powers of attorney (*Poderes*);

V.—Legal identity (*personalidad jurídica*) of foreign companies;

VI.—Projects of legislation relative to commercial and maritime law (*derecho*), which the Permanent Commission of Compared [*Comparative?*] Law and Unification of Legislation, established in Habana

under the resolution of the Sixth International American Conference of February 18, 1928, may formulate.

f) Commercial arbitration.

g) Manner of preventing losses occasioned maritime commerce by theft and robbery.

12.—*Miscellaneous.*

a) Inter-American protection of patents of invention.

b) Examination of resolutions of the Inter-American Conference on Agriculture.

c) Continental system of communications and encouragement of tourist travel.

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710.G/227

*The Secretary of State to the Uruguayan Minister for Foreign Affairs  
(Mañé)*<sup>19</sup>

WASHINGTON, September 20, 1933.

EXCELLENCY: I have received Your Excellency's courteous communication of August 7, 1933, in which you extend an invitation to the Government of the United States of America to participate in the Seventh International Conference of American States to be held at Montevideo on December 3, 1933.

I am happy to assure Your Excellency that my Government accepts this invitation with great pleasure and will be represented at the Conference by an official delegation, the composition of which will be reported to your Government in due course.

You have pointed out in your note the difficulties and the stress of present day conditions and have urged that the Pan American spirit on the occasion of the forth-coming Conference find expression in practical action along lines calculated to ameliorate these conditions and to draw our nations together in paths of political and economic peace. I am in agreement with Your Excellency that these are indeed the steps which the nations of the Americas should take and I am hopeful that the Conference to be held in Montevideo will long endure in our memories as an example of what can effectively be accomplished when good neighbors meet in a spirit of mutual respect and friendliness to discuss and adjust their problems.

Accept [etc.]

CORDELL HULL

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<sup>19</sup> Delivered to Dr. Alberto Mañé by the American Minister in Uruguay, October 10, in accordance with Department's instruction No. 185, September 20.

710.G/232

*The Chargé in El Salvador (McCafferty) to the Secretary of State*

No. 348

SAN SALVADOR, September 22, 1933.

[Received September 27.]

SIR: I have the honor to transmit herewith a translation of a headline article<sup>20</sup> which appeared on the front page of the daily *La Prensa* of San Salvador of September 21st, entitled "There is No Hostility between the United States and El Salvador," in which it is asserted that there is no basis to fear that any difficulties will arise between the American and Salvadoran delegates to the Seventh International Conference of American States to be held next December in Montevideo, because of the non-recognition by the United States of the Martínez régime. Due to the strict press censorship this article, if not inspired by, has the approval of the present administration.

At the diplomatic reception at the Mexican Legation on September 16th in honor of Mexican Independence Day, I had a personal and informal conversation with Doctor Miguel Angel Araujo, *de facto* Minister of Foreign Affairs of El Salvador. He brought up the subject of the coming Pan American Conference and he seemed to be very much concerned regarding the status of the Salvadoran delegation to that conference in view of the fact that the Martínez régime had not been recognized by various American countries, particularly the United States. I naturally expressed no opinion regarding the matter as I have no idea of the Department's views on the subject, but I received the impression that El Salvador at the coming Conference would be willing to work in harmony with the United States if it felt sure beforehand that its delegates would be treated at the convention on an equal basis with those of the other countries without any question as to recognition or as to the international legality of the present government.

I am convinced that the present renewed propaganda activities of the *de facto* Government of El Salvador to encourage the convocation of a Central American Conference to discuss the 1923 treaties<sup>21</sup> so that the Martínez régime might be recognized, is due to a real concern regarding the status of the Salvadoran delegation at the coming Pan American Conference.

If the Department deems it advisable to give me its confidential opinion in respect to the above mentioned subject, I believe that I

<sup>20</sup> Not printed.

<sup>21</sup> *Foreign Relations*, 1923, vol. 1, pp. 320 ff.; *Conference on Central American Affairs*, Washington, December 4, 1922-February 7, 1923 (Washington, Government Printing Office, 1923), pp. 283 ff.



may be able discretely to prevent an anti-American attitude such as the Salvadoran delegation assumed at the last Pan American Conference which was held in Havana in 1928.

W. J. McCafferty

710.G 1A/188

*Memorandum by the Secretary of State*

[WASHINGTON,] September 22, 1933.

The Mexican Ambassador called at my request. I began by stating that the Mexican Foreign Minister at Mexico City had been good enough to send me a copy of his proposal for the consideration of public and private indebtedness in Latin America due externally, and, in fact, due largely to private creditors in the United States. I said that it appeared the proposal contemplated a moratorium of these billions of debts for some six years and a considerable reduction of interest, and that I inferred the plan would be to have all the delegates officially representing the debtor countries, vote through a sweeping refinancing and deflation policy, with the delegates of the United States Government voting virtually alone against such a proposal, on the ground, among other things, that our government had no control over such private debt readjustments. I told the Ambassador that my Government was in strong sympathy with all debtors in Latin America and recognized the wisdom of a policy of lenience by American and other creditors towards these debtors. I stated also that our Government was opposed to permitting any hard-boiled American banks to control or otherwise handle any debt readjustment matters that might arise between these debtors and creditors; to that end, our government under the recent Securities Act was about to create a commission of 12 or 15 of the most outstanding, able and humane persons that could be selected to deal with this entire debtor and creditor situation; that this personnel would comprise such outstanding persons as Newton D. Baker and Frank O. Lowden; that their control would be reasonable and sympathetic as to the debtors; that it would be free from improper banking influences; and that, in brief, this agency, in our judgment, offered the wisest possible course of treatment for this acute debtor and creditor situation.<sup>22</sup> I expressed the earnest hope that the Mexican Government might, therefore, view with favor the plan of our government thus to deal with the debtor situation in Latin America as it involved external creditors and external payments.

<sup>22</sup> See section entitled "Organizing the Foreign Bondholders Protective Council", vol. 1, pp. 934 ff.

The Mexican Ambassador did not commit himself as to whether the proposed course of the Mexican Minister would be persisted in and adhered to, but he did acquiesce, in rather definite words of approval, in my statement outlining our plan. I am hoping that it may be possible to avoid acute and, for our government, disagreeable developments with respect to this problem at Montevideo. I pointed out also to the Ambassador that at the London Conference <sup>23</sup> there were discussions on this same subject but that, of course, there was no effort made to embarrass, much less bind, any nation where many creditors resided by presenting a drastic plan of deflation such as the one proposed in the instant case.

C[ORDELL] H[ULL]

710.G 1A/198 : Telegram

*The Secretary of State to the Ambassador in Mexico (Daniels)*

WASHINGTON, September 28, 1933—8 p. m.

137. From one of our missions in the field I learn that, in spite of your conversation with Dr. Puig, the Mexican Government is sounding out other American governments with respect to the extension of the Agenda of the Montevideo Conference to include a discussion of revision of government external indebtedness. Two of our missions report that the Mexican Government is also sounding out other American governments concerning placing on the Agenda "possible modification" of the Monroe Doctrine <sup>24</sup> to "exclude not only European but also American intervention in the affairs of any of the American countries". As this was not included in the subjects mentioned in your despatch No. 603 of September 14, I hope that prior to the departure of Dr. Puig from Mexico you will inquire of him as to just what Mexico has in mind and her purpose in seeking the introduction of this topic. I wish to add for your information that this *démarche* is causing me some anxiety.

HULL

710.G 1A/199 : Telegram

*The Ambassador in Mexico (Daniels) to the Secretary of State*

MEXICO, September 29, 1933—6 p. m.

[Received 10:50 p. m.]

197. Minister for Foreign Affairs says he and the President are considering position Mexico will take on the two matters referred to

<sup>23</sup> Monetary and Economic Conference held at London, June 12–July 27; for correspondence, see vol. I, pp. 452 ff.

<sup>24</sup> See section entitled "Official Statement of and Commentary Upon the Monroe Doctrine by the Secretary of State", *Foreign Relations*, 1929, vol. I, pp. 698 ff.

in your message 137, September 28, 8 p. m. He says he is arm in arm with you in hope of having mediation looking to moratorium. He thinks Monroe Doctrine should include the whole world and referred to Senator Pittman's recent declaration. As to whether these two propositions will be pressed at Montevideo he says the determination of Mexico's course has not been fully decided upon and he will give me the policy agreed upon before he leaves. He expects to start October 8. Am writing by air mail substance of conversation.

DANIELS

710.G 1A/229

*The Ambassador in Mexico (Daniels) to the Secretary of State*

MEXICO, September 29, 1933.

[Received October 4.]

DEAR MR. SECRETARY: Upon receipt of your telegram No. 137, September 29th [28th], I called on the Minister for Foreign Affairs and asked him direct two questions:

1. Whether it was the purpose of Mexico and other governments to press for an extension of the Agenda of the Montevideo Conference to include a discussion of revision of external governmental indebtedness.

He replied that when he told me yesterday that he wished to see me again shortly, it was with the view to present his views at length upon this matter. He said: "We are arm in arm with Secretary Hull in wishing to secure through impartial mediators some moratorium of the indebtedness". He added, "Most of the countries cannot pay". He says his present idea would be not to act through a convention but by resolution. He spoke for some minutes along this line showing that he is giving the matter serious thought and that it is near his heart. He still hopes his proposition will be included in the Agenda of the Pan American Conference Committee. If it is not included, he says Mexico will later decide upon its action. He did not say this action would be taken after sounding out other countries, but I take it that your information along that line is probably correct.

2. Whether Mexico and other countries were considering placing on the Agenda possible modification of the Monroe Doctrine to exclude not only European but also American intervention in the affairs of any of the American countries.

He did not directly answer the question but entered upon a serious discussion of the place the Monroe Doctrine should hold to-day. He said that when enunciated it was a noble and generous doctrine that looked to prevent European countries from dominating countries on

this hemisphere. It should now, according to his thinking, be made continental and also include Asia, Africa as well as Europe, and all countries on this hemisphere. He quoted the recent expression of Senator Pittman that the Monroe Doctrine had served its purpose and did not now have application. Dr. Puig said that when Mexico entered the League of Nations, it did so with a reservation as to the Monroe Doctrine and that recently Argentina had made a more far reaching reservation.

"I think", he said, "that to remove all suspicions and make all Americans rally to the Monroe Doctrine, it should be made clear that no nation should intervene in the affairs of any other nation". He enlarged upon that thought and said that since the Kellogg-Briand Treaty<sup>25</sup> all the nations had pledged themselves to outlaw war and, therefore, it should be made clear on this hemisphere, as well as for Europeans, that no nation should intervene in the affairs of another nation.

He contended that no definite policy of action as to either of these matters had been decided upon by the Mexican authorities. However, it is clear that Dr. Puig strongly believes some moratorium is essential, either by the method you propose or by resolution of the Montevideo Conference, and that the Monroe Doctrine as to intervention should apply to every country on this continent as well as to European nations.

Before Dr. Puig leaves I expect to solicit a fuller expression of his views and will be glad to have further instructions from the Department.

Sincerely yours,

JOSEPHUS DANIELS

710.G 1A/216

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 2, 1933.

I had a visit this afternoon from Señor Dr. Don Fernando González Roa, Mexican Ambassador, who came to tell me that he had received instructions from his Government to inform us that Dr. Puig had given up his idea of having the proposed additions to the agenda for the Montevideo Conference approved by the Pan American Union. Dr. Puig had told him to convey the same information to Dr. Rowe.<sup>26</sup>

J[EFFERSON] C[AFFERY]

<sup>25</sup> *Foreign Relations*, 1928, vol. I, p. 153.

<sup>26</sup> Leo S. Rowe, Director General, Pan American Union.

710.G/241 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 4, 1933—1 p. m.

[Received October 4—11:55 a. m.]

86. Informed in confidence that one of the questions to be discussed during visit of Argentine President and Minister for Foreign Affairs end of this week is whether Pan American Conference should be held as scheduled or postponed. Brazilian Minister for Foreign Affairs tells me he is convinced it is folly to hold Conference with Chaco and Leticia disputes still unsettled and Cuban situation in aggravated state.

GIBSON

710.G 1A/220

*The Ambassador in Mexico (Daniels) to the Secretary of State*

No. 668

MEXICO, October 6, 1933.

[Received October 9.]

SIR: I have the honor to enclose a translation of a memorandum which was given to me this afternoon by Doctor Puig, comprising his ideas on the Monroe Doctrine and its amplification at the Montevideo Conference.

I am unable to state at this time whether or not this memorandum has the approval of President Rodríguez.<sup>27</sup> I am, however, spending the day tomorrow in the company of Doctor Puig and the President, and shall advise the Department as soon as I learn of the President's point of view.

A copy of the memorandum in Spanish will be forwarded to the Department in due course.

Respectfully yours,

JOSEPHUS DANIELS

[Enclosure—Translation]

*Memorandum by the Mexican Minister for Foreign Affairs (Puig)*

We have on various occasions expressed to Ambassador Daniels our belief that the present moment is perhaps the only one for attaining a never-before-equalled *rapprochement* among the peoples of America. We have also never disguised the fact that our conviction is definitely influenced by the faith in the "new deal" which is proclaimed and represented by President Roosevelt.

<sup>27</sup> See telegram No. 205, October 9, noon, from the Ambassador in Mexico, *infra*.

But we believe that the great purpose of social and political mutual comprehension, of continental harmony and solidarity, and of common agreement and aid in economic, commercial, and financial matters, which have inspired the Pan American Conferences and—with more confident and pressing hope—this Seventh Conference at Montevideo, which meets in one of the hours of contemporary history most fraught with human problems and responsibilities;—we believe that this great aim, which now unites the new, strong nations of America, the masters of the future, can not and should not involve any reservations, any cause for misgiving or suspicion, justified or otherwise, real or apparent, undefined in scope and influence (*proyecciones*).

In order to walk on firm ground, in order to aspire to fruitful and effective effort, we believe that it is our chief duty to destroy those causes—either through defining them and thus removing misgivings, or through eliminating them and thus establishing confidence. Resolutely to undertake this task, we should first of all, in a profound analysis of facts (*realidades*) and interpretations, examine the problem, seeking to throw as much light as possible upon the nature thereof.

We also believe that the best course for the possible attainment of the high hopes of inter-continental confidence which move us, to suggest that the United States be the one to tackle—if it be deemed feasible—the problem of the Monroe Doctrine, which is the concrete subject matter of this memorandum.

Everyone is aware that for more than a century there has existed in Pan American politics, within the Continent and before the world at large, a guiding criterion which, having been born of the passing (*circunstancial*) exigencies of a certain hour in history, today presents an irregular and nebulous form in its ideological discrimination, and even more so in its scope and influence on the political and economic scene (*realidad*) on our Continent. We refer to the statement which the President of the United States, Mr. Monroe, made in explicit terms and with precise and circumstantial compass, in his Message to the Congress of the American Union on December 2, 1823,<sup>28</sup> and which thenceforth has been known in the international field as the Monroe Doctrine, (but) with very varied interpretations and applications.

Because it is a now imprecise international criterion, undefined and without express limits (as we shall seek later on to demonstrate with words other than our own), and without predetermined scope, the Monroe Doctrine—in whose name many pages of the history of

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<sup>28</sup> See section entitled "Official Statement of and Commentary Upon the Monroe Doctrine by the Secretary of State", *Foreign Relations*, 1929, vol. I, pp. 698 ff.

this hemisphere have been written (*realizado*) or explained, and may even yet be written or explained—the Monroe Doctrine, we say, needs a loyal and frank clarification, calls for a sincere analysis, without the slightest belligerency, much less futile or sterile bitterness—but also without cowardice, in order to be able to determine, in a cordial and friendly fashion, what part of the Doctrine is true policy and if it is a cause for *rapprochement* or for alienation among the peoples of the new Continent.

In order to fix more accurately, as far as possible, the content, worth, and operation of the Monroe Doctrine, it seems to us that it is indispensable to pause here and make a very brief résumé of its history in international life, from its appearance up to the present time, without going into tiresome details nor losing ourselves in wordy commentaries.

No sooner had the one-time Spanish colonies of this hemisphere gloriously won the right to live as independent nations, than manifestations of another nature—and even simple suppositions based on international experience (*de lógica internacional*)—aroused the fear that some European powers, either on their own account or in support of a supposed Spanish re-conquest, might seek to intervene, by diplomacy or by force, in the life of the new countries, to the detriment of their recently-achieved independence.

Among these menaces there could be descried: the English peril, somewhat exorcised (*desvanecido*) by the declarations of Mr. Canning, Minister of the British Empire, to Mr. Rush, Ambassador of the United States in London; the expansionist aims of Russia in north-western America, and her refusal to recognize the independence of the Spanish-American peoples; lastly, the imperialistic plans attributed to the Holy Alliance, plans the scope and dangers of which we have not been able definitely to determine in the scientific terrain of positive historical truth.

Amid this surrounding danger, the Secretary of State, Mr. Adams, was the first to make his voice heard, in dealing with the Ambassador of Russia, Baron Tuyll, when he said: "The American Continents will not be subject, in the future, to colonization";<sup>29</sup> words which, although motivated by a concrete case of the expansionist plans of Russia in North America, clearly showed forth sentiments embracing the Continent.

But the authentic birth of the (Monroe) Doctrine dates from December 2, 1823, when the President of the American Union, Mr. Monroe, in his celebrated Message to Congress, said, among other

<sup>29</sup> ". . . the American continents are no longer subjects for any new European colonial establishments."—*Memoirs of John Quincy Adams*, vol. VI, p. 163; Joshua Reuben Clark, *Memorandum on the Monroe Doctrine*, p. 85.

things related to the same problem, the following words, which, it appears to us, constitute the very essence, the pith of the international doctrine which bears his name: "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."<sup>30</sup> And in order to define its effectiveness and (to pledge) moral and material support, he added: "With the existing colonies or dependencies of any European power we have not interfered and shall not interfere. But with the Governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power in any other light than as the manifestation of an unfriendly disposition toward the United States."<sup>30</sup>

These transcriptions from a well-known text have been necessary in order to demonstrate that the original meaning of the Doctrine was clearly and perfectly well delineated, and that it had a direct bearing upon a given epoch and the dangers with which that epoch was fraught for the independence and free determination of the peoples of America,—without its having intended, very probably, a larger scope than was given it in letter and in spirit.

Now, if it is possible to discuss the expediency and the timeliness of "modernizing" the Monroe Doctrine, in harmony with the original broad Americanist spirit which inspired it, and elevating it to an American\* principle of international law,—no one would dare, on the other hand, to gainsay the need for repudiating, once and for all, the mistaken interpretations which, by denaturalizing the Doctrine in its very essence, have made of it a most effective weapon of misgiving and distrust, to such a point that, paradoxical as it may seem, the Doctrine is today the most serious obstacle to the spiritual union of the Continent.

It is not, of course, necessary to have proof of the lofty motives of continental solidarity which, in our opinion, inspired the statement of the celebrated Presidential Message of 1823; but, however salutary in origin and in various concrete applications (the Monroe Doctrine may have been), the prevailing situation in Spanish-America leads us to proclaim the truth of the following opinions and observations, expressed, with unquestionable sincerity, by the eminent Professor Haring of Harvard University, in the book which he wrote just after his travels of research through South America, a few years ago:

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<sup>30</sup> Original text restored.

\*—i. e., inter-American and all-American (Translator's footnote).



(The sections quoted appear in the original English text)

"About the Monroe Doctrine there has been as much confusion of thought and utterance in South America as there is in the United States. There is no question but that it is regarded by great numbers in these southern countries as a sinister menace to their national sovereignty and dignity. First promulgated as a warning against the extension of monarchical institutions and of further European colonization in the western hemisphere, they believe that it has come to imply paramount interest and hegemony. It has been unpopular among citizens of the stronger states because it seems to spell for them political inferiority. It is disliked in the weaker because of our assumed responsibility for their good behavior. Although for a century a protective shield against the ambition of European governments, it has not been a force making for solidarity of sentiment in the two American continents.

"Misunderstanding of the Monroe Doctrine is largely due to the fact that, in the words of Charles E. Hughes, 'it has often been treated as though it were our sole policy in this hemisphere, and as though every action bearing upon our relation to our sister Republics must be referred to it.' Its meaning is clear as it was originally enunciated by President Monroe, and it is equally clear as re-stated by Secretary Hughes, and his immediate predecessors in office. But it has not always been so in our Department of State, and it is not so with the majority of American citizens. Many, including senators and newspaper editors, seem to have the vaguest notion as to what the Doctrine really signifies, although they cling to it as a fetish and can readily be led into a war with the cry that it is imperilled.

"There has been a mass of contradictory opinions, official as well as private. To many, still eager to 'bear the white man's burden', the Doctrine is a sort of international gospel which proclaims the United States master in this hemisphere, with unlimited right of intervention in the domestic concerns of its neighbors. . . .

"It is scarcely more than thirty years ago that Secretary Richard Olney made the celebrated assertion 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'."]

(*South America Looks at the United States* by Clarence H. Haring. Bureau of International Research of Harvard University and Radcliffe College. Pages 102, 103, 104.)

We have quoted this intelligent observer, not only because of his nationality, but also because of his intellectual prestige and position in the United States. But, not only in the academic field—(a field) of unquestioned sincerity and disinterestedness—has such an unfavorable state of mind with regard to the Monroe Doctrine been established; also in financial circles and in the high spheres of government, representative men, authoritative because of their ability and experience, men of the stamp of Senator Pittman, have expressed like opinions, even going so far as courageously to proclaim the necessity for removing as soon as possible the insuperable obstacle to

American fraternity which the persistence of the Monroe Doctrine constitutes, so long as it can lend itself to far-reaching arbitrary interpretations and so long as its character is that of a unilateral statement guiding the policy of the strongest country of America with respect to the other countries of the Continent.

The reservation recently made by the Argentine Republic when it renewed its membership in the League of Nations, brings to mind similar reservations formulated by other countries of Spanish-America (Mexico, to begin with), and is conclusive and timely proof that there is no diminution in the distrust which the Monroe Doctrine has fostered in many of these countries, solely because of its vagueness and of the convenient interpretations to which it has, for that reason, lent itself.

In such an atmosphere of apprehension and misgiving, can we hope for the best success of the efforts which are being made to achieve the spiritual unity of the New World? Can it be claimed, either, that even the relations of a purely commercial nature can develop harmoniously, firmly, and freely, without being obstructed by hidden chronic fears, sporadically aggravated? We believe not. And in order to justify our lack of optimism, it suffices to point to the minimum efficacy—if not the total inefficacy—of Pan American action, to date, with a view to the real moral and political fraternity of the two great racial subdivisions of the Continent.

Would the open abolishment of the Monroe Doctrine be proper? Would the Government or the public opinion of the United States accept it with good grace? Would it be necessary to go to this extreme solution?

We sincerely believe that these three questions merit a negative answer. But happily there exists, in our opinion, a way to conciliate the traditional or political exigencies of the United States with the need to take advantage of the opportunity for America to adopt, as an extra-continental policy, a principle which historically has contributed to the maintenance of its independence and which now has the prestige of its century of existence (*secularidad*).

That means is, perhaps, to give to the Monroe Doctrine a fully American character by means of a pact which shall make of it a principle adopted by each and every one of the countries of America, with the ensuing obligation to bring a united front to its defence, with the same rights and obligations.

What objections could be raised to that generalization? That the Doctrine does not lend itself thereto? That, even if it does, such action would nullify or weaken some of its aspects? Only those who deliberately wish to ignore the spirit which inspired it, and who like to fasten upon the adulterated interpretations of which it has been the

object, could formulate such objections. Fortunately, the men at present directing the United States are not of this class.

The Monroe Doctrine, elevated to the category of an American pact of joint defence, would reach the second stage of its natural development: it would be perfected and would acquire the greatest prestige and integral force proper to it by reason of its continental scope. It would become up to date. Otherwise, it remains paralyzed in the (march of) time, with its back to the progress of the Spanish American nations, and is guilty, in our opinion, of anachronism through stagnation. Even in its genuine interpretation, even in disinterested, generous application, it would continue to be humiliating to these countries, because it graciously grants them a type of paternal protection which they no longer need (*que no les es dado recibir ya*) since for some time past they have emerged from the condition of minority in which they found themselves at the beginning of their independent life.

We are firmly convinced that the United States, particularly in the new phase of its international and economic policy, desires, sincerely and earnestly, continental harmony. This desire has been frankly and manfully stated by President Roosevelt, when he declared that he would practice the policy of "the good neighbor." His antecedents as a man and a governor are a sound guarantee of his purposes. That which the President of the United States desires: cooperation, confidence, fruitful and effective tightening of continental ties, especially the economic and financial;—all this, which is desired by President Roosevelt, is also desired—of this we are absolutely certain—fully and freely by the other peoples of the continent. In order to realize this aim, it is necessary for the President of the United States to speak the words which shall definitely restore full confidence; it is necessary for him to be the one to offer the safest guarantee of the success of this Pan American Conference.

The history of this hemisphere would be greatly simplified, the paths of the future would be made smooth, if the United States, with full comprehension of the fundamental interests of the times, times fraught with difficulties of every kind, and with full comprehension of the fundamental interests of this continent—which today, more than in 1823, is threatened with economic, financial, and political perils more important and profound than ever before—if the United States would itself open the doors to a New Doctrine, which would be the firm basis for cooperation and defence, because, by destroying misgivings and reservations, it would signify security in confidence, true cooperation and equality.

But we must remember that the present needs of an international nature of the peoples of America would not be satisfied by the mere adoption of the Monroe Doctrine as an American Doctrine, since its

purpose is purely defensive with respect to extra-continental powers. In our opinion, it would have to be complemented in what we may call the inter-continental aspect of the problem of fraternity, by means of the simultaneous promulgation of a principle which should guide the inter-relation among ourselves.

The formula which we take the liberty of proposing could serve as the basis of the discussion leading up to whatever should be adopted; but, at all events, we believe that for logical and also for political reasons the initiative should be made by the United States, at least as regards the first part (of the formula?).

Here is the formula which we suggest:

The Nations of America, which are as one in the defence of their respective sovereignty and integrity, make their own the principle of continental independence proclaimed by the President of the United States, Mr. James Monroe, in his Message to the Congress of the Union of December 2, 1823; elevating said principle to the category of the American Doctrine, with the rights and obligations which its maintenance confers upon each one of them.

At the same time they proclaim the inviolability of the principle of national autonomy, subordinating it only to the compulsory arbitration which they establish for the solution of their differences; and they proscribe absolutely all interference (*intromisión*) among themselves which does not emanate from national treaties freely concluded or from the awards of arbitral tribunals, or which does not result from the offer of mediation, good offices, or other means recognized by international law, which means, as in all similar cases, may be accepted or rejected freely by the countries to which offered.

We sincerely believe that if the forthcoming Montevideo Conference should formulate such a declaration, it will have removed the great (est) difficulty, leaving the path of Pan American fraternity free of fears and suspicions, and maintaining that fraternity upon the only firm and lasting bases: unlimited confidence, mutual respect, reciprocal esteem.

Such a declaration, secured at the instance of the United States at the Seventh Pan American Conference at Montevideo, would remove all causes for misgiving and distrust, and the Pan American relations would develop in an atmosphere of effective and fecund coöperation. We could thus, then, present to the world a harmonious Continent, devoted to work, to the development of its prodigious wealth, in an atmosphere of security and mutual confidence. Free peoples, with abundance of independence, ready to help one another, and confident that their rights and their liberties will in every case be respected by the rest.

MEXICO, D. F., October 6, 1933.

PUIG

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710.G 1A/222 : Telegram

*The Ambassador in Mexico (Daniels) to the Secretary of State*

MEXICO, October 9, 1933—noon.

[Received 1:25 p. m.]

205. Dr. Puig informs me that President Rodríguez approved his memorandum on the Monroe Doctrine which was transmitted by air mail on Saturday with despatch 668 of October 7 [6], 1933.

DANIELS

710.G/263 : Telegram

*The Secretary of State to the Ambassador in Brazil (Gibson)*

WASHINGTON, October 10, 1933—7 p. m.

77. Your telegram No. 86, October 4, 1 p. m. Please telegraph any further information you may have as to this matter.

HULL

710.G/262 : Telegram

*The Secretary of State to the Ambassador in Argentina (Weddell)*

WASHINGTON, October 10, 1933—7 p. m.

76. Yesterday's press quoted an editorial from *La Prensa* of Buenos Aires urging postponement of the Montevideo Conference. Please telegraph any information you can discreetly ascertain as to Argentina's attitude towards postponement.

HULL

710.G/274 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 13, 1933—11 a. m.

[Received 1:30 p. m.]

94. Referring to Department's telegram No. 76 of October 10, 7 p. m., in absence of Minister for Foreign Affairs who returns October 18, it has not been possible to ascertain his attitude concerning possibility of postponement of Montevideo Conference, however, in informal conversation with Assistant Chief of Protocol he told me that there had been no change to his knowledge in attitude of his Government toward holding the Conference. He did not know what might have taken place in Rio in recent conferences, his personal opinion was that it was now too late to take any postponement action.

I have also had occasion informally to discuss question with my Chilean, Colombian, Paraguayan and Peruvian colleagues, all of whom feel it is now too late to postpone Congress. Argentine delegates not yet named.

Despatch follows.

WEDDELL

710.G/275 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 13, 1933—2 p. m.

[Received 3:32 p. m.]

90. Department's 77, October 10. Minister for Foreign Affairs tells me matter was not discussed with Argentine President and Foreign Minister but from his way of telling me I gather that the reason was that his overtures [*sic*] that Argentine Government was not disposed to join in any initiative for adjournment.

Minister expressed his own emphatic view that it would be a mistake to hold the Conference as scheduled with the Cuban, Leticia and Chaco questions [apparent omission] to the troublemakers. He said that he was convinced this was generally understood in Latin America but that there was a general reluctance to take the onus of making the suggestion of adjournment. He himself having led the way last time hesitated to play the same role a second time but stood ready to cooperate if some other Government took the lead.

GIBSON

710.G/279 : Telegram

*The Secretary of State to the Ambassador in Brazil (Gibson)*

WASHINGTON, October 13, 1933—7 p. m.

79. You may discreetly ask the Minister of Foreign Affairs whether, in view of the continuance of the conditions that figured in decision in May, 1932, to postpone the Conference,<sup>31</sup> he does not believe that it would be of interest to the other American nations to have his views (as set forth in your telegram No. 86, October 4, 1 p. m.) brought to their attention.

HULL

710.G/277 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 15, 1933—10 a. m.

[Received 1 p. m.]

95. Referring further to Department's telegram No. 76, October 10, 7 p. m., in informal conversation with Undersecretary of Foreign Affairs last night he said *Prensa* editorial did not reflect views of his Government. That as regards the Montevideo Conference, Argentina was "at the orders" of the Uruguayan Government and that in his opinion it was now too late to think of postponement.

WEDDELL

<sup>31</sup> See *Foreign Relations*, 1932, vol. v, pp. 1 ff.

710.G 1A/243 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 17, 1933—11 a. m.

[Received 12:05 p. m.]

95. My telegram No. 84, September 28, 11 a. m.<sup>31a</sup> Minister for Foreign Affairs tells me Mexican Ambassador called yesterday afternoon and withdrew note requesting Brazilian support in adding debt question to agenda of Montevideo Conference. Said this was done under instructions of his Foreign Minister who had your assurance question would be taken up on American initiative.

In another note Mexican Ambassador requested Brazilian support for securing consideration by the Conference of a redrafted text of chapter 4 of the agenda. He was told matter would be studied.

If Department has this text I should be glad to have its comments. If not, I may be able to secure it.

GIBSON

710.G/285 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 17, 1933—noon.

[Received 12:10 p. m.]

96. Department's 79, October 13, 7 p. m. Minister of Foreign Affairs says that he has been wary about volunteering his views as, owing to his initiative which led to previous adjournment, there is a disposition to involve him in another.

He says he feels so strongly on the question that he does not want to head the Brazilian delegation and so far as he can foresee will not do so unless you head our delegation.

He is obviously reluctant to take any lead in this matter but hoping some other Government will take a first step which he can support.

GIBSON

710.G/286

*The Secretary of State to the Chargé in El Salvador (McCafferty)*

No. 140

WASHINGTON, October 17, 1933.

SIR: Reference is made to your despatch No. 348 dated September 22, 1933, reporting your impression that "El Salvador, at the coming Conference, would be willing to work in harmony with the United States if it felt sure beforehand that its delegates would be treated

<sup>31a</sup> Not printed.

at the convention on an equal basis with those of the other countries without any question as to recognition or as to the international legality of the present Government". The Department would, of course, not wish to take any position regarding its attitude toward the status of the delegates of El Salvador at the forthcoming Conference with a view to obtaining the cooperation of El Salvador at the Conference.

Article V of the Resolution of the Fifth International Conference of American States <sup>32</sup> provides that "The Governments of the American Republics enjoy, as of right, representation at the International Conferences of American States and in the Pan American Union". Article I of the Resolution of the Sixth International Conference of American States on the Pan American Union <sup>33</sup> provides that "The Government of the Pan American Union shall be vested in a Governing Board composed of the representatives that the American governments may appoint. The appointment may devolve upon the diplomatic representatives of the respective countries in Washington." In accordance with this resolution it will be recalled that the present régime in El Salvador, although not recognized by the United States, has had its representative on the Governing Board of the Pan American Union. In view of the above resolutions there would appear to be no question regarding the right of El Salvador to be represented at the Montevideo Conference.

It is well established, however, both in theory and in practice, that participation in an international conference does not affect the status of recognition or non-recognition of a participating government.

The above information is given for your own strictly confidential information and is not to be communicated to the Salvadoran authorities.

Very truly yours,

For the Secretary of State:  
JEFFERSON CAFFERY

710.G 1A/254 : Telegram

*The Secretary of State to the Ambassador in Brazil (Gibson)*

WASHINGTON, October 19, 1933—7 p. m.

83. Your 95, October 17, 11 a. m. The Department of course has not given any assurance that the question of debts would be taken up on American initiative at Montevideo. When we received word of the recent Mexican initiative to have this question put on the agenda

<sup>32</sup> Fifth International Conference of American States, *Acta Final, Convenciones y Resoluciones* (Santiago, 1923), pp. 18, 20.

<sup>33</sup> Sixth International Conference of American States, *Motions, Agreements, Resolutions and Conventions* (Habana, 1928), p. 113.



of the Conference we advised the Mexican Government that this Government has no authority to deal with external debts due from foreign countries to private creditors in this country. We also pointed out that consideration was being given in this country to the formation of a central bondholders committee under the Securities Act, or (and this appears the more probable at the present time) the organization of a private group of outstanding, disinterested individuals to deal with the matter.

The Mexican Foreign Minister, Dr. Puig, who will head his country's delegation to Montevideo, called on me on October 18 and discussed this matter. He indicated that Mexico could not abandon its initiative and that there would have to be some discussion of the question at the Conference. He indicated, however, that he would not press for any vote in the matter.

For your information: We would deprecate any discussion of this debt question at Montevideo. If, however, other states insist on discussing it we will not oppose a discussion but trust that no action at all will be taken by the Conference.

The Department has a copy of the draft text proposed by Mexico submitted by our Embassy at Mexico September 14. This includes debts and numerous other additions to Chapter 4 of the Agenda. This may not be the redraft of text referred to in last paragraph your 95. Therefore please secure text if possible and forward by air mail.

HULL

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710.G 1A/255: Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 21, 1933—1 p. m.

[Received October 21—12:55 p. m.]

97. Department's telegram No. 83, October 18 [19], 7 p. m. Mexican Ambassador repeated to me statement made to Foreign Minister, but I am convinced inaccuracy was due to faulty expression or garbled coding of his instructions for he has presented to Foreign Office a memorandum stating facts fairly and clearly. This memorandum which I have been allowed to read describes the move toward setting up committee referred to in your telegram and your reluctance to have its efforts prejudiced by public discussions at Montevideo. In view of this "initiative" (which is evidently the root of the misunderstanding) Mexican Government withdraws that part of its proposals referring to debts, reserving the right to raise the matter later in the event there is no progress. Foreign Office informs me that only change in first redrafting of chapter 4 is omission of reference to debts.

GIBSON

710.G/298 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 24, 1933—1 p. m.

[Received 6 p. m.]

97. Referring to Department's telegram No. 76, of October 10, 7 p. m., *Prensa* publishes this morning second editorial urging postponement Montevideo Conference. At diplomatic reception this morning Minister of Foreign Affairs told me editorial did not represent views of his Government. He also said he thought that effectiveness of work to be carried out would be greatly facilitated if matters were thoroughly discussed beforehand, emphasized the importance of an atmosphere of harmony and expressed the hope that American Institute of International Law would assemble in Buenos Aires a short time before the Conference for the purpose of discussing essential features of program. He said he was in correspondence with Mr. James Brown Scott.<sup>34</sup> He regretted the general situation as containing many delicate features which might easily provoke friction or embarrassment. He again promised to give me early opportunity of discussing items in program of particular interest to his Government. He seemed particularly interested and twice inquired if my Government had changed its viewpoint and now favored postponement. I replied I knew of no change. Peruvian Ambassador tells me he feels convinced both Brazil and Argentina would really like a postponement of Conference by [*but?*] that apparently Uruguay wants to go ahead.

WEDDELL

710.G/299 : Telegram

*The Secretary of State to the Ambassador in Argentina (Weddell)*

WASHINGTON, October 25, 1933—3 p. m.

78. Your 97, October 24, 1 p. m. Please endeavor to ascertain exactly what is in the Foreign Minister's mind regarding postponement and cable report.

HULL

710.G/302 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 27, 1933—1 a. m.

[Received 4:12 a. m.]

98. Referring to Department's telegraphic instruction of October 25, 4 [3] p. m. I talked with Foreign Minister at dinner tonight who

<sup>34</sup> President, American Institute of International Law.

made a passing reference to Conference which gave me opportunity to ask him his views thereon and whether he was convinced of advisability of Conference. He replied in French, "Very convinced". He then spoke at length along lines set forth in my number 97, October 24, 1 p. m., relative to necessity for preliminary conversations to avoid friction and said meeting of American Institute of International Law here could do much along these lines. Wishing to be sure of my ground I again asked him whether he thought Conference should go on. He replied affirmatively but added that it was generally thought that a postponement might be advisable but no one wished to take the first step and if only the United States Secretary of State would take the lead—ending abruptly with a significant gesture. He also referred to complication in situation due to fact that presidential elections will take place in Uruguay in December.

WEDELL

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710.G/307 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 28, 1933—6 p. m.

[Received October 29—3:49 a. m.]

99. I called on Minister of Foreign Affairs today on his invitation. He said he was in receipt of information from his Embassy in Montevideo that situation there was extremely tense, almost amounting to revolution. That this emphasized the advisability of postponement of the Conference for 3 or 4 months, citing the complicated questions of Leticia, Paraguay-Bolivia, Cuba and Uruguay itself. That to go to Montevideo now "is like entering a house on fire". Further, that preliminary discussions absolutely necessary and that meeting of Institute of International Law offered such facilities. He also showed me telegram from James Brown Scott asking him to preside at sessions here of American Institute of International Law, Scott not being able to attend. He said a confidential agent of Uruguayan Government would be in Buenos Aires Monday when (I understood him to say) he would endeavor so to discuss matters as to bring about suggestion of postponement from Uruguay. He continued "everyone is agreed that Conference should be postponed but no one wants to take the initiative". He read me extracts from despatch from his Ambassador at Rio de Janeiro reporting conversation with the President of Brazil, the latter desiring postponement, one reason being meeting of Leticia delegates in Rio de Janeiro during sessions of the Conference.

. . . . .

As the Department is aware Minister Wright is here today and I have discussed matter with him and have shown him this telegram. Wright says:

"At no time have Uruguayan officials in conversations with me assumed that the Conference will not take place as planned and have expressed exasperation at Minister of Foreign Affairs' attitude as well as surprise that the Argentine Government has not yet officially accepted the invitation of the Uruguayan Government. Further, the political situation in Uruguay is unchanged, save for a recent flurry regarding presidential aspirations of certain individuals and unpleasant repercussions arising from the death of a political adversary of the President who was killed after resisting arrest. Telephonic advices from Montevideo this afternoon confirm that the situation is under complete control. Am returning to Montevideo evening of 29th."

WEDDELL

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710.G/309 : Telegram

*The Chargé in Chile (Norweb) to the Secretary of State*

SANTIAGO, October 30, 1933—6 p. m.

[Received October 30—5:19 p. m.]

101. On Saturday efforts were made by Argentina to interest Chile, Peru, and Brazil in backing a move to postpone the Conference for 3 months. Argentina urged postponement because of unliquidated Chaco, Leticia, and Cuban situations. Chile is awaiting indication of Peruvian attitude before taking any action but sees no gain in delay.

NORWEB

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710.G/308 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, October 30, 1933—8 p. m.

[Received 10:04 p. m.]

37. Acting Undersecretary for Foreign Affairs with whom I have had informal conversation today, but of course without referring to the interview reported in Ambassador Weddell's telegram to the Department of October 28, says that his Government has long been aware of apparent reluctance of Argentine Minister for Foreign Affairs with regard to forthcoming Conference and confirms that official acceptance from Argentina has not yet been received. He said, however, that when Argentine Chargé d'Affaires here returned from Buenos Aires on 27th instant he showed more interest in the Conference than formerly and stated that his Minister for Foreign Affairs

would at once devote himself to the composition of the Argentine delegation.

He voluntarily observed, although I had made no reference thereto, that it was apparent that Argentine Minister for Foreign Affairs was especially interested in the meeting of the American Institute of International Law to be held in Buenos Aires in November.

This Government is proceeding with preparations for the Conference. The President has announced stringent measures against any attempt at disturbance of the public order and the country is reported to be quiet except for the inevitable results of the incidents to which I have previously referred.

Repeated to Embassy at Buenos Aires.

WRIGHT

710.G/317

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 31, 1933.

The Argentine Ambassador, Señor Dr. Felipe A. Espil came to see me about seven-thirty last evening to inquire as to whether our Government had taken any decision with regard to its attitude in connection with the desire of the Argentine Minister for Foreign Affairs to bring about the postponement of the Montevideo Conference. I permitted the Ambassador to read the following statement of our attitude on the subject:

"The United States Government is willing to go along with the majority at the meeting of the Governing Board on Wednesday next on the question of postponing the date of the meeting of the Montevideo Conference. It would suggest the advisability, however, of considering the holding of the Conference on the date already fixed, but making the duration of the Conference briefer and revising and reducing the agenda to a smaller number of subjects not too controversial."

J[EFFERSON] C[AFFERY]

710.G Personnel/199 : Telegram

*The Secretary of State to the Minister in Uruguay (Wright)*

WASHINGTON, November 2, 1933—5 p. m.

22. The Department is surprised to learn that the Secretary General of the League of Nations has received an invitation from the Uruguayan Government to send an "observer" to the Pan American Conference, and that the Secretary General is accepting and is sending

Nogueira, Uruguayan member of the Secretariat Information Section. Please bring this to the attention of the Minister for Foreign Affairs and inquire whether it is correct.

You will call attention to Article 23 of the regulations approved by the Governing Board of the Pan American Union on May 4, 1932. You may say that perhaps the Uruguayan Government overlooked this article when the invitation was issued.

You will make it clearly understood that no disparagement or criticism of the League of Nations is intended when it is observed that the Pan American Conference is organized upon a distinct and separate basis.

You may invite the attention of the Minister for Foreign Affairs to a precedent established when the Cuban Foreign Office, in connection with press reports concerning an invitation to the League to have an observer attend the Sixth Conference, stated "said reports are untrue inasmuch as said invitation could be made only by a resolution adopted by said Conference".

Please avoid publicity in this matter.

HULL

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710.G/327 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, November 4, 1933—10 a. m.

[Received November 4—9:50 a. m.]

39. Note from Argentine Minister for Foreign Affairs dated Buenos Aires October 31st announcing "intention of Argentina to participate in Conference" published in press this morning.

Repeated to Embassy at Buenos Aires.

WRIGHT

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710.G Personnel/202 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, November 4, 1933—5 p. m.

[Received 6 p. m.]

40. Your telegram No. 22, November 2, 5 p. m. Undersecretary for Foreign Affairs tells me that Secretary General of the League of Nations was not officially invited by Uruguayan Government to send an observer to the forthcoming Pan American Conference but that Nogueira will be here during the Conference in order to supply such information as may be requested pursuant to the arrangement reported in my telegram 33, October 8, 10 a. m.,<sup>34a</sup> and that he will not "in any

<sup>34a</sup> Not printed.

way" participate in the Conference. Admitting that it had been suggested that Nogueira would attend as an "observer", Undersecretary expressed concurrence in my observation that the use of that title had an unfortunate connotation.

Notice that Nogueira would attend appeared in United Press despatch from Geneva on October 29th.

WRIGHT

710.G/330 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, November 5, 1933—7 p. m.

[Received 11:48 p. m.]

41. Minister for Foreign Affairs in a conversation held at his request has given me copy of the true reading of cipher telegram from the Uruguayan Minister at Santiago dated 3rd instant stating that Argentine Government had sought support of Chilean Government for the proposal of the former that the Conference be postponed for 3 months on account of Chaco, Leticia and Cuba. Telegram then textually quotes reply of Cruchaga<sup>35</sup> to the effect that Chilean Government believes that causes now adduced for postponement existed at the time when invitations were issued and furthermore, that they will obtain for 3 months more and perhaps become aggravated; that what Uruguayan Government has determined upon should be accepted and that it would be out of order to suggest anything in this connection; and that the arrangements have proceeded so far as to render postponement inopportune.

The telegram states further that the [Minister?] is informed that Argentina made the same proposal to Peru whose Minister for Foreign Affairs asked Chilean Government for its opinion which was expressed in terms similar to the above and in which Peru entirely concurred.

Uruguayan Minister for Foreign Affairs then said to me "We have long been aware of a persistent effort to postpone Conference which has taken various forms in various quarters but we have hitherto been unable definitely to trace the source, believing at one time that it might be Bolivia. This telegram enables us to localize the inflammation [*information?*] which we believe comes from a person whose main desires are to establish the leadership of Argentina on this continent and to destroy the spirit of Pan-Americanism, the latter of which would certainly be seriously impaired if the Conference were postponed. We know that he has also approached Brazil although when he was here with the President of Argentina on October 17th

<sup>35</sup> Miguel Cruchaga Tocornal, Chilean Minister for Foreign Affairs.

he disclaimed any conversations on the subject while in Rio de Janeiro”.

In view of the conversation reported in Ambassador Weddell's telegram of October 28, of which I made no mention whatever to Uruguayan Minister for Foreign Affairs, I think we may now accurately measure the extent of the attempt which has been made to “torpedo” the Conference—to employ phraseology of Uruguayan Minister for Foreign Affairs.

I have repeated this to the Embassy at Buenos Aires but in view of its unusual nature and the great confidence reposed in me by the Uruguayan Government I venture to suggest that it be not repeated elsewhere.

WRIGHT

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710.G/357

*The Ambassador in Argentina (Weddell) to the Secretary of State*

No. 84

Buenos Aires, November 7, 1933.

[Received November 20.]

SIR: I have the honor to inform the Department that this morning in conversation with the Argentine Minister for Foreign Affairs he brought up the subject of the impending conference at Montevideo. He went over much of the ground which he had already covered with me in previous talks, re-emphasizing the necessity for the existence of an atmosphere of harmony and good will in which the discussions might be carried on. He told me that at a recent meeting of the Argentine branch of the American Institute of International Law it had been decided that it would be unwise to hold a reunion of the Institute here at this time and that he had so informed Dr. James Brown Scott. He added that the authorities of the Institute seemed not quite awake to the potential importance of the meeting originally proposed to be held here, and concluded by repeating that there was not time now to arrange for comprehensive and profitable sessions.

Dr. Saavedra Lamas said that in his opinion the Montevideo Conference was badly planned (*mal preparada*) and that in all the circumstances the subjects discussed should be limited to those juridical rather than political in character; that Cuba, the Chaco, Leticia, and also debts (which, he added, Mexico would like to see discussed) should be tabu.

My French colleague told me that in conversation with Saavedra Lamas the latter expressed the opinion that no subject which had been excluded from discussion at the London Economic Conference should be brought up at Montevideo.

Respectfully yours,

ALEXANDER W. WEDDELL



710.G Personnel/235 : Telegram

*The Minister in Uruguay (Wright) to the Acting Secretary of State*

MONTEVIDEO, November 12, 1933—10 a. m.

[Received 11:50 a. m.]

43. Secretary General of Conference informs me that Spain has requested that an observer of that nation be permitted to attend the Conference and confidentially that Argentine Minister for Foreign Affairs has supported the request by a note to this Government just received.

Uruguayan Chargé d'Affaires in Washington has been directed that request should be submitted to the Governing Board of Pan American Union in accordance with paragraph 23 of the regulations and that he should furnish Governing Board with a copy of the communication by which it was arranged that Nogueira of the League of Nations should be here but not as an observer or upon official invitation of this Government in order to correct erroneous press reports. See my telegrams 33, October 8, 10 a. m.<sup>35a</sup> and 40, November 4, 5 p. m.

WRIGHT

710.G Personnel/322 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation to the Seventh International Conference of American States (Hull)* <sup>36</sup>

WASHINGTON, November 24, 1933—8 p. m.

15. The Spanish Chargé d'Affaires, under instructions, inquired yesterday whether there would be any objection on our part to the presence of a Spanish observer at the Montevideo Conference.

In reply I referred him to the regulations limiting Pan American Conferences to representatives of Latin American States, etc., and said that, personally in the circumstances, I did not feel that it was proper for the United States to take any individual position in the matter. I added that, inasmuch as you are about to arrive at Montevideo, his Government would naturally desire to approach you direct, should they care to pursue the inquiry any further.

PHILLIPS

837.00/4449 : Telegram

*The Ambassador in Brazil (Gibson) to the Acting Secretary of State*

RIO DE JANEIRO, November 24, 1933—9 p. m.

[Received 10:10 p. m.]

116. From the Secretary of State for the President, Phillips and Caffery. Had conference with Brazilian Minister for Foreign Affairs

<sup>35a</sup> Not printed.<sup>36</sup> Mr. Hull was aboard the S. S. *American Legion*, at sea.

who is friendly and sympathetic with our general ideas and policies. He is somewhat pessimistic about Montevideo. He says that so-called Cuban representatives at Montevideo according to present plans will stage a dramatic condemnation of our Government because of its refusal to extend Cuba recognition. He adds that this is only a part or one of the controversial matters that may be thrown into the Conference. I am informed that heavy pressure to recognize Cuba for some time has been brought against Brazilian Government by Argentina, Chile and Mexico but which has in deference to our position to this time been withstood by Brazil.

It is believed here that with unrest, agitation and more or less political instability through most of Latin America a use of the threat regardless of its merits will be relied on by malcontents for the purpose of embarrassing us and disrupting the Conference.

The idea seems to be that the Cuban move will be a sufficient firebrand to enable the disturbers to follow up further disruptive plans.

This message is to enable the President and yourselves to have every phase of Cuban situation before you and so you may among other things judge of its probable effects at Montevideo.

Please telephone this to the President and keep me advised as to developments. [Hull.]

GIBSON

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837.00/4449 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, November 25, 1933—7 p. m.

18. I have read to the President your No. 116, November 24th and at the same time told him of a call at the Department by the Chilean Ambassador, during which he raised the question of a possible move by various Latin American States to recognize the Grau San Martín Régime before the Montevideo Conference.

The President approved the following reply which was made to the Ambassador. After handing him a copy of the President's statement with respect to Cuba which was issued from Warm Springs on November 23rd,<sup>36a</sup> the Ambassador was informed:

“That this government very much hopes that the other interested governments will take no precipitate action at Montevideo in regard to recognition which might possibly compromise the success of the Conference there, that we hope these governments will bear in mind that any action they take might have important consequences on the

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<sup>36a</sup> For text of statement given by the President, see Department of State, *Press Releases*, November 25, 1933, p. 294.

possibility of the Cubans themselves reaching an agreement for a government which represents and is backed by the will of the Cuban people."

In giving the above statement to the Ambassador we had, of course, in mind the President's public declaration made only a few days ago.

I cannot but feel that the President would now like to find some excuse to alter his policy if a way can be found to do so without prejudice to his former position.

I have this whole situation very much in mind. Welles<sup>37</sup> leaves for Habana next Monday to remain only a few days. Caffery will proceed as personal representative of the President shortly after Welles departs from Habana.

PHILLIPS

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710.G 1A/281 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

S. S. "AMERICAN LEGION," November 27, 1933—1 p. m.

[Received 7 : 55 p. m.]

14. With the view to offering our comprehensive London economic proposal for approval and recommendation to the world by Pan America speaking at Montevideo please wire extent, if any, in precise words and figures that London proposal can be added to or must be subtracted from preparatory to my offering it early in conference.

HULL

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710.G 1A/286 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, November 29, 1933—3 p. m.

25. Your 14, November 27, 1 p. m. Have discussed matter with the President. Domestic program both in the field of industry and agriculture may create such a state of change in comparative competitive conditions that it seems impossible for the time being to make a proposal at Montevideo for the retention of the tariff truce<sup>38</sup> or to commit this Government at the present moment to any multilateral commercial agreement.

The only way open would seem to be the presentation of a strong resolution in favor of a vigorous endeavor to mutually lessen trade

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<sup>37</sup> Sumner Welles, Ambassador to Cuba.

<sup>38</sup> For correspondence relating to the tariff truce, see vol. I, pp. 574 ff.

barriers and as a means thereto that they resolve to enter as promptly as possible into bilateral discussions and agreements for effecting that end.

It might be possible as well to put forward the suggestion discussed before your departure that the Conference establish a committee for the study of multilateral trade agreements between the countries represented at the Conference. Such committee might be visualized as a continuing committee which would be assigned its task at Montevideo and continue its deliberations thereafter. These would appear to be the only definite elements covered by the London proposal but [*put?*] forward by us now.

PHILLIPS

### INSTRUCTIONS TO DELEGATES

710.G/371

*Instructions to the Delegates<sup>39</sup> to the Seventh International Conference of American States, Montevideo, Uruguay*

WASHINGTON, November 10, 1933.

SIRS: The International Conference of American States, to which you have been designated as representatives of our country, is the seventh conference of this type to be held on the Western Hemisphere since 1889,<sup>40</sup> when this Government invited the American Republics to meet in Washington. Allow me to express your Government's appreciation of the importance of the occasion and its sense of the responsibility which you have undertaken in accepting appointment to represent it at such an important gathering.

#### A. INTRODUCTION

##### I. IMPORTANCE OF CONFERENCE

The importance of this Conference has been considerably augmented by the events and experiences associated with the Economic and Monetary Conference which met in London during the summer of this year.<sup>41</sup>

<sup>39</sup> President Roosevelt on November 9, 1933, designated the following as delegates: Cordell Hull, Secretary of State, *Chairman*; Alexander W. Weddell, Ambassador in Argentina; J. Reuben Clark, former Ambassador in Mexico; J. Butler Wright, Minister in Uruguay; Spruille Braden of New York; and Sophonisba P. Breckinridge of Kentucky, Professor of Social Service Administration, University of Chicago.

<sup>40</sup> See International American Conference [1889-1890]; *Reports of Committees and Discussions Thereon* (Washington, 1890), vol. I, p. 9; also *Foreign Relations*, 1888, pt. 2, p. 1658.

<sup>41</sup> For correspondence concerning the Economic and Monetary Conference, see vol. I, pp. 452 ff.

Never before have the need and benefit of neighborly cooperation in every form of human activity been so evident as they are today. Friendship among nations calls for constructive efforts to muster the forces of humanity in order that an atmosphere of close understanding and cooperation may be cultivated. You will endeavor to be guided by the policy enunciated by President Roosevelt in his inaugural address: "The policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."<sup>42</sup> You will keep in mind the conviction that the well-being of one nation depends in large measure upon the well-being of its neighbors.

## II. GENERAL POLICY

### 1. *Importance of Pan American policy.*

It is an established principle of our international policy that: "Among the foreign relations of the United States as they fall into categories, the Pan American policy takes first place in our diplomacy". The policy of the Government of the United States towards the Republics of Latin America is one of mutual beneficial cooperation and it is of paramount importance that the spirit of this policy be manifested in your attitude and action at the Conference.

The coming together of men typical of the best feeling and thought of all the Republics of the Western Hemisphere can be an important factor in the promotion of friendly international relations. Pan-Americanism has been founded upon the common ideals and a community of interests among the American Republics and it is with this in view that I desire you to give your studious attention not only to the particular subjects before the Conference, but also to the task of becoming imbued with the spirit which animates the inter-American policy of the United States.

### 2. *Unique position of United States.*

Our country has occupied a unique position with regard to the nations of Latin America. Our national individuality and independence were acquired before theirs, and when they achieved independence they turned to us for moral guidance and support. But today, and for many years past, they have stood alone, free, independent and self-reliant. The United States does not desire, and in no sense can it be contemplated, that any of the American peoples should be in a state of tutelage. The independence of each Republic must recognize the independence of every other. We wish the fullest possible development in the national life of the Republics of America

<sup>42</sup> *Congressional Record*, vol. 77, pt. 1, p. 5.

in complete accord with their own national characteristics and aptitudes. Each nation must grow by an advancement of civilization and social well-being, and not by the acquisition of territory at the expense of any neighbor or by forcing the will of one nation upon that of another. If it is possible for us to assist them in any way through our development and our achievements in science and industry, we shall be glad to extend such assistance in the most friendly manner, but we shall not proffer it unless it is desired.

You should endeavor, therefore, to impress upon the representatives of the other American Republics that we desire, above all, their material prosperity and their political security and that we entertain only friendly sentiments for them. You will endeavor to foster a spirit of generous cooperation and manifest a sincere interest in their respective efforts and aspirations. It would not seem opportune for the delegates of the United States to assume a role of leadership in the Conference, either in its official organization or in its discussions. Your attitude should be to favor a friendly expression of views by the delegates of the various countries and, with due regard to the specific instructions which appear hereinafter, to support only those proposals which would appear to be of common interest and which merit the unanimous approval of the American Republics.

### 3. *Role of Conference.*

The instructions given the delegates to the Fifth Conference and repeated in the instructions for the Sixth<sup>43</sup> stated as follows:

"It should be borne in mind that the function of these [Pan American] conferences is to deal, so far as possible, with non-controversial subjects of general interest, upon which free and full discussion may be had with the purpose and probability of arriving at agreement and cooperation. International questions which cause prolonged and even bitter and controversial debate are not infrequently, in their important aspects, of actual interest only to a small group of nations. It is believed that in this Conference the most fruitful results will be obtained if discussion is confined to those aspects of the various topics which are of interest to all the Republics."

It is felt that action of a more effective nature might be taken by this Conference if it would concentrate its efforts upon a very few subjects and limit its work to the adoption of a few conventions and resolutions. This would also prevent a dissipation of the attention and interest of the respective governments following the Conference, thus encouraging favorable consideration of the conventions and reso-

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<sup>43</sup> Sixth International Conference of American States, held at Habana, January 16-February 20, 1928; for correspondence, see *Foreign Relations*, 1928, vol. I, pp. 527 ff.; for text of instructions to the American delegation, see *ibid.*, p. 534.

lutions. The Sixth Conference, for example, signed eleven conventions and approved sixty-two resolutions, seven motions, and four agreements. It is believed that such an array of resolutions and conventions does not make it possible for the delegates to give each subject the considered attention which it warrants, thereby detracting materially from the effectiveness of the Conference.

With respect to political differences between the American Republics, it is important that you exercise great caution. You will bear in mind that the present Conference has not been called to sit in judgment on the conduct of any nation or to attempt to redress alleged wrongs. In this connection, it will be recalled that academic discussion has been carried on at certain previous conferences which led to no practical results, but which tended to create an atmosphere not entirely harmonious.

The United States has always maintained the view that the competency of these conferences does not extend to the assumption of the responsibilities of an arbitral board. It has been the policy of the United States to lend its good offices to the settlement of conflicts between sister-Republics, but to refrain from any effort to have these conferences take cognizance of any existing controversy with a view to its settlement, unless the good offices of that body are invoked by both the opposing parties. Detailed instructions for your guidance on this matter are included hereafter.

## B. CONVOCATION OF CONFERENCE

### I. INVITATION

The Sixth International Conference of American States, held at Habana, Cuba, January 16 to February 20, 1928, adopted a resolution<sup>44</sup> designating the City of Montevideo as the seat of the Seventh International Conference. The Governing Board of the Pan American Union, in agreement with the Government of the Republic of Uruguay, designated December, 1932, as the date for the Conference. The Governing Board, on May 6, 1932, however, adopted a resolution, a copy of which is attached as Appendix 1,<sup>45</sup> requesting the Government of Uruguay to postpone the date for the convocation of the Conference until December, 1933.

It was felt that the time was not propitious on account of the political disorder existing in a number of the countries, the difficult economic and financial conditions, as well as the acute state of the two boundary disputes in South America.

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<sup>44</sup> Sixth International Conference of American States, *Final Act, Motions, Agreements, Resolutions and Conventions*, p. 112.

<sup>45</sup> Appendix 1 not printed, but see *Foreign Relations*, 1932, vol. v, p 1.

The Government of Uruguay, in conformity with this resolution, extended an invitation <sup>46</sup> to the Governments of American Republics to meet at Montevideo on December 3, 1933.

## II. REGULATIONS

The Regulations for the Conference were adopted by the Governing Board of the Pan American Union on May 4, 1932, and are printed on pages 29 to 30 of the Handbook prepared by the Pan American Union. These Regulations are substantially the same as those which governed the Sixth Conference, with some improvements in arrangement and phraseology.

### C. AGENDA <sup>47</sup>

#### I. FORMULATION OF AGENDA

The Governing Board of the Pan American Union, in accordance with the accepted practice, prepared the Agenda for the Conference. It was made up of (1) subjects which were recommended by the Sixth International Conference of American States; (2) subjects pending from the previous Conference; (3) subjects relating to special technical conferences held since 1928, and (4) topics which have been suggested by various member nations. It covers a wide range of subjects and is considered by this Government as too comprehensive and, consequently, too long and unwieldy. It was adopted by the Governing Board on May 31, 1933.

#### II. LIMITATION OF AGENDA DISCUSSIONS

The attitude of this Government from the beginning was in favor of restricting the Agenda to a few subjects grouped around a central topic with the belief that greater progress in a constructive way might thus be made. These views were set forth in a letter dated October 16, 1931, addressed by the Secretary of State to the Director General of the Pan American Union, a copy of which is attached hereto as Appendix 2,<sup>48</sup> replying to the request of the Pan American Union for comments on the list of topics submitted by the Subcommittee on Program.

Reference was made in the above referred to letter to Resolution No. XXVI of the Fourth Pan American Commercial Conference,<sup>49</sup>

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<sup>46</sup> See note from the Uruguayan Minister for Foreign Affairs, August 7, 1933, p. 9.

<sup>47</sup> For text, see pp. 49-51.

<sup>48</sup> Appendix 2 not printed.

<sup>49</sup> Fourth Pan American Commercial Conference, Pan American Union, Washington, D. C., October 5th-13th, 1931, *Final Act (With Annexes and a Summary of the Work of the Conference)* [Washington, n. d.], p. 27.



wherein the following provision was made regarding future commercial conferences:

"Its programs will comprise only a short number of subjects, of a preponderantly commercial nature, grouped around a central topic which will constitute the basis of its work, with the object of gradually solving the principal problems of Inter-American Commerce."

This Government in its letter to the Pan American Union recommended that the same principle should be adopted for the Agenda of the Seventh International Conference of American States, but the recommendation was not followed.

This Government also sounded out a number of Latin American representatives in Washington prior to the adoption of the definitive Agenda by the Governing Board on May 31, 1933, with a view to ascertaining the possibility of reducing the Agenda. A majority of the members of the Governing Board expressed themselves in favor of reducing the Agenda, but no action was taken by the Governing Board in this regard.

The Governing Board, however, on May 31, 1933, did adopt the following resolution which was proposed by Mexico:

"The Sub-committee recognizes that the topics contained in Chapters I and IV of the Program of the Seventh Pan American Conference embrace the questions that require immediate attention, in view of the conditions prevailing at this historic moment; without implying, however, that the Sub-committee denies importance to the other topics of the Program."

It is understood that the Government of Mexico considers that the adoption of this Resolution, giving preferential consideration to economic and financial problems and questions relating to the organization of peace, "practically eliminate(s) the non-preferential themes from consideration at Montevideo."

A confidential *Aide-Mémoire* from the Chilean Government, presented informally by the Chilean Chargé d'Affaires, expressed the following regret that the Agenda had not been reduced:

"2. It is regrettable that the Governing Board of the Pan American Union did not deem it advisable to cut down the Agenda of the Conference, as suggested by Secretary Hull."

It is the opinion of this Government that much more substantial progress of an enduring nature will be made if the discussion can in fact be restricted to subjects of vital and immediate importance and of general interest. You will lend your full support and concur in any suggestion proposed by other Governments favoring the desirability of confining discussions to subjects such as the Organization of Peace and Economic and Financial Problems.

### III. AGENDA FOR FUTURE CONFERENCES

It is believed that greater progress could be made at future International Conferences of American States if the principle were adopted of having the Governing Board select one or two central topics for the discussions at each succeeding conference, about which would be grouped a small number of specific subjects. It is felt that a conference which endeavors at the same time to codify international law and consider other juridical questions, deal with economic problems, transportation, intellectual cooperation, social problems, and to review the general and special inter-American conferences, is far too ambitious and, consequently, too often results in mediocre accomplishments. Should the occasion arise, you will endeavor to have the Conference adopt the principle that the Governing Board in the future will select, after consultation with the member Governments, a central topic for each conference about which shall be grouped a small number of subjects.

### IV. ATTITUDE TOWARD DISCUSSION OF NEW TOPICS

It is possible that attempts may be made to introduce for discussion before the Conference, subjects not included on the Program. Provision has been made under Chapter V, Article 25, of the Regulations, for the introduction of new topics, provided two-thirds of the delegations present at the conference favor such action. Instructions have been prepared for your guidance in such a contingency concerning certain subjects which might be introduced and are included under Section E of these Instructions beginning on p. —.<sup>50</sup> Instructions on other subjects which might be of interest in connection with conversations which you will have with other delegates are included under Section F beginning on p. —.<sup>51</sup>

### V. AGENDA ITEMS

The Program of the Conference is as follows:

#### CHAPTER I—*Organization of Peace*

1. Methods for the prevention and pacific settlement of inter-American conflicts.
2. (a) Inter-American Commissions of Conciliation.  
(b) Report of the Permanent Commission of Conciliation of Washington on its activities.
3. Declaration of August 3, 1932.
4. Anti-War Pacts—Argentine Plan.
5. Consideration of a plan to secure the prompt ratification of the General Treaty of Inter-American Arbitration and of the General Convention of Inter-American Conciliation of January 5, 1929, and in general to secure the prompt ratification of treaties and conventions and the early application of the resolutions adopted at the International Conferences of American States.

<sup>50</sup> *Post*, p. 133.

<sup>51</sup> *Post*, p. 148.

CHAPTER II—*Problems of International Law*

6. Method for the progressive codification of international law, and consideration of topics susceptible of codification, such as:

- (a) The rights and duties of States.
- (b) Treaties and their interpretation.
- (c) International responsibility of States, with special reference to the denial of justice.
- (d) Definition, duration, and reciprocity of political asylum.
- (e) Extradition.
- (f) Nationality.
- (g) Territorial sea.

7. Report of the Permanent Committee on Public International Law of Rio de Janeiro on the general principles which may facilitate regional agreements between adjacent states on the industrial and agricultural use of the waters of international rivers, and reports of the said committee and of the Permanent Committee on Private International Law of Montevideo on the matters provided for in the resolution of the Sixth International Conference of American States of February 18, 1928.

CHAPTER III—*Political and Civil Rights of Women*

8. Report of the Inter-American Commission of Women on the political and civil equality of women.

CHAPTER IV—*Economic and Financial Problems*

9. Consideration of the recommendations of the Fourth Pan American Commercial Conference relative to:

- (a) Customs duties.
- (b) Currency stabilization and the possibility of adopting a uniform monetary system.
- (c) Commercial arbitration.
- (d) Promotion of tourist travel.

10. Import quotas.

11. Import prohibitions.

12. Collective commercial treaties.

13. Report on the resolutions of the Inter-American Conference on Agriculture.

14. Report on the establishment of an inter-American economic and financial organization under the auspices of the Pan American Union.

15. The inter-American protection of patents of invention.

16. Consideration of the draft convention on customs procedure and port formalities formulated by the Pan American Commission on Customs Procedure and Port Formalities which met at Washington from November 18 to 26, 1929.

17. Consideration of projects of uniform legislation relative to such topics as:

- (a) Bills of exchange, checks, and other commercial paper.
- (b) Bills of lading.
- (c) Insurance.
- (d) Simplification and standardization of the requirements for powers of attorney.
- (e) Juridical personality of foreign companies.
- (f) The losses caused by theft and pilferage of cargo in maritime commerce.
- (g) Any other draft conventions on uniform legislation relative to commercial and maritime law that may be formulated by the Permanent Committee on Comparative Legislation and Uniformity of Legislation established at Habana by virtue of the resolution of February 18, 1928, of the Sixth Conference.

CHAPTER V—*Social Problems*

18. Consideration of the establishment of an Inter-American Bureau of Labor, which will include in its program the following:

- (a) Improvement of the condition of living of workmen:
  - (1) Promotion of safety in industry.
  - (2) Improved housing conditions.
- (b) Social insurance: Unemployment and practical forms of unemployment insurance.
- (c) Uniformity of demographic statistics.

19. Results of national and international conferences on child welfare, with a view to broadening the work of the Inter-American Institute at Montevideo.

20. Application to foodstuffs and pharmaceutical products exported to other American countries, of the same sanitary, pure food, and drug regulations which are in effect in the country of production on all those commodities consumed herein.

CHAPTER VI—*Intellectual Cooperation*

21. Inter-American copyright protection, and the possibility of reconciling the Habana and Rome Conventions.

22. American bibliography:

- (a) Exchange of information.
- (b) Encouraging national and continental bibliographic effort.

23. Report on the results of the Congress of Rectors, Deans, and Educators, which met at Habana in February 1930.

24. International cooperation to make effective respect for and conservation of the national domain over historical monuments and archeological remains.

CHAPTER VII—*Transportation*

25. Inter-American fluvial navigation: Reports of the Governments on technical studies relative to the navigation of rivers and the elimination of obstacles to navigation, and the possibility of connecting or bettering the connections which exist between them.

26. Report of the Pan American Railway Committee.

27. Study of the penal provisions and of the regulations of the Convention on Commercial Aviation signed at the Sixth International Conference of American States.

CHAPTER VIII—*International Conferences of American States*

28. Results of the International Conferences of American States.

- (a) Reports submitted by the delegations on the action taken by the States on the conventions and resolutions adopted at the Pan American Conferences, with special reference to the Sixth Conference.
- (b) Results, not specifically included in other sections of this program, of the special conferences held in the interval between the Sixth and Seventh International Conferences of American States and of the permanent institutions established by the International Conferences.

29. Convocation, participation, and meeting of future conferences, and adhesion of nonsignatory states.

- (a) Consideration of the extraordinary convocation of the International Conferences of American States.
- (b) Participation in the Pan American Conferences, and the adhesion of nonsignatory states to the conventions signed at such conferences.
- (c) Future International Conferences of American States.

For your convenience the following instructions have been arranged to correspond with the set up of the Program. As the conference progresses developments on certain of the topics may necessitate a modification of the instructions.

### CHAPTER I—*Organization of Peace*<sup>52</sup>

#### 1. *Methods for the prevention and pacific settlement of Inter-American Conflicts.*

This Government has always manifested a keen and active interest in the promotion of the pacific settlement of international disputes. The international organization of the Western Hemisphere has developed, as the result of many years of effort, a comprehensive peace machinery (see memorandum attached as Appendix 3<sup>53</sup>). You will endeavor, in your work at the Conference, to encourage the improvement of existing machinery for settling American disputes rather than the creation of new machinery; the creation of a multiplicity of devices is likely to impede rather than promote settlements by giving the parties an opportunity to vacillate between several different methods.

The Pan American Peace organization offers no antagonism to nor is it in conflict with any world organization. Encouragement should be given to efforts to improve the existing Inter-American peace machinery and to promote more extensive use of such machinery. After all, it is not lack of adequate peace machinery, but a failure of the will to make use of such machinery, that lies at the root of the problem of the peaceful settlement of international disputes.

#### 2(a) *Inter-American Commissions of Conciliation.*

It is the belief of this Government that the Treaty to Avoid and Prevent Conflicts between American States,<sup>54</sup> as supplemented by the Convention on Inter-American Conciliation of 1929,<sup>55</sup> furnish adequate machinery for the investigation and conciliation of inter-American disputes. The texts of these treaties are contained on pages 26 to 46 in the handbook for the use of the delegates.

The American Institute of International Law has submitted to the Governing Board of the Pan American Union a draft project on the creation of an international American Commission of Conciliation. The text of this project is printed on pages 3 to 7 of pamphlet No. 4 of the documents published by the Pan American Union for the use of delegates. It is the view of this Government that the project of

<sup>52</sup> See *Special Handbook for the Use of Delegates*, pp. 35-52.

<sup>53</sup> Appendix 3 not printed.

<sup>54</sup> Signed at Santiago, May 3, 1923; also known as the Gondra Treaty. For text, see *Foreign Relations*, 1923, vol. I, p. 308; for correspondence regarding establishment of permanent commissions, see *ibid.*, 1928, vol. I, pp. 644 ff.

<sup>55</sup> Signed at Washington, January 5, 1929, *ibid.*, 1929, vol. I, p. 653.

the American Institute does not offer an improvement over the system established by the so-called Gondra Treaty of 1923, and the 1929 Convention on Inter-American Conciliation. Your attention is called to the memorandum on the project, which is attached hereto as Appendix 4.<sup>56</sup>

It is believed that in order that these treaties may be effective it is necessary that they be ratified by all of the American Republics. You may point out the fact that this Government has ratified both of these Conventions and you will make an earnest effort to promote in any proper manner the acceptance by other Governments of these two Conventions.

2(b) *Report of the Permanent Commission of Conciliation of Washington on its Activities.*<sup>57</sup>

The report of the Permanent Commission of Conciliation, located at Washington, set up by virtue of the treaties of 1923 and 1929, will submit its report directly to the Conference; presumably the report will not be available in advance of the Conference.

3. *Declaration of August 3, 1932.*<sup>58</sup>

This Government is deeply interested in maintaining the principle enunciated in the Declaration of August 3, 1932, and will be glad to cooperate with the other American Republics to that end. A copy of this Declaration appears on page 47 of the Handbook for the Use of Delegates.

It would seem that the Declaration of August 3, as a development from the Pact of Paris,<sup>59</sup> could possibly be drafted in a convention which would be satisfactory to the various governments. It is doubtful, however, whether any additional strength would arise from such form. In fact, quite the opposite might easily be the result through making the doctrine inflexible and preventing its proper development to meet particular emergencies as they arise.

In this connection, however, it will be noted that Topic 4 relates to the Argentine Anti-War Pact, Article II of which contains the essential features of the Declaration of August 3, 1932, in the following terms:

“They declare that territorial questions must not be settled by resort to violence and that they shall recognize no territorial arrangement not obtained through pacific means, nor the validity of an occupation or acquisition of territory brought about by armed force.”

<sup>56</sup> Appendix 4 not printed.

<sup>57</sup> See *Report of the Delegates of the United States of America to the Seventh International Conference of American States, Montevideo, Uruguay, December 3-26, 1933*, pp. 10-11.

<sup>58</sup> For text of the declaration, see *Foreign Relations, 1932*, vol. v, p. 159.

<sup>59</sup> Treaty signed August 27, 1928, *ibid.*, 1928, vol. i, p. 153.

The instructions given you in relation to Topic 4 authorize you to state, under certain conditions, that the United States will sign the Argentine Anti-War Pact.

#### 4. *Anti-War Pacts—Argentine Pact.*

The Governments of Argentina, Brazil, Chile, Paraguay, Mexico, and Uruguay signed at Rio de Janeiro on October 10, 1933, the anti-war pact proposed by Argentina.<sup>60</sup> See Appendix 5.<sup>61</sup> Chile signed with reservations excepting paragraphs *a*, *b*, *c*, and *d* of Article 5. This Government recognizes and appreciates the high aims of those Governments in their praiseworthy efforts to work for peace on this continent.

This Government has heretofore declined to sign the Argentine Anti-War Treaty, feeling that the Treaty was to some extent a step backward as regards the existing conciliation machinery on this continent, and also that it did not add anything useful to the Briand-Kellogg Pact. However, largely as a matter of expediency it may appear advisable for the United States to consider signing this Treaty. For one thing, it is noted that Argentina has not adhered to the Pact of Paris, nor has it become a party to any of the Conventions establishing peace machinery on the Western Hemisphere, such as the 1923 Treaty to Avoid and Prevent Conflicts between American States,<sup>62</sup> the 1929 Convention on Inter-American Conciliation<sup>63</sup> or the General Treaty on Inter-American Arbitration.<sup>64</sup> Obviously, if Argentina should adhere to these instruments, such action would strengthen materially the American peace machinery. It is possible that if the United States should be willing to sign the Argentine Anti-War Pact, Argentina would consider favorably adherence to the Briand Kellogg Pact and the other peace conventions mentioned above.

Furthermore, an expressed willingness on our part to sign Señor Saavedra Lamas' Anti-War Treaty might conceivably be of considerable assistance to our delegation in working for cooperation and harmony at the Conference and avoiding the creation of embarrassing incidents arising through an attempt on the part of other delegations to raise controversial questions involving the United States.

You are, therefore, authorized in your discretion to discuss this question confidentially and discreetly with Señor Saavedra Lamas<sup>65</sup> early in the Conference. If you believe it advisable, you are au-

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<sup>60</sup> For text, see p. 234.

<sup>61</sup> Appendix 5 not printed.

<sup>62</sup> For text, see *Foreign Relations*, 1923, vol. I, p. 308; for correspondence concerning the establishment of permanent commissions under the treaty, see *ibid.*, 1928, vol. I, pp. 644 ff.

<sup>63</sup> *Ibid.*, 1929, vol. I, p. 653.

<sup>64</sup> *Ibid.*, p. 659.

<sup>65</sup> Carlos Saavedra Lamas, Argentine Minister for Foreign Affairs.

thorized to inform him that you will be prepared, at the end of the Conference, to sign the Anti-War Treaty<sup>66</sup> on behalf of the United States.

In this connection, however, it is evident that Article II of the Treaty reading as follows :

“They declare that territorial questions must not be settled by resort to violence and that they shall recognize no territorial arrangement not obtained through pacific means, nor the validity of an occupation or acquisition of territory brought about by armed forces”

will require a reservation on the part of the United States. The reference in Article II to a non-recognition of “occupation” of territory by armed forces is much broader than the provision in the Pact of Paris with respect to the settlement of disputes or conflicts by pacific means or the somewhat similar provision of the so-called Hoover-Stimson doctrine.<sup>67</sup> Unless an appropriate safe-guarding reservation were made it might conceivably raise questions as to our rights under certain existing treaties (e. g., those with Cuba, Panama, Haiti, and the Dominican Republic) as well as the recognized right under international law to protect our nationals when they are in danger owing to a breakdown of local government. In the event that you proceed to sign this Treaty you will do so with the following reservation :

“In signing this Treaty the United States does not thereby waive any rights which it may have under other treaties or conventions or under international law.”

5. *Consideration of a plan to secure the prompt ratification of the General Treaty of Inter-American Arbitration and of the General Convention of Inter-American Conciliation of January 5, 1929, and in general to secure the prompt ratification of treaties and conventions and the early application of the resolutions adopted at the International Conferences of American States.*

This Government ratified the General Treaty of Inter-American Conciliation on February 26, 1929. You are referred to the instructions under Topic 2(a) regarding the attitude which is to be taken on this subject.

The Senate of the United States gave its advice and consent on January 19, 1932, to the ratification of the General Treaty of Inter-American Arbitration with reservations of such a nature that ratifica-

<sup>66</sup> For correspondence concerning the decision of the United States to sign the Argentine Anti-War Treaty, see pp. 228 ff.

<sup>67</sup> For the Stimson doctrine (also called the Hoover doctrine), see telegram No. 7, January 7, 1932, noon, to the Ambassador in Japan, *Foreign Relations*, Japan, 1931-1941, vol. 1, p. 76; also telegram No. 50, February 24, 1932, 2 p. m., to the Consul General at Shanghai, quoting text of letter (dated February 23) to Senator Borah, *ibid.*, p. 83.



tion has not been completed. The President, however, will exert every effort to bring about the early ratification of this treaty<sup>68</sup> in the most liberal form which is feasible. You may use your efforts in whatever way might be feasible to encourage the ratification of this convention by those governments which have not yet done so. Your attention is called to Appendix 6<sup>69</sup> for further information concerning this matter.

With regard to a plan to secure prompt ratification of treaties and conventions, it is the feeling of this Government that the desired result can, in large measure, be accomplished by the conclusion of a smaller number of generally acceptable and more important treaties and conventions. It is believed that the conclusion of a large number of treaties and conventions at a single international conference is a retarding influence, in so far as ratification is concerned. This is true not only because of the difficulty in getting legislative approval of a large number of treaties, but also because it has not always been possible for the general conference to give the required care in drafting a large number of treaties which are satisfactory to all of the governments.

It is possible that efforts may be made at the Conference to grant to the Pan American Union certain functions with a view to facilitating the ratification of Inter-American treaties or conventions. With reference to the project of the American Institute of International Law printed on pages 9 and 10 of Pamphlet No. 4 of the Pan American Union, it would appear that the proposed functions of the Pan American Union as outlined in the draft project are unobjectionable.

This Government is of the opinion that the administrative details incident to the deposit and exchange of the instruments of ratification of conventions adopted at the Pan American Conferences should be centralized and coordinated at one place. It is believed that the Pan American Union is the logical place for such work. The Sixth Conference adopted this plan by inserting in all but two of the conventions a provision for the deposit of the instruments of ratification with the Pan American Union. It would seem that this practice has worked satisfactorily, and it is believed that the precedent established by the Sixth Conference should be continued. You will therefore support a proposal to include in any conventions or treaties which might be drafted at the Conference a provision designating the Pan American Union as the depository for instruments of ratification.

The Governing Board on May 4, 1932, adopted a tentative procedure which is to be followed with respect to the deposit of instruments of

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<sup>68</sup> See *Foreign Relations*, 1929, vol. I, p. 659, footnote 4, and bracketed note, p. 667.

<sup>69</sup> Appendix 6 not printed.

ratification of the conventions for which the Union is the depository. The procedure as formulated is as follows:

- "1. To assume the custody of the original instrument.
- "2. To furnish copies thereof to all the signatory Governments.
- "3. To receive the instruments of ratification of the Signatory States, including the reservations.
- "4. To communicate the deposit of ratification to the other Signatory States and, in the case of reservations, to inform them thereof.
- "5. To receive the replies of the other Signatory States as to whether or not they accept the reservations.
- "6. To inform all the States, signatory to the treaty, if the reservations have or have not been accepted."

The Governing Board also agreed to the following understanding with respect to the juridical status of treaties ratified with reservations:

"1. The treaty shall be in force, in the form in which it was signed, as between those countries which ratify it without reservations, in the terms in which it was originally drafted and signed.

"2. It shall be in force as between the Governments which ratify it with reservations and the Signatory States which accept the reservations in the form in which the treaty may be modified by said reservations.

"3. It shall not be in force between a Government which may have ratified with reservations and another which may have already ratified, and which does not accept such reservations."

It is believed that the above procedure and understanding, which are of a provisional character, are satisfactory and should be made definitive by the Conference.

#### 6. *Codification of Public International Law.* (Chapter II of the Program of the Seventh International Conference).<sup>70</sup>

The question of the codification of International Law has occupied the attention of American Conferences since the Second Pan American Conference held at Mexico City October 22, 1901, to January 31, 1902.<sup>71</sup> At that time a Convention for the Codification of Public and Private International Law by a Commission of seven persons, of whom five should be publicists of the American States and two of Europe, was agreed upon and signed.<sup>72</sup> The history of the

<sup>70</sup> See *Special Handbook for the Use of Delegates*, pp. 52-56.

<sup>71</sup> See Second International Conference of American States, *Message from the President of the United States*; . . . the Report, with Accompanying Papers, of the Delegates of the United States, S. Doc. 330, 57th Cong., 1st sess. (Washington, Government Printing Office, 1902).

<sup>72</sup> *Ibid.*, p. 201.

steps taken between that time and the present time may be summarized as follows:\*

The Convention signed at the Second Pan American Conference in 1902, referred to above, did not become operative.

At the Third Pan American Conference held at Rio de Janeiro in 1906, a Convention establishing an International Commission of Jurists was signed.<sup>73</sup> This Commission of Jurists was to consist of one representative from each of the signatory States, and was to meet for the purpose of preparing a draft code on Private International Law and one on Public International Law, regulating the relations between American States. This Convention was ratified by the United States on February 8, 1908, but, because of the delay of other signatories in ratifying, it was not proclaimed until May 1, 1912, which was subsequent to the Fourth Pan American Conference.

Nevertheless, the question of codifying International Law came before the Fourth Pan American Conference held at Buenos Aires July 12 to August 30, 1910, at which time a proposal stating the view of the Conference as to the manner in which the work should be performed was adopted.†

The subject was next considered by the Governing Board of the Pan American Union at a meeting held January 15, 1912, at which time an agreement was concluded stipulating that the Commission of Jurists should meet at Rio de Janeiro June 26, 1912, and that each Government might be represented by two delegates instead of one, as provided for in the Convention of 1906 creating the Commission of Jurists. The Commission met at Rio de Janeiro on June 26, 1912, the United States being represented by Honorable John Bassett Moore and Frederick Van Dyne, Assistant Solicitor of the Department of State. Commit-

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\*For a more complete history of the steps taken toward the codification of International Law between 1902 and the Sixth Pan American Conference held at Habana in 1923, see the memorandum prepared by Mr. Hackworth, December 22, 1927, and incorporated in the instructions to the American delegates to the Sixth Pan American Conference. [Footnote in the original; memorandum not printed.]

<sup>73</sup>For correspondence concerning the Third Pan American Conference, see *Foreign Relations*, 1906, pt. 2, pp. 1565 ff.; for text of the convention, see *ibid.*, p. 1601.

†“(a) In addition to keeping separate the usual divisions of the subject into public international law and private international law, it should also subdivide its work into matters of universal application and of American application;

(b) The matters of American application would be made up into a plan which, after having been brought to the knowledge and attention of the governments, could be presented for the approval of the next Pan American conference in accordance with Article III, paragraphs 2 and 7 of the convention of Rio de Janeiro;

(c) The matters of universal character would be made up into a separate project that would follow a like course and it would be presented in the name of the American States which might have approved it to the next conference at The Hague.” (Fourth International Conference of American States, p. 71). [Footnote in the original.]

tees were appointed to prepare drafts of codes on certain specified subjects to be reported at later dates and at specified places.† The Commission adjourned to meet again at Rio de Janeiro in 1914. This meeting, however, did not take place on account of the intervening European War.

At the Fifth Pan American Conference held at Santiago, Chile, in 1923,<sup>74</sup> the question of the codification of International Law was on the Agenda, and the Committee having the subject in charge suggested resolutions to be adopted by the Conference to the effect that each American Government should appoint two delegates to constitute "the Congress of Jurists of Rio de Janeiro"; that the Committees appointed by the earlier Congress of Jurists be reestablished; that they should undertake to reconsider the work in the light of the experience of recent years; that a Committee be designated to take up the study of comparative Civil Law of all the American States looking to the formulation of a Code on Private International Law; that the Congress of Jurists convene at Rio de Janeiro in 1925; and that the resolutions of this Congress of Jurists be submitted to the Sixth International Conference of American States for consideration and possible incorporation in the Conventions.

The history of the Agenda of the Seventh Pan American Conference dates from a Resolution adopted by the Governing Board of the Pan American Union on January 2, 1924, reading as follows:

"Whereas, The Fifth International Conference of American States adopted a vote of thanks for the results achieved by the American Institute of International Law; and,

"Whereas, One of the purposes for which the American Institute of International Law has been established is to secure a more definite formulation of the rules of international law; and,

"Whereas, The codification of the rules of international law is the most important task entrusted to the International Commission of Jurists, and,

"Whereas, The labors of the American Institute of International Law will be of great service to the International Commission of Jurists in the fulfillment of the task assigned to it.

† The places of meeting and the subjects to be considered were as follows:

1. Washington, D. C. Subjects: Preparation of Drafts of Codes on Maritime War and the Rights and Duties of Neutrals;

2. Rio de Janeiro. Subjects: War on Land, Civil War and Claims of Foreigners Growing out of Such Wars;

3. Santiago, Chile. Subject: International Law in Time of Peace;

4. Buenos Aires. Subjects: The Pacific Settlement of International Disputes and the Organization of International Tribunals;

5. Montevideo. Subjects: Capacity, Status of Aliens, Domestic Relations, Succession . . .

6. Lima. Subjects: Matters of Private International Law not Embraced in the Preceding Enumeration, Including the Conflict of Penal Laws." (Sol. Ops. 1923, p. 71). [Footnote in the original.]

<sup>74</sup> See *Report of the Delegates of the United States to the Fifth International Conference of American States held at Santiago, Chile, March 25 to May 3, 1923*, with appendices (Washington, Government Printing Office, 1924), pp. 7, 131.

"Be it Resolved:

"By the Governing Board of the Pan American Union to submit to the Executive Committee of the American Institute of International Law the desirability of holding a session of the Institute in 1924 in order that the results of the deliberations of the Institute may be submitted to the International Commission of Jurists at its meeting at Rio de Janeiro in 1925." (Am. Journal Int. Law, 1924, Vol. 18, p. 269).

The Resolution was transmitted to the President of the American Institute of International Law. On March 2, 1925, the latter body transmitted some thirty projects on Public International Law to the Governing Board of the Pan American Union, with the suggestion that they be communicated by the members of that Board to their respective Governments, and by them laid before the Commission of Jurists to serve as a basis of discussion.

The Commission of Jurists at its meeting at Rio de Janeiro, April 18-May 20, 1927,<sup>75</sup> considered these projects, and as a result evolved twelve projects which it recommended for submission to the Sixth Pan American Conference that convened at Habana in January, 1928. The twelve projects laid before the Habana Conference were as follows:<sup>76</sup>

1. Fundamental bases of international law.
2. States, their existence, equality and recognition.
3. Status of foreigners.
4. Treaties.
5. Exchange of publications.
6. Exchange of professors and students.
7. Diplomatic officials.
8. Consuls.
9. Maritime neutrality.
10. Asylum.
11. Duties of the States in case of civil war.
12. Pacific settlement of international disputes.

Of these projects, Nos. 3, 4, 7, 8, 9, 10 and 11 were approved, with changes, by that Conference,§ and the remaining five were postponed for a more detailed study.

<sup>75</sup> See section entitled "Representation of the United States at the Meeting of the International Commission of Jurists, Held at Rio de Janeiro, April 18-May 20, 1927", *Foreign Relations*, 1927, vol. I, pp. 364 ff.

<sup>76</sup> For a summary analysis of the 12 projects, see *ibid.*, pp. 383-389.

§ The eleven Conventions adopted at the Sixth Pan American Conference were not signed as separate instruments but were incorporated in the Final Act of the Conference, signed by all the delegates. However, the delegates of the various States made numerous reservations to the separate Conventions.

The position of the United States with reference to these Conventions is as follows:

Of the eleven Conventions adopted, the following have been ratified by the United States: [For texts, see *Foreign Relations*, 1928, vol. I, pp. 585 ff.]

1. Duties and Rights of States in the Event of Civil Strife (Treaty Series, No. 814).

2. Status of Aliens (Treaty Series, No. 815). [Continued on p. 61.]

The Sixth International Conference of American States, in a Resolution adopted on February 18, 1928, on the subject of the "Future Codification of International Law", agreed:

"3. That three permanent committees shall be organized, in Rio de Janeiro, for the work relating to public international law; another at Montevideo, for the work dealing with private international law; and another in Habana, for the study of comparative legislation and uniformity of legislations. Said bodies shall have the following functions:

"a) To present to the governments a report or statement of the matters which are ready for codification and legislative uniformity comprising those definitely subject to regulation and formulation, as well as those regarding which international experience

3. Commercial Aviation (Treaty Series, No. 840).
4. Consular Agents (Treaty Series, No. 843).
5. Maritime Neutrality (Treaty Series, No. 845).
6. Pan American Union.

The last-named Convention, although it has been ratified by the United States, and the deposit of ratifications has been made, is not in force, since the Convention requires the deposit of ratifications by all 21 countries before it becomes effective.

The following Conventions were not submitted for approval by the Senate, for the reasons stated in each case:

- 1) Convention on Private International Law. [*Final Act*, p. 16.] This Convention was not accepted by the American delegation.
- 2) Convention on Asylum. [*Final Act*, p. 166.]

The custom of affording asylum within foreign territory is not sanctioned by general international law, and is not encouraged by this Government. When signing the Final Act the American delegation recorded an explicit reservation to this effect, and the Legal Adviser, then Solicitor, recommended that the Convention be not submitted to the Senate for ratification.

- 3) Convention on the Revision of the Convention of Buenos Aires regarding literary and Artistic Copyright. [*Final Act*, p. 123.]

The study of this Convention, also made by the Legal Adviser, indicated that certain of its articles contain provisions which would require material amendments of the copyright laws of the United States. For this reason, among other important reasons cited by him, it was recommended that for the present the Convention be not submitted to the Senate.

- 4) Convention on Diplomatic Officers. [*Final Act*, p. 142.]

An analysis of this Convention made by the Legal Adviser showed numerous features contrary to long existing practice with respect to this subject, and which indicate that the Convention does not merely codify existing rules but also in some respects amends or extends them. The Legal Adviser was of the opinion that the ratification of the Convention would tend to complicate or confuse rather than clarify existing rules of international law or international practice with respect to diplomatic officers. It was therefore deemed undesirable to present the Convention to the Senate.

- 5) Convention on Treaties. [*Final Act*, p. 135.]

The Convention on Treaties was carefully examined by the Legal Adviser, and, as in the case of the Convention on Diplomatic Officers, it was found to be in several respects undesirable. Article 15 of this Convention, relating to the manner in which the caducity of a treaty may be declared "when it is permanent and of non-continuous application," seems to have been formulated with a view to its future application to the Platt Amendment. [For citations to the Platt Amendment, see *Foreign Relations*, General Index, 1900-1918, p. 202; see also indexes to the individual volumes of *Foreign Relations* subsequent to 1918; for the Root interpretation of the Platt Amendment, see Report of the Secretary of War dated November 27, 1901, *Annual Reports of the War Department on the fiscal year ended June 30, 1901*, pp. 7, 48.]

[Footnote in the original.]

and the new principles and aspirations of justice may indicate require prudent juridical development.

"This report would be presented for the purpose of having the governments indicate which matters they deem susceptible to study to the end that they may be used as a basis in the formulation of conventional rules or fundamental declarations.

"b) To classify, in view of the aforementioned statement and of the answers given by the governments, the matters submitted to discussion, in the following form: (1) Subjects which are in proper condition for codification, because they have been unanimously consented to by the governments; (2) Matters susceptible of being proposed as subject to codification because, although not unanimously endorsed by, they represent a predominant opinion on the part of most governments; (3) Matters respecting which there is no predominant opinion, in favor of immediate regulation.

"c) To present to the governments the foregoing classifications, in order to learn their general views as to the manner in which the juridical problems of codifiable matters could be enunciated and resolved, together with all juridical, legal, political, and diplomatic data and antecedents which may lead to a full clarification of the subject.

"d) To solicit and obtain from the national societies of international law scientific opinions and general views on the regulation and formulation of the juridical questions entrusted to the committees.

"e) To compile all the aforementioned material for its transmission, together with draft-projects thereon, to the Pan American Union, which shall submit them to the executive council of the American Institute of International Law to the end that through a scientific consideration thereof the latter may make a technical study of such draft-projects and present its findings and formulas, in a report on the matter."¶ [Final Act, pp. 176-177.]

The Ambassador of Brazil, in Washington, transmitted on August 12, 1932, a memorandum, or Report, dated June 30, 1932, prepared by the Permanent Committee on Public International Law,<sup>77</sup> reporting,

"the matters which are ready for codification and legislative uniformity, comprising those definitely subject to regulation and formulation, as well as those regarding which international experience and the new principles and aspirations of justice may indicate require prudent juridical development."¶

In accordance with the Resolution of February 18, 1928, the Report was presented,

"for the purpose of having the Governments indicate which matters they deem susceptible to study to the end that they may be used as

¶ *Report of the Delegates of the United States of America to the Sixth International Conference of American States* ((1928) 315, Appendix 73). [Footnote in the original.]

<sup>77</sup> Not printed.

¶ File 710 F Codification of International Law B/5. [Footnote in the original.]

a basis in the formulation of conventional rules or fundamental declarations.”\*\*

Among the matters covered by the Report were the five topics postponed by the Sixth Pan American Conference to permit a more detailed study of them to be made, namely,—

1. Fundamental basis of international law.
2. States, their existence, equality and recognition.
3. Exchange of publications.
4. Exchange of professors and students.
5. Pacific settlement of international disputes.

In addition to these topics the Committee presented sixteen other subjects, prepared by the American Institute of International Law in connection with the preparation for the Habana Conference, but not examined at that time. They were:

1. Declaration of Inter-American Union and cooperation.
2. Recognition of new States and new Governments.
3. Declaration of the rights and duties of nations.
4. Fundamental rights of the American Republics.
5. National dominion.
6. Rights and duties of States in territories in dispute because of a boundary controversy.
7. Jurisdiction.
8. International rights and duties of natural and juridical persons.
9. Immigration.
10. Diplomatic protection.
11. Extradition.
12. Freedom of transit.
13. Navigation of international rivers.
14. International court of justice.
15. Suppressive measures.
16. Communists.

The reply of the United States, contained in a Memorandum dated December 15, 1932,<sup>78</sup> was sent to the Brazilian Ambassador in response to his communication of August 12, 1932, together with a request for its transmission to the Permanent Committee on the Codification of Public International Law of Rio de Janeiro. The reply was in part as follows:

“Since the work of the Committee established at Rio de Janeiro is to relate, according to the Resolution of the Sixth International Conference of American States, to public international law, the Government of the United States doubts the advisability of including in the list of subjects to be transmitted to the Pan American Union, with a view to their submission to a Conference of American States, those subjects

\*\**Ibid.* [Footnote in the original.]

<sup>78</sup> Not printed.



that are not within the scope of public international law. Also, the Government of the United States doubts the advisability of including subjects within that list the codification of which would be of slight practical value. The Government of the United States also is of the opinion that it is undesirable to attempt to prepare sound codes on more than two or three subjects at any one international conference.

"Accordingly, it is believed that the following subjects should preferentially occupy the attention of the Committee on Codification:

- "(1) 'Extradition'
- "(2) 'National domain'
- "(3) 'Freedom of transit'.

"If it should be decided that the Conference could undertake with any promise of success the discussion of additional subjects, it is suggested that the 'Rights and duties of States in territories in dispute because of a boundary controversy' might lend itself to a conventional agreement."††

The impracticability of undertaking to codify at a single conference more than one or two subjects on International Law was amply demonstrated at the Conference held at The Hague from March 13 to April 12, 1930.<sup>79</sup> That Conference, held under the auspices of the League of Nations, had before it only three subjects, namely, Nationality, Territorial Waters, and Responsibility of States for Damage caused in Their Territory to the Person or Property of Foreigners. Despite the fact that preparation for the Conference had been under way for a period of six years, under the auspices of a special committee of the League of Nations devoting its time to development of bases to be discussed at the Conference, and the fact that individual States had, during this same time, been preparing for the Conference, it was not found possible to evolve a code on any one of these subjects. A Convention on Nationality<sup>80</sup> was signed by most of the States represented at the Conference, but it was so unsatisfactory that this Government was unable to sign it.

The present Agenda for the Seventh Pan American Conference, as approved by the Governing Board of the Pan American Union at its session of May 31, 1933, has on it ten subjects on International Law for codification. It will be obvious, therefore, that the program for the Seventh Pan American Conference is entirely too ambitious for the accomplishment of any worthwhile work in the field of codification of International Law. Unless, therefore, it shall be agreed at the outset to confine the deliberations of the delegates to two or three subjects of not too controversial character, little or nothing will be

††*Ibid.*/8. [Footnote in the original.]

<sup>79</sup> For correspondence concerning the Conference, see *Foreign Relations, 1930*, vol. I, pp. 204 ff.

<sup>80</sup> See telegram No. 73, April 12, 1930, from the Minister in the Netherlands, *ibid.*, p. 223.

accomplished in this field. The subjects for which the United States indicated a preference (from the list submitted) in its memorandum of December 15, 1932, to the Committee at Rio de Janeiro, referred to above, namely, (1) "Extradition", (2) "National domain", (3) "Freedom of transit", with possibly (4) "Rights and duties of States in territories in dispute because of a boundary controversy", would appear more readily to lend themselves to codification. The United States does not insist, however, that these subjects shall be discussed.

*Other difficulties to be encountered.* It should be borne in mind that there is a vast difference between the conception of this Government and that of other first-class Powers, including Great Britain, France, Germany, Italy and Japan, and that of Latin American countries and certain small European Powers, as regards many fundamental principles of International Law. This is revealed by the diplomatic correspondence over a long period of years, and was most clearly demonstrated at the Conference at The Hague in 1930.

At this last-mentioned Conference, a code, consisting of ten Articles on "Responsibility of States for Damage Caused in Their Territory to the Person or Property of Foreigners", had been agreed upon by a majority vote of the committee having the subject under consideration after a first reading, and at the last moment it was defeated by a coalition of the Latin American countries with certain small European Powers, and China, whose evident purpose was to limit the liability of States toward aliens in their territories to a degree short of that sanctioned by well-established International Law. The reason for this difference of view will be obvious when it is considered that in these small countries the degree of enforcement of law and order and the protection afforded foreigners is frequently far below that observed by first-class Powers, and, consequently these smaller States are more often called upon to answer for their failure to afford that degree of protection required by International Law.

In the Seventh Pan American Conference, and in fact any Conference of American States, the United States will, from the necessity of the situation, stand alone against the consolidated view of all Latin American countries, in so far as concerns some of the questions now on the Agenda for that Conference.

It will therefore be seen that this Government will be playing a lone hand in any endeavor to set forth in code form International Law as commonly accepted by World Powers on these subjects. We will be under the necessity either of opposing most of the proposals advanced by the Latin American countries and declining to sign any conventions agreed upon, or of adopting what we know to be unsound pronouncements on these subjects.

It is worthy of mention, moreover, that International Law is supposed to have universal application. It is by the universal or near-universal acceptance of precepts of International Law that the tenets of International Law have force, or in fact become established. There can be no such thing as International Law for small States or American States, as some American publicists have advocated, and a different law for other States.

In 1925 the American Institute of International Law prepared a number of projects,<sup>81</sup> the second of which, entitled "General Declarations", included the following statement:

"3. By American International Law is understood all of the institutions, principles, rules, doctrines, conventions, customs, and practices which, in the domain of international relations, are proper to the republics of the New World.

"The existence of this law is due to the geographical, economic, and political conditions of the American Continent, to the manner in which the new republics were formed and have entered the international community, and to the solidarity existing between them.

"American International Law thus understood in no way tends to create an international system resulting in the separation of the republics of this hemisphere from the world concert."<sup>82</sup>

This is the doctrine particularly advocated by Alvarez,<sup>83</sup> of Chile.

Accordingly, it will be appreciated by the delegates that, any effort toward codification by an American Conference is, at the outset, beset with grave difficulties. However, we are faced with a practical situation which it should be the purpose of the American delegates to meet in the best possible way.

With this preliminary statement of the history of the efforts toward codification and of the difficulties encountered and to be encountered, the draft codes, and the subjects on which no drafts have been submitted, will be taken up in the order in which they appear on the Program of the Conference.

#### 6a. *The Rights and Duties of States* (Chapter II—Problems of International Law—6a)

The first subject under Chapter II, *Problems of International Law*, 6(a), is that of "The Rights and Duties of States". A draft project on this subject has been submitted through the Pan American Union by the American Institute of International Law.<sup>84</sup>

<sup>81</sup> For texts, see American Institute of International Law, *Codification of American International Law: Projects of Conventions Prepared at the Request on January 2, 1924, of the Governing Board of the Pan American Union, etc.* (Washington, Pan American Union, 1925).

<sup>82</sup> *Ibid.*, p. 26.

<sup>83</sup> Alejandro O. Alvarez, Chilean writer, co-founder, with James Brown Scott, of the American Institute of International Law.

<sup>84</sup> See *Documents for the Use of Delegates to the Seventh International Conference of American States, Montevideo, Uruguay, December 3, 1933, No. 4* (Washington, Pan American Union, 1933).

The code as a whole is loosely and vaguely drawn. It readily reveals the sensibilities of the Latin American countries on the subjects of Equality of States, Intervention, Recognition, the Monroe Doctrine and special conventional arrangements, including the Platt Amendment,<sup>85</sup> between the United States and certain Latin American countries.

In many instances the code does not follow International Law, but is apparently designed to bring about a new order of things. It frequently condemns unilateral judgments of States, and invokes, in their stead, the judgment of "international organs", the meaning of which is nowhere revealed. The United States could not, of course, agree to submit its action taken in conformity with International Law to the judgment of a tribunal composed for the most part of Latin American nationals.

Article IV declares that the territory of States shall be inviolable, and that States are required to abstain from any exercise of power in the territory of another State. This, without some qualification, would strike directly at the Platt Amendment and our Conventions with Haiti and Santo Domingo. It would also prevent the landing of troops in any country for the protection of American nationals during the frequent revolutions in Latin American countries. In this Article, as in several other Articles of the draft on other subjects, the time and extent of emergency measures to be taken would be subject to the judgment of "international organs".

It will be obvious that such provisions would be unacceptable to this Government. There are a number of situations that justify a State in intervening in the affairs of another State. For example, States have a right under International Law to land forces for protection purposes, when the local authorities are unable or unwilling to afford protection. The right of the United States to land forces, for certain purposes, in Cuba and Haiti is provided for by the Treaty of 1903<sup>86</sup> and the Convention of 1915,<sup>87</sup> respectively.

It should be said that this Article is typical of a number of Articles contained in the draft. With all due respect to the drafters, it is apparent that proper consideration has not been given to existing International Law and to the practical, as distinguished from the theoretical, relationships between States.

Article VI of the draft sets forth the proposition that a State may not have a policy with reference to other States without the consent

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<sup>85</sup> For citations to the Platt Amendment, see *Foreign Relations*, General Index, 1900-1918, p. 202; see also indexes to individual volumes of *Foreign Relations* subsequent to 1918; for the Root interpretation of the Platt Amendment, see Report of the Secretary of War dated November 27, 1901, *Annual Reports of the War Department for the fiscal year ended June 30, 1901*, pp. 7, 48.

<sup>86</sup> *Foreign Relations*, 1904, p. 243.

<sup>87</sup> *Ibid.*, 1915, p. 449.

of such other States. The mere statement of the proposition indicates its unsoundness. It is undoubtedly directed at the Monroe Doctrine.<sup>88</sup> States commonly have policies with reference to other States, such, for example, as policies on recognition, tariff, commercial intercourse, etc. It requires no argument to demonstrate that a State may adopt such policies without the consent of the States that are the objects of such policies. The subject is not one that is controlled by International Law, and has no place in a code.

Article VIII contains the statement of a proposition that figured largely in the failure of The Hague Codification Conference of 1930. The statement is that "Foreigners may not demand rights different from or more extensive than the rights of nationals". This, of course, depends upon whether or not the treatment accorded foreigners conforms to the standard required by International Law. The comment in the attached memorandum deals adequately with the subject. (See LEGAL—Annex 1; also memorandum prepared by Miss O'Neill). (Appendices 7 and 8).<sup>89</sup> This Article, in identical form, is also included in the draft project on Responsibility of States, Article I. It more properly belongs in the latter project.

Article IX covers a subject on which Latin American States are extremely sensitive, namely, equality of States. There is no objection to a declaration on equality of States, provided no effort is made to specify in too great detail the situations in which such equality is to be given effect. The Article as drafted requires modification.

Article X has to do with the responsibility of States for "The abuse of international law, or the infraction of international obligations". The first part of the Article, defining responsibility, is unobjectionable. Other parts, however, dealing with the question of reparation and the method of assessing damages, are open to objection in that the subject, the measure of damages, in a given case can scarcely be covered by a broad generality, such as is contained in the Article. The Article is also objectionable in that it undertakes to circumscribe the rights of individual States in the settlement of matters of reparation by methods other than through international tribunals. For concrete suggestions, see attached memorandum on this project.

Article XI would require States to provide by law for equality of treatment of all persons within their borders without distinction as to nationality, sex, race, language, or religion, in matters pertaining to rights to life, family, education, freedom of conscience, communication, work, and free participation in social and governmental functions.

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<sup>88</sup> See section entitled "Official Statement of and Commentary Upon the Monroe Doctrine by the Secretary of State", *Foreign Relations*, 1929, vol. I, pp. 698 ff.

<sup>89</sup> Appendices 7 and 8 not printed.

It will readily be seen that the Article is highly visionary, and largely outside the field of International Law. It would be fraught with great difficulties in the matter of its enforcement and, for these and other reasons, could not be accepted by the United States.

Article XII is also broad in scope and lays down unsound doctrines of International Law, as, for example, that the "community" is under an obligation to intervene in all cases involving grave danger to pacific relations, thus sweeping aside the right of a State to remain neutral to a conflict in case it is not prepared for or does not desire to enter such conflict. The Article is highly theoretical, since it is apparently premised on the supposition that all cases involving danger to pacific relations will be settled by "international organs", not defined.

Article XIII has to do with the use of force in the settlement of disputes. It declares the use of force by individual States on their own authority to be illicit, whether accompanied by a declaration of war or not. The right of self-defense is not excepted. It would seem that the Kellogg-Briand Pact<sup>90</sup> goes sufficiently far toward limiting the use of force in international affairs.

6*b*. *Treaties and Their Interpretation* (Chapter II—Problems of International Law—6*b*)

The program and regulations of the Seventh International Conference contains in Chapter II, 6(*b*), the subject "Treaties and their Interpretation."

It is not clear from the program and regulations what approach was intended should be made to the subject. It is thought probable, however, that the presence of the item in the program and regulations indicates that an attempt will be made to formulate a general convention on the subject such as the convention on treaties, signed at the Sixth International Conference of American States at Habana, in 1928.<sup>91</sup>

A general convention such as that signed at the Habana conference is of little value in construing bilateral or multilateral treaties concluded by Governments. Treaties are negotiated because there is need of them, and are concluded for well-defined purposes and they are to be so interpreted as to carry out those purposes. The language of a treaty, the conversations or correspondence exchanged between the parties in the course of negotiating it, and the purpose or purposes of the treaty afford a more ready guide to the proper interpretation of it than can be found in any general convention relating to treaties which necessarily would be formulated without regard to the particular language, negotiations and purposes of a particular treaty.

<sup>90</sup> Treaty signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. I, p. 153.

<sup>91</sup> Sixth International Conference of American States, *Final Act, Motions, Agreements, Resolutions and Conventions* (Habana, 1928), p. 135.

The general convention on treaties signed at Habana in 1928 was not submitted to the United States Senate for its advice and consent to ratification, doubtless for the reason that it was not considered that any useful purpose would be accomplished by putting the convention into effect on the part of the United States. It appears that the treaty was drafted by Ambassador Ferrara,<sup>92</sup> and that Article 15 was designed with a view to its future application to the Platt Amendment.

The view that all treaties can not be advantageously subjected to identical rules of interpretation was expressed in a "Project of a Declaration upon the Given Fundamentals and the Great Principles of the International Law of the Future", submitted to the Thirty-seventh Conference of the International Law Association, Oxford, 1932, in the report of the Second Subcommittee of the Committee on Codification, Doctor Alejandro Alvarez, Juridical Adviser to the Chilean Legation in Paris, *Rapporteur*.

In Title VIII of the project will be found the following:

"Article 46. Treaties may not all be subject to the same rules. In certain cases it is necessary to make distinctions according to their nature and aims." (Report of the Thirty-seventh Conference of the International Law Association, Oxford, 1932, page 45.)

For reasons indicated by the foregoing, it is not believed advisable for the delegation of the United States to encourage the signing of a general convention on the subject of treaties and their interpretation.

If it becomes necessary to negotiate a convention on the subject the revised draft of a convention on treaties prepared under the auspices of the Harvard Research on International Law, April 1933, Professor Garner, Reporter, would be useful as a guide. Article XVI of the draft consisting of six numbered sections pertains to the Interpretations of Treaties. (Pages 90-94 of the Report). This report contains valuable source material in the extensive comment.

This project has been commented upon in a memorandum, LEGAL—Annex 2. (Appendix 9).<sup>93</sup>

6c. *The Responsibility of States for Damage Caused on Their Territory to the Person or Property of Foreigners* (Chapter II—Problems of International Law—6c—entitled: "International responsibility of States, with special reference to the Denial of Justice").

Codification of International Law, as stated above, has been agitated by the American States since the Second Pan American Confer-

<sup>92</sup> Orestes Ferrara, Cuban delegate to the Sixth International Conference of American States, which assembled at Habana on January 16, 1928. At that time Sr. Ferrara had been Ambassador in the United States since December 21, 1926.

<sup>93</sup> Appendix 9 not printed.

ence held in 1901. No Agenda of past conferences, however, has contained the exact subject now to be discussed—namely:

“International responsibility of States, with special reference to the Denial of Justice.”<sup>95</sup>

The Report of the delegates of the United States on the Commission of Jurists that met in Rio de Janeiro in 1927<sup>94</sup> and prepared twelve projects<sup>95</sup> for consideration at the Sixth Pan American Conference states that Project 16 of the projects previously prepared by the American Institute of International Law, and submitted to the Commission of Jurists, on “Diplomatic Protection”, was laid aside. (Instructions to Delegates—Sixth Conference—Appendix No. 5, p. 26).<sup>96</sup> However, a related project on the “Fundamental Bases of International Law” was taken up at the Sixth Conference at Habana, but the Committee to which it was assigned could not agree. The Committee and the Conference recommended that the subjects of Public International Law should be given further study.<sup>97</sup>

There has taken place, meanwhile, the Hague Conference of 1930 for the Codification of International Law. The Third Committee, which had before it “Responsibility of States for Damage caused in their Territory to the Person or Property of Foreigners”, reported that it was unable “to finish the examination of the questions relating to the responsibility of States . . .” The true meaning of this report is revealed in the beginning of these instructions and in Articles by Mr. Borchard and Mr. Hackworth appearing in the July 1930 issue of the *American Journal of International Law*.

It seems that the time is hardly more ripe now, than in years past, for the codification of those principles of International Law relating to Responsibility. It cannot be denied, however, that there has been a certain clarification of the issues involved. The Hague Conference made possible the reasoned presentation of the views held by the many nations there represented. Those delegates of the United States to the forthcoming Conference who will have to do with the question of responsibility should make a careful study of the League documents relating to The Hague Conference. They should note particularly the views expressed by Latin American countries in reply to the

<sup>94</sup> See section entitled “Representation of the United States at the Meeting of the International Commission of Jurists, Held at Rio de Janeiro, April 18–May 20, 1927”, *Foreign Relations, 1927*, vol. I, pp. 364 ff.

<sup>95</sup> The 12 projects are set forth in *Report of the Delegates of the United States of America to the Sixth International Conference of American States*, p. 9; see also *Foreign Relations, 1927*, vol. I, pp. 383–389.

<sup>96</sup> Appendix No. 5 was not printed. For instructions to delegates, see *Foreign Relations, 1928*, vol. I, pp. 534, 542.

<sup>97</sup> See Sixth International Conference of American States, *Final Act*, p. 176; also *Report of the Delegates of the United States of America to the Sixth International Conference of American States Held at Habana, Cuba, January 16 to February 20, 1928*, with appendices (Washington, Government Printing Office, 1928), pp. 8, 12, 13, 321.



League questionnaire; the implications of the report of the League subcommittee on Responsibility; the statements made by the delegates of Latin American countries in the proceedings of the Third Committee; the observations, made by such delegates, on the Bases of Discussion (Annex II to the Minutes of the Third Committee); the reply of the United States to the League questionnaire; and the statements and amendments made by the delegate of the United States.

A valuable contribution to the subject of Responsibility is the work of the Research Committee in International Law of the Harvard Law School.<sup>98</sup> The draft convention, resulting from such work, is not to be taken as a model or as a final basis for discussion. The organization and presentation of the material contained therein are deserving, however, of careful consideration.

A project relating to the Responsibility of States, prepared by the Executive Committee of the American Institute of International Law,<sup>99</sup> pursuant to a Resolution of the Governing Board of the Pan American Union, will doubtless form the basis of discussion at Montevideo. This draft probably represents, in large measure, the opinion of Latin American countries.

It is highly improbable that an agreement on this subject acceptable to the United States will be reached. Care should be exercised, therefore, during the discussions to refrain from giving concurrence to draft provisions that are not declaratory of or consistent with existing International Law, even though they be advocated by all the Latin American countries, as may well be the case.

In negotiation, in conference, and in arbitration, certain fundamental differences on this subject frequently appear. This division manifested itself most strikingly at The Hague Conference of 1930, where the delegates fell into two groups—the so-called “majority” and “minority” groups. This division resulted, in large measure, from a basic disagreement as to one of the most fundamental of questions, namely, the standard of treatment to be accorded to foreigners. The “minority” group, consisting of Latin American countries, certain small European Powers, and China, identified the treatment of the alien with that of the national. The “majority” group, consisting of the United States, Great Britain, France, Italy, Japan, etc., could admit of no such limitation.

It is reasonable to suppose that one of two courses will be followed at the forthcoming Conference. The Conference will seek either to resolve the questions presented in the project by general statements of no

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<sup>98</sup> See Research in International Law, Harvard Law School, *Nationality, Responsibility of States, Territorial Waters, Drafts of Conventions, Prepared in Anticipation of the First Conference on the Codification of International Law, The Hague, 1930* (Harvard Law School, Cambridge, 1929).

<sup>99</sup> *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4.

specific import, or to evolve a code representing the views of the small Powers of the world,—views that, in many instances, could not be accepted by the United States. The first course would be objectionable because it would mark no advance step in the clarification of the law, and the books are replete with generalizations. The second course would mark a backward step in the development of International Law. It would be unfortunate to have an unsound code on International Law extant.

The draft project submitted by the American Institute does not adequately cover the subject. Comparison with the Harvard Research Draft, a more thoughtful and comprehensive study, will indicate certain of those respects in which the project is lacking. An illustration will suffice. The Harvard Draft defines responsibility for the acts of higher and subordinate officials, for non-performance of contracts, for injuries resulting from mob violence, insurgency, and revolution, for acts of private individuals, etc. The project of the American Institute confines itself to general and vague terms on these subjects. (See Articles 2, 8).

At The Hague the general basis for responsibility was stated in Article 1 of the draft Convention similarly to Article 2 of this project; international obligations were defined in Article 2; the duty to make reparation was defined in Article 3; the duty to exhaust local remedies was stated in Article 4; and the rule that a State can not avoid its international obligations by invoking its municipal law was set forth in Article 5. The bases of responsibility were then detailed. Article 6 covered legislative action; Article 7, executive action; Article 8, acts of officials; Article 9, judicial acts; and Article 10 contained the provision with reference to equality of treatment of aliens and nationals, on which the Conference divided. Although these Articles may not be entirely unobjectionable, they indicate a more logical and effective approach to the subject than is contained in the present draft.

The differences between The Hague draft and the present project relate to form as well as substance. A concise, well-ordered arrangement of rules stated is desirable in the interest of clarity and understanding. In this respect the present project is open to criticism. For example, the last paragraph of Article 8 covers the question of the incompatibility of municipal and international law. Both the Harvard Research Committee and the Third Committee at The Hague covered this question in a more logical place, that is, in conjunction with the general statement of the broad basis for responsibility. In the present project, the paragraph cited is a mere addendum to an Article containing vague statements as to "stability and order", "institutions", and "officials", the repression and subjection to liability of those officials, and "organized administration of justice".

As will be apparent to anyone reading the text, the project abounds in ambiguous statements. The phraseology of many Articles is so vague and general that it is difficult to understand what principles are sought to be expressed.

A discussion of the separate Articles is contained in the attached memorandum. (LEGAL—Annex 3). (Appendix 10).<sup>1</sup>

*6d. Definition, Duration and Reciprocity of Political Asylum (Chapter II—Problems of International Law—6d)*

The American Institute of International Law has submitted, through the Governing Board of the Pan American Union, a draft project<sup>2</sup> consisting of four paragraphs on Asylum for consideration at the Conference.

While many authorities have endeavored to define "asylum", it is safe to say that no satisfactory definition has been evolved up to this time, although the general meaning of the term is, of course, well understood. As a matter of fact, the term does not lend itself to precise definition, as there are many uncertain elements involved. For example, it is not always clear what constitutes a political offense; how serious must be the threat of bodily harm or danger to life; to what extent persecution or intolerance must be carried; and how far the asylum granted may be extended. There is always danger in establishing a definition for a term of this kind. Asylum is granted only in exceptional cases, and it is better, therefore, that each should be decided as it arises.

As indicated in the first sentence of the first paragraph recommended by the American Institute of International Law, determination of the political character of the offense should be made by the State offering the asylum. That decision should never be made the subject of submission to an arbitral body, as is provided in this paragraph, more especially if the first sentence of the paragraph is adopted. The two are inconsistent.

The granting of asylum in embassies and legations to political refugees, although still recognized as a right in Latin American countries, and perhaps a few others, is generally discouraged elsewhere. Generally speaking, the United States and the European Governments are opposed to the practice. Where the right is exercised, it is by the consent of the local Government rather than by any recognized principle of International Law. The present tendency is to restrict the grant. The refusal of asylum relieves the Governments and their representatives of much embarrassment and at the

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<sup>1</sup> Appendix 10 not printed.

<sup>2</sup> *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4, p. 23.

same time discourages political conflicts, the leading cause for invoking the doctrine.

In countries in which asylum is allowed, the right must be accorded alike to all diplomatic representatives. It cannot be extended to certain representatives and denied to others. Any abuse of the privilege warrants the local Government in taking measures to require the surrender of the refugees.

Consulates not being entitled to the same inviolability as embassies and legations may not, as a general rule, be used in affording asylum to political offenders. But, in the countries of Latin America, consulates are by custom usually regarded as having the right to extend temporary protection to political refugees.

Merchant vessels being usually subject to the jurisdiction of the country in whose port they happen to be cannot, as a general rule, claim the right to grant asylum. While the Latin American countries seem to take a different view, they recognize that the right is not absolute. The extent to which the right may be exercised in those countries by merchant vessels is dependent upon the will of the diplomat or consular officer of the country whose flag the vessel flies.

Although it is generally recognized that the immunity of public armed vessels establishes them as a safe refuge for political offenders, the better view seems to be that they should not extend the right of asylum to political offenders except in cases of extreme necessity. If they grant asylum, the local Government may be warranted in considering that they have violated the hospitality of the port and require that they leave.

It is not possible to fix definitely the period for which asylum should be granted. Obviously, it should not be extended beyond the time necessary to assure the safety of the refugee. Moore points out in this connection that:

“ . . . In May, 1865, General Canseco, then engaged in an attempt to overthrow the government of General Pezet, was sheltered in the house of Mr. Robinson, the American minister. The Peruvian Government having protested against this act, the diplomatic corps agreed on the following points: (1) That apart from inhibitions in their instructions or in conventional stipulations, there were limits to the privilege of asylum which the prudence of diplomatic agents ought to counsel; (2) that the diplomatic corps adopted the instructions given by Brazil to its minister, according to which asylum was to be conceded with the greatest reserve, and only for such time as was necessary in order that the fugitive should secure his safety in another manner—an end which it was the duty of the diplomatic agent to do all in his power to accomplish. It was also agreed that these rules, which, in the absence of authoritative instructions, were adopted provisionally, should apply only to offences properly called political. The Peruvian Government declined to accept these conclusions, objecting with great force that,

as they left everything to the discretion of the diplomatic agent, they afforded no solution of the difficulty then existing." (II, Moore, *International Law Digest*, 836).

While the rule thus adopted seems to be eminently fair, it hardly can be considered as an established practice.

When the question of political asylum was considered by the Sixth International Conference of American States in 1928, Mr. Hughes, speaking on behalf of the delegation of the United States, stated that the delegation would not participate in the discussion of the project inasmuch as asylum was contrary to the practice of the United States and in the opinion of this Government was not a part of general International Law. He added, however, that his remarks were not intended to interfere with the discussion of the subject which he hoped would end in a convention acceptable to those Governments which favored the doctrine.

Although the delegation of the United States signed the Final Act which included the convention eventually drawn up, in doing so it made an explicit reservation, placing on record the fact that the United States does not recognize or subscribe to, as part of International Law, the so-called doctrine of asylum. (*Report of the Delegates of the United States of America to the Sixth International Conference of American States* (1928) 225, 227, Appendix 14).

The position of this Government with respect to the matter has not changed since the Habana Conference. The American Delegation to the Seventh International Conference of American States should, therefore, refrain from signing a convention on this subject.

For the information of the delegates, however, a brief memorandum (LEGAL—Annex 4) (Appendix 11)<sup>3</sup> on the draft project on Asylum submitted by the American Institute of International Law is attached.

#### 6e. *Extradition* (Chapter II—Problems of International Law—6e)

The Executive Committee of the American Institute of International Law has submitted, through the Governing Board of the Pan American Union, a draft project on Extradition to be considered at the Seventh International Conference.<sup>4</sup> This project has been commented upon at length in a memorandum, LEGAL—Annex 5, Appendix 12.<sup>5</sup>

It should be remarked at the outset that, at the present time, the United States has Extradition Treaties with every Latin American country, except Brazil. While, therefore, there is no imperative need, so far as this country is concerned, for a multilateral agreement on the

<sup>3</sup> Appendix 11 not printed.

<sup>4</sup> *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4, p. 25.

<sup>5</sup> Appendix 12 not printed.

subject, there would appear to be no objection to the concluding of such an agreement of an acceptable type.

As to the project that has been submitted for consideration, it is to be observed that, in the Extradition Treaties of the United States, agreement is made for the surrender of persons who are charged with or have been convicted of certain specified crimes or offenses. Such a list of crimes or offenses is omitted from the project under consideration, and the criterion therein imposed for surrender is the punishment prescribed for the crime or offense. With respect to this feature of the project, the following discussion contained in Volume 1 of Moore on Extradition, pages 112 and 113, appears to be appropriate:

“In some of the treaties a limitation is imposed upon extradition for certain offences, based upon the length of the term of imprisonment to which such offences may be subject under the laws of both countries. It has also been proposed in some instances that the penalty by which the extraditability of the crime should be determined, should be that attached to the offence by the laws of the asylum state. The latter test has never been admitted; and it must be conceded that the attempt to limit extradition by requiring a penalty of a certain severity either in the country of refuge or in both countries is illogical and unsatisfactory. It is much to be preferred that the offences for which extradition may be granted should be clearly and absolutely stated. To make the penalty of the offence the test of extradition is to render the operation of the treaty wholly dependent upon the separate action of each of the contracting parties. As between contiguous states presenting the same social conditions, this might not be attended with great inconveniences. But the operation of the treaty would necessarily be subject to change and uncertainty. If the penalty attached to the offence by the laws of one of the contracting parties should be made the test of extradition, the penalty affixed by the laws of the demanding state would seem to be the proper one for that purpose. While it is an accepted principle that the acts for which extradition is demanded must constitute an offence according to the laws of both countries, yet the laws which have actually been violated are those of the demanding government. Those laws, it is to be assumed, are based upon the social conditions there existing, and the penalties must be supposed to have been adjusted in accordance with the relative importance of various crimes within the particular jurisdiction. The existence of the system of extradition is itself a recognition of this principle, the object being nothing else than the promotion of justice through the agency of local laws. In accordance with this principle it was held by Judge Blatchford, that, where a treaty provided for extradition for certain specified crimes, ‘when these crimes are subject to infamous punishment,’ it was meant that extradition should be granted when the offence was subject to infamous punishment in the place where it is committed.”

Accordingly, it is believed that the American delegates should endeavor to amend the project so as to include therein a list of crimes or offenses which are extraditable. For this purpose a copy of the

latest Extradition Treaty entered into by the United States, namely, the one with Greece,<sup>6</sup> is attached to the memorandum on this subject. This treaty contains a comprehensive list of crimes or offenses upon which it would appear that American States might be able to agree, at least so far as concerns the great majority of such crimes or offenses. If it shall appear impossible to reach an agreement upon a list of crimes or offenses, the United States would be willing to accept the criterion contained in the project, namely, the penalty imposed.

It will be seen from the attached memorandum discussing the various Articles of the project that a number of them are unobjectionable in their present form while others will require certain modifications in order to render them acceptable. The desired modifications have been indicated in each instance. This is one subject under Chapter II—Problems of International Law—on which it would appear that no great difficulty should be experienced in reaching an agreement.

[6f.] *Nationality* (Chapter 2—Problems of International Law—6f)

1. The draft convention proposed by the Executive Committee of the American Institute of International Law<sup>7</sup> contains proposals of a highly controversial nature, some of which are revolutionary from the standpoint of international law as well as our own nationality laws and policies.

2. The Secretary of State is in a delicate position in regard to the discussion of a nationality convention at this time. It was on his recommendation to the President that a committee was appointed composed of the Secretary of State, the Secretary of Labor and the Attorney General, to redraft with appropriate amendments the nationality laws of the United States to be laid by the President before Congress. As a result of the appointment of that committee, the competent committees of the two Houses suspended consideration of legislation on the subject of nationality pending the submission of the report of the President's committee.

For our delegation now, before Congress has had an opportunity to consider what the Executive thinks our own nationality legislation should be, to enter into a discussion of a proposed international convention on nationality would, it seems, be out of place from the standpoint of the Executive branch of the Government and virtually show bad faith on the part of that branch toward the legislative branch of the Government. Clearly the Secretary of State should not be involved in any such situation.

<sup>6</sup> Signed May 6, 1931, *Foreign Relations, 1931*, vol. II, p. 371.

<sup>7</sup> *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4, p. 35.

3. The Conference on the Codification of International Law held at The Hague in 1930,<sup>8</sup> in which the United States participated, adopted a resolution recommending to the participating States the study of certain questions on the subject of nationality. As late as October 5, 1933, the Legal Committee of the Assembly of the League of Nations expressed the hope that before the next session of the Assembly the Governments will have made it possible for the Secretary General to indicate to the Council the action they have taken in regard to the resolution adopted by the Codification Conference. On June 27, 1932, the Secretary of State, in a communication to the League of Nations, stated with reference to the question of calling a new international conference for the drafting of a new convention on nationality which would contain provisions concerning the nationality of married women different from those contained in the convention adopted at The Hague Conference:

"In view of the radical differences between positions of the various states concerning the nationality of married women as reflected in their respective laws, and the lack of any indication that uniformity therein is likely to be accomplished in the near future, the subject must be regarded at present as exceedingly complicated and highly controversial. The Government of the United States has therefore been constrained to reach the conclusion that the holding of a further conference on nationality at this time would be undesirable."<sup>9</sup>

In view of this situation, it seems that this Government is not in a position at the present time to do more than urge that the studies contemplated under the resolution adopted at The Hague will be expedited by all of the interested Governments. It seems that that is the course which should be taken under the usual procedure with reference to conferences and is the only course that is likely to enable the several governments to make progress on the subject of uniformity of nationality law.

4. You may explain to your colleagues the reasons, as set out in paragraph two above, why it is impossible for our delegation to engage at this time in a discussion of a proposed convention on nationality.

6g. *Territorial Sea* (Chapter II—Problems of International Law—6g)

Much of the language used in the Articles of the Project on Territorial Sea<sup>10</sup> is ambiguous and would, it is believed, be found to be impracticable of application.

Because of uncertainty of meaning it is difficult to propose substitute phraseology. The Articles will doubtless be subjected to dis-

<sup>8</sup> See *Foreign Relations*, 1930, vol. 1, pp. 204 ff.

<sup>9</sup> League of Nations, *Minutes of Committee I of the 13th Assembly*, 1932, p. 50.

<sup>10</sup> Presumably the reference is to the Project on Territorial Sea contained in *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4, p. 38.



cussion in committee where they will probably yield to clarification. They will serve as well as a basis of discussion as proposed substitute Articles would do. However, some suggestions are made below.

Some of the language contained in the project tends to indicate that the project is not merely a declaration of established law but is an attempt to have accepted principles which have not attained the status of International Law. This view finds corroboration in Article LIV of the project which admits of denunciation of the Convention by States parties to it. If the Convention represented a codification of International Law on the subject of "Territorial Waters", as it purports to do, there would be no purpose in denunciation of the Convention, because even if it were not in force, all nations would be bound by the principles in it that have crystallized into law. International Law is binding in or without a Convention.

To avert any effort to have the Convention, if it comes into force, supersede established International Law and to prevent the use of the Convention to impair existing special rights of States, it is proposed that there be included in the Convention an Article in substance as follows:

"The provisions of this Convention shall not be applied to modify general international law or to impair existing special rights of any State."

Comments on specific Articles of the project follow.

Articles I, II, III and IV are believed to assert acceptable propositions of law, although the drafting doubtless can and should be improved in committee.

Article V seems to be too uncertain in meaning to accept or to admit of suggesting a substitute.

The comment made as to Articles I to IV is applicable to Articles VI and VII.

Article VIII while lacking in precision and probably difficult of application, is probably unobjectionable.

Article IX is uncertain in meaning and difficult of application. The following is suggested as a substitute:

"Where bays are bordered by the territory of a single State, the territorial sea shall follow the sinuosities of the coast, except that it shall be measured from a straight line drawn across the bay at the part nearest to the opening toward the sea where the distance between the two shores of the bay is ten marine miles unless a greater distance has been established by usage.

"Where bays are bordered by the territory of two or more States, the territorial sea shall follow the sinuosities of the coast."

The proposed substitute for Article IX takes the place of Articles X and XI also.

It is not apparent why coves should be grouped with ports and roadsteads in Article XII. Coves seem more appropriately to be grouped with bays. This, however, is not a serious objection.

Article XIII seems unobjectionable.

In Article XIV the words "the case foreseen by the foregoing article" should be omitted. The foregoing Article relates to straits all the shores of which are possessed by one single State. Article XIV relates to straits the shores of which belong to more than one nation. "The case foreseen by the foregoing article" is not present in Article XIV.

Article XV is not clearly expressed. Furthermore, it is not believed that a twelve mile zone of territorial waters in straits as is proposed in this Article is generally recognized. The following is suggested as a substitute for Article XV:

"In straits more than six marine miles in breadth which form a passage between two parts of the high sea, the limits of the territorial sea shall be ascertained in the same manner as on all other parts of the coast."

The reference in Article XVI to Article II should doubtless be to Article XI instead. In Article XI historic bays are mentioned. No mention is made of historic bays in Article II. It has been suggested above that Article XI should be merged in Article IX. In view of the change made with respect to Article XI, it is suggested that the following be substituted for Article XVI:

"Straits shall be subject to the exception in respect to usage stated in Article IX."

Article XVII presents the difficulty of applying to islands a formula designed for application to bays and straits. It is suggested that "determined in the same manner as established by this convention in regard to bays and straits" be omitted.

It is understood that the definition of nautical mile used in Article XVIII is not the generally accepted one. It is therefore suggested that the words "of sixty to the degree of longitude on the Equator", used in this Article, be omitted.

Compliance with Articles XIX to XXV may precipitate international controversies without other provocation. Comments made in relation to Article XLVIII are applicable to these Articles. It is suggested that Articles XIX to XXV inclusive be omitted.

Articles XXVI to XXXIV are believed to be acceptable.

The meaning of Article XXXV is not clear. It is susceptible of being given a meaning inconsistent with the provisions of Articles XXXII and XXXIV, in that while the latter Articles subject vessels and seaplanes to control entailing a measure of restraint, Article

XXXV seems to exclude the exercise of effective control by inhibiting the exercise of any rights whatever hindering or impeding the passage of vessels.

Articles XXXVI to XXXVIII inclusive are believed to be unobjectionable.

Article XXXIX undertakes to grant exemption from restrictions on vessels and airships in cases of *force majeure*, accident or wreck.

This is unobjectionable, except as to *force majeure*. The term "*force majeure*" is of French origin and is regarded as including war. United States and British court decisions have declared war to be within the scope of *force majeure*. It is likely to be so regarded in any civil law country.

International Law obligates governments to impose restrictions on war-craft of a belligerent nation. Article XXXIX undertakes to refrain from imposing restrictions on vessels and airships, including war vessels and airships. By subscribing to Article XXXIX, a government would agree to refrain from doing what by International Law it is obliged to do. Furthermore, The Hague Convention concerning rights and duties of neutral powers<sup>11</sup> obligates nations parties to it to impose restrictions on belligerent war-craft in part. For reasons indicated, "*force majeure*" should be omitted from Article XXXIX.

The second part of Article XXXX, that is, the part limiting the application of laws of the coastal State, is ambiguous. The language should be clarified to express more clearly what it is intended to express.

Article XLI prescribes too broad an exemption for commanders of war vessels and military airships. Commanders are not entitled to exemption on shore unless they are on shore in the service of the ship. Enforcement of this provision in the United States would be impossible without new legislation. The Article ought not to be accepted.

Article XLII is unobjectionable.

The comment made on Article XLI in regard to commanders on shore applies to Article XLIII as well. Article XLIII ought not to be accepted.

It is not believed that Article XLIV contains an accurate statement of law. While in the United States jurisdiction in matters of discipline and incidents affecting a vessel and persons on board and not involving the peace and dignity of the country or the tranquillity of the port has, as a matter of comity, yielded to the authorities of the nation to which the vessel belongs, it has not been considered that

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<sup>11</sup> *Foreign Relations*, 1907, pt. 2, p. 1216.

offenses committed on merchant vessels of private ownership were exempt from the jurisdiction of the Courts. Article XLIV ought not to be accepted.

Articles XLV, XLVI and XLVII are unobjectionable.

It is not believed that the provisions of Article XLVIII requiring arbitration should be incorporated in a project on "Territorial Sea". A General Treaty of Inter-American Arbitration was signed at the International Conference of American States on Conciliation and Arbitration, Washington, in 1929. Twenty American Republics signed the treaty. This treaty has not been ratified by the United States.<sup>12</sup> It is believed inadvisable to provide for arbitration in a convention on a particular subject so long as the General Treaty of inter-American Arbitration, which was given extensive consideration, remains unratified.

The comment made in relation to Article XLVIII applies also to Articles XLIX and L.

Articles LI, LII, LIII, LIV and LV are deemed unobjectionable.

Your attention is invited to a memorandum on this subject which is attached as Appendix 14 LEGAL—ANNEX 7.<sup>13</sup>

7. *Report of the Permanent Committee on Public International Law of Rio de Janeiro on the General Principles Which May Facilitate Regional Agreements Between Adjacent States on the Industrial and Agricultural Use of the Waters of International Rivers,<sup>14</sup> and Reports of the Said Committee and of the Permanent Committee on Private International Law of Montevideo<sup>15</sup> on the Matters Provided for in the Resolution of the Sixth International Conference of American States of February 19, 1928<sup>16</sup> (Chapter II—Problems of International Law—7)*

It is not believed that there can be said to be established and recognized law on the subject of the use of waters of international rivers.

What would constitute a fair and reasonable apportionment of the use of waters of international streams between interested States would depend so much on the circumstances of any specific case that might arise that it is not believed practicable or desirable to define general principles governing the matter in a multilateral agreement.

So far as the United States is concerned, there now exist agreements with bordering States in regard to boundary streams, and it is believed

<sup>12</sup> See *Foreign Relations*, 1929, vol. I, p. 659, footnote 4, and bracketed note, p. 667.

<sup>13</sup> Appendix 14 not printed.

<sup>14</sup> *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 1: Report of the Permanent Committee on Public International Law of Rio de Janeiro, on Topic 7 of the Program of the Conference.

<sup>15</sup> See *Special Handbook for the Use of Delegates*, p. 56.

<sup>16</sup> Sixth International Conference of American States, *Final Act*, p. 176.

that it would be better to leave any questions which might arise concerning waters of international streams, and which are not covered by existing agreements, to be adjusted with the other interested governments than it would be to attempt to define in a convention general principles to be applied to questions which have not yet arisen.

A discussion of this subject is contained in the attached memorandum (Appendix 15).<sup>17</sup>

### CHAPTER III—*Political and Civil Rights of Women*<sup>18</sup>

#### 8. *Report of the Inter-American Commission of Women on the political and civil equality of women*<sup>19</sup>

The report of the Inter-American Commission of Women will present three projects:

1. *A Treaty on Nationality of Women*; This government does not wish to take part in any discussions at the conference on the highly controversial subjects of nationality; it desires to await the studies being made pursuant to Resolution 6 of The Hague Conference of 1930, and the enactment of legislation in this country pursuant to Executive Order No. 6115<sup>20</sup> calling for revision of the nationality laws of the United States. In this connection see instructions on Topic 6(f).

2. *A Treaty on Equal Rights*; This government believes that this is not an appropriate subject for a Treaty.

3. *Resolution Recommending the Continuation of the Inter-American Commission of Women*; This Government would favor accepting, with a vote of thanks, the report of the Inter-American Commission for consideration by the appropriate authorities of each country and provision for later exchange of views between the respective Governments. In this connection it is noted that Resolution A adopted by the Executive Committee of the American Institute of International Law on October 31, 1931 (Document No. 4, published by the Pan American Union for the use of delegates to the Conference, page 52) would advise the continuation of the Inter-American Commission of Women "until men and women throughout all the American Republics shall have equal rights." For your confidential information, it seems undesirable from the point of view of the United States, to provide for such indefinite continuation of the Inter-American Commission of Women, particularly since American representation on that body has not served to reflect the views of this Government and of major groups of women with respect to the status of women in industry and in various social relations. If, therefore, the Conference proceeds to vote on any resolution recommending the indefinite

<sup>17</sup> Appendix 15 not printed.

<sup>18</sup> See *Documents for the Use of Delegates to the Seventh International Conference of American States*, No. 4.

<sup>19</sup> See *Special Handbook for the Use of Delegates*, p. 57; *Foreign Relations, 1930*, vol. I, pp. 204, 222; League of Nations, *Acts of the Conference for the Codification of International Law*, vol. I, p. 163.

<sup>20</sup> Dated April 25, 1933.

continuation of the Inter-American Commission of Women, you should refrain from voting thereon, stating that you are without instructions.<sup>21</sup>

In respect to the three points mentioned above, your attention is invited to memoranda<sup>22</sup> on the subject in the files of the delegation

#### CHAPTER IV—*Economic and Financial Problems*<sup>23</sup>

It will be perceived that the Items under this Chapter include in their scope the whole field of international commercial policy, and the delegates may expect that the discussions of these topics will turn into a review of the policies now being pursued by all governments, the serious state of hindrance to international commerce now existing, and a great variety of proposals aimed to lessen this hindrance.

The general memoranda sketch in broad terms the main proposals for international agreement that have come before previous Pan-American conferences and various other proposals that might be worth consideration. At many points and in regard to many proposals, the attitude of the American Delegation will have to be one of just sympathetic consideration.

If circumstances and the attitudes of other countries seem to promise success, the American Delegation may wish to bring forward certain limited positive proposals in this field, and to that end there have been drafted tentative texts of proposals which it is believed fit in with the existing American situation and will serve to advance commerce between the governments represented at the conference. These possible proposals are as follows:

(1) An endorsing agreement of the existing tariff truce<sup>24</sup> (which introduces a slightly new note of interpretation of the truce). (Attached as Appendix 16)<sup>25</sup>

(2) A resolution encouraging the practice of bilateral agreements. (Attached as Appendix 17)<sup>25</sup>

(3) A resolution dealing with the practice of discrimination under exchange controls. (Attached as Appendix 18)<sup>25</sup>

(4) A resolution favoring the study by a committee of the possibilities of multilateral agreement, which committee might pursue its work continuously. (Attached as Appendix 19)<sup>25</sup>

<sup>21</sup> In Department's telegram No. 66, December 11, 1933, 6 p. m., the delegates were instructed that this sentence should read: "If, therefore, the Conference proceeds to vote on any resolution recommending the continuation of the Inter-American Commission of Women, you should state that your Government does not desire any longer to be represented on the Commission and intends to continue its studies in this field through branches of the Government charged with responsibility in these matters." The full text of telegram No. 66 is printed on p. 174.

<sup>22</sup> Not printed.

<sup>23</sup> See *Special Handbook for the Use of Delegates*, pp. 58-88.

<sup>24</sup> See vol. I, pp. 574 ff.

<sup>25</sup> Appendices 16, 17, 18, and 19 not printed.

It has not appeared advisable that the American Delegation should seek to put forward any broad project for multilateral agreement, at least until the course of discussion of the conference has given some sign as to whether it might be feasible. The attention of the Delegation is particularly drawn to the proposal in this field put forward by the American Delegation at London on June 22, a copy of which is attached hereto as Appendix 20.<sup>26</sup> A thorough discussion of its ideas might be profitable and lead to the formulation of something mutually acceptable.

9(a). *Consideration of the Recommendations of the Fourth Pan American Commercial Conference Relative To: (a) Customs Duties.*<sup>27</sup>

It is a well recognized principle that the rate of tariff duties is a matter for the consideration only of the regulating government. However, the rate so adopted may have far-reaching effect on the industry, trade and national economy of other nations whose trade is affected by these rates. The subject is, therefore, susceptible of helpful discussion at international conferences.

The World Economic Conference which met at Geneva in 1927,<sup>28</sup> attended by representatives from fifty countries, specifically declared that "the time has come to put an end to the increase in tariffs and to move in the opposite direction." The conference examined the reasons underlying the increases in tariffs in recent years which were declared to be the desire to meet the abnormal conditions arising out of the World War and the desire of nations by means of tariffs to keep existing or recently established industries in operation on a scale which would not otherwise be possible. Other reasons advanced to justify tariff increases were budgetary considerations, necessity of protecting industries required for national defense and for bargaining purposes.

After considering the whole subject, the Conference reached the following conclusions:

In view of the fact that harmful effects upon production and trade result from the high and constantly changing tariffs which are applied in many countries;

And since substantial improvement in the economic conditions can be obtained by increased facilities for international trade and commerce;

And in view of the fact that tariffs, though within the sovereign jurisdiction of the separate States, are not a matter of purely domestic interest but greatly influence the trade of the world;

<sup>26</sup> Appendix 20 not printed.

<sup>27</sup> Fourth Pan American Commercial Conference, Pan American Union, Washington, D. C., October 5th-13th, 1931, *Final Act (With Annexes and a Summary of the Work of the Conference)* [Washington, n. d.], p. 27.

<sup>28</sup> See *Foreign Relations, 1927*, vol. I, pp. 238 ff.

And in view of the fact that some of the causes which have resulted in the increase of tariffs and in other trade barriers since the War have largely disappeared and others are diminishing;

The Conference declares that the time has come to put an end to the increase in tariffs and to move in the opposite direction.

The Conference recommends:

(1) That nations should take steps forthwith to remove or diminish those tariff barriers that gravely hamper trade, starting with those which have been imposed to counteract the effects of disturbances arising out of the war. Moreover, in order to ensure that this action is continuously pursued, the Conference recommends;

(2) That States should proceed to the conclusion of commercial treaties on lines and under conditions calculated to ensure the attainment of the aims mentioned herein;

(3) That, in future, the practice of putting into force, in advance of negotiations, excessive duties established for the purpose of bargaining, whether by means of *tarifs de combat* or by means of general tariffs, should be abandoned;

(4) That the Council of the League of Nations should be requested to instruct its Economic Organization to examine, on the basis of the principles enunciated by the present Conference, the possibility of further action by the respective States with a view to promoting the equitable treatment of commerce by eliminating or reducing the obstructions which excessive customs tariffs offer to international trade.

In this enquiry, the Economic Organization should consult with representatives of the various Governments, including non-members of the League, and also so far as necessary with the competent bodies representing Commerce, Industry, Agriculture and Labour.

The object of the enquiry should be to encourage the extension of international trade on an equitable basis, while at the same time paying due regard to the just interests of producers and workers in obtaining a fair remuneration and of consumers in increasing their purchasing power.

With respect to export duties the World Economic Conference of 1927<sup>29</sup> made the following declaration:

The Conference is of opinion that the free circulation of raw materials is one of the essential conditions for the healthy industrial and commercial development of the world.

It is therefore of opinion that any export tax on raw materials or on the articles consumed by producers which has the effect of increasing the cost of production or the cost of living in foreign countries tends thereby to aggravate the natural inequalities arising from the geographical distribution of world wealth.

The Conference therefore considers that export duties should only be resorted to to meet the essential needs of revenue or some exceptional

<sup>29</sup> For correspondence concerning American representation at this Conference, see *Foreign Relations*, 1927, vol. I, pp. 238 ff.



economic situation or to safeguard the vital interests of the country and that they should not discriminate between different foreign destinations.

The Conference therefore recommends:

(1) That the exportation of raw materials should not be unduly burdened by export duties or any other taxes and that, even in cases where such duties or taxes are justified by fiscal needs or by exceptional or compelling circumstances, they should be as low as possible;

(2) That, in any case, export duties on raw materials should never be imposed for the special purpose of subjecting foreign countries using such materials to an increased burden which will place them in a position of unfair inferiority as regards the production of the finished article;

(3) That export duties on raw materials, whether levied for revenue purposes or to meet exceptional or compelling circumstances, should never discriminate between different foreign destinations;

(4) That the above principles apply equally to export duties on articles of consumption.

The International Chamber of Commerce endorsed the recommendations of the World Economic Conference in favor of tariff reductions and has advocated the cooperation among all the nations or a group of nations for the reduction of tariffs. The report of the Chamber for 1930 on "Commercial Policy and Trade Barriers" reported but little progress in this direction in the intervening year. The Chamber reached the conclusion that it would be desirable to allow events to take their course "asserting its sympathy with any measures whatsoever that may ultimately conduce to the greatly desired lowering of tariff barriers."

With respect to customs tariffs, the Fourth Pan American Commercial Conference which met in Washington in October, 1931, adopted the following resolution:<sup>80</sup>

*"Customs Tariff"*

"Convinced that excessive customs tariffs and discriminatory internal taxes on certain natural products, manufactured or not, constitute one of the principal causes of the economic crisis through which the American Republics are passing, and which it is urgent to remedy.

"Submits to the immediate consideration of the American Governments the hope of the delegates that the American Republics should grant, as far as the conditions of their internal economy may permit, the greatest tariff privileges and reduction of internal taxes on the natural products, manufactured or not, produced by the soil or the industry of the national territory of the other countries, through agreements which are in conformity with the Pan American spirit."

<sup>80</sup> Fourth Pan American Commercial Conference, *Final Act*, p. 27.

The matter of customs duties and other obstacles to international trade was one of the two main objects of discussion at the World Monetary and Economic Conference which met in London last summer.<sup>31</sup> The Economic Commission of this Conference worked through many sub-committees on various phases of the subject. While the discussions were useful in revealing the causes of the present situation and in stimulating various suggestions for attacking it, no agreement was achieved. The report of the Sub-Commission on Commercial Policy is attached.<sup>32a</sup> The whole field is continuing to receive the careful study of the permanent bureau of the Monetary and Economic Conference, and the Economic Committee of the League of Nations.

The one definite achievement in the field was a tariff truce that grew out of an American initiative made before the Conference met. The powers represented on the Organizing Committee of the Conference adopted the tariff truce in the following terms:<sup>32</sup>

"The Governments of the United Kingdom, Germany, Belgium, United States of America, France, Italy, Japan, and Norway, represented on the Organising Committee for the Monetary and Economic Conference, convinced that it is essential for the successful conclusion of the Conference that the measures of all kinds which at the present time misdirect and paralyse international trade be not intensified pending an opportunity for the Conference to deal effectively with the problems created thereby, recognize the urgency of adopting at the beginning of the Conference a tariff truce, the provisions of which shall be laid down by common agreement.

"The said Governments, being further convinced that immediate action is of greater importance, themselves agree, and strongly urge all other Governments participating in the Conference to agree, that they will not before the 12th of June nor during the proceedings of the Conference, adopt any new initiatives which might increase the many varieties of difficulties now arresting international commerce, subject to the proviso that they retain the right to withdraw from this agreement at any time after July 31st, 1933, on giving one month's previous notice to the Conference.

"One of the main motives which brings the Governments together in Conference is to surmount the obstacles to international trade above referred to; the said Governments therefore urge all other Governments represented at the Conference to act in conformity with the spirit of this objective."

While this resolution was subject to certain reservations it was accepted in principle by a large number of countries. In this connection particular interest is centered in the action on the resolution by the Latin American countries. The minutes of the Monetary and Economic Conference contain the information that the following South and Central American countries adhered to the customs truce:

<sup>31</sup> For correspondence concerning this Conference, see vol. I, pp. 452 ff.

<sup>32a</sup> Not attached to file copy.

<sup>32</sup> For further correspondence regarding the tariff truce, see vol. I, pp. 574 ff.

Argentine Republic, Bolivia, Brazil, Chile, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Mexico, Nicaragua, Paraguay, Peru, Salvador, Uruguay, and Venezuela.

This truce is still in force. But since it has been interpreted to still permit tariff action under legislation already in existence at the time of its adoption, many new tariff changes have been made even by countries which are parties to it. Furthermore, some countries have begun to withdraw from it, notably, the Irish Free State, The Netherlands, Sweden, and Venezuela.<sup>33</sup>

Shortly before the adjournment of the Conference, the American Delegation submitted a project for agreement on commercial policy (copy of which is attached hereto as Appendix 20)<sup>34</sup> which represented the attack that seemed feasible at the time.

Subsequently the Government of the United States announced that it is preparing to enter into conversations with various countries (first Cuba, Colombia, Brazil, and Argentina) for the possible negotiation of reciprocity treaties and has appointed an interdepartmental committee to carry the matter forward. The negotiations with Cuba had gone some distance when the revolution occurred.<sup>35</sup> Preliminary discussions are under way with Brazil<sup>36</sup> and Colombia<sup>37</sup> and memoranda have been exchanged with Argentina.<sup>38</sup> It is the intention of the Government to try to push these bilateral negotiations to a successful conclusion.

9b. *Consideration of the Recommendations of the Fourth Pan American Commercial Conference Relative to: (b) Currency Stabilization and the Possibility of Adopting a Uniform Monetary System.*

The Fourth Pan American Commercial Conference, meeting in Washington in October, 1931, adopted the following resolution on the subject:<sup>39</sup>

*"Currency Stabilization*

"The Fourth Pan American Commercial Conference considers it of the greatest importance that a careful and complete study be made of all questions relative to currency stabilization and without pre-

<sup>33</sup> See telegrams No. 40, December 9, 11 a. m., from the Chairman of the American Delegation to the Seventh International Conference of American States, p. 169; No. 61, December 9, 4 p. m., and No. 71, December 12, 8 p. m., to the Chairman of the American Delegation, pp. 171 and 177.

<sup>34</sup> Appendix 20 not printed.

<sup>35</sup> For correspondence concerning the revolution in Cuba, see vol. v, pp. 270 ff.

<sup>36</sup> For correspondence concerning discussions respecting a trade agreement with Brazil, see *ibid.*, pp. 13 ff.

<sup>37</sup> See section entitled, "Unperfected Reciprocal Trade Agreement Between the United States and Colombia, Signed December 15, 1933", *ibid.*, pp. 217 ff.

<sup>38</sup> For correspondence concerning a trade agreement with Argentina, see *post*, pp. 642 ff.

<sup>39</sup> Fourth Pan American Commercial Conference, *Final Act*, p. 19.

judging in favor of any of the doctrines advanced resolves to recommend:

"1. That all the Governments, members of the Pan American Union, consider the desirability of submitting to a world conference the possibility of rehabilitating silver, and the best means to carry this into effect.

"2. That the American countries adopt a monetary standard which will assure to the circulating medium the stability necessary to guarantee the normalcy of commercial operations, in harmony with their metallic deposits, the necessary flexibility in the circulating medium and the index of the cost of living."

The matter of currency stabilization is obviously a matter of leading policy. In considering it, it may be useful to make the same distinction as was attempted at London between immediate monetary measures and ultimate monetary policy.

As for stabilization as a measure of immediate monetary policy, obviously the American Government cannot urge this course unless it is willing to commit itself to stabilization action as an immediate measure. If the American Government should decide before the Conference meets to stabilize, or if the American Government can commit itself with any certainty to the idea of early prospective stabilization, then it may be advisable to consider at the Conference the ways and means by which currency stabilization can be undertaken by the other States represented at the Conference. This of course might involve a consideration of their trade balance, their external indebtedness, et cetera. In view of the uncertainties attendant on our own situation and of the difficulties of attempting to work out immediate stabilization by concerted governmental action, it would appear likely that this subject would present such difficulties as to make it inadvisable for the Delegation to put it forward. When and as this country and Great Britain may have turned to stabilize, the countries of Latin America are likely to follow a similar attempt.

As for stabilization as an essential element in wisely conceived monetary policy for the future (that is when and as economic and financial affairs become relatively stable), this involves the determination of the main lines on which it is contemplated the American monetary system will operate. It brings to the front for consideration the whole broad program of ultimate monetary measures which the American Delegation presented at the Conference at London<sup>40</sup> (copy attached). Appendix 20.<sup>41</sup> If the American Government is willing to commit itself now to this statement of outline of permanent monetary policy (or with such modifications as may be desirable), then the organization of a discussion group at Montevideo might serve a useful

<sup>40</sup> For text of proposed American plan, see vol. I, p. 622.

<sup>41</sup> Appendix 20 not printed.

purpose, with the idea that this group could continue its work after the Conference had adjourned. If, however, the question of permanent monetary policy and the nature of the monetary system for this country towards which this country may be working is still at issue and still to be determined, then it becomes difficult to see how the Delegation can take any active position in regard to the subject.

The Treasury when last consulted on this point wrote as of August 19, 1933, as follows:

"Under prevailing circumstances I feel it would be premature to undertake constructive comments on this subject, and suggest that the formulation of instructions for the Delegation which this Government may send to the Conference be postponed in this regard until a later date, pending clarification of the Administration's monetary policies."

For the information of the Delegation there is attached a short outline of the discussions on this subject which have taken place at previous Pan American Conferences. Appendix 21.<sup>42</sup>

The question of the possibility of adopting a uniform monetary system is entirely involved with the preceding. If this resolution is to be construed to mean the establishment of an identical currency, it seems plain that it is inachievable. Even if other obstacles are overcome, governments are not likely to give up their present forms of national currency for one identical form.

However, if what is meant is the establishment of uniform monetary systems, to the extent that circumstances permit, the subject merits discussion.

Previous to the depression, the countries of Latin America were developing an ever-increasing wish and practice of adopting the same type of gold standard as existed in the United States. In the absence of recent expressions on their part and in view of the fact that the features of our future monetary policy still remain to be decided, it is impossible to know whether the groundwork for agreement on a uniform type of monetary system exists. Nevertheless an exchange of views on this subject at the Conference, which perhaps could be followed up by a standing committee after the Conference, would seem to be useful. It would make for mutual understanding of the factors determining the monetary policy of the different countries involved.

It may be hazarded that on the whole, if the countries of Latin America adopted the same monetary system as that of the United States, American commercial interests would be benefited, but it is difficult to see how anything more than a discussion is possible at the present moment.

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<sup>42</sup> Appendix 21 not printed.

For information, it may be added in conclusion that none of the States of Latin America can be said to be on a complete free gold standard at the present time. Virtually all of them have restrictions on the movements of gold, and many of them have exchange controls. During recent weeks there has been apparent a distinct tendency on the part of certain important governments, e. g., Argentina and Colombia, to permit their currencies to depreciate in the trail of the dollar.

Of course, the instability of all currencies is a disturbing influence to international trade, yet the question of whether these countries can wisely determine now a new fixed gold value for their currencies is as much a central policy one for each of them as it is for the United States. It is not likely that they will be able to take this step until the more important industrial countries in which they dispose of their products have reached currency stability.

#### 9(c) *Commercial Arbitration*

It is doubtful that the laws of the countries participating in the Conference have been sufficiently developed to admit of putting into operation a system of commercial arbitration. Examination of the report of the American Arbitration Association to the Governing Board of the Pan American Union, published as No. 2 of the Documents for the Use of Delegates, corroborates this view.

The adoption of a convention without first bringing the laws of the countries concerned to a condition which would admit of its enforcement would almost certainly result in violations of the convention. It is believed inadvisable to adopt a convention on the subject of commercial arbitration until the laws of the various countries are shaped with a view to enforcing arbitration agreements between private parties.

A discussion of "Commercial Arbitration" is contained in the attached memorandum, Appendix 22.<sup>48</sup>

#### 9(d) *Promotion of Tourist Travel*

The Department is, of course, desirous of encouraging and facilitating tourist travel in so far as this may consistently be possible with the maintenance of an entire freedom to control the entry of aliens into the United States in connection with the administration of the immigration laws. Although it is believed to be undesirable for the United States to participate officially in the organization of a travel bureau, it may be stated that the United States would be glad to cooperate with the other American Republics in the matter of facilitating tourist travel in so far as this may consistently be possible. This might be done by a resolution of the Conference recommending that all govern-

<sup>48</sup> Appendix 22 not printed.

ments endeavor by such legislation or other means as may prove appropriate to facilitate the entry and departure of tourists and to minimize the sanitary and other requirements which may be deemed necessary as well as visas and other fees.

It may be pointed out that this Government, with a view to facilitating travel of aliens to the United States and of American citizens to the other American States would be glad to conclude reciprocal agreements for the reduction or waiver of visa fees for non-immigrants. Such agreements have already been concluded with a few of the American States and although it would not be possible to waive the production of passports, the conclusion of agreements for the waiver of visa fees would be of distinct assistance in encouraging tourist travel.

It is not contemplated that technical questions of procedure and immigration law will come up for discussion. Questions necessitating information of this nature should be referred to the Department. Your attention is called to the memorandum on this subject attached hereto as Appendix 23.<sup>44</sup>

#### [12.] *Collective Commercial Agreements*

The main substance of this agenda item has already been covered in the memoranda dealing with item 9(a), customs duties, and items 10 and 11, import quotas and prohibitions.

The subject of a universal customs union may be presented at the Conference. It has arisen at almost every previous Pan American Conference. However, there would seem to be no chance for the development of such a union at the present time and it is suggested that the rôle of the American Delegation, if the subject arises, should be a passive one.

The matter of a regional agreement may arise with more reality. There is in effect between Guatemala, El Salvador, Honduras, and Nicaragua at the present time such an agreement providing for free trade in these countries. The text of the agreement is attached.<sup>45</sup> The position of the American Government has usually been to favor regional agreements provided the governments will conclude customs unions of this type. It is suggested, however, that the Delegation will want to safeguard our rights to most-favored-nation treatment as towards the whole customs area created.

The matter of regional agreements falling short of a customs union is a much more difficult and complicated one. Since in the main the countries of Latin America are not the creditor of the United States it is probable that this Government could regard regional agreements between the countries of Latin America with somewhat more equa-

<sup>44</sup> Appendix 23 not printed.

<sup>45</sup> Not attached to file copy.

nimity than regional agreements elsewhere. However, our ability to take a position on the matter anywhere in the world would naturally be affected by the position assumed at Montevideo. In the project put forward by the American Delegation at London, on July 21,<sup>46</sup> the American Government showed itself willing to consent to certain limitations of its most-favored-nation rights as regards plurilateral agreements meeting certain conditions as follows: (a) that they give a reasonable promise of bringing about general economic strengthening of the trade area involved; (b) that this trade area be of substantial size; (c) that the reductions are made by some formula of plurilateral agreeability; (d) that they are open to the accession of all countries, (e) or that any other countries willing to take the same reductions could get the same concessions, (f) and when the countries party to the agreement do not, during the terms of the agreement, materially increase trade barriers against imports from countries outside such agreements (these are substantial conditions and it may be as towards Latin American countries the Government may wish to somewhat curtail them, certainly as in the case of the small countries of Central America).

The above comments apply to regional agreements including more than two countries; otherwise the problem is merely the ordinary problem of bilateral treaty agreement. It is ordinarily considered also, that the countries party to the agreement should have some special relation to each other, generally geographical contiguity.

### 13. *Report on the resolutions of the Inter-American Conference on Agriculture*

A copy of the Final Act of the Inter-American Conference on Agriculture, which was held in Washington September 8-20, 1930, is in the files of the Delegation.<sup>47</sup>

Of the seventy-one resolutions passed at this Conference, some fifty were relevant to the subject and still fewer were important to the United States. Their number and diversity suggest a tendency at these gatherings to multiply conferences, boards, standing committees and permanent officers, as well as to discuss schemes more grandiose than feasible. You are accordingly desired, in such discussions of the resolutions as may take place, to exercise your influence in the direction of concentration, simplicity, and economy. Your colleagues can hardly be too often reminded that, in common with the rest of the world, the American republics are passing through an economic crisis which makes it imperative to keep plans for agricultural cooperation within the limits of the practical.

<sup>46</sup> See letter of July 21 from the Chairman of the American Delegation to the Chairman of the Economic Commission, vol. 1, p. 727.

<sup>47</sup> *Final Act of the Inter-American Conference on Agriculture, Washington, September 8-20, 1930* (Washington, Government Printing Office, 1930).



The Department does not consider that resolutions Nos. 3, 16, and 46, calling for the aggrandizement of the Division of Agriculture in the Pan American Union and the creation of a Pan American Experiment Station and of a Pan American Agricultural Bank, fall within this category. The usefulness of the Division of Agriculture is recognized, and its present activities should be continued; but in view of the constant increase in appropriations requested by the Union and the difficulty of obtaining them, the Department feels that you should not countenance a policy of expansion. As for the other two projects, which are of more questionable utility and would require new annual appropriations of some size, you should make it clear that your Government is not in a position to contribute toward them.

For similar reasons it does not appear practicable to give effect to paragraph 4 of resolution 23, recommending that a Pan American conference be called for the purpose of establishing uniformity in methods of investigation and agricultural terminology. While the end in view is a desirable one, it could well be placed on the agenda of the next Agricultural Conference; but whether that Conference need be held in 1935, in accordance with resolutions 12 and 13, will require your careful consideration. Otherwise the Agricultural Division of the Pan American Union might be authorized, after consultation with the respective Departments of Agriculture, to propose a system not too elaborate to be followed by twenty-one countries on both sides of the equator.

Especially worthy of your attention appear to be the resolutions recommending local surveys in the various departments of agriculture and forestry (Nos. 7, 22-29, 32, 34), the standardization in such surveys of methods, terminology, spelling, and units of weight and measurement (Nos. 22, 23, 24, 33, 42, 52), the interchange or pooling of agricultural information (Nos. 9, 11, 19, 52, 53), and measures for the eradication of insect pests and plant and animal diseases (Nos. 14, 28, 36). The majority of these resolutions can be carried into effect by means of existing agencies, they require no system of quotas contributed annually by all the governments, and if acted upon the results would benefit not only the country making the effort. It will be noted, however, that resolution 36, relating to animal diseases, recommends the institution of an inter-American livestock advisory board. The United States Government might consent to a scientific study board (which might even be called on for a report in case of dispute, under carefully guarded terms) but the United States Government could not consent to have its decision subject in any way to such a board.

The resolutions pertaining to cacao and coffee (Nos. 37, 47-48) do not immediately concern this country. They are of interest to this country, however, in relation to the complex question of surplus production, most distinctly broached in resolution 45, with particular

reference to the sugar industry. This will require your most serious consideration; and you should make persistent efforts to impress upon the Conference the advantages of concerted action in adjusting the production of these and other staples within limits which will not vastly exceed the capacity of available markets to absorb them. In considering this question emphasis should be laid on the hope of expanding consumption and developing market possibilities and attention should be called to the importance of adhering to the conditions laid down in the resolutions adopted by the World Monetary and Economic Conference in the matter. The resolutions adopted at the Conference read as follows:

1. In order to assist in the restoration of world prosperity, it is essential to increase the purchasing power of the producers of primary products by raising the wholesale prices of such products to a reasonable level.

2. In the exceptional conditions of the present world crisis, concerted action is required for this purpose. Apart from any other measures that may be taken to restore the purchasing power of producers and consumers and thus to increase demand, it is desirable that plans should be adopted for co-ordinating the production and marketing of certain commodities.

3. Any agreements to give effect to such plans should conform generally to the following conditions:

(a) The commodity must be one of great importance for international trade in which there is such an excess of production or stocks as to call for special concerted action.

(b) The agreement should be comprehensive as regards the commodities to be regulated, that is, it should not be so narrowly drawn as to exclude related or substitute products, if their inclusion is necessary or desirable to ensure the success of the plan.

(c) It should be comprehensive as regards producers, that is:

(i) it should in the first instance command a general measure of assent amongst exporting countries, and within these countries a substantial majority of the producers themselves:

(ii) where necessary or desirable for the success of the plan, it should provide for the co-operation of nonexporting countries whose production is considerable.

(d) It should be fair to all parties, both producers and consumers; it should be designed to secure and maintain a fair and remunerative price level; it should not aim at discriminating against a particular country, and it should as far as possible be worked with the willing cooperation of consuming interests in importing countries who are equally concerned with producers in the maintenance of regular supplies at fair and stable prices.

(e) It should be administratively practicable, that is, the machinery established for its administration must be workable, and the individual Governments concerned must have the power and the will to enforce it in their respective territories.

(f) It should be of adequate duration, that is, it should contain provisions for its continuance for such a period as to give assurance to all concerned that its objects can be achieved.

(g) It should be flexible, that is, the plan should be such as to permit of and provide for the prompt and orderly expansion of supply to meet improvement in demand.

(h) Due regard should be had in each country to the desirability of encouraging efficient production.

14. *Report of the Establishment of an Inter-American Economic and Financial Organization under the Auspices of the Pan American Union.*

You are referred to pages 78 to 81 of the *Special Handbook for the Use of Delegates* for the historical background of this topic.

Congress failed to appropriate funds for the United States Section of the Inter-American High Commission for the fiscal year 1933-34 because it "could find no justifiable reason for the continuance of the Commission" and it therefore ceased to function on June 30, 1933. Vacancies occurring in the National Section, and consequently in the Central Executive Council, have not been filled in view of the fact that the removal of the only legislative authorization for the organization precluded the appointment of new officials.

The various National Sections of the Commission have not been active in the sense of maintaining staffs for several years, with two or three exceptions, and for the past few years have added nothing to the work of the Commission. The Commission itself has not met since 1916, while the Central Executive Council has had no meetings since October, 1923. A detailed memorandum<sup>48</sup> concerning the activities of the Inter-American High Commission has been prepared for the use of the delegates and is in the files of the Delegation.

You may join with the other delegations in adopting a resolution taking note of the fact that the Inter-American High Commission has ceased to exist. You may also favor including in the resolution a recognition of the discontinuance of the Pan American Committees, created in pursuance of a resolution of the Third International Conference of American States. The National Sections of the Inter-American High Commission superseded the Pan American Committees in most countries, but the resolution of the Third Pan American Conference is still in force and a few countries, including the United States, have retained the Committees as paper organizations.

As to the title of Topic 14, it is noted that the project presented to the Fourth Pan American Commercial Conference refers only to an economic, not a financial, organization. It is felt that this is as it should be and that any organization under the auspices of the Pan American Union should be restricted to economic and should not have

<sup>48</sup> Not printed.

financial functions. It would seem that the office set up in the Pan American Union, in accordance with the plan approved by the Governing Board, December 2, 1931, "to serve as a central body for the Pan American Commercial Conferences and for Pan American commercial and economic cooperation in general", has already been granted authority for appropriate action under the auspices of the Pan American Union. If the Conference, however, should desire to adopt a project similar to that submitted to the Fourth Pan American Commercial Conference,<sup>49</sup> you should not interpose an objection provided such project is not too ambitious, does not go beyond the provisions of that submitted to the Fourth Commercial Conference, deals only with economic and commercial questions, and will not, as stated in the Pan American Union Handbook, involve any additional expense on the budget of the Pan American Union.

15. *The Inter-American Protection of Patents of Invention* (Chapter IV—Economic and Financial Problems—15)

The inclusion of this topic in the Agenda grew out of a proposal made at the Fourth Pan American Commercial Conference held at Washington in October, 1931. At that conference, the Cuban delegation submitted two draft conventions, namely, (1) "Draft of a general convention for the Inter-American protection of patents, utility models, industrial models and industrial drawings", and (2) "Draft of protocol on the Inter-American registration of patents." The texts of these drafts are published as Annexes H and I, respectively, in the pamphlet containing the Final Act of the Fourth Pan American Commercial Conference.<sup>50</sup>

Both drafts are very comprehensive in scope and include a provision for establishing a central patent office to which applications for patents in all Pan American countries would be submitted and to which the patent offices of all Pan American countries would send copies of all applications for patents and related documents received by them. The proposal, in short, contemplates the setting up of a super patent office (probably at Habana) to which large fees would be paid for obtaining patents in the several Pan American countries. In this connection it may be observed that the Convention signed at Washington in 1929, establishing the Inter-American Trade Mark Bureau at Habana,<sup>51</sup> has been ratified by only two countries in addition to Cuba, thus indicating disapproval of the project by nearly all Pan

<sup>49</sup> Fourth Pan American Commercial Conference, *Final Act*, pp. 28, 117.

<sup>50</sup> *Ibid.*, pp. 74, 100.

<sup>51</sup> For text of convention, see *Foreign Relations*, 1929, vol. I, p. 670.

American countries. It may safely be assumed that the proposal to establish a central clearing house for patent applications would receive even less support than has been accorded to the Inter-American Trade Mark Bureau.

The Pan American Commercial Conference of 1931 adopted a resolution declaring its lack of authority to sign such a convention and protocol on the subject of Patents, and recommended that the question be studied by experts. The principal recommendations of the resolution read as follows:

"1. That the Pan American Union appoint, after consultation with the American Republics, an Inter-American Commission on Industrial Property, composed of one expert from each country who, from their places of residence, shall send their views in writing on the questions submitted to their consideration. This Commission shall designate from among its members an Executive Committee of five entrusted with the direction of the work.

"2. That the Inter-American Trade Mark Bureau at Havana serve as the Secretariat and the Archives of the Commission, and as an intermediary between the members of the Commission.

"3. That through said Commission there be transmitted to the Governments of the American Republics the above mentioned projects of convention and protocol, in order that prior to April 1, 1932, they may communicate their objections and observations to the Inter-American Trade Mark Bureau, which shall, without delay, transmit these communications to the Commission, in order that they may be utilized in the coordination and formulation of the instruments to be signed later.

"4. That on completion, this work be submitted on the study and decision of the Seventh International Conference of American States, in case the latter has among its members sufficient experts on this matter, the appointment of whom is respectfully urged upon the American Governments, or to a conference of experts authorized to negotiate and sign the necessary agreements and to be convened by the Pan American Union."<sup>52</sup>

It appears that, while a number of countries named representatives on the "Inter-American Commission", recommended in the resolution above quoted, the Commission was never organized and did not consider the draft conventions, and, of course, did not submit the draft projects to the interested Governments for the study and comment contemplated by the resolution.

It results, therefore, that the proposed preliminary study of the draft conventions has not been made, and it would be highly impracticable to attempt to have the drafts considered at the forthcoming Conference with any serious idea of their adoption, even if there were general agreement as to the need for such a radical revision of the

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<sup>52</sup> Fourth Pan American Commercial Conference, *Final Act*, pp. 22-23.

existing treaty and the establishment of the super patent office for which the draft projects provide.

On August 20, 1910, there was concluded during the Fourth International Conference of American States at Buenos Aires an Inter-American Agreement on Patents.<sup>53</sup> According to the Department's records the following countries are parties to the Convention: Brazil, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Uruguay, and the United States.

The position of the Commissioner of Patents as to the need for a further multilateral Convention on the subject of Patents is set forth in a memorandum of August 21, 1933, prepared for the Secretary of State for the information of the American delegates to the Seventh International Conference of American States. The Commissioner of Patents states that:

"While the existing convention (August 20, 1910) is limited in effect, its provisions conferring upon the signatory nations bare reciprocal and priority privileges, the United States is not ready to enter into an 'Inter-American protection of patents of invention' which is one of the topics on the Agenda for the Seventh International Conference of American States to be held at Montevideo in December, next. The United States, as one of the largest industrial nations of the world, has a highly developed patent system based on the examination principle, as distinguished from mere registration, and maintains a large staff of scientifically trained men, at a great expense to the inventors of the country, to examine patent applications for novelty, utility and invention before patents are issued. No other country in the world, even those industrially inclined, can claim a superior or more effective patent system and no one of the Central or South American nations has a patent system which is remotely comparable. This is undoubtedly due to the fact that these nations are not highly industrialized and for that reason an effective patent system is not essential. This fact, together with indications that the peoples of these nations are not patent-minded, makes it inevitable that the United States would be the major contributor to an Inter-American patent convention while being the least benefited. The sentiment of the patent profession in this country is that the 1910 Convention is satisfactory as to form and substance, and should not be modified.

At the Fourth Pan American Commercial Conference at Washington in 1931, the delegate from Cuba proposed<sup>54</sup> a General Convention for the Inter-American Protection of Patents involving the establishment of a central patent bureau to collect and classify patents from all parts of the world and to distribute information in regard thereto. This bureau would be in effect a super Patent Office. The proposal is one of such tremendous magnitude and scope as to be impractical, requiring as it would the duplication of our own Patent Office as well as

<sup>53</sup> *Foreign Relations*, 1910, pp. 50-52.

<sup>54</sup> Fourth Pan American Commercial Conference, *Final Act*, p. 22.

all similar offices now maintained by the several nations. It is a proposal on which the various nations could never reach an agreement. However, rather than for the American delegates to reveal an antagonistic or uncooperative attitude, it might be advisable for them to express an interest in the plan of the Cuban delegate, and even to go so far as to suggest the appointment of a committee of experts to consider the plan and to report at some future convention. Being assured that no committee of experts could agree upon an effective plan, satisfactory to all the nations, this suggestion would serve to remove the subject from the present convention, and to suppress attempts to modify or revise the existing convention, which basically is about as far as the United States should go." (File No. 710.G 1A/165).

If the subject of patent protection should be discussed at the Conference, the delegates of the United States should act in accordance with the following instructions:

1. They should refrain, if reasonably possible, from participating in any discussion of the subject, but should give their support to any proposal made to eliminate Topic 15 of the Program from discussion, or to defer its consideration to some future Conference, after adequate study by a committee of experts and the submission of their report to all interested Governments, with ample opportunity for examination and decision by the appropriate authorities of each Government.

2. In the unanticipated event that a serious effort be made to have the Conference sign the draft convention and protocol, either in their original or modified form, the delegates of the United States will oppose such efforts, emphasizing the lack of preparation by the Conference for the proper consideration of the very important and complex problems involved in the draft projects, and the imperative need for a comprehensive study of the projects by carefully selected experts.

3. In the event that the Conference should decide to conclude any convention on the subject of Patents, the delegates of the United States will refrain from signing such a convention.

#### 16. *Convention on Customs Procedure and Port Formalities*

The draft convention to be presented to the Conference on the subject of simplification of customs procedure and port formalities<sup>55</sup> was prepared at a meeting of experts on the subject, on which the United States was represented, and meets with the approval of the various branches of the American Government concerned, except as indicated below. See Appendix 24.<sup>56</sup> Therefore, subject to the modifications herein suggested, you may approve the convention, making at the same time in writing, specific reservations to Article III, Section 1, last paragraph and Section 14, and Article IV Section 3, in case these sections are not amended to meet the views hereinafter set forth.

<sup>55</sup> For text of convention, see *Special Handbook for the Use of Delegates*, p. 84.

<sup>56</sup> Appendix 24 not printed.

1. Article III, Section 1. The last paragraph of this section, which reads:

"It is also agreed that where ad valorem duties are assessed the value in the country of origin be adopted as the uniform basis for determining the dutiable value, and that value shall be construed to mean the f. o. b. value of the merchandise as defined by the laws of the importing country in the port or point of export in the country of origin."

should be eliminated since it is of a highly controversial nature. It is a matter which was under consideration during the last Congress of the United States and in all probability will be given further consideration by Congress when it reconvenes. If it is not omitted a specific reservation that this Government does not adhere to this provision should be made.

2. Article III, Section 5 should be modified to limit the requirement for thirty days' advance notification of changes in tariff duties to "administrative changes".

3. Article III, Section 14 should be amended by the insertion of the words "other than commercial importations contracted for abroad". This clause would then read:

"(14) that free entry of descriptive catalogues and price lists *other than commercial importations contracted for abroad* be permitted."

4. Article IV, Section 3 as to documents required for aircraft might be omitted, but in any event should at least be amended by omitting the words "a single document" and inserting in lieu thereof the words "as limited a number of documents as possible". This is necessary to meet the requirements of American law and is in keeping with the provisions of Article X of the Commercial Aviation Convention concluded February 20, 1928 between the United States and other American republics.<sup>57</sup>

5. Article IX, regarding arbitration, might be omitted, or if not, it should include more definite provisions as to the manner of arbitration. Moreover, arbitration should not be resorted to unless it shall be found impossible to reach an understanding by less formal methods, such as diplomatic discussion, etc. It is hardly to be expected that every difference of opinion on the interpretation of the Convention, regardless of its importance, shall go to arbitration.

It is suggested that a provision might be added to the effect that such arbitration shall be in conformity with any existing agreement between the parties with respect to the arbitration of differences arising between them.

<sup>57</sup> *Foreign Relations*, 1928, vol. I, p. 585.



17 (a). *Bills of Exchange, Checks and other Commercial Papers.*

The Fourth Pan American Commercial Conference which met in Washington, D. C., in October, 1931, adopted the following resolution dealing with the subject:

“Resolves:

“To declare itself in favor of the adoption and enactment of uniform legislation on bills of exchange, checks and other commercial papers in the American Republics.

“The Conference further feels that the uniformity of such legislation should partake of an international as well as an Inter-American aspect. It, therefore, recommends the appointment by the Pan American Union of a small committee of experts for the purpose of readjusting the laws existing in the Americas, the British Bill of Exchange Act, and the already existing conventions and draft conventions on the matter, for the purpose of submitting to the Seventh International Conference of American States a project which shall as completely as possible secure uniformity of laws among all the American Republics without sacrificing substantial international uniformity.”<sup>58</sup>

In compliance with the provisions of the foregoing resolution the Pan American Union has requested the Permanent Committee on Comparative Legislation and Uniformity of Legislation at Habana to make this study. No record appears to be available in the Department indicating whether this Committee has concluded its investigation.

In 1925 the Central Executive Committee of the Inter-American High Commission published a study on “Comparison of American legislation and all Bills of Exchange and Promissory Notes with the Uniform Regulation adopted at the Hague Convention of 1912”. This study is published in English and Spanish and should prove useful if the discussion is undertaken at the Conference. Copies of these are in the files of the Delegation.

This is a topic that has been often and thoroughly considered by various agencies of the League of Nations. It is well recognized that there are two general types of legislation: (1) The Anglo-Saxon, and (2) the Latin. International efforts have tried to harmonize the two types and have annotated them thoroughly and led to the production of many drafts. We have a uniform law adopted by each of the 48 States, and it would be unwise to attempt to modify it in any material way.

However, the American Delegation reaffirms support of a proposal substantially similar to that adopted by the Fourth Pan American Commercial Conference to provide for a proper group to study the pertinent data and formulate a project which will as nearly as possible bring about substantial uniformity either in practice or result. (Note:

<sup>58</sup> Fourth Pan American Commercial Conference, *Final Act*, pp. 21-22.

It is believed essential that the basic work should be done by a small group which shall include persons thoroughly familiar with civil law practice, interpretation and procedure, and with common law practice, interpretation and procedure, both under the Negotiable Instruments Law and the Bill of Exchange Act. Such a project to be successful will require not only thorough study but meticulous draftsmanship.)

A memorandum on this subject<sup>59</sup> prepared in the Department of Commerce giving a background summary of previous international efforts in this field and the recommendations of that Department is in the files of the Delegation.

### 17(b) *Bills of Lading*

The Fourth Pan American Commercial Conference adopted the following resolution regarding ocean bills of lading:

“Whereas, the Fourth Pan American Commercial Conference is in favor of uniform laws governing ocean transportation and is prepared to support the work which has been done since 1921, by the International Chamber of Commerce for the purpose of securing the enactment of such laws by the leading commercial countries.

“Whereas, the Conference believes that the Hague Rules represent a fair division of the risks of transportation between carriers and the cargo interests and they should be the basis upon which international uniformity is sought.

“Resolves:

“To recommend the prompt enactment of the Hague Rules by all of the nations of the Americas, and that the subject be placed upon the agenda of the Seventh International Conference of American States to be held at Montevideo in December 1932.”<sup>60</sup>

Your attention is invited to a study entitled: “Comparison of American Legislation and the International Convention for the Unification of Certain Rules Relating to Bills of Lading” which was undertaken by Mr. Watson A. Baumert on behalf of the Central Executive Council of the Inter-American High Commission and published by the United States Government Printing Office in 1928. A copy of this is in the files of the Delegation.

In commenting on the program of the Seventh International Conference of American States, the United States Department of Commerce suggested that the delegation from the United States should favor the adoption of the Hague Rules, in principle, by the American Republics either through adherence to the Convention or by separate national legislative action. It should be noted that the United States was represented at the Conference which adopted these Rules but has

<sup>59</sup> Not found in Department files.

<sup>60</sup> Fourth Pan American Commercial Conference, *Final Act*, p. 24; see also section entitled “Postponement of the Seventh International Conference of American States”, *Foreign Relations*, 1932, vol. v, pp. 1 ff.

not as yet ratified the Convention. In general, American ocean carriers have expressed approval of the Rules and legislation is now pending consideration by the Congress of the United States. Some minor modifications are believed necessary for the smooth transaction of business. The consensus of American opinion seems to be that the adoption of the principles of the Hague Rules should be undertaken by legislative action since it is felt that the Rules should be given a period of trial and that in case revisions are found desirable these can more readily be effected through a change in national legislation than through modification of an international convention.

### 17(c) *Insurance*

It would not appear to be a propitious time to consider an international convention on uniform legislation relating to insurance; the movement to develop uniformity between the several States of the United States has not advanced sufficiently to permit agreement. However, the Delegation of the United States expresses sympathy with any movement within the separate republics to advance uniform national insurance regulations.

Uniformity of marine insurance might yield useful results. In this connection your attention is called to a memorandum prepared by the Inter-American High Commission, a copy of which is in the files of the Delegation.<sup>61</sup>

### 17d. *Simplification and Standardization of the Requirements for Powers of Attorney.* (Chapter IV—Economic and Financial Problems—17d)

No project on this subject has been submitted by the Governing Board of the Pan American Union. It appears, however, that a draft of five paragraphs was prepared by Antonio Vardelde and submitted to the Pan American Union by Dr. Cartaya, President of the Permanent Committee on Comparative Legislation and Uniformity of Legislation established at Habana under a Resolution of February 18, 1928, of the Sixth Pan American Conference. The Resolution<sup>62</sup> provides in paragraph 3 (e) that the committees provided for therein should compile material for transmission, together with draft-projects, to the Pan American Union, which should submit them to the executive council of the American Institute of International Law "to the end that through a scientific consideration thereof the latter may make a technical study of such draft-projects and present its findings and formulas, in a report on the matter."

<sup>61</sup> Not found in Department files.

<sup>62</sup> Sixth International Conference of American States, *Final Act, Motions, Agreements, Resolutions and Conventions* (Habana, 1928), p. 176.

Paragraph 6 of the Resolution states that, in order to include in the program of the International Conferences the matters susceptible of codification or uniformity of legislation, and whenever agreed upon, "it shall be necessary that the governments have the draft-projects and antecedents for study at least one year in advance." Inasmuch, therefore, as this draft apparently has not been prepared and submitted in accordance with the terms of the Resolution, it is not to be considered as having any official status, although it may be presented directly to the Conference for consideration.

A legal memorandum on the general subject, LEGAL—Annex 8, Appendix 25, is attached, as is also a copy of the draft (Appendix 26) and a memorandum prepared in the Commercial Law Section of the Department of Commerce. (Appendix 27).<sup>63</sup> The legal memorandum contains a brief discussion of the legal problems arising in connection with powers of attorney, also a discussion of the draft just mentioned, and has attached to it copies of documents and excerpts from writings that may prove helpful.

You should bear in mind that, in the United States, questions involving powers of attorney executed abroad for use in the United States generally relate to matters within the jurisdiction of the States. For this reason it is believed that any project recommended for adoption should be given effect through legislative action in the respective countries. If the Convention form is used little or no benefit will accrue to our commerce, since it is doubtful, in view of the fact that these matters are controlled largely by the States, whether such a Convention would be approved by the Senate. It appears that the law in many States is in harmony with the project and in many respects much more liberal than the draft proposal (i. e., permitting representatives and litigation without a formal power of attorney, in not requiring technicalities of form, protocolization, translation, etc.). If this procedure for adoption of the project is followed it can be recommended to the Commissioners on Uniform State Laws and other proper bodies for consideration and with possible prospects of adoption at least in so far as foreign commerce is concerned.

It seems doubtful in view of the large number of subjects on the Program, and the fact that preparation for discussion of this subject has not been made in the manner contemplated by the above-mentioned Resolution of February 18, 1928, whether serious consideration will be given this subject.

17(e). *Juridical Personality of Foreign Companies.* (Chapter IV—Economic and Financial Problems—17(e))

The Program of the Seventh International Conference of American States, as approved by the Governing Board of the Pan American

<sup>63</sup> Appendices 25, 26, and 27 not printed.

Union at the session of May 31, 1933, provides in the above-entitled Chapter, paragraph 17(e), for the consideration of the subject Juridical Personality of Foreign Companies.

No project concerning this subject appears to have been prepared for consideration at the forthcoming Conference as contemplated by the Resolution of the Habana Conference. In the absence of such a project, it is not possible to determine exactly what the scope of the discussion, if any, on this subject will be.

It is not improbable, however, that some attempt will be made to obtain uniform regulations concerning the registration and inscription of foreign companies, as well as a more concise definition of the rights which the companies of one country shall enjoy in the territories of another and also, possibly, a definition of the authority which the legal representative of a company must have to represent it in another country. While uniform regulations on questions such as this would be desirable, there is considerable doubt as to the extent to which this Government should participate in any such provisions since, under our form of Government, matters of this sort are largely within the jurisdiction of the several States and territories of the Union. Nevertheless we would desire to encourage, in so far as possible, the conclusion of any agreement the provisions of which would liberalize the treatment now accorded foreign corporations in certain of the Latin American countries.

While we have provided in some of our treaties of commerce for the recognition of the juridical status of foreign corporations and for allowing them access to the courts, the right of such corporations to establish themselves within territory of the United States and to fulfill their functions has been left to the control of the several States. See Article XII of the Treaty of Friendship, Commerce and Consular Rights (1923) with Germany (Treaty Series 725).<sup>64</sup> Similar provisions are contained in our treaties with El Salvador of 1926 (Treaty Series 827)<sup>65</sup> and Honduras of 1927 (Treaty Series 764).<sup>66</sup>

Article XII of the Treaty with El Salvador and Article XIII of the Treaty with Honduras, just referred to, after providing that the right of corporations and associations of either High Contracting Party to establish themselves within the territory of the other, establish branch offices, and fulfill their functions therein, shall depend upon and be governed by the consent of such Party as expressed in its National, State or Provincial laws, contains the further stipulation that:

"If such consent be given on the condition of reciprocity, the condition shall be deemed to relate to the provisions of the laws, National, State

<sup>64</sup> Signed December 8, 1923, *Foreign Relations*, 1923, vol. II, p. 29.

<sup>65</sup> Signed at San Salvador, February 22, 1926, *ibid.*, 1926, vol. II, p. 940.

<sup>66</sup> Signed at Tegucigalpa, December 7, 1927, *ibid.*, 1927, vol. III, p. 101.

or Provincial, under which the foreign corporation or association desiring to exercise such rights is organized.”

The Department would be disposed to have included in any general convention that may be drafted provisions similar to those contained in the treaties with El Salvador and Honduras.

The Department of Commerce has submitted the following suggestions and recommendations as to the course that might be pursued by the American Delegation :

*“Recommendations.*

“It is suggested that the American delegation support any project to refer this matter to a proper group of experts for further consideration and the preparation of a project which may help to eliminate these difficulties and uncertainties. It is suggested that the following principles should be kept clearly in mind and that the project to be submitted should embody these principles :

“(1) That the juridical personality of foreign corporations be generally recognized upon proof of their existence under the laws of their domicile, as set forth in a power of attorney presented by a judicial or other agent (see section 4 of project on Powers of Attorney).

“(2) That the juridical personality be so recognized except upon failure to comply with the requirements for the registration when foreign companies have created

- (a) an agency
- (b) a branch, or
- (c) when they habitually engage in commerce within the jurisdiction in question.

“(3) That the terms ‘agency’, ‘branch’ and ‘habitually engages in commerce’ be clearly and unmistakably defined at least to the extent which will make as certain as possible the dividing line between those foreign juridical entities required to register and those which are not so that such juridical entities may have the protection of knowing with certainty into which category they fall or that they are engaged in a course of conduct which may involve them in difficulty if they do not comply with the registration requirements.

“(4) That a procedure for the registration of foreign companies be suggested sufficient in detail to meet the proper purposes of the requirement of registration but obviating to the greatest extent possible unnecessary and complicated formalities and protocolization of corporate documents within the foreign jurisdiction.

*“Conclusion.*

“The form which such a project should take presents a difficult problem. If it is presented in the form of a convention it is possible that it would not apply to United States corporations unless such a convention could be ratified under a proper exercise of the regulatory power over foreign trade. Even if this is possible, it is very doubtful

if such a ratification could be obtained on the ground that the matter is purely one for the exercise of State control.

"It is, therefore, probably more desirable that the project should be presented as a recommendation for adoption as a part of the domestic legislation of such jurisdiction. The laws of many of the States of the United States would then to a large extent conform to the project, and it is possible that a greater degree of uniformity and clarity in keeping with the project might be obtained through a project of uniform legislation. At least the matter could be recommended to the attention of the Commissioners on Uniform State Law."

In view of our constitutional difficulties in regulating matters of this character in so far as regards operations within a State, the suggestion of uniform legislation would appear to be the more feasible course to pursue.

There is attached for the information of the delegates a Memorandum, LEGAL—Annex 9, Appendix 28, for use by the Delegation in the event that the subject is brought up for consideration, also a copy of the memorandum submitted by the Department of Commerce. (Appendix 29).<sup>67</sup>

17(f). *The losses caused by theft and pilferage of cargo in maritime commerce.*

It is suggested that your efforts be directed toward encouragement of legislation empowering administrative authorities to promulgate regulations for the protection of merchandise while in transit from the vessel and while in storage.

Pilferage was a very serious problem in our foreign trade immediately after the World War but the Department of Commerce states that during the last three or four years no important complaint of pilferage has been received in connection with our trade with Latin America.

CHAPTER V—*Social Problems*<sup>68</sup>

18. *Consideration of the Establishment of an Inter-American Bureau of Labor.*

There is in the files of the Delegation a copy of a memorandum<sup>69</sup> received from the Department of Labor on the various topics treated under Item 18 of the Agenda, which should prove to be useful (though the conclusions therein should not be construed as instructions).

In regard to the main items, the position of the American Delegation should be as follows:

<sup>67</sup> Appendices 28 and 29 not printed.

<sup>68</sup> See *Handbook for the Use of Delegates*, pp. 89-96.

<sup>69</sup> Not found in Department files.

*Consideration of the Establishment of an Inter-American Bureau of Labor*

This would appear to be impracticable as an immediate step. The United States Government could hardly expect to receive a return adequate to the expense in which it would be involved.

The United States Department of Labor is making great efforts to expand and improve its fact-finding work in the field of labor conditions, industrial relations, and economic conditions affecting labor conditions, et cetera. All governments might be encouraged to push this work for themselves. Direct communication between the Departments of Labor and Industry of the various governments, for the exchange of information, might be developed, if the interest exists.

The International Labor Office in Geneva is carrying out extensive work in this field now on a comparative international basis.

[18] (a) *Improvement of the condition of living of workmen:*

(1) Promotion of Safety in Industry

Encouragement might be given to

- a. Keeping proper accident records in each country.
- b. Dissemination of information on accident prevention.
- c. The passage in each country of adequate compensation legislation.
- d. Periodical meetings of national groups engaged in safety work.  
(A joint association already exists between Canada and the United States.)

(2) Improved Housing Conditions

The discussion of the subject is welcomed. But there are not adequate reasons for international action in this field; nor would such action be practicable.

Support might be given in this field to the already existing private international body "The International Federation for Housing and Town Planning".

[18] (b) *Social Insurance: Unemployment and Practical Forms of Unemployment Insurance.*

The competence of the United States Federal Government is very limited, and for this reason international agreement by this Government would be impracticable. But discussion of the problems involved, especially on unemployment insurance, might be fruitful.

[18] (c) *Uniformity of Demographic Statistics.*

This is a fundamental activity of governments and each government should be encouraged to do thorough work in this field. The work of the Permanent Office of the International Statistical Institute should be encouraged. Your attention is called to the above referred to memorandum prepared by the Department of Labor.



19. *Results of national and international conferences on child welfare, with a view to broadening the work of the inter-American Institute at Montevideo.*

The work of the International American Institute for the Protection of Childhood <sup>70</sup> appears to be of a specialized nature and perhaps not appropriate for a general discussion at this conference. You may, however, express the interest of the Government of the United States in the work of the Institute. Your attention is called to a memorandum <sup>71</sup> prepared by the Department of Labor on this subject, a copy of which is in the files of the Delegation.

With regard to any plan to reorganize the Institute, you will bear in mind that the economic program of this Government makes it improbable that this Government would at present increase its contribution to the Institute. You will, therefore, endeavor to confine the action of the conference to modest and feasible measures, which would not require an increase of the financial quota of this Government.

20. *Application to foodstuffs and pharmaceutical products exported to other American countries, of the same sanitary, pure food and drug regulations which are in effect in the country of production on all those commodities consumed therein.*

The Fourth Pan American Commercial Conference which met in Washington, D. C., October 5 to 13, 1931, adopted the following resolution regarding Animal and Vegetable Sanitary Police:

1. To acknowledge as fundamental principles that sanitary police regulations effective at the present time, or enacted in the future to regulate the inter-American traffic of vegetable and animal products, must not have in their practical application the character of protective customs measures.

2. That in the application of all restrictions of a sanitary nature in the inter-American traffic of animal and vegetable products, in order to determine the origin of the product, the term "infected zones" be used instead of "infected countries"; upon condition that the country of origin give all necessary facilities to determine its sanitary condition.

3. To recommend to the American countries the negotiation of agreements for the regulation of the foregoing principles.<sup>72</sup>

In order that the American delegation to the International Conference of American States may have as definite and recent information as possible with respect to the position of the Government of the United States on this subject in connection with any discussion which may come before the Conference, the Department has obtained the following information from the Department of Agriculture in a letter dated October 20, 1933.

<sup>70</sup> See *Handbook for the Use of Delegates*, p. 91.

<sup>71</sup> Not found in Department files.

<sup>72</sup> Fourth Pan American Commercial Conference, *Final Act*, pp. 27-28.

"Understanding from your letter that you wish a statement as to the present legal position of this Department with reference to the matters embraced in the quotations given, I am pleased to advise you as follows:

"1. With respect to Resolution 1, which reads as follows:

'To acknowledge as fundamental principles that sanitary police regulations effective at the present time, or enacted in the future to regulate the inter-American traffic of vegetable and animal products, must not have in their practical application the character of protective customs measures.'

"It is not at any time intended by the Department (*a*) that its animal quarantine regulations, issued pursuant to Section 2 of the Act of February 2, 1903 [1903], (32 Stat. 792), which is the only one of the several so-called animal quarantine acts which authorizes the Secretary to regulate the importation of animals with a view to preventing the introduction of dangerous animal diseases, except Section 6 of the Act of August 30, 1890, (26 Stat. 416), as amended, which relates only to a certain class of diseased animals coming from Mexico, or (*b*) that its plant quarantine regulations issued pursuant to the Plant Quarantine Act of August 20, 1912 (37 Stat. 315), shall 'have in their practical application the character of protective customs measures', and it is believed that they do not have that character. It is quite obvious, however, that they do have the effect of such customs measures in some instances, and this is a result which the Department cannot avoid and ought not to attempt to avoid.

"When, under the authority given by Section 2 of the Animal Quarantine Act of February 2, 1903, or by Section 5 of the Plant Quarantine Act of August 20, 1912, it is found that diseases of animals or plants exist in any foreign country, the regulations adopted because of that finding are concerned solely with the prevention of the introduction of such animal or plant diseases into the United States. The collateral fact that such regulations may decrease or even prevent the importation of the dangerous animals or plants, and thus have the effect of a protective customs measure, cannot properly concern this Department.

"2. With respect to Resolution 2, which reads as follows:

'That in the application of all restrictions of a sanitary nature in the inter-American traffic of animal and vegetable products, in order to determine the origin of the product, the term "infected zones" be used instead of "infected countries"; upon condition that the country of origin give all necessary facilities to determine its sanitary condition.'

"It will be quite possible to comply with the suggestion thus made so that animal and plant quarantine regulations which restrict the importation of animals and plants may be made to relate to infected zones or infected regions in a foreign country instead of an infected country as a whole, because the present animal and plant quarantine laws providing for such restrictions on importation permit the suggested action, and, as a matter of fact, such limited restrictive action has been taken in some instances.

"The fact must not be lost sight of, however, that, so far as rinderpest and foot-mouth diseases are concerned, Congress has by Section 306 (*a*) of the Tariff Act of 1930<sup>73</sup> taken the matter of regulating the

<sup>73</sup> Tariff Act of June 13, 1930, approved June 17, 1930; 46 Stat. 590.

importation of animals and domestic ruminants from 'countries' where those diseases exist, entirely out of the hands of the Department. The importation of such animals, as well as fresh, chilled or frozen beef, veal, mutton, lamb and pork from 'any foreign country' where the Secretary of this Department finds either or both of such diseases to exist, is absolutely prohibited; and the Attorney General, in his recent opinion of August 11, 1933,<sup>74</sup> has held that the phrase 'foreign country' as used in the Tariff Act, means an entire political entity.

"In view of this Section of the Tariff Act and its interpretation by the Attorney General, this Department cannot use a zone or region of a foreign country in which such diseases exist as the basis of its regulation of animal importation because animals and meats, as specified in the Act, cannot be imported from such a country at all.

"With respect to Item 20, which reads as follows:

"20. Application to foodstuffs and pharmaceutical products exported to other American countries, of the same sanitary, pure food and drug regulations which are in effect in the country of production on all those commodities consumed therein."

it is assumed that the same is based on the fact that the Seventh Pan-American Sanitary Conference, which met at Havana, Cuba, in November, 1924,<sup>75</sup> adopted a model food and drugs act to be recommended for consideration for enactment in principle by all American republics.

"This Item as now stated would make admissible into the various countries any food or drug which met the regulations in effect in the country of production. In other words, foods and drugs entering the United States would be allowed entry if they met the laws of the country of origin. At the present time, of course, these laws vary greatly in the separate countries. Therefore, our standard for entry would be different for each particular country; while the Federal food and drugs act requires us to determine by our own examination whether they meet its requirements, and to apply a uniform method of examination and action to foods regardless of country of origin.

"The proposition put up in Item 20 is quite contrary to the spirit of the model food and drugs act previously referred to. Such a proposition as now put up for consideration would only be fair if there were uniform food laws in all these countries and they were carried out uniformly and the provisions of such act also uniformly carried out in these various countries. Obviously legally we could not accept this proposition nor would we think in fairness that it should be accepted even though it were possible so to do. It would in fact be discriminatory and would simply provide that foods and drugs be examined in the country of origin as laxly or as strictly as might be desired in the country of origin and no supervision of imports as such, therefore, with no uniformity of requirements as regards importation into any particular country. It would place the onus of examination on the country making shipment.

"Furthermore, I might indicate that the food and drugs act was passed for the protection of the American people with the idea of

<sup>74</sup> 37 Op. Atty. Gen. 225.

<sup>75</sup> See *Foreign Relations*, 1924, vol. 1, pp. 266 ff.; also *Transactions of the Seventh Pan American Sanitary Conference of the American Republics Held at Havana, Cuba, November 5 to 15, 1924* (Washington, Pan American Sanitary Bureau [1925?]), p. 160.

uniform quality for foods and drugs whether import or domestic. In fact, Section 11 dealing with imports and domestic sections of the act dealing with domestic procedure are intended to be essentially identical in so far as the effect produced is concerned. The act includes uniform definitions of adulteration and misbranding whether applied to imports or domestic products. As regards imports, too, I may say that Section 11 of the Act is almost identical in wording with an earlier law passed several years before the final food and drugs act was passed. The present proposal would be entirely contrary to and in fact nullify the intent of the act now in effect.

"The Tariff Act of 1930, Section 306 (b), requires imported meats to comply with the regulations governing the inspection of domestic meats as provided for by the Act of June 30, 1906 (34 Stat. 674). Regulation 27, Section 2, of the Bureau of Animal Industry Order 211 also prohibits the importation of meats and meat food products from any country which does not maintain a system of meat inspection the substantial equivalent of the one maintained in this country."

The letter from the Department of Agriculture referred to a model food and drugs act recommended to all the American republics by the Seventh Pan American Sanitary Conference which met at Habana, Cuba, in November, 1924. This model food and drugs act is quoted in the Transactions of the Seventh Pan American Sanitary Conference of the American Republics.

21. *Inter-American Copyright Protection and the Possibility of Reconciling the Habana and Rome Conventions*<sup>76</sup>

It is not expected that this item of the agenda will be pressed for consideration, but if the discussion of the subject should be urged by any of the delegates, you will be guided by the following instructions.

The Department is of the opinion that no useful purpose would be served by the conclusion of a new copyright convention unless it were possible to agree upon a convention which all countries of the Pan American Union—including those which are not now parties to any Pan American convention on copyrights—would be willing to ratify and make effective by appropriate legislation. The correctness of this view seems to be amply confirmed by the fact that Pan American copyright relations are based on four separate and materially different treaties, beginning with the convention of Montevideo concluded in 1889 down to the last convention concluded at Habana in 1928.

A list is appended hereto showing the countries which are mutually bound by the several conventions<sup>77</sup> according to the statement of ratifications contained in Document No. 5<sup>78</sup> prepared for the information of the delegates by the Executive Committee of the American

<sup>76</sup> See *Handbook for the Use of Delegates*, pp. 97-98.

<sup>77</sup> *Post*, p. 118.

<sup>78</sup> *Documents for the Use of Delegates, No. 5*: "Report Submitted by the Executive Committee of the American Institute of International Law."

Institute of International Law. The inferences drawn by the Committee on pages one and two of this report do not appear to be entirely consistent with the data on which they are based, which is given on page one of the document, and the correctness of the appended list depends on the accuracy and completeness of the Committee's data, which the Department has not had opportunity fully to examine. It is believed, however, that the statement as to ratification of the several treaties is substantially correct.

Assuming the correctness of the Committee's data on ratifications, it appears that of the twenty-one countries in the Pan American Union, four are not parties to any Pan American copyright convention and that the largest number of countries having mutual relations under any of the treaties is thirteen, under the convention of 1910. The convention of 1928, concluded at Habana, is mutually binding on only three countries, the convention of Rio de Janeiro on only nine countries, and the Montevideo convention on only five countries.

It is apparent, therefore, that there is a serious lack of uniformity and effectiveness in the copyright relations of the countries of the Pan American Union and that this situation can be remedied only by the conclusion of an agreement which will be acceptable to all or to practically all of the countries of the Union and actually made effective by them.

The formulation of such a convention would seem to require a comprehensive preliminary study by all the governments concerned in order that general principles might be agreed upon before the convening of a conference to conclude such a convention. It is obvious that the subject has not received the consideration and study which its importance and complexity warrant, and this Government would therefore recommend that the action of the conference on Item 21 be limited to the adoption of a resolution strongly urging all the governments of the Union to enter upon an immediate exchange of views with the purpose of endeavoring to reconcile and adjust differences of opinion on the more important phases of the question and that a committee of qualified experts be appointed by each country to cooperate with similar committees in all other American countries with a view to arriving at a general consensus of opinion as to the provisions of a convention which would be generally acceptable in all countries and which they would agree to make effective.

However, if a determined effort should be made to conclude a copyright convention, the Delegation of the United States is authorized to support a revision of the Habana Convention of 1928<sup>79</sup> so as to bring it into General conformity with the convention of Bern<sup>80</sup> as

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<sup>79</sup> Sixth International Conference of American States, *Final Act*, p. 123.

<sup>80</sup> *British and Foreign State Papers*, vol. LXXVII, p. 22.

revised at Rome in 1928.<sup>81</sup> Copies of the two conventions are attached hereto. If such a revision should be undertaken by the conference, the American Delegation is particularly instructed to urge the elimination of the formalities prescribed by Article 3 of the Habana convention and the adoption of substantially the same provision respecting automatic copyright which is contained in Article 4 of the convention of Rome. The delegation will also make every effort to include a provision for the control by the copyright owner of the radio diffusion of his work at least to the extent provided by Article 11 *bis* of the Rome Convention.

If the conference should decide to conclude a convention substantially similar to the convention of Rome, the Delegation of the United States is authorized to sign it in behalf of this Government, but if a convention should be adopted containing any material departures from the Rome convention, an adequate statement of the differences should be telegraphed to the Department with a request for instructions.

The Department refrains from any detailed comment respecting the views of the Executive Committee of the American Institute of International Law contained in Document No. 5 herein mentioned, but it questions whether the asserted superiority of the Habana convention over the Rome convention could be established in any practical way, particularly in view of the fact that the Habana convention has been accepted by only three of the countries of the Pan American Union while at least seventeen countries of the Copyright Union of Bern have accepted the convention of Rome. The Department also considers highly impracticable the suggestion tentatively made by the Committee in the concluding paragraph of its report respecting the formulation of a common convention to be open to adherence of all the states of the world.

Since this proposal apparently contemplates the eventual substitution of the suggested convention for the conventions of the International Copyright Union of Bern, the practical objections to the suggestion are apparent and it is deemed improbable that the suggestion will be seriously considered by the conference. If it should be urged, however, the American Delegation will oppose this suggestion emphasizing the importance of attaining the greatest degree of present practical cooperation and frankly recognizing the practical problems and difficulties disclosed by long experience which seem clearly to render impossible the conclusion at this time of a convention which would be entirely satisfactory to the numerous and conflicting interests concerned with copyright throughout the world.

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<sup>81</sup> Convention for the Protection of Literary and Artistic Works Signed at Berne, September 9, 1886, As Revised and Signed at Berlin, November 13, 1908, and at Rome, June 2, 1928, *Foreign Relations*, 1928, vol. 1, p. 403.

LIST OF PAN AMERICAN COPYRIGHT CONVENTIONS, SHOWING COUNTRIES  
IN WHICH EACH CONVENTION IS IN FORCE

| <i>Signed-At</i>  | <i>Date Concluded</i>           | <i>Countries Mutually Bound by Convention</i>   |
|---|---------------------------------|---|
| Montevideo  | January 11, 1889 <sup>82</sup>  | Argentina, Bolivia, Paraguay, Peru and Uruguay.   |
| Mexico  | January 27, 1902 <sup>83</sup>  | None.   |
| (This treaty has been superseded by subsequent treaties to which original signatories have become parties.) |                                 |   |
| Rio de Janeiro  | August 23, 1906 <sup>84</sup>   | Chile, Brazil, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Salvador.   |
| Buenos Aires  | August 11, 1910 <sup>85</sup>   | Haiti, Brazil, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay. |
| Habana  | February 18, 1928 <sup>86</sup> | Costa Rica, Guatemala and Panama.   |

The countries hereinafter listed do not appear to be parties to any Pan American copyright convention :

Mexico, Colombia, Venezuela, Cuba.

22. *American Bibliography:*

(a) Exchange of information.

(b) Encouraging national and continental bibliographic effort.

You may join with other delegations in reaffirming the Resolution adopted at the Sixth International Conference of American States on this subject which is printed on page 98 of the *Pan American Handbook for the Use of Delegates*. It is, of course, understood that there will be no financial commitments connected therewith.

23. *Report on the results of the Congress of Rectors, Deans and Educators, which met at Habana in February, 1930.*<sup>87</sup>

Your attention is called to a memorandum on the Congress of Rectors, Deans, and Educators at Habana, 1930,<sup>88</sup> which is attached hereto as Appendix 30.<sup>89</sup> Following the meeting of this Congress, prompt steps were taken in this country to form a National Council of Intellectual Cooperation. A Council of sixty-three distinguished members

<sup>82</sup> *British and Foreign State Papers*, vol. xc, p. 680.

<sup>83</sup> *Foreign Relations*, 1908, p. 621.

<sup>84</sup> Third International American Conference, *General Acts*, 1906, p. 1.

<sup>85</sup> *Foreign Relations*, 1910, p. 157.

<sup>86</sup> Sixth International Conference of American States, *Final Act*, p. 123.

<sup>87</sup> See *Handbook for the Use of Delegates*, pp. 100-103.

<sup>88</sup> Department of State, Conference Series No. 8: *Inter-American Congress of Rectors, Deans, and Educators in General, Habana, Cuba, February 20-23, 1930: Report of the Chairman of the Delegation of the United States of America* (Washington, 1931).

<sup>89</sup> Appendix 30 not printed.

and an executive committee of nine, both headed by President Ray Lyman Wilbur of Stanford University, were appointed by the Secretary of State. Funds were then requested of Congress for the maintenance of central offices, with a permanent secretary in charge. But, on account of the economic crisis which had begun to develop in 1929, the necessary appropriation was not granted; and the Council, whose members are widely scattered, has not been able to function.

This situation and its causes should be explained to the Latin-American members of the Conference. They are more familiar with a system in which the government manifests a direct interest in and exercises its control over cultural activities. Many of them may be unaware that in this country these matters are left almost exclusively to State or individual initiative. You will doubtless find opportunity to make it clear to them that in Washington there are Departments neither of Public Instruction nor of the Fine Arts; that the Federal Government does not maintain or supervise the educational system of the country; that many of our outstanding universities and secondary schools, of our learned societies, research laboratories, museums, and libraries, if occasionally supported in part by States or municipalities, are largely due to private generosity.

At the same time it should also be made clear that there exists in the United States among educators, scientists, artists, and writers, a strong sentiment in favor of intellectual cooperation. Such organizations as the National Research Council, the Carnegie Institution of Washington, the American Geographical Society, and the Institute of International Education are already engaged in intellectual cooperation with Latin American countries on a large scale. This sentiment and these activities will continue to operate, even if the traditions and circumstances of our Government make it improbable that the Government will at present contribute toward the maintenance either of the National Council or of the Inter-American Institute of Intellectual Cooperation at Habana.

In short it is desirable that you do your best to confine discussion of the future of the Institute to modest and feasible projects, such as can be adopted by all its members. Nothing is less likely, for instance, than that the twenty-one governments would, even in more reassuring conditions, find it practicable to create and to maintain at Panama the proposed University of Bolívar. It appears equally improbable that the same governments will at present feel disposed to guarantee regular contributions for the maintenance of the headquarters of the Institute, as sooner or later will be recommended. If the Institute is to function at all during these difficult times it can do so only by beginning in a small way, with plans which can be carried out, requiring a minimum of expenditure. The most feasible and not the least useful



appear to be those which concern the collection of bibliographical data, the pooling of information in regard to the cultural facilities of the various countries, and the interchange of professors, graduate students, and research missions.

You are especially desired to impress upon the Conference the desirability of testing the possibilities of existing agencies before creating new ones. An interesting example of what may be done in this direction is afforded by the experience of a series of Congresses in which several Latin American countries are represented. According to a report on the recent Pacific Science Congress, more has been accomplished in the oceanographic exploration of the Pacific Ocean since 1928 than in all previous time. This was the result of concerted action adjusted to a general plan and carried out by organizations or individuals who had not bound themselves to execute this or that resolution. "The spirit is worth more than the promise," states the report.

It will be recalled that a resolution of the Sixth Conference provided that "Pending the definitive organization of the Inter-American Institute of Intellectual Cooperation, the Pan American Union will proceed"<sup>90</sup> to perform many of the functions which were contemplated for the Institute. In accordance with this resolution the "Division of Intellectual Cooperation" of the Pan American Union has been endeavoring in every way possible to foster and promote intellectual cooperation throughout the Western Hemisphere. There is also a Permanent Committee of the Governing Board on Intellectual Cooperation.

24. *International Cooperation to Make Effective Respect for and Conservation of the National Domain Over Historical Monuments and Archaeological Remains.*

This Government is heartily in sympathy with the conservation and protection of historical monuments and archaeological remains, and the great amount of work done in this country and abroad by various American scientific and educational institutions in the field of archaeology is well known.

The Department looks with favor upon the cooperation of the Pan American Union in the diffusion of archaeological studies, as is contemplated by the Resolution of the Fifth International Conference of American States (see pages 103-106 of *Pan American Handbook*). You may join with other delegations in approving continued action along this line, provided it does not entail additional expenses to this Government. Should any plan be proposed at the Conference calling for action by the respective Governments, you will call attention to the fact that in general such matters come within the jurisdiction of the State Governments in this country.

<sup>90</sup> Sixth International Conference of American States, *Final Act*, pp. 129-130.

25. *Inter-American Fluvial Navigation: Reports of the Governments on Technical Studies Relative to the Navigation of Rivers and the Elimination of Obstacles to Navigation, and the Possibility of Connecting or Bettering the Connections Which Exist Between Them.*<sup>91</sup>

The resolution concerning the navigability of rivers which was adopted at the Sixth Conference in Habana<sup>92</sup> is printed on pages 107-109 of the *Handbook for the Use of Delegates*.

This Government has complied with the provisions of the resolution by submitting to the Pan American Union on March 10, 1930, a report of the character in question entitled "Transportation in the Mississippi and Ohio Valleys", together with a copy of the Annual Report of the Chief of Engineers for 1929, in two parts, containing detailed information relating to the scope and methods of improvement of rivers and harbors throughout the United States. One copy of each of these publications mentioned is in the files of the Delegation as well as a copy of the Annual Report of the Chief of Engineers for 1932.

26. *Report of the Pan American Railway Committee.*<sup>93</sup>

The Fifth International Conference of American States adopted a resolution<sup>94</sup> providing for the reorganization of the inter-Continental Railway Commission established by the First International Conference of American States under the name of the Pan American Railway Committee. This Committee, in its report to the Sixth Conference, proposed that the project of Mr. Briano for the change of the route of the Pan American Railway be adopted. The Sixth Conference, however, rejected this proposal and favored the retention of the original Andean route.<sup>95</sup> The Acting Chairman of the Committee has presented a report, which is attached as Appendix 31.<sup>96</sup> An historical account of the Pan American Railway Committee is in the files of the Delegation.

You may manifest the interest which has always been felt by the United States in improving inter-American communications and endorse any deserving action by the Conference with a view to recommending that the participating States use their best efforts to further the work of the Pan American Railway Committee.

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<sup>91</sup> See *Handbook for the Use of Delegates*, pp. 107-109.

<sup>92</sup> Sixth International Conference of American States, *Final Act*, p. 95.

<sup>93</sup> See *Handbook for the Use of Delegates*, pp. 109-110.

<sup>94</sup> Fifth International Conference of American States, *Acta Final, Convenciones y Resoluciones* (Santiago, 1923), pp. 44, 46.

<sup>95</sup> See Sixth International Conference of American States, *Final Act*, p. 95.

<sup>96</sup> Appendix 31 not printed.

27. *Study of the penal provisions and of the regulations of the Convention on Commercial Aviation signed at the Sixth International Conference of American States.*<sup>97</sup>

It is felt that the Habana Convention on Commercial Aviation<sup>98</sup> has not been ratified by a sufficient number of countries and has not been in force between the parties thereto a sufficient length of time to determine the effect of the provisions of the Convention. The American delegation should, therefore, take the position that the very limited experience in the practical operation of the Convention does not afford a sufficient basis for a satisfactory discussion of the matters covered by Topic 27 of the Agenda.

While the members of the American delegation should refrain from making any commitments with respect to Topic 27 they should advocate the adoption of a resolution providing that the views and recommendations of any delegations participating in a discussion of this Topic should be referred to all the governments signatories to the Habana Convention on Commercial Aviation, with a view to having them fully considered at the Eighth International Conference of American States, provided that the Convention shall have been more generally ratified by that time.

The American delegates should favor the adoption of a resolution recommending that countries that have not ratified the Convention do so at an early date.

It may be stated for the information and guidance of the American delegates that it is felt that should any definite action be taken by the Conference looking to the adoption of regulations under the Convention, such action might have an unfavorable effect upon air transportation lines in the Latin American countries operated by American citizens and upon American aircraft making occasional flights to those countries.

Only one of the larger Latin American countries, namely, Mexico, has so far ratified the Convention and it has not been ratified by any South American country. There is reason to believe that some of the countries which have not ratified the Convention may not at the present time be favorably disposed toward ratification.

Under Article 4 of the Convention on Commercial Aviation each contracting state undertakes in time of peace to accord freedom of innocent passage above its territory to the aircraft of other contract-

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<sup>97</sup> See *Documents for the Use of Delegates to the Seventh International Conference of American States, No. 3: A Comparative Study of the Laws and Regulations Governing Aerial Navigation in the Countries, Members of the Pan American Union*, by Leland Hyzer of Miami, Florida, a contribution to the consideration of Topic 27 of the Program of the Conference (Washington, Pan American Union, 1933).

<sup>98</sup> Signed February 20, 1928, *Foreign Relations*, 1928, vol. 1, p. 585.

ing states, subject to the conditions laid down in the Convention. The Government of the United States considers that this Article obviates the necessity of making a request through diplomatic channels that special authorization be obtained whenever a private aircraft of a contracting state is to be flown on a special or tour flight over the territory of another contracting state. An effort has been made by this Government to have the countries now parties to the Convention accept this interpretation.<sup>99</sup> It has been agreed to by the Governments of Costa Rica, Nicaragua and the Dominican Republic but opposed by the Government of Guatemala. Other Latin American countries now parties to the Convention have not reached a decision in the matter. If special permission must be obtained for each flight the purposes of the Convention which, like other international agreements of the kind, was intended to facilitate international air navigation, would be largely nullified.

While, as stated, it is not desired that the members of the American delegation make any commitments with respect to the matters covered by Topic 27, they may if the question of the right of entry under Article 4 of the Convention on Commercial Aviation comes up for discussion, take a position on the question in line with the viewpoint of this Government.

A copy of a memorandum on the Habana Convention on Commercial Aviation is enclosed. (Appendix 32).<sup>1</sup>

28(a). *Results of the International Conferences of American States; (a) Reports submitted by the delegations on the action taken by the States on the conventions and resolutions adopted at the Pan American Conferences, with special reference to the Sixth Conference.*

There is attached for your information a memorandum on the action that has been taken by the Government of the United States on the conventions and resolutions adopted at the Pan American Conferences. (See Appendix 33).<sup>2</sup> The report concerning the Sixth Conference appears on pp. 24 to 36 of this memorandum. There is a copy of this memorandum in the files of the Delegation which you will present to the Conference at the appropriate time.

28(b). *The Inter-American Highway*

The Sixth International Conference of American States adopted two resolutions looking toward the promptest practicable construction of a motor highway, or the coordination of existing national highway

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<sup>99</sup> See section entitled, "Interpretation of Article IV of Habana Convention on Commercial Aviation Adopted February 20, 1928", pp. 607 ff.

<sup>1</sup> Appendix 32 not printed.

<sup>2</sup> Appendix 33 not printed.

systems, which would connect all of the member countries, especially those of the continental areas. (See Report of United States Delegation, Appendices 34 and 47.) Both the executive and legislative branches of this Government took appropriate early occasions to express their interest in having it do what it properly could toward cooperating with other American Governments in carrying out these recommendations of the Habana conference.

Early in 1930 the Congress of the United States appropriated \$50,000 to be expended in cooperating with the other interested Governments which should request such cooperation in reconnaissance surveys to locate the best route or routes for such a highway. The Governments of Guatemala, Nicaragua, Panama, Honduras and Costa Rica requested such cooperation. Engineers of the Bureau of Public Roads of the Department of Agriculture of this Government, who were assigned to the task, have, during the last three years, completed such surveys of the routes through the five countries which requested their assistance, coordinating these routes with the termini of the routes already determined through the other two interested countries. The engineers are now preparing a report, for the Secretary of State to communicate to Congress, showing the results of their work.<sup>4</sup> (See memorandum entitled "The Inter American Highway" attached hereto as Appendix 34.)<sup>5</sup>

You are instructed to submit to the Conference at the appropriate time a "Report of the Delegates of the United States of America to the Seventh International Conference of American States on the Inter-American Highway Reconnaissance Survey", a copy of which is in the files of the Delegation. This shows the steps taken by your Government to cooperate with those of other American States (in compliance with the recommendations of the several international conferences referred to in the preceding paragraph) toward the realization as promptly as may be practicable of the projected Inter American Highway.

The Act of Congress authorizing the expenditure provided that the funds were to be used in carrying out reconnaissance surveys

"to develop the facts and to report to Congress as to the feasibility of possible routes, the probable cost, the economic service and such other information as will be pertinent to the building of an inter-American highway or highways".

This report for the Congress has not yet been completed and, until it is available, it would seem advisable to hold in abeyance any definite

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<sup>4</sup> See section entitled "Cooperation of the United States With Several Other Governments in Reconnaissance Surveys for an Inter-American Highway", *Foreign Relations, 1930*, vol. I, pp. 279 ff.; Senate Document No. 244, 73d Cong., 2d sess.: *Proposed Inter-American Highway*.

<sup>5</sup> Appendix 34 not printed.

plans for the realization of the project. Should discussion of it occur, you are authorized to use any of the information embodied in the attached memorandum (Appendix 34) which you may choose to employ in evidence of your Government's interest in furthering the project.

28 (b) *The Pan American Institute of Geography and History*<sup>6</sup>

It is probable that at the Conference there will be discussion of the status of the Pan American Institute of Geography and History. If inquiries concerning the attitude of this Government toward the Institute are made you should in general point out that the Government of the United States is not a member of the Institute and in the light of the present economic conditions probably will not be in a position seriously to consider adhering to the Institute and paying its quota for a number of years to come. This attitude is occasioned by the necessity for restricting Government expenditures and not by a lack of interest in the work of the Institute.

With reference to meetings of the Assembly of the Institute, you are informed that at the first Assembly held in Rio de Janeiro on December 26, 1932, this Government, in response to the invitation of the Brazilian Government, was represented by Doctor Wallace W. Atwood,<sup>7</sup> assisted by the Honorable Edwin V. Morgan, American Ambassador to Brazil. This meeting voted to hold the second Assembly in the United States in 1935 and elected Doctor Atwood as executive president for three years. In accepting this office Doctor Atwood stated that he was without instructions from his Government but that on behalf of the many scientific bodies which he represented, he voiced their desire to cooperate toward the success of the next meeting.

The Department's attitude with reference to the second Assembly is that in the absence of specific authorization by Congress and provision of funds for the expenses thereof, this Government is unable officially to invite the Institute to hold its next Assembly in this country but that while this Government would not object to the meeting being held here and would grant every appropriate facility, it should be thoroughly understood that no responsibility can be undertaken respecting the arrangements for or the conduct of the meeting and that no funds are available for use in this connection.

In any discussion which may arise, therefore, concerning the second Assembly of the Institute you are instructed to present the views outlined above, emphasizing particularly that since the United States is

<sup>6</sup> Created by resolution of the Sixth International Conference of American States (*Final Act*, p. 7).

<sup>7</sup> President of Clark University and Director of the School of Geography.

not a member of the Institute and cannot seriously consider membership in the near future, the only course properly open to it is to refrain for the present from activity in connection with the Institute.

Your attention is further invited to the fact that the Mexican Government has made generous contributions to the support of the Institute and has erected a building to house its activities. The Government of that country therefore feels a particular interest in the welfare of the Institute and is perhaps inclined to regard it as much in the light of a Mexican organization as an international organization. Our position should therefore be explained as sympathetically as possible to the interested Mexican representatives and regret should be expressed that we cannot give the practical cooperation to the Institute which they have desired.

You are referred to the following documentation on this subject which are attached hereto: A memorandum with enclosures, giving the background of the Department's attitude towards the Institute; Appendix 35.<sup>8</sup> A communication dated August 19, 1933, addressed to Doctor Atwood; Appendix 35. Encl. 1. A note from the Mexican Chargé d'Affaires dated August 8, 1933; and Appendix 35. Encl. 2. The Department's reply thereto dated September 1, 1933. Appendix 35. Encl. 3.

29(a). *Consideration of the Extraordinary Convocation of the International Conferences of American States.*<sup>9</sup>

It is the opinion of this Government that the periodic international conferences of American states afford desired opportunities for interchange of views and the discussion of matters of common interest to the various American republics. The instructions to the delegates to the fifth conference in 1923<sup>10</sup> stated:

"It is highly important that every facility for conference should be provided. The more important need is the arrangement for cooperation in technical services, for the coordination of expert investigation, for facilities for negotiations leading to uniformity of action where that is desirable, and for the promotion of vital interests of health and education. This Government strongly favors any arrangements which may be effective to these ends."

It is the opinion of this Government, however, that the number of conferences, both general and technical, should be limited only to those which are necessary and for which there has been the appropriate amount of technical preparation and investigation to warrant practical action by the conference.

<sup>8</sup> Appendix 35 not printed.

<sup>9</sup> See *Handbook for the Use of Delegates*, pp. 113-114.

<sup>10</sup> Not printed.

It is the opinion of the Department that the method now followed in the convocation of the periodic international conferences of American states would be the most practical and efficient method to be followed in the convocation of extraordinary conferences. It would seem that the effectiveness of international organization can best be promoted through the close coordination and the linking together of the various inter-American agencies. Since the Governing Board of the Pan American Union is the continuing organ of the international conferences of American states and the centralizing agency of inter-American activities, it is believed that the Governing Board should be given the function of providing for the convocation of extraordinary conferences provided a majority of the delegations at the conferences favor such a provision.

29 (b). *Participation in the Pan American Conferences, and the admission of non-signatory States to the conventions signed at such Conferences.*

This topic was included on the agenda at the suggestion of the Government of Mexico. The original proposal referred specifically to the participation of Canada in the Pan American Conferences, but due to certain objections of a technical character, the item was changed to a more general nature. This eliminated the question of the participation of Canada at the Seventh Conference, but left the question open for the consideration of the Conference as far as the future is concerned.

The question of participation in the Pan American Conferences will probably center around the admission of (I) Canada, but it is possible that the participation, either officially or by unofficial observers, of (II) Spain, or the colonies of European nations located in the Western Hemisphere, and of the (III) League of Nations, might also be considered.

#### I. CANADA

1. *Sixth Conference.* The question of the admission of Canada to the Pan American Union and the Pan American Conferences was unofficially broached during the Sixth International Conference in 1928. The head of the Mexican delegation, Señor Julio Garcia, in an interview, expressed himself in favor of admitting Canada as a member of the Pan American Union. His colleague, Fernando Gonzales Roa, and the Chilean delegate, Carlos Silva Vildosola, were also represented as favoring such a move. No proposal, however, was presented to the Conference.

During the conference, the following telegrams were exchanged between the delegation and the Department:



"57. February 1, 5 p. m.

"But only for the Secretary.

"Your number 38, January 31, 6 p. m."<sup>11</sup>

"I know of no movement to propose inclusion of Canada in Pan American Union. It is of course entirely possible that Mexico or even some other delegation may propose Canada for membership. In such case I do not think it would be advisable for the United States to oppose. Rather I think it desirable in case such proposal is made that we should welcome it at once. My feeling is that while we should not make such a proposal we should not take the attitude of opposing. I am inclined to think no statement should be made in Washington in relation to the matter.

Hughes"

"February 4, 1928, 11 a. m.

"Confidential for Mr. Hughes.

"Your 57, February 1, 5 P. M. garbled in transmission. Just corrected this morning. I could not understand original telegram that I should make statement in Washington. As corrected, I understand I should make none. Quite agree with you. Please disregard my telegram of February third. I have made no statement whatever.

"I have just talked the matter over with the President. He is very disinclined to have the present status of the Pan American Union changed. Does not like the idea of British Empire being indirectly admitted. Agrees with me, however, that if it is proposed by South American countries with any prospect of its being accepted, the United States should not oppose it.

Kellogg"

The Canadian Minister, in a conference with Secretary Kellogg on January 31, 1928, said that there was no movement in Canada to obtain membership in the Pan American Union. He stated that he did not think the British Government would object, but made no statement regarding Canada. Mr. Kellogg, however, felt that Canada would probably be gratified by such action. The Legation at Ottawa reported that the press contained no editorial comment regarding the proposal and therefore it would seem that the suggestion did not arouse any great interest or enthusiasm in the Dominion. (File, 710.001/451.)

2. *Mexican proposal for agenda of the Seventh Conference.* The Mexican Government proposed for inclusion in the program for the Montevideo Conference the following: "Consideration of the desirability of having Canada participate in the Inter-American Conferences". This topic was changed by the Committee on Program to: "Participation in Pan American Conferences". The Mexican Ambassador let it be known that in addition to proposing the topic for inclusion on the agenda, he intended to introduce at the meeting of the Governing Board of the Pan American Union a resolution to extend

<sup>11</sup> Not printed.

an invitation to Canada to send an observer to the Montevideo Conference. Most of the Latin American Chiefs of Missions seemed opposed to the suggestion in principle and the proposed resolution was not introduced by the Mexican Ambassador.

The following considerations seemed to present themselves as opposing the admission of Canada :

(1) There was the technical difficulty involved, in that the official name of the Pan American Union is the "Union of American Republics". The preamble of the Convention on the Pan American Union, signed at Habana in 1928,<sup>12</sup> and already ratified by a number of the signatory countries, refers to the "American Republics". It would therefore appear that the Convention would have to be changed should Canada be admitted to the organization. The Resolutions<sup>13</sup> regarding the Pan American Union also provide for a Union of American Republics.

(2) The admission of a new member into an international organization should first be made the subject of an interchange of views between the Governments, Members of the Union. It would not seem appropriate to invite a prospective member before there is a unanimity of opinion regarding the matter.

(3) It would seem that Canada has not shown any indication that she desires to attend the Pan American Conferences or to become a member of the Pan American Union. The Department has no information regarding any movement or agitation in Canada at the present time in favor of joining the Pan American Union.

The Legation at Ottawa, in commenting upon the Mexican proposal that Canada be invited to participate in the Seventh Conference, reported as follows :

"The matter has apparently never been officially brought up or examined by the Canadian Government, but has merely remained at the stage of being informally discussed by the officials of the Government interested in the foreign relations of Canada. I gather the very distinct impression that Canada has no desire whatsoever to be represented in any way at Pan American conferences and that the excuse that Canada is not a republic was found a very convenient one and was immediately seized upon with delight and encouraged as far as possible. . . .

While the Department feels, in view of the considerations set out above, that it would be inadvisable to admit Canada to the Pan American Union, nevertheless if the proposal comes before the Conference, you will not oppose it.

<sup>12</sup> *Foreign Relations*, 1928, vol. I, p. 615.

<sup>13</sup> See Sixth International Conference of American States, *Final Act*, p. 112.

## II. REPRESENTATION OF SPAIN OR OTHER EUROPEAN COUNTRIES AT THE CONFERENCES

You will be guided by the following instructions to the delegates to the Sixth Conference on the question of the participation of Spain or other European countries at the Pan American Conferences: <sup>14</sup>

"You are instructed to oppose any suggestion which may be made for the representation of Spain, Portugal, France, Italy or any other country not a member of the Pan American Union to be represented at the Conference by an unofficial observer.

"The Pan American Conferences are strictly conferences of American States, held to discuss matters of especial and peculiar importance to the nations of the Western Hemisphere and it would obviously not be possible or proper to have other states represented at these conferences even by unofficial observers who would take no part in the discussions and would not even vote. Should there be no necessity for discussing matters affecting only the American nations there would be no reason for these conferences; and should there be a necessity for discussing matters of world-wide concern or affecting non-American countries the need would be for some other form of conference of wider scope. For the discussion of questions affecting nations in both hemispheres there are many international conferences at which both European and American States are represented and at which world-wide problems are discussed. But as there are also problems pertaining especially to this hemisphere, these Pan American conferences are held.

"The United States entertains the friendliest feelings towards all the European countries and its action in opposing their representation at the Conference, even by unofficial observers, should not be considered as showing any lack of friendliness for them. It is clear that if they were represented the conferences would cease to be purely Pan American conferences. Furthermore, if one non-American power should be represented there would be no reason why others who have possessions in this hemisphere, or who bear the relation of a 'mother country' to one or more of the American nations, should be excluded. It would be difficult to say that one non-American country should be represented and not any other, and in any case the presence of one non-American country would change the character of the conference, which would no longer be a conference of purely American States to discuss purely American problems." (See Appendix 36)<sup>15</sup>

## III. LEAGUE OF NATIONS

Should the question of the participation of the League of Nations be considered, you will be guided by the following instructions to the delegates to the Sixth Conference: <sup>16</sup>

"Reference may here be made also to the participation, which has been informally suggested, of representatives of the League of Nations in the Pan American Conference. It should be understood that

<sup>14</sup> *Foreign Relations*, 1928, vol. I, pp. 581-582.

<sup>15</sup> Appendix 36 not printed.

<sup>16</sup> *Foreign Relations*, 1928, vol. I, p. 583.

no disparagement or criticism of the League of Nations is intended, when it is observed that the Pan American Conference is organized upon a distinct and separate basis. The scope of the League of Nations is intended to be world-wide and a number of American States are members of the League and are thus able to express their point of view on matters of world-wide import which come before the attention of the Council and the Assembly of the League respectively. The Pan American Conference exists because of the distinct interests of American States which, without antagonism to any world relationship, makes it desirable for them to confer with respect to the problems which especially relate to States of this hemisphere."

There has been full cooperation with the technical services of the League of Nations through the exchange of reports and information, and reciprocal advantage may thus appropriately be taken of statistics and reports of investigation. This Government has always taken an active interest in the maintenance of peace, but in its efforts it has been necessary for this Government to retain a freedom of action in exercising independence of judgment. With this in view, it has cooperated with and supported the League in its efforts to bring about a peaceful settlement of recent international disputes and, accordingly, a representative has participated, without the right to vote, in certain deliberations of the Advisory Committee of the League Council. This has been prompted by the wholehearted desire of the United States to obtain, in so far as possible, a universal support for peace.

The instructions for the Sixth Conference also stated:

"Participation of representatives of the League of Nations in the Pan American Conference, however, would bring to the Conference the viewpoints and policies of the States who are members of the League of Nations and are not American States and thus fundamentally alter the nature of the Conference itself. The scope of the Pan American Conference is defined by Pan American interests and aims and if its usefulness is to be preserved, the integrity of the Conference as an exclusively American Conference should be maintained."

Your attention is called to a memorandum which is attached hereto as Appendix 37<sup>27</sup> concerning this matter.

It appears that in connection with the preparation for the Montevideo Conference, Señor Buero, Secretary General of the Montevideo Conference, with the concurrence of the Uruguayan Government, requested the Secretariat of the League of Nations to prepare a memorandum for the use of the Montevideo Conference on the activities of the League concerning problems regarded as of particular interest to the latter. It was understood that this memorandum would merely set forth in "objectivity the work of the League."

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<sup>27</sup> Appendix 37 not printed.

The Department instructed our Minister at Montevideo to express to Señor Buero this Government's surprise at this action. Señor Buero informed our Minister, Mr. Wright, as follows regarding the matter:

"33, October 8, 10 a. m.

"Your 18, October 6, 6 p. m.<sup>18</sup>

"Buero informs me that some time ago, at the time of the Conference on matters pertaining to the region of the Pacific, Nogueira, Uruguayan member of the Secretariat of the League of Nations, suggested to him that information concerning those matters to be dealt with at the Seventh Pan American Conference, which had their 'antecedents' in questions which had been dealt with by the League or by its dependent or affiliated organizations, might be of value. Buero recently informed Nogueira of his acquiescence in the suggestion and requested that he prepare a memorandum,<sup>19</sup> which is understood to be in course of preparation, in order that reference material otherwise unobtainable here may be available in case requests or necessity therefor should arise. He has especially in mind such matters as fluvial questions, labor, and the rights of women.

"He adds that his action met with the concurrence of the Uruguayan Government but I have not spoken to any other Uruguayan official regarding your inquiry. He further tells me confidentially that he contemplates suggesting to the Committee on Initiatives of the Conference, also with the concurrence of his Government, that the American states which have not yet ratified the Narcotics Convention be invited during the Conference to do so, as Uruguay is particularly concerned about smuggling from Brazil which has not yet adhered.

Wright"

Should an attempt be made to submit officially to the Conference a memorandum from the League Secretariat you will take up the matter confidentially with the Secretary General of the Conference and point out the understanding as indicated in the above telegram.

29(c). *Future International Conferences of American States.*

The series of International Conferences of American States, of which this is the seventh, was initiated by the invitation of this Government in 1889 to the Latin American Governments to meet in Washington. The United States has always shown a deep interest in these periodic conferences and has been represented at each of the six preceding ones. It has been customary for each conference to designate the meeting place for the next conference and it is the opinion of this Government that such a procedure would be appropriate in the present case.

<sup>18</sup> Not printed.

<sup>19</sup> The completed memorandum was published by the League of Nations under the title "The Work of the League of Nations in relation to the agenda of the Seventh Pan-American Conference" (Geneva, November 1933). Copies filed under 710.G 1A/285.

E. SUPPLEMENTARY MATTERS NOT ON THE AGENDA BUT WHICH MAY BE PROPOSED FOR CONSIDERATION UNDER ART. 25 OF THE REGULATIONS

NON-RECOGNITION OF THE MARTINEZ RÉGIME IN EL SALVADOR

A detailed memorandum regarding the Salvador situation and the question of recognition under the 1923 Central American Treaty of Peace and Amity<sup>20</sup> is attached as appendix 38.<sup>21</sup> It may be stated here briefly that the Martinez régime came into power in El Salvador as the result of a revolution<sup>22</sup> and that there can be no reasonable doubt that General Martinez is barred from recognition under the terms of the 1923 Treaty. The other Central American states, principally Honduras and Guatemala, took the lead in stating their views to this effect immediately after the revolution took place. The four Central American states all announced publicly, after full consideration, that they regarded the Government of General Martinez as barred from recognition by the Treaty. The United States Government consulted with the other Central American Governments and, in view of its policy publicly announced in 1923 of supporting the Treaty, in order to assist the Central American states in their own efforts to promote stability and discourage revolution in Central America, took the same position.

There has of course at no time been any animus on the part of the United States against the Martinez Government. As a matter of fact, General Martinez seems to have given El Salvador a relatively satisfactory and efficient government.

The non-recognition of the Martinez Government by the other Governments of Central America has created, obviously, an anomalous situation. Friendly informal relations are carried on with El Salvador by the other four Central American countries through a Chargé d'Affaires, in the case of Costa Rica, a Consul in the case of Nicaragua, and confidential agents in the cases of Guatemala and Honduras.

The situation has been further complicated by the denunciation of the treaty by Costa Rica and El Salvador, to take effect January 1, 1934.<sup>23</sup> The Treaty provides that so long as three countries which have ratified it have not denounced it, it remains in force as among those three. The Department understands that the Governments of

<sup>20</sup> Signed at Washington, February 7, 1923; for text, see *Foreign Relations*, 1923, vol. I, p. 320; see also *Conference on Central American Affairs, Washington, December 4, 1922-February 7, 1923* (Washington, Government Printing Office, 1923).

<sup>21</sup> Appendix 38 not printed.

<sup>22</sup> For correspondence concerning refusal of the United States to recognize the Martinez regime in El Salvador, see *Foreign Relations*, 1931, vol. II, pp. 169 ff.; *ibid.*, 1932, vol. V, pp. 566 ff.; *ibid.*, 1933, vol. V, pp. 678 ff.

<sup>23</sup> See section entitled "Efforts of Costa Rica To Effect the Denunciation of the General Treaty of Peace and Amity, Signed February 7, 1923", *ibid.*, 1932, vol. V, pp. 330 ff.

Guatemala, Nicaragua and Honduras support the Treaty and believe it of decided value to their countries. On the other hand, it is quite likely that those Governments desire to clear up the present anomalous situation and to be in a position to recognize the Salvadoran Government, without sacrificing the benefits which they have derived from the Treaty.

Of course the decision to be taken as regards the future of the 1923 Treaty is one for the Central American Governments to determine themselves. The United States Government feels that, looking at the matter objectively, and comparing the state of chronic revolution and international warfare which existed in Central America prior to the 1907 Treaty<sup>24</sup> (the principles of which were developed in the 1923 Treaty) with the situation which has existed in Central America since that time, there can be no reasonable doubt that these treaties have been of positive benefit to Central America in the way of progress towards stability and orderly government. We can only hope that the Central American states, before reaching a decision as to the future of the 1923 Treaty, will consider the whole matter carefully, keeping clearly before them the long time interests of their people which are obviously bound up with the maintenance of peace and stability.

While of course the question of El Salvador is not on the agenda of the Conference there will nevertheless undoubtedly be considerable discussion of the matter among the different delegations. It is not unlikely that a suggestion will be made along something like the following lines: That in view of the denunciation of the Treaty by El Salvador and Costa Rica, the three Governments maintaining the Treaty in force, Nicaragua, Honduras and Guatemala, would reach an agreement declaring that they regard the 1923 Treaty as being in force with respect to the relations maintained by said three states with each other, but not in force with respect to their relations with Costa Rica and El Salvador. The purpose of such an agreement would be to clear the way for recognition of the existing *de facto* Government of El Salvador by the Governments of Guatemala, Honduras and Nicaragua. Presumably some provision would also be made for holding another conference to consider modification or some other action regarding the 1923 Treaty.

It is possible that there may exist a feeling on the part of some of the Central American Governments that the United States Government would not regard with favor any arrangement looking to the ultimate recognition of the Martinez Government by the other Central American Governments, or any arrangement for modification of the

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<sup>24</sup> General Treaty of Peace and Amity, signed December 20, 1907, *Foreign Relations*, 1907, pt. 2, p. 692.

1923 Treaty. In any discussions you may have with other delegates regarding these questions, you should make it clear that the Government of the United States feels that these are questions to be dealt with by the Central American states themselves.

#### PROPOSAL OF EL SALVADOR REGARDING INTERNATIONAL COOPERATION

The Provisional Government of El Salvador sent a note to the various Governments on May 10, 1933,<sup>25</sup> a copy of which is attached hereto as Appendix 39, suggesting the advisability of adopting a basis of conduct that might determine a common attitude at the Conference.

#### *Inter-American Court of Justice*

One of the suggestions in this note was for the establishment of an inter-American Court of Justice. You are referred to a memorandum on this subject which is attached hereto as Appendix 40.<sup>26</sup>

The Mexican Government proposed the following item for the agenda of the Conference:

“Consideration of the establishment of an inter-American Court of Justice.”

but it was eliminated by the Governing Board when the agenda was approved. It is possible that an attempt may be made in accordance with Chapter V, Article 25 of the Regulations providing for the introduction of new topics, to have the proposal of El Salvador discussed at the Conference. Should such be the case you will be guided by the following instruction which was given to the delegates to the Fifth and Sixth Conferences:

“. . . it is not believed to be desirable to establish an American Permanent International Court. There would seem to be no reason why a permanent organization of this sort should be established here to rival the Permanent Court of International Justice at The Hague, and the difficulties in establishing, in view of the relations of the Latin American States, a satisfactory method of selecting the judges of an American Permanent Court would be very great.”

#### *American League of Nations*

The note sent by the provisional government of El Salvador on May 10, 1933, to the various Governments, also contained a suggestion for the creation of an American League of Nations. Suggestions have been made at various times during the past century concerning the establishment of an American Association of Nations. The United States has taken the view that it did not consider the establishment of such an organization as desirable.

<sup>25</sup> *Ante*, p. 5.

<sup>26</sup> Appendix 40 not printed.



The agenda for the fifth conference at Santiago in 1923 contained the item: "Consideration of measures tending toward closer association of the Republics of the American continent with a view to promoting common interest." The instructions to the delegates to the sixth conference regarding this item stated in part as follows:<sup>29</sup>

"This topic was proposed by Uruguay and was intended to provide the basis for discussion of a project to create an association of American States in this hemisphere similar to the existing League of Nations. The Uruguayan delegation at Santiago during the early sessions of the Conference let it be known that it was not their intention to press the consideration of this topic. A resolution was subsequently passed by the Conference which read as follows:

"Resolved:

"1. To entrust to the governing board of the Pan American Union the special task of studying the bases which may be proposed by one or more of the Governments of the Republics of this continent to make closer the association between said Republics with the object of promoting the common interests of all.

"2. To entrust to the same governing board the special task of studying the bases which may be proposed by one or more of the Governments of the Republics of America relative to the manner of making effective the solidarity of the collective interests of the American Continent."

"The Pan American Union inquired of the States, members of the Union, whether there were any proposals relative to these subjects which they desired to submit to the governing board of the Pan American Union for study as provided by the resolution. No proposals were received by the Union, and therefore no action was taken in accordance with this resolution."

The note of the provisional government of El Salvador contained no definite plan for the creation of an American League of Nations. It is possible that an attempt may be made in accordance with Chapter V, Article 25, of the Regulations providing for the introduction of new topics, to have the subject discussed at the conference. Should such be the case you will be guided by the following instructions to the delegates to the sixth conference:<sup>30</sup>

"The United States would not view with favor the inclusion of this subject in the agenda and should such a proposal be made, you are instructed to vote against it. However, if it should be included by a two-thirds vote you will be guided in any discussion which results by the following views of the Department, included in the instructions to the American delegates to the Fifth Conference.

"A proposal to establish an American League of Nations with a formal organization and specific guaranties would probably encounter in this country difficulties similar to those that were met when the proposal to participate in the League of Nations was submitted. Even if it were possible to obtain an agreement which would embody such a plan, it is not probable that it would be ratified by this Government.

<sup>29</sup> *Foreign Relations*, 1928, vol. I, pp. 574-575.

<sup>30</sup> *Ibid.*, p. 575.

"On the other hand, the Government of the United States is most hospitable to the consideration of measures tending to the maintenance of peace and stability in Latin America and ensuring a basis for beneficent cooperation. This end can be attained most readily and without engendering a futile controversy over a proposal for an organization similar to that of the League of Nations, if attention be directed to the fundamental purposes of international institutions of the sort contemplated. These may be said to be:

- "First. Judicial settlement of justiciable disputes;
- "Second. Appropriate means of conciliation;
- "Third. Conference."

### THE MONROE DOCTRINE

It is not the desire of this Government that the Monroe Doctrine <sup>31</sup> should be discussed at the Conference.

In the view of this Government, that Doctrine has no place in the discussions of the Conference as it is essentially a national policy of the United States. It is not a part of international law nor is it a "regional understanding",<sup>32</sup>—to refer to the inaccurate phrase used in the Covenant of the League of Nations. While conditions have changed, and the attitude of the non-American Powers does not at this time give rise to apprehension with respect to aggression on their part as against at least the stronger Latin American Republics, still the Monroe Doctrine, however infrequent or limited may be the necessity of its application, should be maintained in its integrity and no action should be countenanced by this Government which would in the slightest degree impair its efficacy.

Note may be taken of the content of this Doctrine. Properly understood, it is opposed (a) to any non-American action encroaching upon the political independence of American States under any guise, and (b) to any acquisition by any non-American Power of any territorial control over American soil by any process whatever. It may be observed that the United States is uninfluenced even by the willingness or desire of an American State to yield any transfer of its territory or to submit to any form of political control or influence of a non-American State. In maintaining its position, the United States has been governed primarily by its own interests, involving its conception of what was essential to its security and its distinctive position in this hemisphere. Its unselfish and friendly regard for its American neighbors has had a potent influence and should never fail of recognition in an estimate of our traditional policy, but the controlling consideration has been one of national interest.

<sup>31</sup> See section entitled "Official Statement of and Commentary upon the Monroe Doctrine by the Secretary of State", *Foreign Relations*, 1929, vol. I, pp. 698 ff.

<sup>32</sup> See article 21 of the Covenant of the League of Nations, *Treaties, Conventions, etc.*, vol. III, pp. 3336, 3342.

Mr. J. Reuben Clark, in his memorandum to the Secretary of State of December 17, 1928,<sup>33</sup> pertinently stated:

"The Doctrine does not concern itself with purely inter-American relations; it has nothing to do with the relationship between the United States and other American nations, except where other American nations shall become involved with European governments in arrangements which threaten the security of the United States, and even in such cases, the Doctrine runs against the European country, not the American nation, and the United States would primarily deal thereunder with the European country and not with the American nation concerned. The Doctrine states a case of the United States *vs.* Europe, and not of the United States *vs.* Latin America. Furthermore, the fact should never be lost to view that in applying this Doctrine during the period of one hundred years since it was announced, our Government has over and over again driven it in as a shield between Europe and the Americas to protect Latin America from the political and territorial thrusts of Europe; and this was done at times when the American nations were weak and struggling for the establishment of stable, permanent governments; when the political morality of Europe sanctioned, indeed encouraged, the acquisition of territory by force; and when many of the great powers of Europe looked with eager, covetous eyes to the rich, undeveloped areas of the American hemisphere."

In maintaining and applying the Monroe Doctrine the United States has commonly avoided concerted action with other States, especially European States. Nor has the Government of the United States been disposed to enter into an arrangement with States of this hemisphere for the purpose of safeguarding them against conduct which would be regarded by this Government as in violation of the Monroe Doctrine. The essential character of the Doctrine itself has led to the taking of this attitude which it is believed should be maintained. The nature of the Doctrine should not be altered, its strength weakened or its effect diminished by any concert.

On the other hand, it should always be remembered that the Monroe Doctrine thus fully maintained as a national policy of the United States, carries with it no suggestion which threatens in any sense the just independence, or the political integrity of the American States; much less does it involve any thought of action inimical to their security or interest. On the contrary, it has received a constantly widening recognition on the part of thoughtful Latin Americans, as a bulwark of their independence, safety and progress. The United States has not, and does not intend to use, this national policy for the purpose of conserving any other national interest than its own essential security.

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<sup>33</sup> *Memorandum on the Monroe Doctrine prepared by J. Reuben Clark, Undersecretary of State, December 17, 1928* (Washington, Government Printing Office, 1930), pp. xxiv-xxv.

The United States seeks no territory; it does not seek to establish any state of tutelage with respect to any American Republic; it has no desire to aggrandize itself at the expense of its Latin American neighbors or to promote selfish interests in diminution of their own. It earnestly desires a common prosperity.

There is thus nothing in the Monroe Doctrine which is opposed to Pan American cooperation. It establishes the necessary and most hopeful bases of that cooperation. As stated by President Roosevelt before the Special Session of the Governing Board of the Pan American Union on the occasion of the celebration of Pan American Day, April 12, 1933:<sup>34</sup>

"The essential qualities of a true Pan Americanism must be the same as those which constitute a good neighbor, namely, mutual understanding, and, through such understanding, a sympathetic appreciation of the other's point of view. It is only in this manner that we can hope to build up a system of which confidence, friendship and goodwill are the cornerstones.

"In this spirit the people of every Republic on our continent are coming to a deep understanding of the fact that the Monroe Doctrine, of which so much has been written and spoken for more than a century, was and is directed at the maintenance of independence by the peoples of the continent. It was aimed and is aimed against the acquisition in any manner of the control of additional territory in this hemisphere by any non-American power."

No arrangement should be entered into, or resolution agreed to, which could possibly be interpreted as curtailing in any way the application by the United States of the Monroe Doctrine. There should be no opening for the limitation of its action in that application through acquiescence in any arrangement whereby an American State could accept non-American control of its territory or political action. No opportunity should be given to a non-American state through any Pan American agreement to seek to impair the position which the United States has won through its assertion of its national policy.

This Government, however, has no objection to the adoption of resolutions, if this course is desired by the Latin American Republics, asserting their opposition to all attempts at aggression or invasion of their rights by non-American Powers. It is not deemed to be probable that proposals for a definite alliance would meet with the favor of the Conference. Such proposals should not be encouraged by the delegates from the United States. If it were proposed that if the rights of an American nation were threatened by the unjust and aggressive action of a non-American Power, the American Republics should communicate with one another fully and frankly in order to reach an understanding concerning the measures to be taken, jointly or separately,

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<sup>34</sup> Department of State, *Press Releases*, April 15, 1933, p. 245.

to meet the exigencies of the particular situation, there would be no objection on the part of this Government provided always that freedom of action on the part of the United States under the Monroe Doctrine were completely reserved.

While the question of the Monroe Doctrine, as such, is, of course, not on the Agenda of the Conference, nevertheless, it is likely that an effort will be made, probably by the Mexican Delegation, to provoke discussion of the Doctrine by the Conference. It is understood that the Mexican Government has been sounding out the other Governments of Latin America in the matter. There is attached hereto a translation of a memorandum<sup>35</sup> furnished to Ambassador Daniels at Mexico City by Dr. Puig, Foreign Minister of Mexico, comprising Dr. Puig's ideas on the Monroe Doctrine and its "amplification" at the Montevideo Conference. It is understood that this memorandum has received the approval of President Rodriguez of Mexico. The formula suggested by Dr. Puig is as follows:

"The Nations of America, which are as one in the defense of their respective sovereignty and integrity, make their own the principle of continental independence proclaimed by the President of the United States, Mr. James Monroe, in his Message to the Congress of the Union of December 2, 1823,<sup>36</sup> elevating said principle to the category of the American Doctrine, with the rights and obligations which its maintenance confers upon each one of them.

"At the same time they proclaim the inviolability of the principle of national autonomy, subordinating it only to the compulsory arbitration which they establish for the solution of their differences; and they proscribe absolutely all interference (*intromisión*) among themselves which does not emanate from national treaties freely concluded or from the awards of arbitral tribunals, or which does not result from the offer of mediation, good offices, or other means recognized by international law, which means, as in all similar cases, may be accepted or rejected freely by the countries to which offered."

There would probably be no objection on the part of the United States to the first paragraph quoted hereinabove, provided, of course, that complete freedom of action on the part of the United States under the Monroe Doctrine were reserved. The second paragraph, however, is evidently intended to strike at the rights of the United States under existing treaties with certain Latin American countries, and at the right clearly recognized under international law for a Government to take action for the purpose of protecting the lives of its nationals in a foreign country, when they are endangered through a breakdown of the local government. For the United States to accept this second paragraph would necessitate a reservation of the

<sup>35</sup> *Ante*, p. 20.

<sup>36</sup> James D. Richardson, *A Compilation of the Messages and Papers of the Presidents, 1789-1897* (Washington, Government Printing Office, 1896), vol. II, pp. 207-220.

rights of the United States under existing treaties and conventions, and also the rights recognized under international law. Furthermore, the reference "to the compulsory arbitration which they (the nations of America) establish for the solution of their differences" is inaccurate as regards the existing status of arbitration treaties in the American continent. In other words, this second paragraph of the Mexican proposal would be wholly unacceptable to the United States.

It is believed that the best course for you to pursue, in the event of efforts to promote discussion of the Monroe Doctrine before the Conference, will be to discuss the matter discreetly but frankly with your various colleagues of the other Delegations, being guided by the views expressed hereinabove, in an effort to avoid having the subject of the Doctrine come before the Conference for discussion. One way to achieve this result might be for you to make the proposal referred to earlier in this instruction, namely, that in the event of a threat of use of force by a non-American power against an American power, the American Republics should communicate with one another in order to reach an understanding concerning the measures to be taken, jointly or separately, to meet the exigencies of the particular situation, it being, of course, clearly understood that freedom of action on the part of the United States—as well as on the part of every other American State—is completely reserved. Another possible way of forestalling action on the part of other Delegations to bring the subject of the Doctrine before the Conference might be for the Secretary to make an address to the Conference defining the content of the Doctrine in its original terms stripped of the subsequent interpretations and so-called corollaries which have undoubtedly given rise to much of the criticism of the Doctrine heard in the Latin American countries. The wisdom of making such an address at the Conference, of course, appears somewhat doubtful. The fact that an address was made on the subject might readily be seized upon by other Delegations as opening the door for a discussion and attack on their part on the Doctrine. You should, therefore, hold this course in reserve as a final step in your effort to forestall any effort to bring the Doctrine before the Conference. There is attached hereto the text of an address <sup>87</sup> on the subject of the Doctrine which you are authorized to use under the conditions set out above.

#### INTERNATIONAL TRAFFIC IN ARMS

Should questions relating to the international traffic in arms be raised at the Conference, the Delegation should bear in mind that the General Disarmament Conference now in session in Geneva <sup>88</sup> is considering all the aspects of the questions arising from the manufacture of and the

<sup>87</sup> Not printed.

<sup>88</sup> See vol. I, pp. 1 ff.

international traffic in arms, ammunition and implements of war. It is hoped that the Disarmament Conference may be able to agree upon provisions to be included in the General Disarmament Convention, which will obligate the contracting parties to establish and maintain strict supervision of the manufacture of and traffic in arms. It is, therefore, important that no action should be taken at Montevideo which will in any way interfere with the efforts now being made in this connection at Geneva. Should any concrete suggestions be made at the Conference in regard to this suggestion, the Delegation is instructed to communicate with the Department before assuming any position concerning them.

#### TRANSFER OF THE PAN AMERICAN UNION FROM WASHINGTON TO SOME OTHER CAPITAL

Should a proposal be made to transfer the seat of the Pan American Union from Washington to the capital of some Latin American nation you will be guided by the following instructions to the delegates at the Sixth Conference: <sup>39</sup>

"It is said that this action would be based on the theory that in Washington the Pan American Union is too much influenced by the State Department and dominated by the United States. Also that the Pan American Union containing as it does a great majority of Spanish-speaking countries should have its seat in a Spanish-speaking capital.

"The Department does not believe that any serious effort will be made to adopt such a plan at the Seventh [*sic*] Conference. If a suggestion is made to include this question among the agenda it would seem desirable that the United States delegates, while being careful not to express their approval, should not, unless absolutely necessary, take a leading part in opposing it. It is felt that some of the Latin American delegates will see the disadvantages of opening this question and the advantages of maintaining the Union in Washington; . . .

. . . A number of arguments against such a change will readily occur to you, among others:

1). The eminent suitability of the present Pan American building in Washington, which was constructed on land donated by the United States, at a cost of about \$850,000, the entire amount being contributed by the well known philanthropist Andrew Carnegie. This building could not be duplicated in another locality for anything like its original cost.

2). The advantages which the United States offers as a center of information on all subjects connected with the advancement of human knowledge and welfare. This country contains the headquarters of many organizations working for world improvement in sanitary, engineering, economic and social matters.

3). The fact that Washington is the only capital on the American continents at which all Latin-American nations constantly maintain a representative."

<sup>39</sup> *Foreign Relations*, 1928, vol. I, p. 582.

## CHACO DISPUTE

There have been many unsuccessful attempts to settle the Chaco question which has been pending between Bolivia and Paraguay ever since their independence from Spain. Long direct negotiations were supplemented by a conference in Buenos Aires in 1927 and 1928 which failed.<sup>40</sup>

On December 5, 1928, there was a further outbreak of hostilities in the Chaco.<sup>41</sup> On December 10, 1928, the Pan American Conference of Arbitration and Conciliation met in Washington,<sup>42</sup> as a result of a resolution passed at the Sixth Pan American Conference at Habana, Cuba, on February 20 [18], 1928.<sup>43</sup> The Conference offered its good offices to the contending parties<sup>44</sup> and as a result they signed an agreement setting up a commission of inquiry and conciliation composed of one representative from each of five neutral states. The five neutrals were picked by agreement on the part of Bolivia and Paraguay and the United States was included therein.

The Chaco question is a purely South American matter and we would not have been in any wise connected with it were it not for the facts above set forth.

The Neutral Commission worked with great patience for four and a half years and made every possible suggestion and combination of suggestions for the settlement of this dispute. There was objection on the part of either one or the other of the contending parties to every proposal put forward.

Furthermore, the Neutral Commission, beginning in April, 1932, endeavored by suggestion to the Argentine and Brazilian Governments to enlarge the Neutral Commission to take in Argentina, Brazil, Chile and Peru.<sup>45</sup> Argentina and Brazil declined to enter the Commission, and, up to the dissolution of the Neutral Commission, every effort was made to obtain cooperation between the Neutral Commission and the four neighboring countries, without success.

In the meanwhile the League of Nations took up the matter and the Neutral Commission offered the League its full support and coopera-

<sup>40</sup> See "Minutes and Documents of the Conferences of Paraguayan and Bolivian Plenipotentiaries held in Buenos Aires under the auspices of the Argentine Government" in *Proceedings of the Commission of Inquiry and Conciliation, Bolivia and Paraguay, March 13, 1929-September 13, 1929* (Washington[, 1929?]), pp. 265 ff.

<sup>41</sup> For correspondence concerning boundary disputes between Bolivia and Paraguay, see *Foreign Relations*, 1928, vol. I, pp. 672 ff.

<sup>42</sup> See *Proceedings of the International Conference of American States on Conciliation and Arbitration, Held at Washington, December 10, 1928-January 5, 1929* (Washington, Government Printing Office, 1929).

<sup>43</sup> For text of resolution, see telegram of June 19, 1928, to the Chiefs of Diplomatic Missions in Latin America, *Foreign Relations*, 1928, vol. I, p. 637.

<sup>44</sup> See *ibid.*, pp. 690-694.

<sup>45</sup> For correspondence concerning efforts of the Commission of Neutrals to gain the cooperation of the ABCP Republics, see *ibid.*, 1932, vol. V, pp. 136 ff.



tion.<sup>46</sup> The Neutral Commission suggested that the five neutral governments and the four neighboring countries should meet and support the League's action. This was rejected by the neighboring countries.

The Committee of the League of Nations, which had been considering the question since September 23, 1932, finally in May, 1933, submitted to the Council of the League its report<sup>47</sup> in which it invoked Article XI of the Covenant<sup>48</sup> in conformity with which the two countries are under obligation to settle their dispute by pacific means.

In view of the fact that the new Paraguayan Minister, upon his arrival in Washington, February, 1933, stated that he had no instructions to discuss the matter in any way; and that the Bolivian Minister had been ordered to Geneva by his Government to enter the negotiations there regarding the settlement of the Chaco matter; and that the League of Nations had actively taken up the question, it was decided on June 27, 1933,<sup>49</sup> that, in view of the present negotiations in other places between Bolivia and Paraguay for a settlement of the Chaco question, it could best contribute to the establishment of peace, which was the only object it had in view during the long negotiations it had patiently carried on, by withdrawing from the situation.

Since the dissolution of the Neutral Commission on June 27, 1933, the matter has rested with the League of Nations. In case any suggestion is made as to an appeal to the countries that formed the Neutral Commission for further good offices in working for a peaceful settlement between Bolivia and Paraguay, your attention is invited to the last paragraph of the Statement made by the Commission at the time of its dissolution on June 27, 1933 (copy attached as Appendix 41).<sup>50</sup> The interest of this Government is purely in a peaceful settlement of the dispute and it has consistently supported, and continues to support, the League's effort since the dissolution of the Neutral Commission.

There is a complete memorandum<sup>51</sup> in the files of the Delegation concerning the Chaco question.

#### LETICIA<sup>52</sup>

The Government of the United States of America has given its fullest support to the proposal of the League of Nations which resulted

<sup>46</sup> See section entitled "Cooperation of the League of Nations With the Commission of Neutrals", *Foreign Relations*, 1932, vol. v, pp. 220 ff.

<sup>47</sup> See telegram No. 182, May 18, 1933, from the Minister in Switzerland in which sections of the Committee's report are quoted, p. 325.

<sup>48</sup> *Treaties, Conventions, etc.*, vol. III, p. 3336.

<sup>49</sup> See telegram No. 118, June 27, 1933, to the Minister in Switzerland, p. 343.

<sup>50</sup> For text of this statement, see Department of State, *Press Releases*, July 1, 1933, p. 1.

<sup>51</sup> Not printed.

<sup>52</sup> For correspondence concerning the Leticia dispute between Colombia and Peru, see pp. 384 ff.

in the suspension of hostilities between Peru and Colombia over the Leticia corridor. After the withdrawal of Colombian and Peruvian forces from Peruvian and Colombian territory, respectively, a League Commission, on June 25, 1933, took over the administration for a maximum period of one year of the Leticia territory pending negotiations between the two Governments "for the purpose of discussing all problems outstanding and the best manner of reaching a solution of them which shall be just, lasting and satisfactory". In informing the Peruvian and Colombian Governments on February 27, 1933, of the full support given by this Government to the proposal made by the League of Nations on February 25 looking to the settlement of the Leticia incident, the Secretary of State declared that he found "the proposal suggested by the League of Nations a most straightforward, helpful one which if accepted by both parties should make possible a peaceful solution of the present controversy, honorable to both Governments."

Under the friendly auspices of the Government of Brazil, representatives of the two Governments concerned initiated these negotiations at Rio de Janeiro on October 20, 1933.

The Government of the United States awaits with sympathetic interest the outcome of these negotiations undertaken under League auspices and continues to lend full support thereto.

Should the Leticia matter come up for discussion in the course of the Conference, this Government is of the opinion that, in the circumstances, action at Montevideo would not seem appropriate in view of the direct negotiations proceeding at Rio de Janeiro, in order to prevent confusion arising from duplication in peace efforts (which has happened in the past in connection with the Chaco and Leticia incidents, with unfortunate results).

#### EXTERNAL LOANS OF LATIN AMERICAN STATES

Our historic policy has been one of noninterference in transactions between private citizens and foreign governments. Recently the Government has emphatically reiterated the principle that the Government of the United States does not undertake to pass upon the soundness of investments and that parties engaging in such transactions do so upon their own responsibility and at their own risk.

The plight of American investors holding foreign issues floated and sold in the American market in the post bellum period received the sympathetic attention of the President of the United States and Congress and culminated in the passage by Congress of Title I known as "Securities Act of 1933" and its approval by the President on

May 27, 1933, and the passage by Congress of Title II known as "Corporation of Foreign Bondholders Act, 1933".<sup>53</sup>

A copy of the Securities Act of 1933 is attached hereto.

The President, on October 20, 1933, conferred with a group of individuals to discuss the creation of an organization for the protection of American bondholders. Following this preliminary meeting the President issued the following release concerning the purpose of the proposed organization:

"A task of adequate organization obviously exists to be undertaken. In many situations the proper organization of the American bondholders is urgently needed in order to make possible fair and satisfactory arrangement with foreign governments undergoing difficulties, and to properly protect American interests.

"This is a task primarily for private initiative and interests. The traditional policy of the American Government has been that such loan and investment transactions were primarily private actions, to be handled by the parties directly concerned. The Government realizes a duty, within the proper limits of international law and international amity, to defend American interests abroad. However, it would not be wise for the Government to undertake directly the settlement of private debt situations.

"It was decided, therefore, to call together a small group to take upon themselves the patriotic duty of bringing into existence an adequate, effective and disinterested organization to carry on this work. The organization should exist not for profits but for aiding the American interests which it will represent, and of aiding them at the lowest possible expense to the many thousands of bondholders.

"Because of the fact that these interests are widely scattered, the fact that there are so many different loan issues to be considered, and so many different groups to be consulted, this is no easy task. But it must be achieved and the Government expects that it will be achieved. The organization when it comes into existence is to be entirely independent of any special private interest; it is to have no connections of any kind with the investment banking houses which originally issued the loans. It will decide its own affairs independently. Naturally, its decisions will ultimately depend on the will of those who possess the securities. Too, another of its duties naturally will be to keep intimate contact with all American interests concerned and to unify, so far as possible, all American groups that seek to act in protection of American interests. The organization contemplated in a sense will be a unifying center for the activities of all proper American interests.

"The meeting was called in order to get the task well launched. Administration officials will follow the course of developments with interest. They have no intention, however, of seeking governmental direction or control of the organization, nor will they assume responsibility for its actions. Towards this organization, as towards all other legitimate American interests, the Government will seek to give

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<sup>53</sup> 48 Stat. 74; 48 Stat. 92. See section entitled "Organizing the Foreign Bondholders Protective Council", vol. 1, pp. 934 ff.

such friendly aid as may be proper under the circumstances. The group undertaking the foundation of this organization will announce, as soon as possible, its plans. In the meeting today all phases of the form and work of the contemplated organization were discussed."

The Mexican Government has suggested to various American Governments an extension of the agenda of the Montevideo Conference to include a number of new topics, among which is the subject of "debts". Upon learning of this Mexican initiative, Mexico was advised that this Government has no authority to deal with external debts due from foreign countries to private creditors in this country. We would deprecate any discussion of this debt question at Montevideo but if other states insist on discussing it you will not oppose a discussion but endeavor to see that no action at all be taken by the Conference.

If, despite your efforts, it appears that the Conference contemplates taking some action on the subject, you should invite attention to the report of the Monetary and Financial Sub-Commission I, of July 20, 1933, at the London Conference<sup>54</sup> (copy attached hereto as Appendix 42)<sup>55</sup> and endeavor to have the principles of this report govern any resolution adopted at Montevideo. You should completely disassociate yourselves from any action such as proposed by Mexico looking to a general moratorium on external debt service.

You will find in the records of the Delegation data concerning Latin American loans floated in the United States. If there appears to be any inclination on the part of others at Montevideo to criticize the flotation of these Latin American loans in the United States, it is the view of this Government that a very adequate defense can be made by the Delegation. It is noted, for instance, that in the period from the beginning of the World War to the end of 1932, a total of \$2,382,000,000 Latin American loans were floated in the United States, of which \$1,518,000,000 were outstanding as of the end of 1932; of this amount outstanding \$1,032,000,000 are in default. It further appears that of the total floated during this period in the United States some \$2,127,000,000 were for such purposes as public works, debt retirement and refunding, and banking facilities, all of which obviously provided direct and substantial benefits for the Latin American countries. Furthermore, it is noted that the average price per country at which these loans were offered to the American investors was over 96. It would appear evident that in any equitable and dispassionate consideration of this problem, the plight of thousands of small American investors who put up in good faith their money for the obligations of the Latin American countries should be borne in mind.

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<sup>54</sup> League of Nations, *Journal of the Monetary and Economic Conference, London, 1933*, No. 35 (July 21, 1933), pp. 207 ff.

<sup>55</sup> Appendix 42 not printed.

If it should appear to you, as the Conference develops, advisable to make a statement along these lines regarding this question of the flotation of Latin American loans in the United States, there is attached hereto a draft of such a statement <sup>56</sup> for your use and guidance.

F. SUBJECTS WHICH MIGHT BE OF INTEREST IN CONNECTION WITH  
CONVERSATIONS AT THE CONFERENCE

NICARAGUA

During the last revolution in Nicaragua, after American naval forces had been landed for the protection of American lives and property, Colonel Henry L. Stimson was sent to that country as personal representative of President Coolidge to endeavor to bring about peace.

His mediation resulted in the so-called Tipitapa Agreement of May 11, 1927,<sup>57</sup> which brought peace between the contending Liberal and Conservative Parties, and provided, among other things, for supervision by the United States of the 1928 Presidential elections in Nicaragua.

The United States supervised not only the Presidential elections of 1928,<sup>58</sup> but also, at the further request of Nicaragua, the Congressional elections of 1930,<sup>59</sup> and the Presidential and Congressional elections of 1932.<sup>60</sup> The fairness of the three supervised elections has been attested by both political parties, and their results have been accepted without question.

The Tipitapa Agreement provided also that American officers should organize and train a non-partisan national constabulary for Nicaragua <sup>61</sup> and that the United States should leave in that country a sufficient force of Marines to support the constabulary and insure freedom at the elections.

Following the peace of Tipitapa all the Nicaraguan forces laid down their arms except a small group under Sandino, a Liberal leader who repudiated his word pledged to the Commander of the Liberal forces and, thenceforth, and until the Marines had evacuated Nicaragua, engaged in armed resistance to the Government. His campaign was anti-American and anti-intervention in nature and was characterized by barbarous cruelty toward foreigner and native alike. Nevertheless, his successful resistance made of him a world figure and evoked widespread sympathy for his cause.

<sup>56</sup> Not printed.

<sup>57</sup> For correspondence concerning the mediation of the President in the Tipitapa Affair, see *Foreign Relations*, 1927, vol. III, pp. 345 ff.

<sup>58</sup> See section entitled "Assistance by the United States in the Supervision of Elections in Nicaragua", *ibid.*, 1928, vol. III, pp. 418 ff.

<sup>59</sup> See *ibid.*, 1929, vol. III, pp. 646 ff.; *ibid.*, 1930, vol. III, pp. 636 ff.

<sup>60</sup> See *ibid.*, 1932, vol. V, pp. 785 ff.

<sup>61</sup> For text of the agreement establishing the Guardia Nacional de Nicaragua, signed at Managua, December 22, 1927, see *ibid.*, 1927, vol. III, p. 434.

As stated, the Government of the United States, through Colonel Stimson, at Tipitapa, acceded to the request of both Nicaraguan parties to supervise their elections and train a non-political constabulary. In accordance with a plan announced in February, 1931,<sup>62</sup> the United States, after having completed its program, turned over the direction of the Guardia Nacional de Nicaragua to Nicaraguan command and withdrew all its armed forces on January 2, 1933.<sup>63</sup>

Before the 1932 elections the two political parties in Nicaragua entered into a series of agreements the object of which was to insure the maintenance of peace following the withdrawal of the American forces.<sup>64</sup> These agreements provided for the continuance of the non-political character of the Guardia Nacional and for minority representation in the national Government. They provided also for cooperation in the pacification of the country. However, Sandino laid down his arms shortly after the Marines withdrew and has since led a life of comparative retirement, although he is still considered a menace to the future peace of Nicaragua.

Under the leadership of President Sacasa, Nicaragua has been carrying out the pre-election pacts with reasonable success and it is believed that the country has a fair chance of remaining peaceful and retaining the benefits which have accrued to it as a result of American assistance.

#### CUBA

The relations of this Government with the Republic of Cuba are determined primarily by the treaty between the United States and Cuba, signed at Habana, May 22, 1903,<sup>65</sup> the terms of which likewise are embodied as an appendix to the Cuban Constitution promulgated on May 20, 1902. While all of the articles of this treaty have an important bearing on the relations between the two countries, Article 3, by which "the Government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property and individual liberty . . .", is by far the most important. The general policy of this Government with respect to Article 3 has been based on the well-known telegram, dated April 2,

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<sup>62</sup> See memorandum by the Secretary of State, February 5, 1931, *Foreign Relations*, 1931, vol. II, p. 841.

<sup>63</sup> See section entitled "Transference of Control Over the Guardia Nacional to Nicaraguan Officers and Withdrawal of the United States Marines From Nicaragua", *ibid.*, 1932, vol. V, pp. 852 ff.

<sup>64</sup> See section entitled "Agreements for Cooperation Between the Two Political Parties To Effect the Pacification and To Insure the Peace of Nicaragua", *ibid.*, pp. 833 ff.

<sup>65</sup> *Ibid.*, 1904, p. 243.

1901, of Secretary of War Root to General Wood, then the Governor General of Cuba, containing the following statement:

"You are authorized to state officially that in the view of the President the intervention described in the third clause of the Platt Amendment is not synonymous with intermeddling or interference with the affairs of the Cuban Government, but the formal action of the Government of the United States, based upon just and substantial grounds, for the preservation of Cuban independence, and the maintenance of a government adequate for the protection of life, property, and individual liberty, and adequate for discharging the obligations with respect to Cuba imposed by the treaty of Paris."<sup>66</sup>

This statement was made in response to certain fears expressed in Cuba with respect to the purpose of the amendment at the time it was under the consideration for the Cuban Constitutional Convention.

Widespread opposition to President Machado arose during his second administration. Even though this discontent manifested itself in terrorism, assassination, bombings, et cetera, this Government on the basis of the Root interpretation of the Platt Amendment saw no cause for formal intervention. At the time of Ambassador Welles' arrival in Cuba, both the Cuban Government and its opponents seemed to desire to terminate the long continued political turbulence. They recognized the impartiality of Mr. Welles and indicated to him their wish to utilize his personal good offices in bringing them together in order that they might themselves peacefully reconcile their difficulties through discussion. The efforts to reach a peaceful solution broke down at the time of the general strike which finally resulted in a revolt of the army and the retirement of President Machado. Both before and during this critical period, Mr. Welles used his good offices in an endeavor to help the Cuban people work out their own solution for their own difficulties. Immediately after the Cespedes Government came into office and upon recommendation by Mr. Welles, the President felt constrained to despatch naval vessels to certain Cuban ports. In announcing this step the President said:

"No possible question of intervention or the slightest interference with the internal affairs of Cuba have arisen or is intended by this precautionary step to protect, if necessary, the lives of American citizens, pending the restoration of normal conditions of law and order by the Cuban authorities."

The Cespedes Government was suddenly displaced by a *coup d' état*. Again there were disturbances and again the President considered it a wise precaution to despatch vessels. In pursuing this course, the

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<sup>66</sup> See Report of the Secretary of War dated November 27, 1901, *Annual Reports of the War Department on the Fiscal Year ended June 30, 1901*, pp. 7, 48; also section entitled "Revolution in Cuba", *Foreign Relations, 1933*, vol. v, pp. 270 ff.

President and the Department informed diplomatic representatives of the various Latin American countries of the reasons thereof.

As regards the new regime in Cuba, the position of this Government is summed up in the following statement made by the Department on September 12, 1933: <sup>67</sup>

"The chief concern of the Government of the United States is, as it has been, that Cuba solve her own political problems in accordance with the desires of the Cuban people themselves. It would seem unnecessary to repeat that the Government of the United States has no interest in behalf of or prejudice against any political group or independent organization which is today active in the political life of Cuba. In view of its deep and abiding interest in the welfare of the Cuban people, and the security of the Republic of Cuba, our Government is prepared to welcome any Government representing the will of the people of the Republic and capable of maintaining law and order throughout the island. Such a Government would be competent to carry out the functions and obligations incumbent upon any stable Government. This has been the exact attitude of the United States Government from the beginning . . ."

Mexico, under the Estrada Doctrine,<sup>68</sup> has continued to carry on diplomatic relations with the Grau Government. Three other countries, Panama, Uruguay, and Spain have recognized the present authorities.

There is attached as Appendix 43 <sup>69</sup> a chronology of recent important political events in Cuba.

#### HAITI

Under a treaty entered into in 1915 <sup>70</sup> for the purpose of remedying the distressing conditions created by a long period of civil war and economic disorganization, this Government assumed the obligation to assist the Republic of Haiti in the rehabilitation of its finances, the organization of an efficient police force, and the development of its natural resources. American citizens were nominated by the President of the United States to serve as Financial Adviser, Chief of the Constabulary, Chief of the Public Works Department and Chief of the Public Health Service. American experts were subsequently placed in charge of the agricultural service and entrusted with the establishment of schools for agricultural and vocational education. In 1922, in accordance with the recommendations of the special committee sent by the United States Senate to investigate the situation in Haiti, a High Commissioner was appointed to supervise and coordinate all of these so-called treaty services.<sup>71</sup>

<sup>67</sup> See telegram No. 96, September 11, midnight, to the Ambassador in Cuba, vol. v, p. 424.

<sup>68</sup> See Instituto Americano de Derecho y Legislación Comparada, *La Doctrina Estrada* (Mexico, Publicaciones del Instituto Comparada, 1930).

<sup>69</sup> Appendix 43 not printed.

<sup>70</sup> *Foreign Relations*, 1916, p. 328.

<sup>71</sup> See *ibid.*, 1922, vol. II, pp. 472, 515.



In view of the approaching expiration in 1936 of the Treaty of 1915 and the major problems of policy concerned with our relationship to Haiti under the Treaty, the President on February 7, 1930, appointed a commission for the study and review of conditions in the Republic of Haiti under the chairmanship of Mr. W. Cameron Forbes.<sup>72</sup> This commission was known as the Forbes Commission. The Commission proceeded to Haiti and, after making a study of conditions there, submitted a report to the President.<sup>73</sup> Among the recommendations of the Commission was that the High Commissionership should be abolished and that a Minister be appointed to take over the duties of that office as well as those of diplomatic representative. In accordance with this recommendation Dr. Dana G. Munro was appointed Envoy Extraordinary and Minister Plenipotentiary and proceeded to Haiti in November 1930.<sup>74</sup>

Upon the arrival of Dr. Munro he immediately proceeded to carry out the Haitianization of the various treaty services<sup>75</sup> as recommended by the Forbes Commission. Negotiations were carried on to this end with the Haitian Government and on August 5, 1931, an Accord was signed<sup>76</sup> providing for the return to Haitian control of the Department of Public Works, the Sanitary Service and the Technical Service of Agriculture, which included the industrial educational system. All American personnel were withdrawn from these services on October 1, 1931. In order to provide for the sanitation of the cities of Port-au-Prince and Cap Haitien where American troops were stationed, a small mission of naval medical personnel under the title of American Scientific Mission was left to supervise sanitation in those cities.

Following the signature of the Accord of August 5, 1931, there were prolonged negotiations between the Haitian Government and the American Legation regarding other questions arising out of the 1915 Treaty, particularly the form of financial control to be exercised after the expiration of the treaty in accordance with Article VIII of the Protocol of October 3, 1919,<sup>77</sup> and the Haitianization of the Garde d'Haiti. A treaty with related protocols was signed on September 3, 1932,<sup>78</sup> but was not ratified. Various proposals were exchanged regarding these two questions and finally on August 7,

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<sup>72</sup> See sections entitled "The President's Commission for the Study and Review of Conditions in the Republic of Haiti", *Foreign Relations*, 1929, vol. III, pp. 204 ff. and *ibid.*, 1930, vol. III, pp. 198 ff.

<sup>73</sup> *Ibid.*, p. 217.

<sup>74</sup> See memorandum to the Appointed Minister in Haiti, October 18, 1930, *ibid.*, p. 255.

<sup>75</sup> See *ibid.*, pp. 261 ff.

<sup>76</sup> For negotiations, see *ibid.*, 1931, vol. II, pp. 403 ff.; for text of agreement, see *ibid.*, p. 505.

<sup>77</sup> *Ibid.*, 1919, vol. II, p. 347.

<sup>78</sup> *Ibid.*, 1932, vol. V, p. 671.

1933, an agreement was signed at Port-au-Prince<sup>79</sup> covering the financial control to be exercised under the Protocol of October 3, 1919, to commence on January 1, 1934, the Haitianization of the Garde d'Haiti, and withdrawal of the American Scientific Mission and the Marine forces to begin October 1, 1934, and to be completed within 30 days thereafter.

For detailed discussion of Relations with Haiti see memo in the files of the Delegation.<sup>80</sup>

#### DOMINICAN REPUBLIC

Under the terms of the Convention signed December 27, 1924,<sup>81</sup> the Dominican Government agreed to the continuation of the Collectorship of Customs established under the previous Convention of 1907<sup>82</sup> and further agreed that until the Dominican Republic had paid the whole of the amount of the bonds of its foreign debt, this Collectorship would be maintained; and that its public debt would not be increased except by a previous agreement between the Dominican Government and the Government of the United States. However, toward the close of the year 1931 it became apparent that with the great reduction in revenue brought on by the world depression, the Dominican Government would be unable to meet the full service on its debt and at the same time maintain necessary functions of Government. Accordingly, the Dominican Government, by the Emergency Law of October 3, 1931, suspended amortization payments on the debt service.<sup>83</sup> While this action was obviously in violation of the Convention of 1924, the United States Government decided not to intervene in view of the fact that it appeared absolutely necessary for the Dominican Government to have funds with which to cover the ordinary expenses of the Government and to maintain public order in the country. The Emergency Law, while providing for full interest payment on the foreign bonds, authorized the diversion of part of the customs revenues which under the terms of the Convention were to be used for amortization payments, up to a maximum sum of \$1,500,000 annually for the ordinary needs of the public administration. Under the provisions of this Law amortization payments on the external debts have been practically suspended, though the interest on the debt has been regularly paid.

#### RELATIONS BETWEEN THE UNITED STATES AND PANAMA

The relations of the United States and Panama in connection with the Canal have been, on the whole, extremely cordial. These relations

<sup>79</sup> Vol. v, p. 755.

<sup>80</sup> Not printed.

<sup>81</sup> *Foreign Relations*, 1924, vol. I, p. 662.

<sup>82</sup> *Ibid.*, 1907, pt. 1, p. 307.

<sup>83</sup> See *ibid.*, 1931, vol. II, pp. 124 ff.

have been based on the Treaty of 1904<sup>84</sup> and the so-called Taft Agreement, a series of orders issued by Mr. Taft while Secretary of War under President Theodore Roosevelt, which did away with the American customs tariff in the Canal Zone, and provided that no importations should be entered at the ports of the Zone except those articles specified in Article XIII of the Treaty of 1904: namely, all articles necessary and convenient for the construction, maintenance, operation, sanitation and protection of the Canal, and for the employees in the service of the United States and their families. This agreement was intended only for the construction period and was abrogated in 1924.<sup>85</sup> A new treaty, endeavoring to adjust certain difficulties which had arisen between the two governments, was signed in 1926,<sup>86</sup> but was not ratified by either country, Panama objecting particularly to the cession to the United States of jurisdiction over New Cristobal, and extensive section of the Panamanian city Colón, which is occupied almost entirely by employees of the United States Government.

With the Canal Zone administration set down in the midst of the territory of Panama, it is inevitable that there will always be sources of friction. There is also a natural tendency at the present time in Panama to attribute to the activities of the Canal Zone some of Panama's economic ills, which are probably due for the most part to the effect on Panama of the world wide economic depression.

In recent years there has been an increasing feeling of irritation in Panama arising from the belief that the Canal Zone commissaries and post exchanges furnish unfair competition with Panamanian merchants, thereby adversely affecting the economic life in the country. There are other sources of friction, such as those arising from the fact that the United States Government, through its ownership of the Panama Railroad Company, owns a large proportion of the land in the City of Colón, which it leases for business and residence purpose: Panama objects to the United States Government being in the real estate business in the Republic of Panama. There is also the difficult question of radio control, as well as many other points of misunderstanding.

As a result of President Arias' recent visit to President Roosevelt, it may be safely said that the way has been paved for the solution of the present difficulties between the two countries, as indicated by the

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<sup>84</sup> Convention Between the United States and the Republic of Panama for the Construction of a Ship Canal to Connect the Waters of the Atlantic and Pacific Oceans, signed at Washington, November 18, 1903, *Foreign Relations*, 1904, p. 543.

<sup>85</sup> See telegram No. 39, May 28, 1924, to the Minister in Panama, *ibid.*, 1924, vol. II, p. 522.

<sup>86</sup> See section entitled "Unperfected Treaty Between the United States and Panama for Settlement of Points of Difference, Signed July 28, 1926", *ibid.*, 1926, vol. II, pp. 829, 833.

attached press release of October 17, 1933, giving a joint statement of the two Presidents,<sup>87</sup> Appendix 44.<sup>88</sup>

#### PARTICIPATION OF EL SALVADOR AT THE CONFERENCE

Article V of the Resolution of the Fifth International Conference of American States provides that "the governments of the American republics enjoy, as a right, representation at the International Conferences of American States and in the Pan American Union."<sup>89</sup> It would appear, therefore, that there can be no question regarding the right of El Salvador to be represented at the Conference. It is well established, however, both in theory and in practice, that participation in an international conference does not affect the status of recognition or nonrecognition of a participating government. The participation at the Conference by delegates from El Salvador in no way affects, either by implication or otherwise, the position of this Government regarding recognition of the present régime in El Salvador.

In accordance with Article I of the Resolution of the Sixth International Conference of American States on the Pan American Union<sup>90</sup> providing that "the government of the Pan American Union shall be vested in a Governing Board composed of the representatives that the American governments may appoint", the present régime in El Salvador, although not recognized by the United States, has had its representative on the Governing Board of the Pan American Union. It will be recalled that the representative of El Salvador also signed the declaration of August 3, 1932,<sup>91</sup> which was sent to Bolivia and Paraguay concerning non-recognition of territorial gains acquired by force.

#### IN CONCLUSION :

The continuation and development of friendship, mutual understanding, and sympathy, among the nations of the Western Hemisphere are the ends which the United States hopes that the Seventh International Conference of American States may further and you will use your best efforts toward the accomplishment of this purpose.

Sincerely yours,

CORDELL HULL

<sup>87</sup> Department of State, *Press Releases*, October 21, 1933, p. 218.

<sup>88</sup> Appendix 44 not printed.

<sup>89</sup> Fifth International Conference of American States, *Acta Final, Convenciones y Resoluciones* (Santiago, 1923), pp. 18, 20.

<sup>90</sup> Sixth International Conference of American States, *Final Act*, pp. 112-113.

<sup>91</sup> *Foreign Relations*, 1932, vol. v, p. 159.

## PROCEEDINGS

710.G/372 : Telegram

*The Chairman of the American Delegation to the Seventh International Conference of American States (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 1, 1933—11 p. m.

[Received 11:30 p. m.]

19. I commenced today informal calls on Ministers of Foreign Affairs and heads of delegations preaching harmony and teamwork which would eliminate from consideration the minor and trouble-making provisions on the agenda. Had satisfactory talks with Mañé,<sup>92</sup> Cruchaga<sup>93</sup> and Puig.<sup>94</sup> Conference at plenary session<sup>95</sup> next Monday is expected to divide into eight commissions according to chapters of programme and I believe it will be possible to put aside unimportant topics and get down to discussions of fundamental subjects when commissions begin their work, which it is expected will be next Tuesday morning. There appears to be a desire not to sit longer than about 3 weeks.

Although the question of the Chaco<sup>96</sup> will not, from present indications, come before the Conference I have received indications that some of the responsible representatives of important countries are already beginning unofficial conversations with heads of delegations with a view to effecting some arrangement transformed into the Conference which would result in at least an abatement of the hostilities and which would lend substantial support to the efforts of the League Commission to find a solution. There is a very evident realization that such a result would itself be one of the successes of our meeting here and would create an improved atmosphere. We are not participating in this movement but we are in individual conversations urging that the countries proximate to the warring countries take the lead in actions leading to a cessation of hostilities.

HULL

<sup>92</sup> Alberto Mañé, Uruguayan Minister for Foreign Affairs, President of the Seventh International Conference of American States.

<sup>93</sup> Miguel Cruchaga Tocornal, Chilean Minister for Foreign Affairs, Chairman of the Chilean delegation to the Conference.

<sup>94</sup> José Manuel Puig Casauranc, Mexican Minister for Foreign Affairs, Chairman of the Mexican delegation to the Conference.

<sup>95</sup> See Seventh International Conference of American States, *Minutes and Antecedents with Index*.

<sup>96</sup> See pp. 241 ff.

710.G1A/287 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 2, 1933—9 p. m.

[Received 11:35 p. m.]

21. Your No. 25, November 29, 3 p. m.<sup>97</sup> The economic proposal which I wish to introduce is substantially and largely literally section 2 of my London Conference proposal<sup>98</sup> plus a proposed revision and renewal or an outright new convention for the abolition of import and export restrictions in lieu of that of 1927 which now has been practically abandoned. The proposal excludes treaties and conventions and only proposes a resolution pledging the 21 Pan American countries and enough other countries to embrace 75 per centum in value of international commerce before becoming operative to the undertaking of substantial reductions of the existing high trade barriers according to the provisions of said London Conference proposal. Concluding paragraphs favor a permanent international agency to observe the steps taken by each country in effecting reductions of trade barriers and progress in carrying out this program and assert the policy of Pan American nations in meantime to go forward with reciprocal bilateral policy. I assume no objections to my offering this sort of proposal. Please confer with President and advise as quickly as convenient.

HULL

710.G1A/289 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 4, 1933—10 p. m.

[Received (December 5?)—1:14 a. m.]

24. Conference in process of organization today and yesterday. Chile and Brazil to represent chapters I and II of agenda respectively which is very satisfactory. Puig debt, silver, bimetalism, and string of other additional proposals most of which entirely impracticable now, will probably as courtesy be received and referred to committee. We can probably postpone or defeat most of his proposals. Our fight will be to postpone by referring to committee. Our relations with most delegations very cordial. We are preparing to get chapter II referred and postponed if possible. Chapter IV of agenda has been divided and portions assigned to new committees numbers 9 and 10 but

<sup>97</sup> *Ante*, p. 42.<sup>98</sup> Proposal of July 21, vol. I, p. 728.

subjects not yet fully classified as to each committee. I informally and individually presented to the dominant leaders our Government's position about proposed Spanish observer but notwithstanding in the meeting of the committee on initiative this morning they overwhelmingly decided to put it through each leader having a set speech prepared. I felt unjustified in raising a row by precipitating a debate and vote which would have had unfortunate results later during the Conference.

Cuban speech fell flat. Other delegations on their own initiative censured the speech materially as being in bad taste—largely for home consumption and therefore grossly inappropriate as a reply to the welcoming address of the President of the Conference.

Tomorrow will be devoted to meetings of the various committees for organization purposes.

HULL

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710.G1A/290 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 5, 1933—9 a. m.

[Received December 5—8:55 a. m.]

27. After the despatch of my No. 24, December 4, 10 p. m., I learned that Saavedra Lamas<sup>99</sup> in interview with press stated Conference approved creation special preparatory committee for a Pan American economic and commercial conference and that Conference will be expected to approve suggestion from all American Republics that proposal be made by United States to reconvene World Economic Conference.

Saavedra Lamas at first meeting steering committee without consultation suggested creation special committee for consideration of broad economic plans and stated he had various proposals to lay before such committee, specific details of which he did not give me. I neither opposed nor agreed to his proposal for formation of special economic committee (the ninth committee referred to in my December 4, 10 p. m.) and stated would be glad to give consideration to his proposals but that could not commit my Government without specific reference to Washington. He did not speak to me of any inter-American economic conference to be held after the close of this Conference nor of the reconvening of the World Economic Conference except to make some general reference to the idea. As far as concerns any action in

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<sup>99</sup> Carlos Saavedra Lamas, Argentine Minister for Foreign Affairs, Chairman of the Argentine delegation.

this field which would extend beyond the period of this present Conference I have no intention of going beyond the creation of a standing committee to interchange information on economic matters and plans for the future.

HULL

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710.G1A/291 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 5, 1933—10 p. m.

[Received December 6—12:45 a. m.]

29. At today's meeting of Steering Committee Puig presented his entire financial program comprising debts with moratorium, silver including bimetallism, exchange stabilization and other subjects. It looked entirely favorable for him after his elaborate speech of Monday damning creditors and playing up debtors. He would not consent on yesterday to a discussion without any action on his proposal. I made a statement at today's meeting of Steering Committee setting forth our viewpoint in most essential respects but so handling the situation as to encourage others to join the opposition. Accordingly Foreign Minister Lamas of Argentina, Foreign Minister Franco of Brazil and Foreign Minister Cruchaga Tocornal of Chile fell in line with result that entire Puig proposal after 2½ hours debate unanimously was referred to subcommittee of five composed of the United States, Argentina, Brazil, Mexico, and Colombia which will meet tomorrow immediately after the Steering Committee.

Organization of all 10 committees of the Conference was completed today and the hours set for their meetings beginning tomorrow. The committees will be referred to hereafter by numbers which will follow the numbering of the chapters of the program with the addition to committee number 9 which will consider certain topics of chapter IV and committee number 10 which will be charged with the coordination of the work of committees 4 and 9.

Committee number 1 and committee number 4 will meet every day; the other committees will meet every other day.

HULL

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710.G1A/294 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 6, 1933—noon.

44. Your 21, December 2, 9 p. m. I have discussed this with the President. It is our judgment that the proposal is not open to criti-



cism except possibly because you would naturally be forced to include exceptions to cover possible actions by the N. R. A.<sup>1</sup> and the A. A. A.<sup>2</sup> In the light of this fact and the fact that other governments would thereby put forward other exceptions, the proposal could only be valuable from the point of view of expressing ultimate objectives rather than from the point of view of practical and immediate progress.

It seems to us that all possible emphasis on the immediate undertaking of bilateral negotiations would be more useful during this period of unsettled Government finance and of sharply fluctuating exchanges and we wish to submit this for your consideration.

The attitude you express in the final sentence of your 27, December 5, seems advisable.

PHILLIPS

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710.G Personnel/336 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 6, 1933—5 p. m.

[Received 6:40 p. m.]

30. In meeting of Steering Committee this morning application was promptly made for League of Nations to send an observer to this Conference. Seeing possibility of other early applications of international organizations I immediately moved that the application and all others hereafter made during this Conference be referred to a special committee on policy to be appointed by the Chair and stated that my motion had nothing to do with the merits of the application. The proposal was discussed for more than 2 hours during which some additional provisions to the motion such as the plan to have policy committee to examine and restate if necessary the functions and purposes of the Pan American Union and to decide whether in co-operating internationally with other parts of the world this organization should do so maintaining its identity and the integrity of its organization or whether it should involve and interlock its organization with other organizations of Old World or they with it to any material extent. Some suggested that the League observer should be admitted for the time being on account of League peace activities in Chaco but not as a precedent. I thereupon requested that my original motion be placed and kept on record whereupon adjournment was taken until 11 tomorrow with no vote taken.

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<sup>1</sup> See National Recovery Act, June 16, 1933, 48 Stat. 195.

<sup>2</sup> See Agricultural Adjustment Act, May 12, 1933, 48 Stat. 31.

Please wire any suggestions. Most likely any observer will be prohibited from executive sessions but only allowed a chair to sit in public sessions.

HULL

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710.G1A/295 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 7, 1933—1 a. m.

[Received 1:50 a. m.]

31. For Phillips, personal. Your 44, December 6, noon. The sole purpose of tariff and commercial proposal is as a long-term plan. It contemplates exceptions and reservations reasonably necessary for temporary or for emergency panic relief, tariff and trade barriers. The general aim is to keep alive the permanent policy of reducing existing barriers and liberalizing commercial policy by simultaneous action of nations comprising 75 percent of world commerce when and as such temporary and emergency high tariffs would at all permit. I can so indicate in express terms in my proposal while retaining the fundamental doctrine of moderate tariff reductions and liberal commercial policy. The temporary or emergency rates would rest upon unusual necessity such as may now exist or later arise while general governmental tariff and commercial policy such as is contained in section 2 of the London proposal is our ultimate objective and in my judgment should by all means not be abandoned. So long as extreme high tariff demands generally are acceded to reciprocity bilateral trade agreements, however strongly emphasized, will be restricted to a limited number of commodities as to South America and they will be virtually noncompetitive commodities. Hence the importance of preserving at least the fundamentals of a future permanent policy of simultaneous and substantial tariff reduction by the nations of the world and liberal commercial policy.

I would consider it unfortunate if our Government should not thus keep alive the foregoing broad proposal with the exceptions and reservations mentioned. The alternative would offer a very narrow and limited domestic policy alone with no indication of any other for the future.

I feel constrained to offer this frank opinion which is based upon the assumption that we ultimately expect to reenter foreign trade. If this is not in mind it of course would not be necessary to keep alive any policy for the future.

Please confer and wire immediately.

HULL

710.G1A/297 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 7, 1933—11 a. m.

[Received 11:35 a. m.]

33. Supplementing my 31, December 7, 1 a. m. on tariff and commercial policy. A rereading of your 44, December 6, noon, and especially its last paragraph referring to my 27, raises doubt about whether you intended to foreclose further consideration of a long-term tariff and commercial proposal to be carried out simultaneously by nations with 75 percent of world commerce beginning with the emergence of the nations from the panic conditions and gradually putting into effect such long-term policies as the nations go forward out of and following the worst phases of the panic. If foreclosure was thus intended you will of course disregard this and other telegrams.

I feel for two reasons that our Nation should not propose to go forward indefinitely with no sort of future tariff and commercial policy except the extremely limited policy of bilateral bargaining arrangements confined alone to noncompetitive commodities. For further reasons see my 31, referred to above. Secondly, the economic life of Latin America and many other nations of the world depends upon a future permanent policy of moderate tariffs and normal international trade. Most of the other countries at this Conference, therefore, will present a far more drastic proposal for reduction of trade barriers following the emergence from the panic than our London proposal with the result that we will be obliged to oppose its adoption and possibly under serious disadvantages.

With great deference I therefore lay these additional considerations before you and the President and shall appreciate an early reply.

HULL

711.0012 Anti-War/1404 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 7, 1933—2 p. m.

49. There has just been received a letter addressed to you by Mr. Frank B. Kellogg, Judge of the Permanent Court of International Justice, from The Hague, suggesting that either at the conference or later you might have an opportunity to "bring to the attention of Argentina and Brazil the importance of their adhering and ratification of the Pact of Paris".<sup>3</sup> He also suggests that you might use your

<sup>3</sup> Treaty for the Renunciation of War, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. 1, p. 153.

influence to obtain the adhesion of the other American States who have not ratified the Pact. These States are Bolivia, Salvador and Uruguay. A copy of the letter goes forward by air mail today.<sup>4</sup>

In his communication Mr. Kellogg states that the reason Argentina and Brazil did not sign the Pact of Paris was not "because they disagreed with the principle of the treaty, but for other reasons. Irigoyen was then president of Argentina and his policy was to make no treaties and to have no relations with any other countries." He states further: "The excuse Brazil gave was that she already had in her constitution the same principle as expressed in the Pact of Paris. As a matter of fact, I am sure the reason Brazil did not sign was that she was piqued because I did not invite her to sign the original treaty", but "had I invited Brazil, of course, I would have been compelled to invite all the South and Central American States and they would have had innumerable suggestions to make as to the form of the treaty."

PHILLIPS

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710.G1A/298 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 7, 1933—3 p. m.

[Received 5:40 p. m.]

35. Late yesterday the subcommittee of myself and four others including Puig unanimously agreed to recommend to Steering Committee that the entire Puig financial and economic proposals be referred to the Inter-American High Commission, a dormant agency of the Pan American Union, for consideration and it will supposedly meet in Chile during coming months. We had great difficulty in dealing with this matter but the outcome with perfectly good feeling was fine. The Steering Committee today unanimously approved the subcommittee report.

I confer with most heads of delegations daily urging harmony and other suitable accomplishments. The general spirit exhibited at present is good.

League of Nations matter based on individual request of Nogueira and not official League request—the discovery of which automatically settled that matter.<sup>5</sup>

HULL

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<sup>4</sup> Not printed.

<sup>5</sup> This information was transmitted in telegram No. 293, November 13, 1933, 2 p. m., from the Consul at Geneva, not printed.

710.G Peace/2 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 7, 1933—4 p. m.

[Received 6:30 p. m.]

36. Referring Pan American agenda, topic 1, methods for preventing and pacific settlement international conflicts.<sup>6</sup> With a view to providing for situations arising between states, one or both of whom are not effective parties to existing arbitration and conciliation conventions, would Department approve submission to Conference of resolution reading substantially as follows: "The Seventh International Conference of American States, resolves: It shall never be deemed an unfriendly act for states, who are neighbors to states engaged in a controversy threatening or rupturing their peaceful relations, to offer their neighborly good offices to the end that such differences may be so composed as to avoid recourse to or to end measures of force between the differing states. The foregoing procedure shall not be applicable where other instrumentalities for the peaceful adjustment of international disputes are already provided between the parties, unless such instrumentalities are not applied in fact". The foregoing merely incorporates certain principles of the Second Hague Convention touching mediation<sup>7</sup> and one clause of Bryan peace treaties.<sup>8</sup>

HULL

710.G Personnel/339 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 7, 1933—7 p. m.

52. Your 30, December 6, 5 p. m. Think your motion of reference to special committee on policy excellent. We of course hope other delegations will consider carefully, from point of view of long time interests of all American States, wisdom of fundamentally altering character of these conferences as strictly inter-American gatherings.

In any consideration of possible reexamination of functions and purposes of the Pan American Union, it might be recalled that the Convention on the Union adopted at the Sixth Conference<sup>9</sup> seems a

<sup>6</sup> *Ante*, p. 52.<sup>7</sup> *Foreign Relations*, 1907, pt. 2, p. 1181.<sup>8</sup> See *ibid.*, General Index, 1900-1918, p. 420.<sup>9</sup> Convention regarding the Pan American Union, signed at Habana, February 20, 1928, *ibid.*, 1928, vol. I, p. 615.

satisfactory basis for that organization. The Convention enters into effect only after ratification by all 21 republics; so far it has been ratified by 12. It might seem the part of wisdom to obtain ratification by the other 9 states and put this Convention into effect rather than to seek at the present Conference to restate the powers of the Union. Article VI of the Convention provides that the Governing Board of the Union shall not exercise functions of a political character. This seems very sensible and we hope nothing will be done to modify this principle.

Of course, there is no reason why the Pan American Union and Conferences as at present set up, maintaining their integrity and identity, should not cooperate fully and cordially in all appropriate ways with other international organizations.

While the foregoing represents our general views, it would seem so far as the present application is concerned, that if the other Delegations desire to handle the matter along the lines of the suggestions you mention, namely, that the League representative should be admitted purely as an observer for the time being on account of League peace activities in the Chaco but not as a precedent (and then only to public sessions) we should not in the interest of harmony and good feeling wish to oppose this being done.

PHILLIPS

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710.G1A/302 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 8, 1933—3 p. m.

53. Your 35, December 7, 3 p. m. I congratulate you on having these proposals referred for later consideration. Should appreciate further information concerning reference to the Inter-American High Commission. Our Congress, as you will recall, failed to appropriate funds for the United States Section of the Inter-American High Commission for the present fiscal year because it "could find no justifiable reason for the continuance of the Commission" and the United States Section therefore ceased to function June 30 last. (See pages 98-100 of instructions to Delegation).<sup>10</sup> Is it proposed to revive the Inter-American High Commission?

PHILLIPS

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<sup>10</sup> *Ante*, pp. 98-99.

710.G Peace/5 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 8, 1933—5 p. m.

54. Your 36, December 7, 4 p. m. Department approves proposed resolution.

PHILLIPS

710.G1A/309 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 8, 1933—5 p. m.

55. The Ecuadoran Chargé d'Affaires called today under instructions from his Government to say that the Ecuadoran Delegation at Montevideo had been instructed to support the American Delegation in any proposals it might put forward. The Chargé d'Affaires then went on to say that the Ecuadoran Delegation either had presented or will present (his instructions were not clear) the following resolution:

"The Seventh Pan American Conference assembled at Montevideo, taking into consideration that well interpreted national interests should never be in opposition to those of humanity and that the settlement of all pending Amazonian problems is of vital interest to the peace of the American Continent especially to the development and progress of Brazil, Colombia, Ecuador and Peru, stimulates fervent hopes that those Amazonian problems may have an equitable, rapid and final solution inspired in sentiments of real American harmony, cooperation and solidarity and in adequate satisfaction to the legitimate aspirations and necessities of the said Nations." The Ecuadoran Government hoped that we would instruct our Delegation to support this Resolution.

We said to the Chargé d'Affaires merely that this Resolution of course affected various other American States and we assumed that the Ecuadoran Government, if it so desired, would have its Delegation at Montevideo discuss the matter with you and with other Delegations.

While the text of the Resolution appears innocuous I think we must have in mind that Colombia and Peru are trying to reach a final adjustment of their Leticia difficulties<sup>11</sup> in Rio de Janeiro with the good offices of the Brazilian Government, and any action in Montevideo which might touch on this question should be carefully considered with a view to avoiding anything which might prejudice the efforts being made in Rio de Janeiro.

PHILLIPS

<sup>11</sup> See pp. 384 ff.

710.G Peace/3 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 8, 1933—5 p. m.

[Received 6 p. m.]

37. Referring to chapter I of agenda, progress to date as follows:

1. First Commission of Conference is organized for study of this chapter. Clark, Weddell, Wright are the American members.

2. Commission is divided into 3 subcommittees, the first dealing with topics 1, 2, and 3; the second with topic 5 and the third with the Chaco dispute. We are represented on first subcommittee only.

3. Topic 4, Argentine anti-war pact,<sup>12</sup> is apparently disposed of by placing it in the office of the Secretary General for further signatures. Guatemala and Venezuela have announced they would sign. We may feel constrained to sign with reservations for sake of teamwork. I may have a further telegram for you on this later.

4. Topic 1. Mexico has prepared a project aimed to supersede and to consolidate into one document all existing peace arbitration and conciliatory machinery. Sierra tells Clark privately that he does not expect his project to come to a vote because of devotion of Paraguay to Gondra Treaty<sup>13</sup> and Argentine to anti-war pact.<sup>14</sup> Clark doubts that any effective affirmative action will be taken on this Mexican project.

5. Topic 2a. Varela, the Uruguayan delegate who is more or less managing the first subcommittee, does not approve American [Institute of International Law?] coordinating draft covering this point and favors bilateral conventions setting up conciliation commissions in time of peace to function in times of trouble. This seems more or less the Bryan Peace Pact idea. Varela apparently contemplates the adoption by the Conference of a protocol providing for this machinery. I shall favor this plan.

6. Topic 3 will not be considered owing to the decided objection of Peru.

7. Venezuela proposed to the first commission this morning a project designed more or less to cover situations contemplated by draft proposal submitted in my telegram No. 36, December 7, 4 p. m. Venezuelan draft contemplates use of members of Pan American Union Board as conciliating commission. This suggestion met serious opposition. Venezuelan proposal referred to second subcommittee.

<sup>12</sup> For correspondence concerning this pact, see pp. 228 ff.

<sup>13</sup> Treaty To Avoid or Prevent Conflicts Between the American States, signed at Santiago, May 3, 1923, *Foreign Relations*, 1923, vol. I, p. 308. This treaty was supplemented by the General Convention of Inter-American Conciliation, signed at Washington, January 5, 1929, *ibid.*, 1929, vol. I, p. 653.

<sup>14</sup> Signed at Rio de Janeiro, October 10, 1933, *post*, p. 234.



Would appreciate reply my telegram No. 36 at the Department's earliest convenience.

HULL

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710.G1A/310 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 8, 1933—7 p. m.

56. Your 31, December 7, 1 a. m. In talking with the President he asks me to tell you that he is wholly sympathetic to any long term plan with adequate exceptions and reservations covering possible actions found necessary during this period of readjustment, especially actions under the N.R.A. and A.A.A. Acts.

With this safeguard he gladly approves your effort to keep alive, as a permanent objective, the idea of liberalizing tariff barriers by simultaneous action of many nations. Please be sure we are all sympathetic with that aim and with your determined effort to find a formulation for it which would supplement the work in the field of reciprocal negotiations.

PHILLIPS

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710.G International Law/2 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 8, 1933—11 p. m.

[Received December 9—2:38 a. m.]

38. Referring to chapter II of agenda, the set-up is as follows:

1. This chapter has been put in charge of the Second Commission of the Conference.
2. The Commission has been divided into subcommittees as follows.
  - (a) First subcommittee—methods for the requested codification of international law;
  - (b) Second subcommittee topic 6a;
  - (c) Third subcommittee topics 6b-c;
  - (d) Fourth subcommittee topics 6d-e-f;
  - (e) Fifth subcommittee topics 6g and 7.

We have a place on the first and third subcommittees.

3. We have information that the fifth subcommittee will report irreconcilable differences on topic 6g.

4. After meeting today of third subcommittee Sierra (Mexico) suggested we might be able to incorporate in an agreement those principles

of state responsibility which had been agreed to among the delegates at the 1930 Hague Conference on codification of responsibility of states.<sup>15</sup> He gave as an example of what he had in mind, the responsibilities of states in civil wars, upon which question he said all states were in agreement at The Hague.

5. Will Department give views on wisdom of making any agreement of the kind suggested and give list of questions considered at The Hague, which might be incorporated in such an agreement.

6. Delegation has here the following: bases of discussion drawn up for the Conference by the Preparatory Committee (Geneva 1929) and volume 4—minutes of the third committee—of The Hague Conference for the Codification of International Law.

7. In answering number 5 above please give numeral and page references to publications listed in 6 (see pages 39, 52 and 53 of instructions to delegates to this Conference<sup>16</sup>).

HULL

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710.G1A/303 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 9, 1933—1 a. m.

[Received 1:01 a. m.]

39. Your 53, December 8, 3 p. m. The Inter-American High Commission was agreed upon on motion of Saavedra Lamas who with me made the fight to have it named as an organization to undertake discussion of Puig's proposals. If this is not feasible arrangement already planned in topic 14 under chapter IV will probably meet the situation.

HULL

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710.G/374 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 9, 1933—11 a. m.

[Received December 9—10:05 a. m.]

40. Department's instructions page 81.<sup>17</sup> Telegraph subsequent changes or contemplated changes if any in Latin American truce

<sup>15</sup> See "Conference for the Codification of International Law, Held at The Hague, March 13—April 20, 1930, and Text of Protocol Relating to Military Obligations in Certain Cases of Double Nationality", *Foreign Relations*, 1930, vol. 1, pp. 204 ff.

<sup>16</sup> *Ante*, pp. 65, 72, and 73.

<sup>17</sup> *Ante*, p. 89, last paragraph, and p. 90, first paragraph.

membership. Referring to Treaty Information, July, pages 11-13, should Bolivia and Ecuador be considered members?

HULL

710.G/375 : Telegram

*The Minister in Switzerland (Wilson) to the Acting Secretary of State*

GENEVA, December 9, 1933—noon.

[Received December 9—8:55 a. m.]

218. 1. The Secretary of State is reported in a Havas despatch from Montevideo appearing in this morning's press as having stated the following at Pan American Conference (translation) "I ask myself if the Union will not be brought in the near future to collaborate with the League of Nations in a much closer manner than up to the present. This cooperation could certainly be established while preserving to each of these institutions its own character, but also it could be that to assure a much greater efficiency in this cooperation that the day might be envisaged where there would be a transformation of the Pan American Union into an organization complementary to the League of Nations of which it would become a sort of Pan American prolongation. In both instances it would be necessary to change the regulations (statutes) of the Pan American Union".

2. League opinion which has thus far come to my attention is one of great interest in view of the support the statement is felt to give the League in its present critical situation in contradistinction to Mussolini's<sup>18</sup> critical attitude.

3. I should appreciate information as to whether the statement of Mr. Hull is accurately reported.

WILSON

710.G/376 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 9, 1933—2 p. m.

59. A telegram was received today from the American Minister in Berne referring to the Havas despatch given in today's telegraphic news summary stating

"League opinion which has thus far come to my attention is one of great interest in view of the support the statement is felt to give the League in its present critical situation in contradistinction to Mussolini's critical attitude.

I should appreciate information as to whether the statement of Mr. Hull is accurately reported."

PHILLIPS

<sup>18</sup> Benito Mussolini, Prime Minister of Italy.

710.G1A/304 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 9, 1933—4 p. m.

[Received 5:05 p. m.]

41. Puig now requests me to offer resolution providing that the Seventh Conference here pass resolution convening the Third Pan American Financial Conference to study Puig topics heretofore referred to Inter-American High Commission. I feel that I should extend him this courtesy in the circumstances, especially since such proposed conference would bind no one and no one would be obliged to attend it. It would really be embarrassing not to thus oblige Puig. The meeting would be at some time in the future yet to be fixed, probably not until after 6 months at least. Please wire any comment immediately.

HULL

710.G/379 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 9, 1933—4 p. m.

61. Your No. 40, December 9, 11 a. m. No change in list of Latin-American truce membership given on page 81 of Department's instructions with the exception that the adhesion of Venezuela has expired. Bolivia and Ecuador are still considered members of truce.

PHILLIPS

710.G International Law/3 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 9, 1933—6 p. m.

62. Your 38, December 8, 11 p. m.

(1) Your paragraph 4. The principles of State responsibility agreed to by majority vote on first reading by the Third Committee at The Hague in 1930 are set forth in Volume 4, Minutes, pages 236 and 237.

(2) There would appear to be no objection in general to these articles with the possible exception of the last paragraph of Article 9.

It will be seen that these Articles do not specifically cover "responsibility of States in civil wars". While the original bases of discussion, numbers 21 and 22, pages 107-124 of Volume 3—"Bases of Discussion", to which you refer, covered this subject, those bases were omitted from the majority draft. The position of the United States Delegation with respect to Bases 21 and 22 is set forth in its proposal of March 19, 1930, at page 232, Volume 4 of the Minutes.

(3) The draft to which Sierra (Mexico) refers is undoubtedly a counter-draft prepared by the minority group referred to on page 53 of instructions to your Delegation. This minority group presented on April 7 and 8, 1930, to certain members of the Third Committee counter-drafts containing articles declaring the non-responsibility of the State for damages caused by armed forces or the authorities of the State in suppressing insurrection, riot or other disturbances, or those caused by persons participating in an insurrection, riot or mob. Article A of the draft, suggested on April 8 by the minority group, reads as follows:

"1. The international responsibility of a State is not engaged in consequence of damages caused to the person or property of a foreigner by the armed forces or by the authorities of a State in suppressing an insurrection, a riot, or other disturbance, unless their acts have plainly exceeded the requirements of the situation. The damage occasioned by requisitions should in all cases be repaired.

2. The international responsibility of a State is not engaged in cases of damage caused to the person or property of a foreigner by persons participating in an insurrection, in a riot, or by a mob, unless the State has not shown due diligence to prevent the damages, to assure the reparation of them and to punish the authors.

3. If the State accords indemnities to its own nationals, it will grant them under like circumstances and on the basis of reciprocity to foreigners."

These drafts were not submitted to the full Committee and were never considered by it, hence they are not contained in Volume 4 of the Minutes. Accordingly, the statement that "all States were in agreement at The Hague" on these provisions is inaccurate, unless, by "all States", Sierra means the Latin American States, which largely constituted the minority group.

It will be seen that Article A would be unacceptable in its present form.

PHILLIPS

710.G Peace/4: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 10, 1933—11 a. m.

[Received December 11—2:55 a. m.]

44. On Saturday morning upon receipt of your telegram giving me authority to offer suitable economic proposal I decided at once to seek out one or more leading delegates in key positions to present a resolution on peace and proposing to implement it by bringing out all unsigned peace agencies and strengthening them by an insistent request that all Governments not having signed should proceed to sign now. These included the Gondra,<sup>20</sup> the Conciliation,<sup>21</sup> the Lamas or Argentine,<sup>22</sup> the Arbitration,<sup>23</sup> and the Kellogg Treaties.<sup>24</sup> I decided to confer with Saavedra Lamas whose Government was most delinquent in the signing of these treaties, and presented plan in detail and urged him to undertake this righteous and vitally important service while I presented the economic proposal. I suggested that to get all these treaties signed, which would include our signing the Argentine Pact with reservations, would have a splendid effect on peace and especially in South America where the Leticia and Chaco controversies still pend. This afternoon Lamas came to see me with his peace resolution prepared strongly urging each Government to sign each of these treaties which it had not signed and in other respects setting forth the detailed plan as I had laid it before him on Saturday. He is most enthusiastic and it now looks as if we may get both the economic and the peace proposals through the Conference which will constitute I think really substantial accomplishments.

We are giving every attention to the Chaco trouble and may make some progress during the session. We hope to conclude by the 23d but cannot be certain until later.

The peace and economic proposals are confidential until they are presented which we now think will be on Tuesday.<sup>25</sup>

HULL

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<sup>20</sup> *Foreign Relations*, 1923, vol. I, p. 308.

<sup>21</sup> *Ibid.*, 1929, vol. I, p. 653.

<sup>22</sup> *Post*, p. 234.

<sup>23</sup> *Foreign Relations*, 1929, vol. I, p. 659.

<sup>24</sup> *Ibid.*, 1928, vol. I, p. 153.

<sup>25</sup> For a fuller account of the above conversations, see memorandum by Mr. J. Butler Wright, p. 178.

710.G/377: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*<sup>26</sup>

MONTEVIDEO, December 10, 1933—4 p. m.

[Received 4:45 p. m.]

43. Your 59, December 9, 2 p. m. Please see my 30, December 6, 5 p. m., and last sentence my 35, December 7, 3 p. m. The sense of my statement on the question was as follows: that the question now arose as to whether

(1) The Pan American Conference would continue its work as a separate organization for this hemisphere retaining the integrity of its organization and cooperating with states, organizations or agencies of other continents or of the world in such phases of their activities as might be useful; or

(2) Such cooperation would be prosecuted by the interlocking of the Pan American organization with those states, organizations or agencies being cooperated with.

While this question was referred on my motion to a special committee suggested by me for determination, I clearly indicated that I personally favored keeping the separate identity of the Pan American organization.

Please repeat foregoing to Bern and Geneva.

HULL

710.G1A/306: Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 10, 1933—5 p. m.

64. Your 41, December 9, 4 p. m. The President agrees that there is no objection to your offering the resolution convening the Third Pan American Financial Conference.

PHILLIPS

710.G Women's Rights/3: Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 11, 1933—6 p. m.

66. Your 42, December 9, 10 p. m.<sup>27</sup> The instructions to the Delegation on these matters<sup>28</sup> are confirmed with the following exception:

<sup>26</sup> Substance repeated to the Minister in Switzerland as telegram No. 129, December 10, 8 p. m., in reply to his No. 218, December 9, noon, p. 170.

<sup>27</sup> Not printed.

<sup>28</sup> Proposed treaties covering nationality of women and equal rights for women.

the last sentence of the instruction relating to topic 8,<sup>29</sup> chapter III, under sub-paragraph 3 on page 73 (*b*) should read as follows: "If, therefore, the Conference proceeds to vote on any resolution recommending the continuation of the Inter-American Commission of Women, you should state that your Government does not desire any longer to be represented on the Commission and intends to continue its studies in this field through branches of the Government charged with responsibility in these matters."

The foregoing has been discussed with Miss Perkins<sup>30</sup> who approves.

PHILLIPS

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710.G Economic and Financial Problems/2: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 11, 1933—8 p. m.

[Received 10:30 p. m.]

46. With reference to topic 9(*d*) of agenda I believe that it would be valuable as a tangible expression of our good will to our South American neighbors if I could be in a position to say to other delegations that the United States has taken the lead in abolishing passport and visa formalities within the Western Hemisphere.

Will you take this up with Carr<sup>31</sup> and the President from a standpoint of broad policy and see if section 2 (4) of the Executive Order Number 5869 of June 30, 1932, cannot be amended so as to put tourists of all countries in the Western Hemisphere on the same basis as regards exemption from passport and visa requirements as are now citizens of Canada, Mexico, et cetera. I do not feel that as a matter of fact this relaxation in the regulations would in the slightest degree endanger the enforcement of our restrictive immigration laws. I would appreciate an early reply by telegraph and hope that you will be able to say that the President has signed or is about to sign the suggested amendment to the executive order.

HULL

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<sup>29</sup> *Ante*, p. 84, last sentence.

<sup>30</sup> Miss Frances Perkins, Secretary of Labor.

<sup>31</sup> Wilbur J. Carr, Assistant Secretary of State.



710.G International Law/4: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 12, 1933—11 a. m.

[Received 3:30 p. m.]

48. A. Argentina has proposed to third subcommittee of Second Commission (Clark our representative) following draft project on interpretation of treaties.

"1. As a general principle the rules on the subject relating to private law especially with respect to contract treaties are applicable to the interpretation of international conventions.

2. In the interpretation of a treaty the enunciation contained in the preamble thereof must be taken into account.

3. Words should be interpreted in accordance with the meaning which they usually have save when the interpretation resulting from the application of this rule would lead to results contrary to the reasonable one or to absurd results or when it has been decided to give them (i.e. the words) a technical meaning.

4. The sense of a provision should be established in correlation with the other pertinent provisions of the convention.

5. In case of disagreement on a term or clause the pertinent contents of the diplomatic documents and protocols previous to the treaty and the legislative discussion relating thereto (i.e. to the treaty) should be taken as a paramount element of interpretation in determining the intention of the parties.

6. In order to establish the scope of a provision the acts of the contracting parties subsequent to the convention should be taken into account insofar as they are pertinent.

7. In cases where there are no express clauses of retroactivity international conventions shall be applied to the future. The ratification of a convention does not have such retroactive effect.

8. Obligations should be interpreted with restrictive judgment in favor of the states which must fulfill them.

9. Bilateral treaties cannot be interpreted or applied in contradiction to the principles of international law where they may affect third parties.

10. Rules relating to the restrictive or extensive interpretation of the provisions of a treaty may only be applied in cases where the ordinary methods of interpretation have failed.

11. Even when a convention has been framed in general terms it should be understood that it only embraces those matters regarding which the parties desired to agree.

12. When a diplomatic disagreement arises it belongs to the authority in charge of foreign affairs to interpret the international conventions.

13. All questions relating to the interpretation of a treaty should be submitted to arbitration in the last resort."

B. Clark is familiar with Department's instruction pages 47-49.<sup>32</sup>

<sup>32</sup> *Ante*, pp. 69-70.

C. A preliminary discussion of the draft today resulted as follows, the numerals referring to the numbered paragraphs of the draft convention.

(1) Substitute "domestic" for "private" before "law"; strike out phrase beginning "especially" and ending "treaties"; add to end of clause "insofar as such rules are common to the juridical systems of the parties involved".

(2) Incorporate this paragraph into paragraph 5.

(3) Make the final clause read "or when the treaty gives to them a technical meaning".

(4) Provisionally passed.

(5) The Mexican delegate (Suarez) took serious objection to this frankly stating that it had a direct bearing upon the claims convention between the United States and Mexico. He stated the old common law rule regarding the incorporation of antecedent negotiations into a contract. Clark explained the modification of the rule with reference both to statutes and treaties.

(6) Provisionally passed.

(7) Provisionally passed.

D. The meeting adjourned without further considering draft.

E. Clark explained his consideration was *ad referendum*. He also explained confidentially to Uruguayan delegates after meeting closed that paragraphs 8 and 10 would require careful consideration by us because of possible effect on Panama Canal. He also told Uruguayan delegates that paragraph 5 could not be modified so as to give Mexico any advantage on claims commissions.

F. Will Department kindly telegraph its views regarding Argentine project.

Next meeting of subcommittee is Wednesday afternoon.

HULL

710.G/384 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 12, 1933—8 p. m.

71. Supplementing Department's telegram No. 61 of December 9, 4 p. m. Information received today that Nicaragua withdrew from tariff truce effective November 30.

PHILLIPS

710.G Economic and Financial Problems/7 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 12, 1933—11 p. m.

[Received December 13—12:08 a. m.]

52. We have been busy interviewing heads of delegations in support of my economic proposal and also Colonel Saavedra Lamas' peace

resolution which will be introduced no later than Thursday urging all Governments to sign unsigned peace treaties. The outlook for both of these proposals is very favorable tonight. I had a good day with economic proposal. We are doing steady campaigning for both since we favor and claim both of them absolutely.

Steady and persistent efforts on Chaco matter being conducted with possibilities either cessation or the foundation of cessation and arbitration after Conference adjourns.

HULL

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710.G Economic and Financial Problems/48

*Memorandum by Mr. J. Butler Wright*<sup>33</sup>

MEMORANDUM OF CONVERSATIONS BETWEEN THE SECRETARY OF STATE AND MEMBERS OF VARIOUS DELEGATIONS CONCERNING THE TWO-FOLD PROPOSAL REGARDING ECONOMICS AND THE SIGNING OF EXISTING PEACE TREATIES

On Saturday, December 9th, 1933, Dr. Saavedra Lamas, Minister for Foreign Affairs of Argentina, who had been informed that the Secretary hoped for an opportunity to discuss certain matters with him, called upon the Secretary at his office at the Hall of Congress and was there informed of the aforementioned proposal in greater detail. The Secretary said that he was of the opinion that both the economic and peace proposals should be put forward at the same moment, and then suggested to Dr. Saavedra Lamas that if the latter might find it possible to give his valuable support to the economic proposals to be advanced by the Secretary, he (the Secretary) would be glad to give tangible support to the peace proposal by signing the "Anti-War Pact", although it would probably be necessary to enter several reservations thereto. The conversation, after dealing in general terms with the chief points of the Secretary's proposal, turned to the more delicate negotiation of the proposed concerted peace movement, the desire of the Secretary being that in return for such cooperation in economic matters as might be possible and for our signature to the Anti-War Pact, Dr. Saavedra Lamas would consent to undertake to sign and recommend the ratification by Argentina of the Gondra Treaty of 1923, the Conciliation and Arbitration Treaties of 1929, and the Kellogg-Briand Peace Pact—in view of the fact that Argentina had not ratified the first, had not participated in the Conference of 1929 or signed either the Conciliation or Arbitration treaties, and had never adhered to the Kellogg-Briand Pact.

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<sup>33</sup> Mr. Wright was American Minister in Uruguay and member of the American delegation to the Seventh International Conference of American States.

Dr. Saavedra Lamas showed immediate and, apparently, genuine interest in the proposal and suggested that if the Secretary might send to him as soon as possible the Spanish text of his economic proposal, Dr. Saavedra Lamas would, at the same time, submit to him a draft of a proposed resolution for such concerted action in favor of peace. The conversation—after digressing into certain channels which touched upon the obstacles interposed by European nations against the raw products of Argentina; the problem presented by high customs tariffs as affecting the United States and other countries of the Americas; the effect of temporary and emergency measures adopted by all countries in general and particularly by Argentina and the United States; the program of control of exchange; and the stimulating effect that such concerted action on both of the instruments for peace might have upon the Conference, as well as upon public opinion in the respective countries, closed with the understanding on the part of both participants that each would furnish the other with a draft proposal.

Later in the afternoon of the same day (December 9th), during a conversation on other matters with Dr. Mello Franco, Brazilian Minister for Foreign Affairs, held at Dr. Mello Franco's request at the office of the American Delegation in the Hall of Congress, the Secretary took the opportunity to seek his opinion with regard to the advisability of an effort to bring before the Conference, in a more concrete and stimulating form than formerly, resolutions concerning remedies for the present economic situation and for the advancement of peace.

The Secretary said to Dr. Mello Franco that the traditional relations between Brazil and the United States had long been so intimate and friendly and, in the conversations in Rio de Janeiro Dr. Mello Franco had been so frank and helpful, that he felt impelled to seek his opinion before approaching certain of the other Ministers for Foreign Affairs in the same sense. The Secretary then said that as he was in receipt that morning of definite instructions from President Roosevelt as to the nature and extent of the economic proposals which the United States could make at this time, he was considering the advisability of offering at an early date a resolution intended to advance constructive suggestions concerning the present economic situation of the Americas—especially as regards tariffs, customs barriers and other important factors underlying international commerce. In order that correspondingly constructive proposals might be advanced along all other subjects at the same time—thus achieving the momentum of more or less simultaneous proposals—he hoped that concerted action might be taken to secure, at a plenary session of the

Conference, the adherence of all States which had not signed or ratified the existing peace treaties. The Secretary said nothing as to the manner of introducing such a proposal, confining himself to an inquiry as to whether Dr. Mello Franco would approve such a proposal. Without discussing in any way the details of either proposal, Dr. Mello Franco gave the impression that he appreciated the Secretary's courtesy in seeking his opinion and that he was generally in accord with the proposal.

On Saturday morning, December 10th, the Secretary sent to Dr. Saavedra Lamas, at his hotel, a text in Spanish of his proposal.

In the early afternoon of that day an opportunity was afforded for Mr. Wright to approach the Chilean Minister for Foreign Affairs, Señor Cruchaga Tocornal, along the same general lines, and it was ascertained, although the proposals were not discussed in detail, that the Chilean Minister for Foreign Affairs was rather enthusiastically in favor of the proposals.

On the same evening, Dr. Saavedra Lamas called again upon the Secretary and stated that although he had not had an opportunity for a detailed examination of the Spanish text of the proposal, certain observations occurred to him which might best be brought out by reading the proposal in Spanish, paragraph by paragraph. This was accordingly done—the participants in the discussion being the Secretary, Dr. Saavedra Lamas, Señores Antokoletz and Podesta Costa of the Argentine Delegation, Mr. Wright, Mr. Cumming, and Dr. McClure. Perusal of the text disclosed that Dr. Saavedra Lamas appeared to be more interested in "editing" the document than in any other regard as far as most of the proposal was concerned, and notes taken by Mr. Cumming during the conversation show that in general the sense of the proposal was approved by Dr. Saavedra Lamas, and that but two paragraphs appeared not to be clearly understood by him. He clearly intimated that the Spanish version was at fault with regard to one paragraph, in connection with which he observed that as a recital of conditions it was satisfactory but as an outline of policy or a recommendation for action it was not. The Secretary informed him that although he desired that the paragraph in question be retained for illustrative purposes and in order to strengthen the document, its inclusion was not absolutely essential. Dr. Saavedra Lamas then proposed that he should redraft the Spanish text in a manner which he believed would not in any way impair its intent but would render it more consistent with customary phraseology in such matters. This suggestion was agreed to.

Turning then to the subject of the invitation that all existing American peace treaties be signed by the Delegates of the participating States and ratified by their respective Governments, Dr. Saavedra

Lamas, in rather dramatic fashion, submitted one copy of a text in Spanish of a resolution in which, after suitable preamble, the States participating in the Conference were earnestly invited to sign, ratify and fulfil the existing peace treaties, which he enumerated by name, place of signature and date, and which included the four treaties to which reference has been made above. The proposal seemed to meet the Secretary's suggestion in every respect, but Dr. Saavedra Lamas left no copy with the Secretary, and it was read in translation only once: he made no mention of any objection to reservations on our part.

On Monday afternoon, December 11th, Dr. Saavedra Lamas sent to the Secretary a redrafted Spanish text of the Secretary's economic proposal which, when examined and compared in translation with the English text, appeared to have lost much of the force of the Secretary's English proposal, to have taken almost indefensible liberties with the arrangement of phrases and their intent, and to have omitted two entire paragraphs (one of them being the paragraph to which reference is made above); in short, a document much inferior in phraseology, intent and vigor, to the Secretary's original proposal.

Dr. Saavedra Lamas was, therefore, informed by telephone that the Secretary would like to discuss the matter further with him, and he called upon the Secretary on the morning of Tuesday, December 12th, for that purpose. It was obvious from the first that pride of authorship was the dominant factor in Dr. Saavedra Lamas' proposal, and after considerable conversation he observed that he would have no objection to the re-translation by a more competent person of the original text (in view of the fact that there appeared to be no divergent points of policy) and it was agreed upon that the Secretary's proposal as originally drafted in English and the Spanish text which should result from the aforementioned re-translation would be introduced by the Secretary at the meeting of the Ninth Commission on Tuesday, December 12th.

With regard to the proposal to invite all non-adhering countries to sign and ratify the existing peace treaties, Dr. Saavedra Lamas said that he was, of course, prepared to fulfill his part of the understanding by making such a proposal at the earliest opportune moment, but that he felt that considerable care should be exercised in first sounding out the Ministers for Foreign Affairs of other Governments—especially Brazil and Chile, and quite possibly Mexico—on account of the policies of these Governments with regard to international peace treaties. He seemed to attach particular importance to the attitude of Brazil, saying again that Mello Franco was thinking of leaving at an early date and that a certain feeling of pessimism had become apparent in the minds of some of the Ministers for Foreign Affairs. He was quick to add, however, that he believed that the proposals concerning economics and

peace which the Secretary had suggested would do much to revivify the Conference. He said that he would approach several of his colleagues in this sense at the earliest possible moment, and that as it was the Secretary's intention to present his economic proposal on Tuesday, December 12, at the Subcommittee of which he (Dr. Saavedra Lamas) was Chairman, he would take great pleasure in supporting it from the Chair and would at that time announce the intention of the Argentine Delegation shortly to present to the Conference a proposal that the existing peace instruments, which he would enumerate, be signed and ratified by the participating nations.

The Secretary did not inform Dr. Saavedra Lamas that he had already sought the opinion and obtained the support of Dr. Mello Franco and Sr. Cruchaga, as set forth earlier in this memorandum.

Meanwhile, it having been deemed wise to inform the Uruguayan Delegation of the proposed procedure, to learn its opinion, and to bespeak its support, the Secretary asked Sr. Marques Castro, the Undersecretary of State for Foreign Affairs of Uruguay and a member of the Uruguayan Delegation, to call upon him on the same afternoon (December 11th), which he did at seven o'clock. In a conversation which lasted nearly two hours, the Secretary first informed Señor Marques of the nature of the proposal from the standpoint of strategy—explaining that it was believed that the proposed procedure would not only lead the Conference toward constructive accomplishment but that each part of the proposal would help the other, with the additional hope that the action regarding peace measures might assist in a solution of the Chaco problem, toward which the Secretary was aware that the President of Uruguay was directing every effort.

Turning then specifically to the economic proposal, the Secretary handed to Sr. Marques a copy of the English text, and a copy of the Spanish text as it had originally been prepared (by the Translator of the Delegation)—explaining that the Spanish phraseology might be improved before presentation (in accordance with the understanding reached with Dr. Saavedra Lamas, see above). The Secretary also improved the opportunity to inform Sr. Marques that he had read with interest and close attention the text of the draft of a proposed Commercial Treaty between Uruguay and the United States which was handed to Mr. Wright by the President of Uruguay several days ago, the provisions of which bear close relation to the proposal advanced by the Uruguayan Delegation in the IX Subcommittee and are generally related to the proposals to be advanced by the Secretary. Señor Marques appeared immediately aware of the relation—as well as the difference—between these three phases of the general topic, and a general discussion ensued in which were made clear the positions of the Governments of the United States and of Uruguay with regard to

the two general proposals. The Secretary also informed Sr. Marques that he would give early consideration to the draft of the proposed Commercial Treaty.

Referring then to the proposal concerning the peace treaties, Sr. Marques said that he could assure the Secretary that his Government would be in favor of such concerted action and he interposed no objection to the proposal that, as a part of such concerted action, Uruguay should sign the Briand-Kellogg Pact. He said, further, that he concurred in the opinion that such concerted action would accomplish the adherence by Argentina to the Gondra Treaty of 1923, which he believed was by far the best instrument for the purpose intended. (In this connection it should be borne in mind that the attitude of the Uruguayan Government with regard to the peace treaties agrees exactly with the opinions and predictions expressed to me by Señores Varela and Regules of the Uruguayan Delegation before the Conference).

On Tuesday, the 12th, the Secretary, accompanied by Mr. Wright, called upon Senhor Mello Franco at his hotel at Carrasco, in order to discuss with him at greater length the developments which had taken place in connection with the twofold American proposal suggested by the Secretary—concerning which the Secretary had spoken to him on Saturday, the 9th, as hereinbefore reported. Senhor Mello Franco was found to be in a rather pessimistic mood—he stated that his presence was urgently desired in Brazil on account of difficulties in connection with the Leticia negotiations, that he feared that the Conference was accomplishing nothing, that he was not comfortably or satisfactorily lodged in his present hotel, and that his delegation was housed at a distance so great that it rendered it difficult to maintain satisfactory contact with them. It seemed at first as if Dr. Mello Franco (a very high-strung and sensitive individual whose physique is far from strong) might be cherishing, in a manner so frequently typical of Latin American temperament, a feeling that he, as a representative of a country traditionally friendly to the United States, had not been sufficiently consulted in advance concerning a matter of so great importance: the Secretary's tactful method of approach, however, in which he several times recalled to the attention of Dr. Mello Franco that he was the first person to whom the Secretary had spoken concerning such a proposal, soon dispelled any doubt in this connection.

The Secretary then recited at considerable length the sequence of events, conversations, opinions and tentative agreements which are outlined in the foregoing portion of this memorandum, and the various aspects of the subject were discussed at some length. With regard to the economic proposal, Dr. Mello Franco was informed that it was the Secretary's intention to present the draft of a resolution,



with certain appropriate introductory remarks, at the session of the 9th Committee on that (Tuesday) afternoon. Senhor Mello Franco made no observations as to the economic proposal, save to inquire whether Dr. Saavedra Lamas intended to introduce in the same Committee his proposal for the collective signing of existing peace treaties. He was informed in reply that this would not be done for two reasons: (1) because a committee dealing with economic matters would not be the appropriate committee for the introduction of such matters and (2) because Dr. Saavedra Lamas had expressed a desire to approach one or two particularly interested nations before making the definite proposal, but intended to support from the Chair the Secretary's economic proposal and then to announce that in order further to stimulate the Conference and to advance its aspirations and objectives the Argentine Delegation would shortly introduce a resolution calling upon all States to sign and ratify the existing peace treaties, which he would at that time enumerate. Senhor Mello Franco first observed that, as the Secretary was well aware, Brazil had always faithfully complied with her international obligations and that with regard to previous international peace treaties she had ratified all those that she had signed. (Exception should be here noted, I think, to the ratification of the Argentine Anti-War Pact, which was only signed by Brazil a short time ago, upon the occasion of the visit of the President of the Argentine to the President of Brazil in 1933). Senhor Mello Franco then stated that he had no authority to sign the Kellogg Pact, because when his Delegation left Rio de Janeiro they had no intimation that a discussion of this subject or the signature of this instrument would arise for discussion, but that he would immediately acquaint his Government with the situation as it had now developed and request instructions. The Secretary informed him that the Delegation of the United States had found itself in identically the same situation with regard to the Argentine Peace Pact, but that it had now requested and received permission to sign the Pact, provided it would appear constructively to further the efforts being made in the cause of peace and prove an important factor in the other agreements necessary to secure satisfactory action concerning the economic and peace measures.

Senhor Mello Franco then entered upon a very interesting explanation of the attitude of his Government with respect to the Kellogg Pact, observing that it was his personal opinion that the Brazilian Government which was in power before the revolution of 1932-33 had felt that they should have been previously consulted as to the signing of so important an instrument instead of merely being somewhat summarily invited to sign along with other Governments. As to the attitude of the present Government of Brazil, Senhor Mello Franco

did not express himself, nor did he give any intimation as to what he thought the reply of his Government might be with respect to his request for instructions concerning concurrence in the Secretary's proposal concerning the signing of all peace treaties. Senhor Mello Franco touched but lightly on the subject of reservations to such treaties which, however, enabled the Secretary to observe that if the United States should sign the Argentine Anti-War Pact it would be necessary to enter reservations as to the last two articles thereof.

The first information the Secretary received that Dr. Mello Franco had received permission from his Government to sign the Kellogg-Briand Pact was communicated to him by Dr. Saavedra Lamas—Dr. Mello Franco affirming it later.

The record of the Conference shows the subsequent developments in this question.

J. BUTLER WRIGHT

MONTEVIDEO [undated.]

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710.G International Law/5 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 13, 1933—11 a. m.

73. Your 48, December 12, 11 a. m.

1. There would appear to be no objection to paragraph 1 as changed. It is suggested, however, that this paragraph might appropriately follow 10 or 11, and it might be desirable to preface it with a statement to the effect that "In the absence of other governing rules".

2. It is suggested that the word "must" in paragraph 2, which has become a part of paragraph 5, be changed to "may", that the word "should" in paragraph 5 be changed to "may", and that "paramount" be omitted.

Regarding the objection of Suarez, it should be said that the Supreme Court and international tribunals frequently refer to the diplomatic correspondence and contemporaneous statements by the treaty-making authorities in determining the intention of the parties.

3. As to paragraph 7, our Supreme Court has held on various occasions that, except as regards private rights, the effect of the exchange of ratifications relates back to the date of signature. Extradition treaties are generally considered as retroactive, that is to say, they apply to offenses committed prior to their conclusion unless there is an express limitation. However, no objection is raised to this paragraph.

4. There is considerable authority on both sides of paragraph 8. The Supreme Court has stated that it would not "readily lean to favor

a restricted construction of language, as applied to the provisions of a treaty, which always combines the characteristics of a contract, as well as a law", and that "Where a treaty admits of two constructions, one restrictive as to the rights, that may be claimed under it, and the other liberal, the latter is to be preferred. Such is the settled rule of this Court". For a contrary view see memorandum, LEGAL—Annex 2, page 5 and following.<sup>34</sup> It is suggested that if paragraph 8 is adopted, the following clause should be added "unless this would defeat the manifest purpose of the parties as gathered from the entire instrument and other sources".

5. It is suggested that paragraph 9 be changed to read "Bilateral treaties cannot be interpreted or applied in derogation of the rights of third parties under international law".

6. There would probably be no objection to paragraph 12, except as regards private rights claimed under a treaty. As to these, the obligation of the parties to resort to the courts should not be impaired. The paragraph should be modified to cover this situation.

7. As to paragraph 13, it is suggested that matters pertaining to arbitration should be left to the bilateral and multilateral arbitral agreements. Such a stipulation might obligate us to arbitrate with respect to the Panama Canal.

PHILLIPS

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710.G Economic and Financial Problems/8: Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 13, 1933—2 p. m.

72. Following is paraphrase of President's replies at press conference today to questions concerning Secretary's economic proposal and plans to increase foreign trade: Correspondents know whole story. If we can unload our surplus it will aid agricultural surplus problem and possibly other surpluses including cattle. Asked if he thought time was approaching when tariff reductions would be advisable or practicable, President said for background, this could be objective and yet not feel particularly optimistic about getting very far with it. Under present world conditions we are not much in sight of that except through bilateral treaties which might be extended to include other countries. Any general tariff agreement among nations has pretty slim prospect for next few months. Asked how far we could go in bilateral treaties without encroaching on most favored nation clause, President asked if correspondents had data on treaty with Colombia.<sup>35</sup>

<sup>34</sup> Not printed.

<sup>35</sup> Unperfected treaty signed December 15, vol. v, p. 217.

Upon learning that they had not, the President said that the treaty, which is practically finished, is reciprocal and contains clause that other nations wishing to do same thing were at liberty to do so. Asked if other countries could obtain same benefits only by granting similar concessions, President replied in affirmative.<sup>36</sup>

PHILLIPS

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710.G Women's Rights/8 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 14, 1933—7 p. m.

77. A delegation representing the National Association of Women Lawyers called at the White House yesterday and left a memorial and then called in person on me this afternoon. They stated they were interested in the Equal Rights Nationality Treaty and requested that the American Delegation should not raise obstacles to it. In reply I explained that the matter was entirely in your hands and that I should merely report to you the fact of their representations.

I have also received a long telegram<sup>37</sup> from Mrs. Virginia Jenckes, member of Congress, on the same subject, which follows closely the representations of the above delegation.

On the other hand, the National League of Women Voters, through its President, has written me under today's date a letter<sup>37</sup> recording again its opposition to the Treaty as a method of securing independent nationality.

PHILLIPS

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810.7962/1A Suppl. : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 14, 1933—8 p. m.

78. The President asks me to send you his following suggestion :

"It seems good psychology to reinforce the excellent groundwork you are building up for future better commercial relations with South America, and which the press of this country are commenting upon most favorably, with some definite, concrete and immediate action in establishing better and more rapid communications which lie at the foundation of increased trade.

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<sup>36</sup> Telegram No. 75, December 13, 6 p. m., added that reference in this sentence was to countries with which we have only conditional treaties. (710.G Economic and Financial Problems/9)

<sup>37</sup> Not printed.

Suggestion is that you offer in open session, in behalf of the United States, to create a non-profit making, semi-public engineering corporation financed by the United States, which will immediately proceed to erect along both coasts of South America the necessary radio stations, beacons and landing fields to make night flying possible, which will reduce time of flight for planes carrying 15,000-pound loads or more to 2½ days from Miami. Our air service engineers estimate total costs erection said stations, fields, both coasts at \$5,000,000. The plan would be for the United States to provide engineers, material and employ local labor for these stations, beginning on work immediately. Company later to be reimbursed from a percentage of such fees for the use of fields and radio as may be agreed upon. Each country to agree to maintain fields and beacons under constant and proper unified supervision reimbursing themselves out of balance of fees charged by planes for their use.

If approved first step would be immediate appointment representative each nation, preferably engineer, to meet at once in United States with our engineers and to select sites and engage and order materials when approved."

Cannot urge too strongly my personal belief that the psychology will have very stimulating effect.

Please make it clear the plan contemplates the making of each field and station and the equipment thereon, the property and under the sole jurisdiction and regulation of the country in which it is located, provided only that a joint board of inspection shall have power to insure that beacons are operated and fields kept in condition to insure safety of all planes using them.

The foregoing takes care of the situation mentioned in my 70, December 12, 7 p. m.<sup>37a</sup>

PHILLIPS

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710.G Economic and Financial Problems/11 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 14, 1933—10 p. m.

[Received December 15—1:12 a. m.]

56. Discussion of my economic proposal in committee for 2 days, prospects are for passage of proposal without change tomorrow although not absolutely certain of vote at that time. We have scheduled the peace resolution of Saavedra Lamas which among other things calls upon each Government to sign all of the five peace treaties which it has not signed at 4 p. m. tomorrow. We think it will be a real success with 12 to 18 signatures announced at the time thereby greatly strengthening the peace machinery of this hemisphere and especially this continent.

<sup>37a</sup> Not printed.

The Chaco matter <sup>38</sup> is being given constant attention but no definite developments thus far. I was called into a conference by the President of Uruguay and certain other Foreign Ministers this afternoon. I strongly urged extraordinary efforts on the part of the adjacent Governments to stop the fighting. I, of course, made not the slightest commitments of our Government. I am not endeavoring in any way to handle the matter or assume any responsibility in that respect.

We are hopeful of avoiding any serious controversial subjects.

HULL

710.G1A/313 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 15, 1933—11 p. m.

[Received December 16—2:26 a. m.]

58. Doctor Rowe <sup>39</sup> has requested the Delegation to present a resolution in the following sense:

That through the intermediary of the Pan American Union five short-wave radio frequencies in five different bands have been assigned for the broadcasting of inter-American radio programs intended for use in promoting better understanding among American Republics by broadcasting of music and addresses on cultural and intellectual lines and that as the utilization of these frequencies requires installation by governments of equipment for both broadcasting and distribution that the Conference recommend that the governments avail themselves as promptly as possible of the assignment of these frequencies and request the Pan American Union to take the steps necessary for their use and to formulate a plan for the assignment of the frequencies to the several countries.

As the authority for the assignment of these frequencies is not quite clear to the delegation and as we are not quite decided as to the advisability of our delegation initiating this proposal request the advice of the Department in regard thereto. Please expedite reply.

HULL

710.G Economic and Financial Problems/12 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 15, 1933—midnight.

[Received December 16—2:50 a. m.]

59. For the President and Phillips. The Ninth Committee in Plenary Conference unanimously recommended favorable action by

<sup>38</sup> See pp. 241 ff.

<sup>39</sup> Leo S. Rowe, Director General, Pan American Union.

Conference on my economy resolution. There were some three or four reservations with respect to favored-nation provisions in proposal. Same favorable sentiment is understood to exist in the plenary session which assures its passage there.

The resolution calling on all governments which had not done so to adhere to the five peace pacts previously mentioned in my telegrams and introduced at my request by Dr. Saavedra Lamas likewise passed the First Committee unanimously this afternoon. We had a really wonderful peace meeting and the indications are that most countries will sign up these treaties which will aggregate some 15 to 20 signatures thus virtually completing the signatures and placing all the treaties in strong operation. Good feeling extended to every state delegation at adjournment this afternoon.

Just prior to adjournment a resolution was unexpectedly laid before the Committee by the Chairman, Cruchaga, Minister of Foreign Affairs of Chile, which purported to place the Conference on record as supporting the League of Nations in the application of the Covenant to the Bolivian-Paraguay controversy. It was not possible during the brief interval that the matter was pending to translate it and get at its actual significance. I shall confer with the author in the morning and with as little publicity as possible will urge that before the resolution is acted upon by the Plenary Conference tomorrow the provisions be so restricted as to confine its scope to nations within the League and the four nations contiguous to Bolivia and Paraguay. If you have any suggestion in the forenoon tomorrow kindly advise.

The President's telegram to the President of the Conference was read during the discussion of the Chaco situation as well as similar telegrams from Presidents of Brazil, Chile and Colombia.

HULL

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710.G Economic and Financial Problems/13 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 16, 1933—4 p. m.

[Received 5:10 p. m.]

61. For Phillips. My 46, December 11, 8 p. m. The subcommittee handling topic 9(d) must hand in its report Monday. I would appreciate an urgent reply as to status of the suggestion mentioned in my telegram under reference.

HULL

710.G1A/318 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 16, 1933—6 p. m.

90. Your 58, December 15, 11 p. m. The following frequencies, 6120—9550—11730—15130—21500, have been assigned by the President to the Navy Department for the Pan American Union for broadcasting from the United States. Their assignment for broadcasting from any other country would, of course, be for the appropriate authority of the government of each country. It would appear that there should, in addition, be a central organization such as the Pan American Union which would coordinate broadcasting on these frequencies among the various countries; for example, assigning certain hours each month for broadcasting from each country.

Consideration is at present being given to the needed addition to the equipment of the Navy station to enable it to use these frequencies, which it has not hitherto done, but whether the additional equipment will be added in the near future is not yet determined.

For your confidential information, this Department has recently decided that if the Pan American Union would formally request it to do so, and the Navy Department would formally indicate its concurrence therein, this Department would, as had been informally suggested by the Counselor of the Pan American Union, apply to the Public Works authorities for the funds needed (estimated at not more than \$50,000) to add the new equipment to the Navy station to enable it to use these frequencies. The Pan American Union has formally indicated its desire that this be done, but the Navy Department's concurrence has not yet been received, and of course the Public Works authorities have not been approached. The Department's action in the matter has been premised on the assumption that the programs would be confined to music.

Please consider advisability of amending resolution to permit Board of Pan American Union to recommend to constituent governments the types of programs other than music which could be broadcast, such recommendation to become effective when approved by all the governments. Subject to such amendment or other safeguard that programs would tend to build up rather than destroy friendly relations, the Department sees no objection to the delegation introducing the resolution.

Reference to "distribution" is not understood as it has not been discussed with the Department by Pan American Union. Department would prefer to have it omitted.



Please advise whether you think it important that we endeavor to expedite obtaining necessary authority for the equipment mentioned above, so that you could, if you so desired, make announcement during the Conference in connection with the proposed resolution.

PHILLIPS

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710.G Peace/9 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 16, 1933—11 p. m.

[Received December 17—3:32 a. m.]

62. We have had a good day. The resolution calling for the signing of the five peace pacts and my economic proposal passed the plenary session unanimously with two slight reservations of the favored-nation clause in the latter. The resolution introduced by the Foreign Minister of Chile without notice yesterday proposing what might have been considered as sanctions was taken up by me with the leaders with the result that they promptly agreed quietly to refer it back to the committee on Monday and let it be entirely diluted so far as it might involve any construction supporting sanctions.

I am preparing to present the airways beacons proposal of the President on Monday or Tuesday.

No conference perhaps ever exhibited a better spirit than this Conference at this stage. Even Colombia and Peru were throwing bouquets at each other this afternoon.

We shall work diligently next week on the Chaco matter without in any way involving the Government. I feel now that we may get by the controversial matters remaining without any open discussion. We are watching them closely.

Conference will close latter part of next week.

HULL

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710.G Economic and Financial Problems/20 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 17, 1933—7 p. m.

92. Reference your 46, December 11, 8 p. m. After conference with Department of Labor and the President you are authorized to say that the President is prepared to amend the existing Executive Order so as to waive passport and visa formalities in the case of properly identified citizens of all the States of the Western Hemisphere com-

ing to the United States as tourists or temporarily for business or pleasure.

For your information the Department of Labor points out that the question will doubtless arise as to who are properly identified citizens. The experience of that Department with aliens already covered in part II paragraph 4 of the Executive Order shows that documentary evidence of citizenship is rarely required but in cases where it is the evidence may be either by passport or certificate of naturalization.

The Department of Labor suggests further that you have in mind that an Executive Order is binding neither upon the President's successor nor upon Congress which has the final voice in all such matters and may by legislation change the situation.

You may also wish to have in mind that the question of applying the immigration quota to all Latin American countries has been discussed annually in Congress and while no legislation has so far been adopted further agitation of this subject may be expected to occur.

In connection with your proposed action it is suggested that you have in mind the desirability of like action on the part of other governments on this hemisphere in the interest of growing travel on business or pleasure from the United States to all parts of Latin America. The requirements in respect to passports, health and police certificates and other documents now imposed by certain Latin American countries are more burdensome to our people than any requirement which your proposed action would relinquish as to their nationals. It would be very desirable to have those requirements removed if you should go further with your proposal.

PHILLIPS

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710.G1A/315 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 18, 1933—1 p. m.

[Received December 18—11:45 a. m.]

65. For the President and Phillips. We still hope to avoid controversial discussion of former controversial questions. In the event such questions are forced toward or to a vote I have in mind to refrain from seriously controversial debate which would inevitably undo the harmonious work already accomplished. . . .

Dr. Saavedra Lamas is proposing a codification during coming months of the troublemaking terms and definitions instead of action on them now in their half-baked preparation. I propose rather than disastrous debate to announce that our Government thinks such codifi-

ation necessary as Saavedra Lamas has so truthfully suggested and that "pending the completion of the proposed work of codification the attitude of the United States Government in its relations with other governments will be scrupulously to adhere to and carry out the good-neighbor doctrines and policies as set forth in the peace speech of the Secretary of State of the United States on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted".

This statement preserves to any government the right to protect lives and property where government has broken down and anarchy exists as it also preserves the doctrine of the law of nations in a case where another government would insist on treating our nationals on an equality with their own nationals despite the fact that the law of nations does not go that far.

HULL

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710.G Economic and Financial Problems/16: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 18, 1933—5 p. m.

[Received December 18—4: 45 p. m.]

67. For Phillips and the President. Mr. Braden<sup>40</sup> informs me that Dr. Puig expects to present at a plenary session of the Fourth Commission 11 a. m. Tuesday, December 19, the following resolution:

"The Seventh International Conference of American States

Resolves: to recommend to the governments members of the Pan American Union that they recognize:

(1) The existing crisis requires that governments should consider measures designed to correct the abnormal depression of prices thereby promoting healthy and sustained economic activity and employment.

(2) Particular heed should be given to the improvement of prices of those products, mainly foodstuffs and raw materials, which have suffered the most severe decline in order that the various parts of our economic life be again brought into proper and sustained equilibrium with each other.

(3) The choice of the actual measures to be employed must be left to the discretion of each country concerned. It is important, however, that the measures employed should in each case be adequate to convince that the objectives will be attained.

(4) The Governments of the American States should endeavor to stabilize their currencies at the earliest moment consonant with their own internal price policies and programs and, furthermore, should stabilize on units of currency that shall be firm and of fixed value over long periods of time insofar as their purchasing and debt-paying power is concerned."

<sup>40</sup> Spruille Braden, member of the American delegation.

Mr. Braden asks whether we may be empowered to give it our approval. He also suggests and requests authority to make a short statement bringing out the fact that it is impossible for the United States at this time to say when it will be possible to discuss currency stabilization and other related topics having to do with financial and economic matters. The following is a question from a memorandum by Mr. Braden on the source of the statement he would wish to make.

"I believe this is important as otherwise the various nations at this Conference will leave here feeling that within a few months we will be ready to so discuss these matters and our failure to appear at the Third Pan American [Financial?] Conference with definite plans and ready to discuss all these phases of the matter would largely destroy the good effects which are being obtained from this Seventh Conference. It would be my idea to simply point out in some detail the depths of depression which the United States reached on March 3, a fact with which most of the Latin Americans are unfamiliar, and their being acquainted with these facts would make them understand why we would prefer to have the Santiago Conference deferred for an indefinite time. It might also be well to quote President Roosevelt's radio address of October 22<sup>41</sup> on monetary matters with particular reference to our moving towards a managed currency and to briefly outline as purely personal what steps have been taken in this particular. Such a statement by me would not only still further convince our Latin American friends that the Santiago Conference should be deferred indefinitely but it also might bring forth praise and support of our whole monetary program and thereby prove generally beneficial. We can include in such a statement reference to the improvement already attained in the United States and to the fact that the principal countries of South America are deriving benefit from the Roosevelt program, as evidenced by the greatly increased exports from these countries to the United States from June forward, in other words, since the new administration's program really became effective."

I would be grateful for your views on this matter and to receive a telegram in regard thereto before tomorrow morning's session.

HULL

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710.G Women's Rights/11 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 18, 1933—5 p. m.

96. My 77, December 14, 7 p. m. Representatives of the National Association of Women Lawyers called again this morning urging that delegation sign the Nationality Treaty. I replied merely that I would report their views to you.

PHILLIPS

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<sup>41</sup> Department of State, *Press Releases*, October 28, 1933, p. 233.

710.G Economic and Financial Problems/21 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 18, 1933—8 p. m.

99. Your 67, December 18, 5 p. m. I have consulted the President who approves of Dr. Puig's resolution as it stands. With regard to Mr. Braden's statement the President suggests that we may not be in a position to discuss definite plans at the Santiago Conference if held within the next few months—certainly not within 6 months at least.

Assume Mr. Braden has checked accuracy of statement regarding "greatly increased exports" of principal countries of South America to the United States since June.

PHILLIPS

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837.00/4538 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 18, 1933—9 p. m.

[Received 11:52 p. m.]

69. Mr. Portalvila, one of the Cuban delegates, came to see me today. Our conversation was of a general nature and nothing of any importance was discussed. During our talk I went no further than to express our friendly attitude toward Cuba and the hope that they would find a way out of their difficulties.

HULL

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710.G1A/320 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 19, 1933—noon.

100. Your 65, December 18, 1 p. m. The Department thinks your proposed announcement an excellent solution, but suggests for your consideration that for the affirmative statement "Our Government thinks such codification necessary" that there be substituted some such phrase as "Our Government thinks that more time is needed for such codification than the Conference will be able to give to it" and that therefore you "approve the proposal of Dr. Lamas".

PHILLIPS

710.G Women's Rights/14

*The Acting Secretary of State to President Roosevelt*

WASHINGTON, December 19, 1933.

MY DEAR MR. PRESIDENT: The position of the American Delegation at Montevideo regarding the proposed treaty for equality of sexes in nationality matters is being extensively debated in the press. The proposal is substantially as follows:

The contracting parties agree that from the going into effect of this treaty there shall be no distinction based on sex in their law and practice relating to nationality.

The chief group of women here supporting the treaty has been the National Woman's Party. On the other hand, the National League of Women Voters have publicly opposed the treaty as being the wrong method of approach.

Telegram No. 42 of December 9, 1933, from Montevideo<sup>42</sup> reported that the general view of Latin American delegates so far as it could be obtained unofficially was one of opposition to the treaty on nationality of women.

When the treaty came before the Montevideo Conference on December 16 last, eleven countries, it seems from press reports, declared their intention to sign, namely, Bolivia, Chile, Cuba, Dominican Republic, Ecuador, El Salvador, Haiti, Mexico, Paraguay, Peru, and Uruguay. Some countries apparently made reservations but this is not fully reported. Ten countries including the United States abstained, the others being Argentina, Brazil, Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, Panama, and Venezuela.

It is being erroneously stated that the United States is alone in its position, whereas it appears from the press reports that such important countries as Argentina, Brazil, Colombia, and Venezuela also find the treaty unacceptable and that this is the position also of four of the Central American republics and Panama.

The position of the Department with respect to the treaty has been based chiefly on two grounds:

1. Our nationality laws are now being revised pursuant to the Executive Order of April 25, 1933, by a Committee of three members of the Cabinet. Until that report is made and Congress has acted thereon no general international agreement on nationality should be made, in the Department's opinion, by this country.

2. Nationality laws of various countries and the national beliefs on which they are based are very divergent. International questions of nationality are due not only to divergent national laws but also to the different results of similar national laws in respect of particular classes of individuals. Nationality treaties are intended to obviate these

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<sup>42</sup> Not printed.

difficulties and can do so satisfactorily only when they are specific and precise in their language and application. The Department believes that an international agreement in the general language proposed would add to and not lessen present complexities; as a matter of administration, absence of distinction "in practice" would be difficult to the point of impossibility.

There is no doubt that the provisions of our revised nationality laws which will be presented by the Cabinet Committee will conform to the principle of equality. So far as the United States is concerned any international declaration on the point is superfluous and would make the subject one of international obligation to other countries rather than one merely a matter of national policy. So far as other countries are concerned more progress will be made by detailed treaties with them based so far as we are concerned on our own national policy than by such a general agreement as is proposed.

Faithfully yours,

WILLIAM PHILLIPS

810.7962/2 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 19, 1933—1 p. m.

[Received 1:55 p. m.]

70. For the President. Your 78, December 14, 8 p. m. I proceeded with much enthusiasm to confer about your suggested plan of \$5,000,000 for cooperation in developing and improving airways. However, American technical aviation experts here consider that proposal does not meet principal requirements for faster air communication. Latin American sentiment likewise appears to be unfavorable to gifts or initial contributions in money by our country to undertakings in this continent. One reaction is that of inquiring at once what the United States is after now. This warped state of mind which seems to be widespread just now does not look with favor even upon benefactions or accommodation loans or advances to these peoples especially by our Government.

We recommend therefore that we base our proposal on your suggestion but modify it somewhat so as to offer the prospect, advantage and desirability of much faster service in the immediate future. This program will achieve the early reduction of transportation time between New York and Buenos Aires from 8 to 5 days provided that local governments cooperate in speeding up formalities at airports which are now heavily burdened with red tape and go far to offset scientific advance and constant improvement in equipment. The proposal will include the statement that within 6 months planes from 50

to 70 percent faster than the present ones will be put into use which our aviation experts tell us are already contracted for. It will urge the formation of a committee of engineers representing the various countries to meet almost immediately in Washington to discuss thoroughly the plan of beacons, radio and additional airports you suggest and will make plain the readiness of the United States to support this plan. We deem it advisable however that this proposal should not at this moment contain a definite financial commitment. We are carrying out the spirit of your plan and believe it will achieve as nearly as possible the result that you desire.

As it is our intention to advance this proposal possibly tomorrow please inform me whether you concur in the observations which I have been constrained to make and approve our proposed course of action.

HULL

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710.G Economic and Financial Problems/17 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 19, 1933—5 p. m.

[Received December 19—3:42 p. m.]

74. It is highly desirable here and now to add confidence and realism to the situation by taking the initial step in respect of multi-lateral action carrying out my economic resolution which the Conference has adopted. Accordingly I wish to introduce into the Conference, urging signature prior to adjournment, a general agreement pledging the parties not to invoke the most-favored-nation clause of bilateral treaties to obtain the advantages of multilateral economic treaties. The text is substantially as contained in air mail letter December 8, McClure to Hawkins,<sup>43</sup> though somewhat strengthened and improved.

Immediate authorization will be appreciated.

HULL

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710.G International Law/7 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 19, 1933—6 p. m.

[Received 7:45 p. m.]

75. For the President and Phillips. I feel hopeful that controversial subjects will not be forced to a vote. If a few words deemed

<sup>43</sup> Not printed.



absolutely necessary I have had time to revise communication to you of yesterday and in the absence of message from you will use the following:

"The policy and attitude of the United States Government toward every important phase of international relationship in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition, therefore, to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every intelligent person must by this time thoroughly understand that the United States Government is as much opposed as any other Government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

The able address of Dr. Saavedra Lamas, to which we have listened, and the strong if not absolutely conclusive showing he makes in support of the importance and really the necessity for codifying some of the findings, definitions, and recommendations relating to the rights and duties of nations cannot wisely be disregarded. His point is well taken that unless full and accurate definitions are carefully worked out and agreed upon so that their uniform application can be made by all the nations the result will be confusion, misunderstanding, and difference of interpretation in the future. To oppose the important suggestion of Dr. Saavedra Lamas is to invite the difficulties hereafter that I have just mentioned with the further result that this codification work could not be avoided in the end.

Pending the completion of the proposed work of codification the attitude of the United States Government in its relations with other governments will be scrupulously to adhere to, and carry out, the good-neighbor doctrines and policies as set forth in the addresses of President Roosevelt and in the peace address of myself as head of the Delegation of the United States on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted.[""]

HULL

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810.7962/2 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 19, 1933—7 p. m.

101. Your 70, December 19, 1 p. m. The President approves in general of your recommendation. He does not care who pays for the beacons or radio guides. Faster planes are an excellent idea but he believes will make only a fraction of time saving that would be made by arranging the mechanics for night flying. He emphasizes that if night flying is possible, flying time would be greatly reduced. The President would be delighted to avoid the necessity of advancing any money.

PHILLIPS

## 710.G Women's Rights/14 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 19, 1933—10 p. m.

104. The President has had under consideration the Treaty providing that there should be no distinction based on sex in the law and practice relating to nationality. The President believes that treaty should be signed at Montevideo on behalf of the United States but with a reservation in the following words: "That the agreement on the part of the United States is of course and of necessity subject to Congressional action."

Your previous instructions are accordingly modified so as to permit you to conform with this suggestion of the President. If you deem it desirable you may state to the Conference that the signing of the Treaty on behalf of the United States with the reservation in question has been suggested by the President.

The President asks me to say for your personal information that the representative women of all parties and factions here are greatly aroused and that while he appreciates the undesirability of the proposed general language, the broad purpose is good and the reservation allows us to handle details later. He is sure you will agree with this.

PHILLIPS

## 710.G International Law/6 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 19, 1933—midnight.

[Received December 20—4:30 a. m.]

77. For the President and Phillips. Our major problems both affirmative and negative are now concluded. The subcommittee on the Rights and Duties of States presented its report to the full committee today. It contained the following article:

"Article 8. No state has the right to intervene in the internal or external affairs of another."

The demand for unanimous affirmative vote was very vociferous and more or less wild and unreasonable. The vote of the American delegation was as follows, with the reservation that follows it, to wit

"I vote in favor of the first 10 articles subject to the terms of the statement and declaration I made to this meeting a few minutes ago."

The text of the statement follows:

"The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies President Roosevelt during recent weeks gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903.<sup>44</sup> I feel safe in undertaking to say that under our support of the general principle of non-intervention as has been suggested no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it probably unfortunate that during the brief period of this Conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they can be worked out and codified for the common use of every government I desire to say that the United States Government in all of its international associations and relationships and conducts will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted."

Article 11 was about non-recognition of territory acquired by force and provoked some controversy between Peru and Colombia. I had some phraseology which was not entirely satisfactory and in the circumstances I announced that "in view of the disagreement on article 11 the United States Government refrains from passing judgment on it at this time".

We were loyal to our doctrines and policies and to all of our professed friends and friendly interests. Naturally some of the subsidized

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<sup>44</sup> Treaty of relations with the United States, signed at Habana, May 22, 1903, *Foreign Relations*, 1904, p. 243.

and other more poisonous individuals and newspapers will attempt to distort what to sane and reasonable citizens down here was an absolutely sound and logical position on our part.

The 10 days Chaco armistice is proceeding. The League of Nations Commission reaches Montevideo next Sunday to await here the plenipotentiaries of the two warring Governments. The general feeling is that agreement to arbitrate and demobilize will come about.

HULL

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710.G Women's Rights/16: Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 20, 1933—3 p. m.

105. The President today off the record discussed equality under nationality laws saying story should break at Montevideo: Most of tempest in teapot was occasioned by erroneous press despatches that all American nations agreed to sign while American delegation refrained. Only six nations agreed to sign, others took matter under consideration. Second cause of tempest was misunderstanding here of occurrences in Montevideo. As originally introduced the resolution was broad and general, granting equality in nationality and civil rights. This immediately caused flare-up in Latin American republics and here. Resolution was then divided into two parts and civil rights part was quietly tabled and nothing more heard of it. The nationality section remaining states essentially laws of United States more than any other nation. Our nationality laws apply equally to husband and wife with minor exceptions. One is that when American woman marries Englishman and lives in England the offspring are British. Some people claim said children should be allowed to choose nationality at 21. To change the law requires action by Congress. This is position of this country and of the Secretary of State. After reading nationality resolution President added that we have made two things clear: We have a committee composed of Secretary of State, Attorney General and Secretary of Labor who are simplifying our nationality laws which, with minor exceptions, do not discriminate between sexes. The Secretary of State has explained our action to the Conference. President then added that he did not think we would block passage of the resolution but would explain our revising process and that changes of law on minor points would rest with Congress. Asked if Secretary of State would sign on behalf of the United States, President said no reason existed for refusal provided signature accompanied by statement that matter is before Congress.

PHILLIPS

## 710.G Women's Rights/17 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 20, 1933—4 p. m.

106. My 105, December 20, 3 p. m. For your information the National Woman's Party has just received a telegram from Miss Doris Stevens announcing that the United States will sign the Treaty on Nationality. Neither the White House nor the State Department is making any official statement in this regard awaiting your action.

PHILLIPS

## 710.G Economic and Financial Problems/25 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 20, 1933—7 p. m.

109. Your 74, December 19, 5:00 p. m. Department approves proposed general agreement but suggests desirability of including in line 16 on page 1 the words "multipartite" and "of general applicability" so that the line would read "by the parties to multipartite economic agreement of general applicability for the liberalization". The object of this amendment is to forestall the inclusion in any multipartite conventions which may be negotiated of provisions leveled against a particular country or countries which because of special circumstances peculiar to them could not adhere to the multipartite convention or in practice comply with all of its terms. It is conceivable that without this safeguard obligations might be set up under a multipartite convention which would be meaningless or impossible of fulfillment by some countries.

It is also suggested for your consideration that the plurilateral conventions to which the proposed agreement would apply should include a trade area of substantial size as proposed in Section II, Part (a) of your proposal of July 21 to the London Conference.<sup>45</sup>

Bearing in mind possible objection of the Senate to this agreement by the executive not to invoke treaty rights, it is believed that it would be advisable to submit the agreement to the Senate and if the Senate should disapprove it would then be desirable to be able to terminate our obligations under the agreement on as short notice as possible. With this in mind it is suggested that the term be reduced

<sup>45</sup> Vol. I, pp. 728, 731.

to 90 days or 6 months. It would not be necessary, however, to include a specific provision in the agreement regarding ratification. An agreement could come into force upon signature as provided in the draft.

PHILLIPS

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710.G Women's Rights/22 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 22, 1933—noon.

114. Department's 104, 10 p. m., December 19. For the information of the committee on revision of nationality laws, please advise whether the Convention on Nationality which you signed was the same as that given on page 50 (Topic 8) of Document No. 4 for the use of the Delegates published by the Pan American Union. If materially different, please telegraph full text.

PHILLIPS

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810.7962/2 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 23, 1933—10 a. m.

117. Department's 101, December 19, 7 p. m. The President hopes that progress can be made with respect to fast air communication and establishment beacons and guides before adjournment of conference. He suggests that a conference of experts of the interested countries to be held in Washington might be helpful.

PHILLIPS

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710.G1A/321 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 23, 1933—11 a. m.

[Received December 23—10:30 a. m.]

81. Latest plans contemplate disposing of all points on entire agenda by Tuesday next.<sup>46</sup> Best opinion is that peace negotiations appear fairly encouraging.

HULL

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<sup>46</sup> December 23.

710.G Women's Rights/23 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 23, 1933—1 p. m.  
[Received December 23—12: 45 p. m.]

82. Your 114, December 22, noon. No nationality convention yet signed but convention which American delegation proposes to sign is that mentioned by you with reservation contained in Department's 104, December 19, 10 p. m.

HULL

810.7962/4 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 24, 1933—1 a. m.  
[Received 2:03 a. m.]

83. Your 117, December 23, 10 a. m. Conference at plenary session this afternoon unanimously passed our resolution which had been modified in committee discussions to the following form:

"That as soon as possible and before the Commercial Conference at Buenos Aires there should be studied by a commission composed in the form and at the place to be decided by the Governing Board of the Pan American Union, the means of further accelerating inter-American aviation by the establishment of a continuous line of radio stations, beacons, and airports along present air lines and others which may be deemed convenient and to determine what additional methods should be considered in order to obtain more rapid inter-American aerial communication."

Although our original resolution had specified Washington as the place the sense of the delegations here was that the naming of the place be left to the Governing Board of the Pan American Union which we felt we could not oppose, particularly as it was evident there was no objection to Washington.

Furthermore, Wright in an extended address before this afternoon's plenary session called attention to the necessity for cooperative action to expedite air communication and the possibility of cutting down thereby the Buenos Aires-New York running time from 8 to 5 days and stated the willingness of our Government to lend aid along the lines mentioned in the White House statement for further reducing running time.

HULL

710.G/388 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 24, 1933—11 p. m.

[Received December 25—3:12 a. m.]

84. For the President and Phillips. The Conference is supposed to have completed its labors today and will formally adjourn on Tuesday.<sup>47</sup> A better state of feeling exists than at any time within a generation in the judgment of old attendants.

The Chaco negotiations threaten complications and delay. I hope before leaving on Tuesday night to offer all possible cooperation and counsel that might be of value. The negotiations would then be left with League of Nations Commission and other agencies cooperating.

The American delegation has succeeded in all of its plans and has worked as a unit at every stage.

Best holiday wishes.

HULL

710.G Economic and Financial Problems/31 : Telegram

*The Ambassador in Argentina (Weddell) to the Acting Secretary of State*

BUENOS AIRES, December 27, 1933—1 p. m.

[Received 3:22 p. m.]

From the Secretary of State. With reference to previous telegrams exchanged on passport formalities, Conference resolved that there should be established a system of gratis tourist passports valid for 3 months with privilege of renewal up to a year which would facilitate entry into all countries in the Americas. We informed the Conference that we would be glad to join such a move but could do so only through the President's executive order and once all the countries had worked out relief for tourists as contemplated we would be glad to join. We accepted the idea of a tourist passport as an easy means of identification.

WEDDELL

710.G Women's Rights/25 : Telegram

*The Acting Secretary of State to the Minister in Uruguay (Wright)*

WASHINGTON, December 27, 1933—4 p. m.

32. Secretary's telegram No. 82, December 23, 1 p. m.

1. Report by cable whether American Delegation signed Convention on Nationality of Women.

<sup>47</sup> December 26.



2. Also cable what action was taken by the Conference and American Delegation on the general convention on nationality (Topic 6 (f) of Agenda).<sup>48</sup>

PHILLIPS

710.G Women's Rights/26: Telegram

*The Minister in Uruguay (Wright) to the Acting Secretary of State*

MONTEVIDEO, December 28, 1933—9 a. m.

[Received 9:25 a. m.]

47. Your 32, December 27, 4 p. m. The Conference approved and the American delegation indicated it would sign with reservations the Convention on Nationality of Women and the general convention on nationality.

Owing to the fact that the American committee on style had changed wording of English texts in several instances and that texts finally adopted passed by such committee were not available to delegation until the last plenary session was being held and then less than an hour before the time set for signing the conventions and other instruments, it was not possible to compare the texts with delegation's original texts in time to sign along with other delegates.

This was carefully explained to Secretary General who entirely approved the postponement of the signature of all instruments until opportunity was presented to compare texts. The Secretary left instructions that the conventions mentioned and other instruments should be signed so soon as texts were compared, signatures to be accompanied by the reservations which the President directed should be made. It is expected that the conventions will be signed by Weddell and me within the next few days, other signatures to be affixed in Washington when the instruments arrive.

WRIGHT

710.G Women's Rights/46: Telegram

*The Acting Secretary of State to the Minister in Uruguay (Wright)*

WASHINGTON, December 28, 1933—7 p. m.

33. Your 47, December 28, 9 a. m. Unless the Delegation was definitely instructed by the Secretary to sign the general nationality convention it is suggested that Weddell and you withhold your signatures thereto until the Department has more complete information concerning its provisions.

<sup>48</sup> *Ante*, p. 78.

The Department's telegram No. 104 of December 19, 10 p. m., authorized the signature only of the Convention on Nationality of Women forming Topic 8 of Agenda. The Department has issued no instruction to sign the general nationality convention forming Topic 6 of agenda.

Please cable fully exact situation.

PHILLIPS

710.G International Law/8: Telegram

*The Minister in Uruguay (Wright) to the Acting Secretary of State*

MONTEVIDEO, December 29, 1933—6 p. m.

[Received 8:27 p. m.]

48. I have communicated your telegram number 33, December 28, 7 p. m., to the Secretary at Buenos Aires by telephone. The English text of the general nationality convention is based upon the following translation.

"Article 1. Naturalization of any individual before the competent authorities of any of the signatory states carries with it the loss of the nationality of origin.

Article 2. The state bestowing naturalization shall communicate this fact through diplomatic channels to the state of which the naturalized individual was a national.

Article 3. The provisions of the preceding articles do not revoke or modify the convention on naturalization signed in Rio de Janeiro the 13th of August 1906.<sup>49</sup>

Article 4. In case of the transfer of a portion of territory on the part of one of the states signatory hereof to another of such states, the inhabitants of such transferred territory must not consider themselves as nationals of the state to which they are transferred, unless they expressly opt to change their original nationality.

Article 5. Naturalization confers nationality solely on the naturalized individual and the loss of nationality, whatever shall be the form in which it takes place, affects only the person who has suffered the loss.

Article 6. Neither matrimony nor its dissolution affects the nationality of the husband or wife or of their children, to which the American delegation will add the following reservation "The delegation of the United States of America, in signing this convention on nationality, makes the reservation that the agreement on the part of the United States is, of course and of necessity, subject to Congressional action".

Although, as indicated in third paragraph of my telegram 47, December 28, 9 a. m., the delegation has undertaken to sign the convention it will not be signed here until the final official text has been submitted to me to be checked with foregoing and until I receive your further instructions.

WRIGHT

<sup>49</sup> *Foreign Relations*, 1906, pt. 2, p. 1594.

710.G1A/326

*The Acting Secretary of State to the Consul at Geneva (Gilbert)*

WASHINGTON, December 29, 1933.

SIR: The Department has read with interest your despatches numbered 732, 740 and 741 of November 13, 24 and 25, respectively,<sup>50</sup> with reference to the unofficial League memorandum "The Work of the League of Nations in Relation to the Agenda of the Seventh Pan-American Conference, Geneva, November 1933" prepared for the use of the Seventh International Conference of American States.

In accordance with your request the Department has asked for a report on the effects of the presentation of the League memorandum at the Seventh International Conference of American States and this will be transmitted in due course for your information.

As regards the request in your despatch of November 13, for an expression of the Department's views, the Department does not desire to make extended comment at this time on the memorandum. The memorandum evidently contains much well prepared factual material which should be of reference use to the delegates in their consideration of similar matters on the agenda of the Seventh International Conference of American States. It is noted, however, that the annex to the memorandum consisting of certain "declarations and exchanges of correspondence" relating to the Monroe Doctrine concerns a subject which is not on the program of the Conference. It is the view of the Department that the Monroe Doctrine has no place in the discussions of the Conference as it is essentially a national policy of the United States.

Very truly yours,

WILLIAM PHILLIPS

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810.154/489 : Telegram

*The Minister in Uruguay (Wright) to the Acting Secretary of State*

MONTEVIDEO, December 30, 1933—7 p. m.

[Received December 30—6 : 50 p. m.]

50. Your 34, December 29, 5 p. m.<sup>51</sup> In plenary session December 23 in speech on communications I submitted to the Conference on behalf of the delegation the preliminary report of the engineers of the Bureau of Public Roads together with map and quoted in full the conclusions of said report.

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<sup>50</sup> None printed. Despatch No. 732 transmitted printed copies of the League memorandum (710.G1A/285).

<sup>51</sup> Telegram No. 34 reads: "Report briefly by cable the action taken by Conference on the Inter-American Highway project". (810.154/482)

After then referring to the tangible form in which the interest and purpose of the United States in its desire to improve communications had thus been expressed I stated that

“President Roosevelt has indicated that the Congress of the United States may well give favorable consideration to a recommendation that the United States bear the entire initial and immediate cost of a survey for a completed means of motor transportation throughout the northern and southern continents, the other interested governments to be requested later to share in the costs of the project, such survey of course to be conducted only with the full approval and cooperation of each of the interested nations.”

And stated further that it would appear advisable that the proposal be submitted to a committee which would include representatives of the interested states and that this committee be asked to report thereon at some early date.

WRIGHT

810.154/490 : Telegram

*The Minister in Uruguay (Wright) to the Acting Secretary of State*

MONTEVIDEO, December 30, 1933—8 p. m.

[Received December 30—7: 55 p. m.]

51. With reference to my telegram 50, December 30, 7 p. m. In answer to the Department's telegram 34, December 29, 5 p. m.<sup>51a</sup> which was apparently sent on behalf of interested parties, the delegation was guided by the instructions to the delegation concerning topic number 28b which stated:

“It would seem advisable to hold in abeyance any definite plans for the realization of the project.”

The presentation was, therefore, made in the manner described in my foregoing telegram.

WRIGHT

### CONVENTIONS

[The Seventh International Conference of American States adopted the following six conventions and one additional protocol: Nationality of Women; Nationality; Rights and Duties of States; Extradition; Political Asylum; Teaching of History; Additional Protocol to the General Convention of Inter-American Conciliation of 1929. Of these, the United States signed four, which are printed herein: Nation-

<sup>51a</sup> Not printed.

ality of Women; Rights and Duties of States; Extradition; Additional Protocol to the General Convention of Inter-American Conciliation. For texts of the conventions not signed by the United States, see *Report of the Delegates of the United States of America to the Seventh International Conference of American States, Montevideo, Uruguay, December 3-26, 1933*; *Seventh International Conference of American States, Montevideo, Uruguay, December 3-26, 1933, Final Act, Including the Conventions and Additional Protocol adopted by the Conference* ([Montevideo,] J. Florenso, Impresor, Cerrito, 740).]

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Treaty Series No. 875

*Convention on the Nationality of Women, Signed at Montevideo, December 26, 1933*<sup>52</sup>

The Governments represented in the Seventh International Conference of American States:

Wishing to conclude a Convention on the Nationality of Women, have appointed the following Plenipotentiaries:

[Here follows list of Plenipotentiaries.]

Who, after having exhibited their Full Powers, which were found in good and due form, have agreed upon the following:

ARTICLE 1

There shall be no distinction based on sex as regards nationality, in their legislation or in their practice.

ARTICLE 2

The present convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 3

The present convention will enter into force between the High Contracting Parties in the order in which they deposit their respective ratifications.

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<sup>52</sup> In English, Spanish, Portuguese, and French; English text, only, printed. Ratification advised by the Senate, May 24 (legislative day of May 10), 1934; ratified by the President, June 30, 1934; ratification of the United States deposited with the Pan American Union, July 13, 1934; proclaimed by the President, October 11, 1934.

## ARTICLE 4

The present convention shall remain in force indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining High Contracting Parties.

## ARTICLE 5

The present convention shall be open for the adherence and accession of the States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other High Contracting Parties.

In witness whereof, the following Plenipotentiaries have signed this convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December, 1933.

*Honduras*

The Delegation of Honduras adheres to the Convention on Equality of Nationality, with the reservations and limitations which the Constitution and laws of our country determine.

M. PAZ BARAONA.—AUGUSTO C. COELLO.—LUIS BOGRÁN.

*United States of America:*

The Delegation of the United States of America, in signing the Convention on the Nationality of Women makes the reservation that the agreement on the part of the United States is, of course and of necessity, subject to congressional action.

ALEXANDER W. WEDDELL.—J. BUTLER WRIGHT.

*El Salvador*

Reservation to the effect that in El Salvador the Convention cannot be the object of immediate ratification, but that it will be necessary to consider previously the desirability of reforming the existing Naturalization Law, ratification being obtained only in the event that such legislative reform is undertaken, and after it may have been effected.

HÉCTOR DAVID CASTRO.—ARTURO R. AVILA.

*Dominican Republic:* TULIO M. CESTERO.

*Haiti:* J. BARAU.—F. SALGADO.—EDMOND MANGONÉS (*Avec réserves*).—A. PRRE. PAUL (*avec réserves*).

*Argentina:* CARLOS SAAVEDRA LAMAS.—JUAN F. CAFFERATA.—RAMÓN S. CASTILLO.—I. RUIZ MORENO.—L. A. PODESTÁ COSTA.—D. ANTOKOLETZ.

*Uruguay:* A. MAÑÉ.—JOSÉ PEDRO VARELA.—MATEO MARQUES CASTRO.—DARDO REGULES.—SOFÍA ALVAREZ VIGNOLI DE DEMICHELI.—

TEÓFILO PIÑEYRO CHAÍN.—LUIS A. DE HERRERA.—MARTÍN R. ECHEGOYEN.—JOSÉ G. ANTUÑA.—J. C. BLANCO.—PEDRO MAÑINI RÍOS.—RODOLFO MEZZERA.—OCTAVIO MORATÓ.—LUIS MORQUIO.—JOSÉ SERATO.

*Paraguay:* JUSTO PASTOR BENÍTEZ.—MARÍA F. GONZÁLEZ.

*Mexico:* B. VADILLO.—M. J. SIERRA.—EDUARDO SUÁREZ.

*Panama:* J. D. AROSEMENA.—MAGÍN PONS.—EDUARDO E. HOLGUIN.

*Bolivia:* ARTURO PINTO ESCALIER.

*Guatemala:* A. SKINNER KLEE.—J. GONZÁLEZ CAMPO.—CARLOS SALAZAR.—M. ARROYO.

*Brazil:* LUCILLO A. DA CUNHA BUENO.—GILBERTO AMADO.

*Ecuador:* A. AGUIRRE APARICIO.—H. ALBORNOZ.—ANTONIO PARRA V.—C. PUIG V.—ARTURO SCARONE.

*Nicaragua:* LEONARDO ARGÜELLO.—M. CORDERO REYES.—CARLOS CUADRA PASOS.

*Colombia:* ALFONSO LÓPEZ.—RAIMUNDO RIVAS.

*Chile:* MIGUEL CRUCHAGA.—J. RAMÓN GUTIÉRREZ.—F. FIGUEROA.—F. NIETO DEL RÍO.—B. COHEN.

*Peru:* ALFREDO SOLF Y MURO.

*Cuba:* ALBERTO GIRAUDY.—HERMINIO PORTELL VILÁ.—Ing. A. E. NOGUEIRA.

Treaty Series No. 881

*Convention on Rights and Duties of States, Signed at Montevideo, December 26, 1933*<sup>53</sup>

The Governments represented in the Seventh International Conference of American States:

Wishing to conclude a Convention on Rights and Duties of States, have appointed the following Plenipotentiaries:

[Here follows list of Plenipotentiaries.]

Who, after having exhibited their Full Powers, which were found to be in good and due order, have agreed upon the following:

ARTICLE 1

The state as a person of international law should possess the following qualifications: *a*) a permanent population; *b*) a defined territory; *c*) government; and *d*) capacity to enter into relations with the other states.

<sup>53</sup> In English, Spanish, Portuguese, and French; English text, only, printed. Ratification advised by the Senate, with a reservation, June 15 (legislative day of June 6), 1934; ratified by the President, with said reservation, June 29, 1934; ratification of the United States deposited with the Pan American Union, July 13, 1934; proclaimed by the President, January 18, 1935.

## ARTICLE 2

The federal state shall constitute a sole person in the eyes of international law.

## ARTICLE 3

The political existence of the state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to define the jurisdiction and competence of its courts.

The exercise of these rights has no other limitation than the exercise of the rights of other states according to international law.

## ARTICLE 4

States are juridically equal, enjoy the same rights, and have equal capacity in their exercise. The rights of each one do not depend upon the power which it possesses to assure its exercise, but upon the simple fact of its existence as a person under international law.

## ARTICLE 5

The fundamental rights of states are not susceptible of being affected in any manner whatsoever.

## ARTICLE 6

The recognition of a state merely signifies that the state which recognizes it accepts the personality of the other with all the rights and duties determined by international law. Recognition is unconditional and irrevocable.

## ARTICLE 7

The recognition of a state may be express or tacit. The latter results from any act which implies the intention of recognizing the new state.

## ARTICLE 8

No state has the right to intervene in the internal or external affairs of another.

## ARTICLE 9

The jurisdiction of states within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.



## ARTICLE 10

The primary interest of states is the conservation of peace. Differences of any nature which arise between them should be settled by recognized pacific methods.

## ARTICLE 11

The contracting states definitely establish as the rule of their conduct the precise obligation not to recognize territorial acquisitions or special advantages which have been obtained by force whether this consists in the employment of arms, in threatening diplomatic representations, or in any other effective coercive measure. The territory of a state is inviolable and may not be the object of military occupation nor of other measures of force imposed by another state directly or indirectly or for any motive whatever even temporarily.

## ARTICLE 12

The present Convention shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

## ARTICLE 13

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

## ARTICLE 14

The present Convention will enter into force between the High Contracting Parties in the order in which they deposit their respective ratifications.

## ARTICLE 15

The present Convention shall remain in force indefinitely but may be denounced by means of one year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the Convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining High Contracting Parties.

## ARTICLE 16

The present Convention shall be open for the adherence and accession of the States which are not signatories. The corresponding

instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other High Contracting Parties.

In witness whereof, the following Plenipotentiaries have signed this Convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December, 1933.

#### RESERVATIONS

The Delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the Plenary Session of the Conference on December 22, 1933, which reservation reads as follows:

The Delegation of the United States, in voting "yes" on the final vote on this committee recommendation and proposal, makes the same reservation to the eleven articles of the project or proposal that the United States Delegation made to the first ten articles during the final vote in the full Commission, which reservation is in words as follows:

"The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt Administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of non-intervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt Administration. I think it unfortunate that during the brief period of this Conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scru-

pulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted".

The delegates of Brazil and Peru recorded the following private vote with regard to article 11: "That they accept the doctrine in principle but that they do not consider it codifiable because there are some countries which have not yet signed the Anti-War Pact of Rio de Janeiro of which this doctrine is a part and therefore it does not yet constitute positive international law suitable for codification".

*Honduras*: M. PAZ BARAONA.—AUGUSTO C. COELLO.—LUIS BOGRÁN.

*United States of America*: ALEXANDER W. WEDDELL.—J. BUTLER WRIGHT.

*El Salvador*: HÉCTOR DAVID CASTRO.—ARTURO R. AVILA.

*Dominican Republic*: TULLIO M. CESTERO.

*Haiti*: J. BARAU.—F. SALGADO.—EDMOND MANGONÉS.—A. PRRE. PAUL.

*Argentina*: CARLOS SAAVEDRA LAMAS.—JUAN F. CAFFERATA.—RAMÓN S. CASTILLO.—I. RUIZ MORENO.—L. A. PODESTÁ COSTA.—D. ANTOKOLETZ.

*Venezuela*: LUIS CHURION.—J. R. MONTILLA.

*Uruguay*: A. MAÑÉ.—JOSÉ PEDRO VARELA.—MATEO MARQUES CASTRO.—DARDO REGULES.—SOFÍA ALVAREZ VIGNOLI DE DEMICHELI.—TEÓFILO PIÑEYRO CHAÍN.—LUIS A. DE HERRERA.—MARTÍN R. ECHEGOYEN.—JOSÉ G. ANTUÑA.—J. C. BLANCO.—PEDRO MAÑINI RÍOS.—RODOLFO MEZZERA.—OCTAVIO MORATÓ.—LUIS MORQUIO.—JOSÉ SERRATO.

*Paraguay*: JUSTO PASTOR BENÍTEZ.—MARÍA F. GONZÁLEZ.

*Mexico*: B. VADILLO.—M. J. SIERRA.—EDUARDO SUÁREZ.

*Panama*: J. D. AROSEMENA.—MAGÍN PONS.—EDUARDO E. HOLGUIN.

*Guatemala*: M. ARROYO.

*Brazil*: LUCILLO A. DA CUNHA BUENO.—GILBERTO AMADO.

*Ecuador*: A. AGUIRRE APARICIO.—H. ALBORNOZ.—ANTONIO PARRA V.—C. PUIG V.—ARTURO SCARONE.

*Nicaragua*: LEONARDO ARGÜELLO.—M. CORDERO REYES.—CARLOS CUADRA PASOS.

*Colombia*: ALFONSO LÓPEZ.—RAIMUNDO RIVAS.

*Chile*: MIGUEL CRUCHAGA.—J. RAMÓN GUTIÉRREZ.—F. FIGUEROA.—F. NIETO DEL RÍO.—B. COHEN.

*Peru*: (con la reserva establecida) ALFREDO SOLF Y MURO.

*Cuba*: ALBERTO GIRAUDY.—HERMINIO PORTELL VILÁ.—Ing. A. E. NOGUEIRA.

Treaty Series No. 882

*Convention on Extradition, Signed at Montevideo, December 26, 1933* <sup>54</sup>

The Governments represented in the Seventh International Conference of American States:

Wishing to conclude a Convention on Extradition, have appointed the following Plenipotentiaries:

[Here follows list of Plenipotentiaries.]

Who, after having exhibited their Full Powers, which were found in good and due form, have agreed upon the following:

#### ARTICLE 1

Each one of the signatory States in harmony with the stipulations of the present Convention assumes the obligation of surrendering to any one of the States which may make the requisition, the persons who may be in their territory and who are accused or under sentence. This right shall be claimed only under the following circumstances:

- a) That the demanding State have the jurisdiction to try and to punish the delinquency which is attributed to the individual whom it desires to extradite.
- b) That the act for which extradition is sought constitutes a crime and is punishable under the laws of the demanding and surrendering States with a minimum penalty of imprisonment for one year.

#### ARTICLE 2 <sup>55</sup>

When the person whose extradition is sought is a citizen of the country to which the requisition is addressed, his delivery may or may not be made, as the legislation or circumstances of the case may, in the judgment of the surrendering State, determine. If the accused is not surrendered, the latter State is obliged to bring action against him for the crime with which he is accused, if such crime meets the conditions established in sub-article (b) of the previous article. The sentence pronounced shall be communicated to the demanding State.

#### ARTICLE 3 <sup>56</sup>

Extradition will not be granted:

- a) When, previous to the arrest of the accused person, the penal action or sentence has expired according to the laws of the demanding or the surrendering State.

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<sup>54</sup> In English, Spanish, Portuguese, and French; English text, only, printed. Ratification advised by the Senate, with an understanding, June 15 (legislative day of June 6), 1934; ratified by the President, with said understanding, June 29, 1934; ratification of the United States deposited with the Pan American Union, July 13, 1934; proclaimed by the President, January 25, 1935.

<sup>55</sup> Art. 2 was not accepted by the United States.

<sup>56</sup> Par. d of art. 3 was not accepted by the United States.

- b) When the accused has served his sentence in the country where the crime was committed or when he may have been pardoned or granted an amnesty.
- c) When the accused has been or is being tried by the State to which the requisition was directed for the act with which he is charged and on which the petition of extradition is based.
- d) When the accused must appear before any extraordinary tribunal or court of the demanding State (tribunal o juzgado de excepción del Estado requiriente). Military courts will not be considered as such tribunals.
- e) When the offense is of a political nature or of a character related thereto. An attempt against the life or person of the Chief of State or members of his family, shall not be deemed to be a political offense.
- f) When the offense is purely military or directed against religion.

#### ARTICLE 4

The determination of whether or not the exceptions referred to in the previous article are applicable shall belong exclusively to the State to which the request for extradition is addressed.

#### ARTICLE 5

A request for extradition should be formulated by the respective diplomatic representative. When no such representative is available, consular agents may serve, or the governments may communicate directly with one another. The following documents in the language of the country to which the request for extradition is directed, shall accompany every such request:

- a) An authentic copy of the sentence, when the accused has been tried and condemned by the courts of the demanding State.
- b) When the person is only under accusation, an authentic copy of the order of detention issued by the competent judge, with a precise description of the imputed offense, a copy of the penal laws applicable thereto, and a copy of the laws referring to the prescription of the action or the penalty.
- c) In the case of an individual under accusation as also of an individual already condemned, there shall be furnished all possible information of a personal character which may help to identify the individual whose extradition is sought.

#### ARTICLE 6

When a person whose extradition is sought shall be under trial or shall be already condemned in the State from which it is sought to extradite him, for an offense committed prior to the request for extradition, said extradition shall be granted at once, but the surrender of

the accused to the demanding State shall be deferred until his trial ends or his sentence is served.

#### ARTICLE 7

When the extradition of a person is sought by several States for the same offense, preference will be given to the State in whose territory said offense was committed. If he is sought for several offenses preference will be given to the State within whose bounds shall have been committed the offense which has the greatest penalty according to the law of the surrendering State.

If the case is one of different acts which the State from which extradition is sought esteems of equal gravity, the preference will be determined by the priority of the request.

#### ARTICLE 8

The request for extradition shall be determined in accordance with the domestic legislation of the surrendering State and the individual whose extradition is sought shall have the right to use all the remedies and resources authorized by such legislation, either before the judiciary or the administrative authorities as may be provided for by the aforesaid legislation.

#### ARTICLE 9

Once a request for extradition in the form indicated in Article 5 has been received, the State from which the extradition is sought will exhaust all necessary measures for the capture of the person whose extradition is requested.

#### ARTICLE 10

The requesting State may ask, by any means of communication, the provisional or preventive detention of a person, if there is, at least, an order by some court for his detention and if the State at the same time offers to request extradition in due course. The State from which the extradition is sought will order the immediate arrest of the accused. If within a maximum period of two months after the requesting State has been notified of the arrest of the person, said State has not formally applied for extradition, the detained person will be set at liberty and his extradition may not again be requested except in the way established by Article 5.

The demanding State is exclusively liable for any damages which might arise from the provisional or preventive detention of a person.

#### ARTICLE 11

Extradition having been granted and the person requested put at the disposition of the diplomatic agent of the demanding State, then,

if, within two months from the time when said agent is notified of same, the person has not been sent to his destination, he will be set at liberty, and he cannot again be detained for the same cause.

The period of two months will be reduced to forty days when the countries concerned are conterminous.

#### ARTICLE 12 <sup>57</sup>

Once extradition of a person has been refused, application may not again be made for the same alleged act.

#### ARTICLE 13

The State requesting the extradition may designate one or more guards for the purpose of taking charge of the person extradited, but said guards will be subject to the orders of the police or other authorities of the State granting the extradition or of the States in transit.

#### ARTICLE 14

The surrender of the person extradited to the requesting State will be done at the most appropriate point on the frontier or in the most accessible port, if the transfer is to be made by water.

#### ARTICLE 15 <sup>58</sup>

The objects found in the possession of the person extradited, obtained by the perpetration of the illegal act for which extradition is requested, or which might be useful as evidence of same, will be confiscated and handed over to the demanding country, notwithstanding it might not be possible to surrender the accused because of some unusual situation such as his escape or death.

#### ARTICLE 16 <sup>59</sup>

The costs of arrest, custody, maintenance, and transportation of the person, as well as of the objects referred to in the preceding article, will be borne by the State granting the extradition up to the moment of surrender and from thereon they will be borne by the demanding State.

#### ARTICLE 17

Once the extradition is granted, the demanding State undertakes:

- a) Not to try nor to punish the person for a common offense which was committed previous to the request for extradition and which has not been included in said request, except only if the interested party expressly consents.

<sup>57</sup> Art. 12 was not accepted by the United States.

<sup>58</sup> Art. 15 was not accepted by the United States.

<sup>59</sup> Art. 16 was not accepted by the United States.

- b) Not to try nor to punish the person for a political offense, or for an offense connected with a political offense, committed previous to the request for extradition.
- c) To apply to the accused the punishment of next lesser degree than death if according to the legislation of the country of refuge the death penalty would not be applicable.
- d) To furnish to the State granting the extradition an authentic copy of the sentence pronounced.

#### ARTICLE 18 <sup>60</sup>

The signatory States undertake to permit the transit through their respective territories of any person whose extradition has been granted by another State in favor of a third, requiring only the original or an authentic copy of the agreement by which the country of refuge granted the extradition.

#### ARTICLE 19

No request for extradition may be based upon the stipulations of this Convention if the offense in question has been committed before the ratification of the Convention is deposited.

#### ARTICLE 20

The present convention will be ratified by means of the legal forms in common use in each of the signatory States, and will come into force, for each of them, thirty days after the deposit of the respective ratification.

The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan-American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

#### ARTICLE 21

The present Convention does not abrogate or modify the bilateral or collective treaties, which at the present date are in force between the signatory States. Nevertheless, if any of said treaties lapse, the present Convention will take effect and become applicable immediately among the respective States, if each of them has fulfilled the stipulations of the preceding article.

#### ARTICLE 22

The present Convention shall remain in force indefinitely but may be denounced by means of one year's notice given to the Pan-American

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<sup>60</sup> Art. 18 was not accepted by the United States.



Union, which shall transmit it to the other signatory governments. After the expiration of this period the Convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining High Contracting Parties.

#### ARTICLE 23

The present Convention shall be open for the adherence and accession of the States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan-American Union, which shall communicate them to the other High Contracting Parties.

In witness whereof, the following Plenipotentiaries have signed this convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December, 1933.

#### RESERVATIONS

The Delegation of the United States of America, in signing the present Extradition Convention, reserves the following articles:

Article 2. (second sentence, English text);

Article 3, paragraph *d*;

Articles 12, 15, 16 and 18.

Reservation to the effect that El Salvador, although it accepts in general principle Article XVIII of the Inter-American Treaty of Extradition, concretely stipulates the exception that it cannot cooperate in the surrender of its own nationals, prohibited by its Political Constitution, by permitting the transit through its territory of said nationals when one foreign State surrenders them to another.

Mexico signs the Convention on Extradition with the declaration with respect to Article 3, paragraph *f*, that the internal legislation of Mexico does not recognize offenses against religion. It will not sign the optional clause of this Convention.

The Delegation from Ecuador, in dealing with the Nations with which Ecuador has signed Conventions on Extraditions, accepts the stipulations herein established in all respects which are not contrary to said Conventions.

*Honduras*: M. PAZ BARAONA.—AUGUSTO C. COELLO.—LUIS BOGRÁN.

*United States of America*: ALEXANDER W. WEDDELL.—J. BUTLER WRIGHT.

*El Salvador*: HÉCTOR DAVID CASTRO.—ARTURO R. AVILA.

*Dominican Republic*: TULIO M. CESTERO.

*Haiti*: J. BARAU.—F. SALGADO.—EDMOND MANGONÉS.—A. PRRE. PAUL.

*Argentina:* CARLOS SAAVEDRA LAMAS.—JUAN F. CAFFERATA.—RAMÓN S. CASTILLO.—I. RUIZ MORENO.—L. A. PODESTÁ COSTA.—D. ANTOKOLETZ.

*Uruguay:* A. MAÑÉ.—JOSÉ PEDRO VARELA.—MATEO MARQUES CASTRO.—DARDO REGULES.—SOFÍA ALVAREZ VIGNOLI DE DEMICHELI.—TEÓFILO PIÑEYRO CHAÍN.—LUIS A. DE HERRERA.—MARTÍN R. ECHEGOYEN.—JOSÉ G. ANTUÑA.—J. C. BLANCO.—PEDRO MAÑINI RÍOS.—RODOLFO MEZZERA.—OCTAVIO MORATÓ.—LUIS MORQUIO.—JOSÉ SERRATO.

*Paraguay:* JUSTO PASTOR BENÍTEZ.—MARÍA F. GONZÁLEZ.

*Mexico:* B. VADILLO.—M. J. SIERRA.—EDUARDO SUÁREZ.

*Panama:* J. D. AROSEMENA.—MAGÍN PONS.—EDUARDO E. HOLGUIN.

*Guatemala:* A. SKINNER KLEE.—J. GONZÁLEZ CAMPO.—CARLOS SALAZAR.—M. ARROYO.

*Brazil:* LUCILLO A. DA CUNHA BUENO.—GILBERTO AMADO.

*Ecuador:* A. AGUIRRE APARICIO.—H. ALBORNOZ.—ANTONIO PARRA V.—C. PUIG V.—ARTURO SCARONE.

*Nicaragua:* LEONARDO ARGÜELLO.—M. CORDERO REYES.—CARLOS CUADRA PASOS.

*Colombia:* ALFONSO LÓPEZ.—RAIMUNDO RIVAS.

*Chile:* MIGUEL CRUCHAGA.—J. RAMÓN GUTIÉRREZ.—F. FIGUEROA.—F. NIETO DEL RÍO.—B. COHEN.

*Peru:* ALFREDO SOLF Y MURO.

*Cuba:* ALBERTO GIRAUDY.—HERMINIO PORTELL VILÁ.—Ing. A. E. NOGUEIRA.

#### OPTIONAL CLAUSE

The States signing this clause, notwithstanding Article 2 of the preceding Convention on Extradition, agree among themselves that in no case will the nationality of the criminal be permitted to impede his extradition.

The present clause is open to those States signing said Treaty of Extradition, which desire to be ruled by it in the future, for which purpose it will be sufficient to communicate their adherence to the Pan American Union.

*Argentina:* L. A. PODESTÁ COSTA.—D. ANTOKOLETZ.

*Uruguay:* A. MAÑÉ.—JOSÉ PEDRO VARELA.—MATEO MARQUES CASTRO.—DARDO REGULES.—SOFÍA ALVAREZ VIGNOLI DE DEMICHELI.—TEÓFILO PIÑEYRO CHAÍN.—LUIS A. DE HERRERA.—MARTÍN R. ECHEGOYEN.—JOSÉ G. ANTUÑA.—J. C. BLANCO.—PEDRO MAÑINI RÍOS.—RODOLFO MEZZERA.—OCTAVIO MORATÓ.—LUIS MORQUIO.—JOSÉ SERRATO.

Treaty Series No. 887

*Additional Protocol to the General Convention of Inter-American Conciliation, Signed at Montevideo, December 26, 1933*<sup>61</sup>

The High Contracting Parties of the General Convention of Inter-American Conciliation of the 5th of January, 1929, convinced of the undeniable advantage of giving a permanent character to the Commissions of Investigation and Conciliation to which Article 2 of said Convention refers, agree to add to the aforementioned Convention the following and additional Protocol.

ARTICLE 1

Each country signatory to the Treaty signed in Santiago, Chile, the 3rd of May, 1923, shall name, as soon as possible, by means of a bilateral agreement which shall be recorded in a simple exchange of notes with each one of the other signatories of the aforementioned Treaty, those members of the various commissions provided for in Article 4 of said Treaty. The commissions so named shall have a permanent character and shall be called Commissions of Investigation and Conciliation.

ARTICLE 2

Any of the contracting parties may replace the members which have been designated, whether they be nationals or foreigners; but, at the same time, the substitute shall be named. In case the substitution is not made, the replacement shall not be effective.

ARTICLE 3

The commissions organized in fulfillment of Article 3 of the aforementioned Treaty of Santiago, Chile, shall be called Permanent Diplomatic Commissions of Investigation and Conciliation.

ARTICLE 4

To secure the immediate organization of the commissions mentioned in the first Article hereof, the High Contracting Parties engage themselves to notify the Pan American Union at the time of the deposit of the ratification of the present Additional Protocol in the Ministry of Foreign Relations of the Republic of Chile, the names of the two members whose designation they are empowered to make by Article 4 of the Convention of Santiago, Chile, and said members, so named, shall constitute the members of the Commissions which

<sup>61</sup> In English and Spanish; Spanish text not printed. Ratification advised by the Senate, June 15 (legislative day of June 6), 1934; ratified by the President, June 29, 1934; ratification of the United States deposited with the Government of Chile, August 18, 1934; proclaimed by the President, May 8, 1935.

are to be organized with bilateral character in accordance with this Protocol.

#### ARTICLE 5

It shall be left to the Governing Board of the Pan American Union to initiate measures for bringing about the nomination of the fifth member of each Commission of Investigation and Conciliation in accordance with the stipulation established in Article 4 of the Convention of Santiago, Chile.

#### ARTICLE 6

In view of the character which this Protocol has as an addition to the Convention of Conciliation of Washington, of January 5, 1929, the provision of Article 16 of said Convention shall be applied thereto.

In witness whereof, the Plenipotentiaries hereinafter indicated, have set their hands and their seals to this Additional Protocol in English, and Spanish, in the city of Montevideo, Republic of Uruguay, this twenty-sixth day of the month of December in the year nineteen hundred and thirty-three.

*United States of America:* ALEXANDER W. WEDDELL.—J. BUTLER WRIGHT.

*Uruguay:* A. MAÑÉ.—JOSÉ PEDRO VARELA.—MATEO MARQUES CASTRO.—DARDO REGULES.—SOFÍA ALVAREZ VIGNOLI DE DEMICHELI.—TEÓFILO PIÑEYRO CHAÍN.—LUIS A. DE HERRERA.—MARTÍN R. ECHEGOYEN.—JOSÉ G. ANTUÑA.—J. C. BLANCO.—PEDRO MAÑINI RÍOS.—RODOLFO MEZZERA.—OCTAVIO MORATÓ.—LUIS MORQUIO.—JOSÉ SERRATO.

*Ecuador:* A. AGUIRRE APARICIO.—ARTURO SCARONE.

*Chile:* J. RAMÓN GUTIÉRREZ.—F. FIGUEROA.—B. COHEN.

DECISION OF THE UNITED STATES TO ADHERE TO THE  
ANTI-WAR, NONAGGRESSION AND CONCILIATION  
TREATY, SIGNED AT RIO DE JANEIRO, OCTOBER 10,  
1933<sup>1</sup>

710.1012 Anti-War/11

*The Secretary of State to the Argentine Ambassador (Espil)*

WASHINGTON, March 3, 1933.

EXCELLENCY: With reference to Your Excellency's note of September 21, 1932,<sup>2</sup> enclosing a copy of a proposed Anti-War Treaty drawn up by the Argentine Government, I have the honor to state that this document has been given the most careful and sympathetic study by the Government of the United States, which appreciates the lofty aims that have impelled the Argentine authorities to devote themselves so earnestly to the cause of peace on the American continent.

It is noted that in your communication of September 21, 1932, under acknowledgment, Your Excellency states that "the principal purpose" of the proposed Anti-War Treaty "is to give a character of permanency to and establish in organic form the agreement of wills which that noble international act (declaration of August 3, 1932)<sup>3</sup> signified which has come to establish the bonds which unite the countries of America". The first paragraph of the preamble of the draft treaty also sets forth the purpose of the nations to "endeavor to contribute to the consolidation of peace" and "to express their adherence to the efforts that all civilized nations have made to further the spirit of universal harmony". The "Statement of Reasons" of the Treaty contained in the pamphlet enclosed in your note under acknowledgment states that "the Argentine Government wishes thus to contribute to the uniform acceptance of the Kellogg-Briand Pact<sup>4</sup> and, what is of greater importance, to its effective application through the conclusion among the South American Republics of a similar and coinciding agreement, intended to cooperate in the attainment of the same lofty aims."

<sup>1</sup> For previous correspondence, see section entitled "Proposal by the Argentine Government for an Anti-War Treaty", *Foreign Relations*, 1932, vol. v, pp. 260 ff.

<sup>2</sup> *Ibid.*, p. 261.

<sup>3</sup> *Ibid.*, p. 159.

<sup>4</sup> Treaty for the Renunciation of War, signed at Paris, August 27, 1928, *ibid.*, 1928, vol. i, p. 153.

The American Government in pursuance of its study of the draft Treaty submitted by Your Excellency has reached the conclusion that there are serious drawbacks to concluding at the present moment a treaty of the type referred to. There are two principal reasons which have contributed to this decision.

In the first place the American Government believes that the peace structure of the world, toward which so many efforts have been devoted during the past decade, has tended to grow unduly cumbersome. Not only is there an overlapping between treaties now in existence but as a number of existing instruments have not yet entered into force the anomalous situation is found where nations are bound toward certain other nations by one set of ties and toward another group by completely different bonds. The result is a certain lack of clarity on the part of world public opinion as to the exact nature of the obligations taken which might apply in any given dispute. The American Government feels that before taking a further step it would be well to conserve and strengthen the advances which have already been made through international agreements for the pacific solution of international controversies.

The second reason which has motivated the American Government in deciding that it would be inadvisable to conclude a treaty along the basis of Your Excellency's draft is that while to a certain extent it attempts to parallel the undertakings of the Kellogg-Briand Pact and while Your Excellency refers to it "as a similar and coinciding agreement" the language used is sufficiently different to raise the question of whether or not the obligations undertaken in the Kellogg-Briand Pact had need of being either modified or re-interpreted. For instance, the second paragraph of the Preamble and also Article I speak of "wars of aggression". The language of Article I of the Pact of Paris, whereby the Contracting Parties condemn "recourse to war" was most carefully considered by this Government when it was first proposed, and the use of the word "aggression" was purposely avoided. The objection to the use of the word "aggression" was stated by Secretary of State Kellogg in a speech before the Council on Foreign Relations in New York City on March 15, 1928, as follows: <sup>5</sup>

"My objection to limiting the scope of an anti-war treaty to mere wars of aggression is based partly upon a very real disinclination to see the ideal of world peace qualified in any way, and partly upon the absence of any satisfactory definition of the word 'aggressor' or the phrase 'wars of aggression'. It is difficult for me to see how a definition could be agreed upon which would not be open to abuse. The danger inherent in any definition is recognized by the British Government

<sup>5</sup> For full text of speech, see *The War Prevention Policy of the United States*, an Address by the Honorable Frank B. Kellogg (Washington, Government Printing Office, 1928).

which in a memorandum recently submitted to the Sub-committee on Security of the Preparatory Committee on Disarmament of the League of Nations discussed attempted definitions of this character, and quoted from a speech by the British Foreign Secretary in which Sir Austen (Chamberlain) said: 'I therefore remain opposed to this attempt to define the aggressor because I believe that it will be a trap for the innocent and a signpost for the guilty.'"

As I had occasion to state in an address on August 8, 1932,<sup>6</sup> before the Council on Foreign Relations at New York City, Mr. Kellogg in drafting the Treaty, which later became known as the Pact of Paris, rightly fought for a clear, terse prohibition of war free from any detailed definitions or reservations. In his own words he sought—

"a treaty so simple and unconditional that the people of all nations could understand it, a declaration which could be a rallying point for world sentiment, a foundation on which to build a world peace."

Any other course would have opened the door to technicalities and destructive limitations. Again, in the words of Mr. Kellogg:

"As it stands, the only limitation to the broad covenant against war is the right of self-defense. This right is so inherent and universal that it was deemed unnecessary even to insert it expressly in the Treaty."

As the Government of Your Excellency is aware, the Kellogg-Briand Pact is in force today as between sixty-two nations of the world. This Government regards that Treaty as a great effort towards peace made by the nations of the world who had suffered so much from the World War as to make a recurrence of such a disaster impossible. This Government has read with pleasure the comment appended to the draft of the Anti-War Treaty proposed by Your Excellency's Government, which states:

"It has been said that the Kellogg-Briand Pact represents for the nations of America, as it does for those of the world at large, the exclusion of force and a prohibition to resort to war, in a final summing up of many efforts to bring about respect for international standards. For the Republics of South America it translates their best doctrines and the purpose back of their valuable juridical conceptions."

The Government of the United States most earnestly hopes that the Government of the Argentine Republic, in its devotion to the ideals of peace, may see fit to adhere to the already existing Treaty for the Renunciation of War.

The Kellogg-Briand Pact is the cornerstone on which this Government has rested its foreign policy and there can be no reason for doubt, either from its declarations or from its attitude throughout the recent controversies which have been troubling the world, as to its interpreta-

<sup>6</sup> *Foreign Relations*, 1932, vol. I, p. 575.

tion of the obligations agreed to under the Pact. Public opinion in the United States is slow in accepting any new departure in foreign relations; yet this same public opinion has now fully accepted the Pact as a prime tenet of American policy and the response to its invocation in recent foreign disputes has been gratifying. Slowly there is being built up as an outgrowth of the meaning of the Pact a tradition of cooperation, which, while founded on the exercise of the independent judgment of this country, is none the less real. Should this Government re-affirm the principles of the Pact in other terms, or more particularly should this Government accept new contractual undertakings on a parallel or slightly divergent course, it would not only confuse public opinion but it would inevitably weaken the prestige of the Kellogg-Briand Pact.

These two considerations although of a general nature have proved so compelling that I have not commented in detail on the other features of the draft submitted by Your Excellency. With many this Government is in full accord; in all it recognizes the lofty aims which have inspired them. If in the present instance this Government sees certain objections to advancing further along the particular lines suggested by Your Excellency it none the less continues to hope that the two countries may advance together toward the common goal of assuring international peace.

Accept [etc.]

HENRY L. STIMSON

710.1012 Anti-War/25 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO [undated].

[Received October 4, 1933—8:22 p. m.]

87. Secretary General of Foreign Office this afternoon handed me copy of anti-war treaty to be signed here with Argentine on Tuesday, October 10th. He informed me Peru has already notified its intention to sign at the same time, and certain other signatures are expected.

He expressed the earnest hope of the Brazilian Government that the United States Government would also sign on October 10th.

So far as I can see on hasty examination, this is the same text furnished the Department with the Argentine Ambassador's note of September 21, 1932,<sup>7</sup> which was dealt with in detail by Mr. Stimson's note of March 3, 1933.

I have not felt I could answer the invitation of the Foreign Office by a statement of the adverse views expressed in this note without first being sure that they are shared by the present administration. There

<sup>7</sup> *Foreign Relations, 1932, vol. v, p. 261.*



is nothing on the records here to show that the substance of Mr. Stimson's note was ever communicated to the Brazilian Government.

As only short time remains for necessary arrangements request instructions by telegraph.

If Department's decision is not to participate I trust reasons to be given Foreign Office may bear solely on our own position and avoid some of the allusions in the note referred to as to the unwisdom of the treaty in itself inasmuch as signature has already been agreed upon and a day and hour fixed.

GIBSON

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710.1012 Anti-War/25 : Telegram

*The Secretary of State to the Ambassador in Brazil (Gibson)*

WASHINGTON, October 6, 1933—5 p. m.

75. Your undated telegram No. 87. You may say to the Brazilian Government that this Government sincerely appreciates the high aims of the Brazilian as well as the Argentine Government in their praiseworthy efforts to work for peace on this continent. In considering action by this Government, however, we have constantly borne in mind the importance of the provisions of the Kellogg-Briand Pact in the conduct of our foreign relations. While public opinion in the United States is slow in accepting any new departure in foreign relations, yet it has now apparently fully accepted the Pact as a prime tenet of American policy. Slowly there is being built up as an outgrowth of the meaning of the Pact a tradition of cooperation, which, while founded on the exercise of the independent judgment of this country, is none the less real. Should this Government now reaffirm the principles of the Pact in other terms or more particularly should it now accept new contractual undertakings on a parallel or slightly divergent course it would only serve, we fear, to confuse public opinion in this country and thereby inevitably prejudice the helpful understanding and support given by public opinion here to the Pact. For the foregoing reasons it appears unwise, from the viewpoint of our foreign policy, for this Government to sign the proposed anti-war treaty.

HULL

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710.G/338

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 31, 1933.

The Argentine Ambassador, Señor Dr. Felipe A. Espil, came to see me this morning to tell me that he had had a telephone conversation with the Minister for Foreign Affairs at Buenos Aires regarding the

possibility of postponing the Montevideo Conference,<sup>8</sup> in which he (Espil) had intimated to Saavedra Lamas<sup>9</sup> that, in his opinion, it is now too late to take up the matter of postponing the Conference. After some hesitation, Saavedra Lamas had agreed to let the matter drop.

The Argentine Ambassador went on to say that if we desired to win over Saavedra Lamas to our side at Montevideo we could do so by adhering to his anti-war pact, adding that we could do so with reservations if we liked: "Saavedra Lamas won't object to reservations—what he is interested in, is having the United States adhere to his pact."

J[EFFERSON] C[AFFERY]

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[NOTE. In the Instructions to Delegates to the Seventh International Conference of American States, Montevideo, Uruguay, dated November 10, 1933, chapter I, Organization of Peace, topic 4, Anti-War Pacts—Argentine Pact (*ante*, p. 54), the Secretary stated:

"This Government has heretofore declined to sign the Argentine Anti-War Treaty . . . It is possible that if the United States should be willing to sign the Argentine Anti-War Pact, Argentina would consider favorably adherence to the Briand Kellogg Pact and the other peace conventions mentioned above.

"Furthermore, an expressed willingness on our part to sign Señor Saavedra Lamas' Anti-War Treaty might conceivably be of considerable assistance to our delegation in working for cooperation and harmony at the Conference . . .

"You are, therefore, authorized in your discretion to discuss this question confidentially and discreetly with Señor Saavedra Lamas . . . If you believe it advisable, you are authorized to inform him that you will be prepared, at the end of the Conference, to sign the Anti-War Treaty on behalf of the United States."

See also the following correspondence pertinent to this subject printed in section 3, entitled "Proceedings": (1) Telegrams from the Chairman of the American Delegation to the Seventh International Conference of American States (Hull) to the Acting Secretary of State, as follows: No. 37, December 8, 5 p. m., p. 167; No. 44, December 10, 11 a. m., p. 173; No. 52, December 12, 11 p. m., p. 177; No. 56, December 14, 10 p. m., p. 188; No. 59, December 15, midnight, p. 189; No. 62, December 16, 11 p. m., p. 192; (2) memorandum by Mr. J. Butler Wright, undated, p. 178.

See also Resolution IV, Adherence to and Ratification of Peace Instruments (Approved December 16, 1933), printed in *Report of*

<sup>8</sup> See pp. 1 ff.

<sup>9</sup> Carlos Saavedra Lamas, Argentine Minister for Foreign Affairs.

*the Delegates of the United States of America to the Seventh International Conference of American States*, pp. 195-196; *Procès Verbal of the Intention to Subscribe to the Pacts for the Settlement of International Conflicts by Pacific Means*, of December 26, 1933, *ibid.*, pp. 173-174; and address by Secretary of State Hull, December 15, 1933, *ibid.*, pp. 114-118.]

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Treaty Series No. 906

*Anti-War Treaty on Nonaggression and Conciliation, Signed at Rio de Janeiro, October 10, 1933*<sup>10</sup>

[Translation]

The states designated below, in the desire to contribute to the consolidation of peace, and to express their adherence to the efforts made by all civilized nations to promote the spirit of universal harmony;

To the end of condemning wars of aggression and territorial acquisitions that may be obtained by armed conquest, making them impossible and establishing their invalidity through the positive provisions of this treaty, and in order to replace them with pacific solutions based on lofty concepts of justice and equity;

Convinced that one of the most effective means of assuring the moral and material benefits which peace offers to the world is the organization of a permanent system of conciliation for international disputes, to be applied immediately on the violation of the principles mentioned;

Have decided to put these aims of non-aggression and concord in conventional form, by concluding the present treaty, to which end they have appointed the undersigned plenipotentiaries, who, having exhibited their respective full powers, found to be in good and due form, have agreed upon the following:

#### ARTICLE I

The High Contracting Parties solemnly declare that they condemn wars of aggression in their mutual relations or those with other states, and that the settlement of disputes or controversies of any kind that may arise among them shall be effected only by the pacific means which have the sanction of international law.

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<sup>10</sup> In Spanish and Portuguese; English translation reprinted from S. Ex. Doc. H. 73d Cong., 2d sess. Adhered to on behalf of the United States, subject to ratification, April 27, 1934; adherence advised by the Senate, subject to a reservation, June 15 (legislative day of June 6), 1934; adherence ratified by the President, subject to the said reservation, June 27, 1934; instrument of adherence deposited with the Government of Argentina, August 10, 1934; proclaimed by the President, March 11, 1936.

## ARTICLE II

They declare that as between the High Contracting Parties territorial questions must not be settled by violence, and that they will not recognize any territorial arrangement which is not obtained by pacific means, nor the validity of the occupation or acquisition of territories that may be brought about by force of arms.

## ARTICLE III

In case of non-compliance by any state engaged in a dispute, with the obligations contained in the foregoing articles, the contracting states undertake to make every effort for the maintenance of peace. To that end they will adopt in their character as neutrals a common and solidary attitude; they will exercise the political, juridical or economic means authorized by international law; they will bring the influence of public opinion to bear but will in no case resort to intervention either diplomatic or armed; subject to the attitude that may be incumbent on them by virtue of other collective treaties to which such states are signatories.

## ARTICLE IV

The High Contracting Parties obligate themselves to submit to the conciliation procedure established by this treaty, the disputes specially mentioned and any others that may arise in their reciprocal relations, without further limitations than those enumerated in the following article, in all controversies which it has not been possible to settle by diplomatic means within a reasonable period of time.

## ARTICLE V

The High Contracting Parties and the states which may in the future adhere to this treaty, may not formulate at the time of signature, ratification or adherence, other limitations to the conciliation procedure than those which are indicated below:

(a) Differences for the solution of which treaties, conventions, pacts or pacific agreements of any kind whatever may have been concluded, which in no case shall be considered as annulled by this agreement, but supplemented thereby in so far as they tend to assure peace; as well as the questions or matters settled by previous treaties;

(b) Disputes which the parties prefer to solve by direct settlement or submit by common agreement to an arbitral or judicial solution;

(c) Questions which international law leaves to the exclusive competence of each state, under its constitutional system, for which reason the parties may object to their being submitted to the conciliation procedure before the national or local jurisdiction has decided definitively; except in the case of manifest denial or delay of justice, in

which case the conciliation procedure shall be initiated within a year at the latest;

(d) Matters which affect constitutional precepts of the parties to the controversy. In case of doubt, each party shall obtain the reasoned opinion of its respective tribunal or supreme court of justice, if the latter should be invested with such powers.

The High Contracting Parties may communicate, at any time and in the manner provided for by Article XV, an instrument stating that they have abandoned wholly or in part the limitations established by them in the conciliation procedure.

The effect of the limitations formulated by one of the contracting parties shall be that the other parties shall not consider themselves obligated in regard to that party save in the measure of the exceptions established.

#### ARTICLE VI

In the absence of a permanent Conciliation Commission or of some other international organization charged with this mission by virtue of previous treaties in effect, the High Contracting Parties undertake to submit their differences to the examination and investigation of a conciliation commission which shall be formed as follows, unless there is an agreement to the contrary of the parties in each case;

The Conciliation Commission shall consist of five members. Each party to the controversy shall designate a member who may be chosen by it from among its own nationals. The three remaining members shall be designated by common agreement by the parties from among the nationals of third Powers, who must be of different nationalities, must not have their customary residence in the territory of the interested parties nor be in the service of any of them. The parties shall choose the President of the Conciliation Commission from among the said three members.

If they cannot arrive at an agreement with regard to such designations, they may entrust the selection thereof to a third Power or to some other existing international organism. If the candidates so designated are rejected by the parties or by any one of them, each party shall present a list of candidates equal in number to that of the members to be selected, and the names of those to sit on the Conciliation Commission shall be determined by lot.

#### ARTICLE VII

The tribunals or supreme courts of justice which, in accordance with the domestic legislation of each State, may be competent to interpret, in the last or the sole instance and in matters under their respective jurisdiction, the Constitution, treaties, or the general prin-

ciples of the law of nations, may be designated preferentially by the High Contracting Parties to discharge the duties entrusted by the present treaty to the Conciliation Commission. In this case the Tribunal or Court may function as a whole or may designate some of its members to proceed alone or by forming a mixed commission with members of other courts or tribunals, as may be agreed upon by common accord between the parties to the dispute.

#### ARTICLE VIII

The Conciliation Commission shall establish its own rules of procedure, which shall provide in all cases for hearing both sides.

The parties to the controversy may furnish and the commission may require from them all the antecedents and information necessary. The parties may have themselves represented by delegates and assisted by advisers or experts, and also present evidence of all kinds.

#### ARTICLE IX

The labors and deliberations of the Conciliation Commission shall not be made public except by a decision of its own to that effect, with the assent of the parties.

In the absence of any stipulations to the contrary, the decisions of the commission shall be made by a majority vote, but the commission may not pronounce judgment on the substance of the case except in the presence of all its members.

#### ARTICLE X

It is the duty of the Commission to secure the conciliatory settlement of the disputes submitted to its consideration.

After an impartial study of the questions in dispute, it shall set forth in a report the outcome of its work and shall propose to the Parties bases of settlement by means of a just and equitable solution.

The report of the Commission shall in no case have the character of a final decision or arbitral award either with respect to the exposition or the interpretation of the facts, or with regard to the considerations or conclusions of law.

#### ARTICLE XI

The Conciliation Commission must present its report within one year counting from its first meeting unless the parties should decide by common agreement to shorten or extend this period.

The conciliation procedure having been once begun may be interrupted only by a direct settlement between the parties or by their subsequent decision to submit the dispute by common accord to arbitration or to international justice.

## ARTICLE XII

In communicating its report to the parties the Conciliation Commission shall fix for them a period which shall not exceed six months, within which they must decide as to the bases of the settlement it has proposed. On the expiration of this term, the Commission shall record in a final act the decision of the parties.

This period having expired without acceptance of the settlement by the parties, or the adoption by common accord of another friendly solution, the parties to the dispute shall regain their freedom of action to proceed as they may see fit within the limitations flowing from Articles I and II of this treaty.

## ARTICLE XIII

From the initiation of the conciliatory procedure until the expiration of the period fixed by the Commission for the parties to make a decision, they must abstain from any measure prejudicial to the execution of the agreement that may be proposed by the Commission and, in general, from any act capable of aggravating or prolonging the controversy.

## ARTICLE XIV

During the conciliation procedure the members of the Commission shall receive honoraria the amount of which shall be established by common agreement by the parties to the controversy. Each of them shall bear its own expenses, and a moiety of the joint expenses or honoraria.

## ARTICLE XV

The present treaty shall be ratified by the High Contracting Parties as soon as possible, in accordance with their respective constitutional procedures.

The original treaty and the instruments of ratification shall be deposited in the Ministry of Foreign Relations and Worship, of the Argentine Republic, which shall communicate the ratifications to the other signatory states. The treaty shall go into effect between the High Contracting Parties 30 days after the deposit of the respective ratifications, and in the order in which they are effected.

## ARTICLE XVI

This treaty shall remain open to the adherence of all states.

Adherence shall be effected by the deposit of the respective instrument in the Ministry of Foreign Relations and Worship of the Argentine Republic, which shall give notice thereof to the other interested states.

## ARTICLE XVII

The present treaty is concluded for an indefinite time, but may be denounced by one year's notice, on the expiration of which the effects thereof shall cease for the denouncing state, and remain in force for the other states which are parties thereto, by signature or adherence.

The denunciation shall be addressed to the Ministry of Foreign Relations and Worship, of the Argentine Republic, which shall transmit it to the other interested states.

In witness whereof, the respective plenipotentiaries sign the present treaty in one copy, in the Spanish and Portuguese languages, and affix their seals thereto at Rio de Janeiro, D. F., on the tenth day of the month of October one thousand nine hundred thirty and three.

For the Argentine Republic:

(L. S.) CARLOS SAAVEDRA LAMAS,  
*Minister of Foreign Relations and Worship.*

For the Republic of the United States of Brazil:

(L. S.) AFRANIO DE MELLO FRANCO,  
*Minister of Foreign Relations.*

For the Republic of Chile: with the reservations under letters *a*, *b*, *c*, and *d* of Article V:

(L. S.) MARCIAL MARTINEZ DE FERRARI,  
*Ambassador Extraordinary and  
Plenipotentiary at Rio de Janeiro.*

For the United Mexican States:

(L. S.) ALFONSO REYES,  
*Ambassador Extraordinary and  
Plenipotentiary at Rio de Janeiro.*

For the Republic of Paraguay:

(L. S.) ROGELIO IBARRA,  
*Envoy Extraordinary and  
Minister Plenipotentiary at Rio de Janeiro.*

For the Oriental Republic of Uruguay:

(L. S.) JUAN CARLOS BLANCO,  
*Ambassador Extraordinary and  
Plenipotentiary at Rio de Janeiro.*

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[The Senate resolution of June 15 (legislative day of June 6), 1934, giving advice and consent to ratification of the admission, contained the following: "In adhering to this treaty the United States does not thereby waive any rights it may have under treaties or conventions or under international law."

In addition to the Argentine Republic, Chile, and the United States of America, the treaty is in effect in respect of Bulgaria, Cuba, the



Dominican Republic, El Salvador, Nicaragua, Rumania, and Venezuela, whose respective instruments of adherence were deposited with the Government of the Argentine Republic on April 15, 1935, June 6, 1934, September 20, 1935, September 17, 1934, August 13, 1935, June 10, 1935, and December 27, 1935.

The treaty, in accordance with article XV thereof, came into effect with respect to Mexico on March 18, 1936, the thirtieth day after the date of deposit of Mexico's instrument of ratification with the Government of the Argentine Republic, on February 17, 1936.]

## CHACO DISPUTE BETWEEN BOLIVIA AND PARAGUAY<sup>1</sup>

724.3415/2725a : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*<sup>2</sup>

WASHINGTON, January 4, 1933—11 a. m.

1. Please report any information you can discreetly obtain regarding position Government is likely to take on request of Neutral Commission of December 31<sup>3</sup> for information as to steps Government would be willing to take in order to bring about peace between Bolivia and Paraguay.

STIMSON

724.3415/2732 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 4, 1933—7 p. m.

[Received January 5—12:23 a. m.]

3. Department's telegram No. 2, January 4, 11 a. m.<sup>3a</sup>

(1) Polo<sup>4</sup> states this Government is only too willing to support the action of the Neutrals but does not specifically state what steps are proposed.

(2) Immediately upon receiving request of December 31 Foreign Office cabled Argentina, Brazil, and Chile inquiring their respective point of view and suggesting action would be more effective if four neighboring nations act in unison. Peru is awaiting replies which are expected shortly. Reporting further soon.

DEARING

724.3415/2733 : Telegram

*The Chargé in Chile (Norweb) to the Secretary of State*

SANTIAGO, January 4, 1933—9 p. m.

[Received January 4—8:46 p. m.]

4. Department's No. 3, January 4, 11 a. m.<sup>3a</sup> In two conversations with the Minister for Foreign Affairs he has reiterated that he has

<sup>1</sup> Continued from *Foreign Relations*, 1932, vol. v, pp. 8-259.

<sup>2</sup> The same, January 4, 11 a. m., to the diplomatic representatives in Argentina (as telegram No. 1), Chile (No. 3), and Peru (No. 2).

<sup>3</sup> *Foreign Relations*, 1932, vol. v, p. 218.

<sup>3a</sup> See footnote 2, above.

<sup>4</sup> Solón Polo, Chief Permanent Secretary, Peruvian Foreign Office.

reached no conclusion. Conversations with interested colleagues confirm this but suggest that he is awaiting some indication from the Argentine. Have appointment with him tomorrow.

NORWEB

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724.3415/2738: Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 5, 1933—1 p. m.

[Received 4:04 p. m.]

2. Your No. 1, January 4, 11 a. m.<sup>4a</sup> Minister for Foreign Affairs told me this morning that he was studying the matter in an endeavor to find a solution for proposal to Neutral Commission and neighboring countries but had reached no conclusion as yet. He intimated that if no solution were found Argentina would issue declaration of neutrality. Military Attaché who returned yesterday from Paraguay states that secret agent of Saavedra Lamas<sup>5</sup> was in Asunción seeking to interview President Ayala.<sup>6</sup>

BLISS

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724.3415/2745: Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 6, 1933—noon.

[Received January 6—10:15 a. m.]

2. Department's telegram No. 1, January 4, 11 a. m. Brazilian Minister for Foreign Affairs<sup>7</sup> will reply today to Neutral Commission's inquiry.<sup>8</sup> Answer has been delayed at the request Bolivian Minister at Rio de Janeiro.

MORGAN

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724.3415/2749: Telegram

*The Chargé in Chile (Norweb) to the Secretary of State*

SANTIAGO, January 6, 1933—6 p. m.

[Received January 6—5:35 p. m.]

6. My telegram number 4, January 4, 9 p. m. After my third conversation there is no indication that the Foreign Minister<sup>9</sup> has

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<sup>4a</sup> See footnote 2, p. 241.

<sup>5</sup> Carlos Saavedra Lamas, Argentine Minister for Foreign Affairs.

<sup>6</sup> Eusebio Ayala, President of Paraguay.

<sup>7</sup> Afranio de Mello Franco.

<sup>8</sup> See telegram of January 11 from the Brazilian Minister for Foreign Affairs to the Chairman of the Commission of Neutrals, p. 251.

<sup>9</sup> Miguel Cruchaga Tocornal.

been active in advancing any proposal, that he has made any tangible progress or that he has revealed to anyone what ideas he may have.

NORWEB

724.3415/275 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, January 7, 1933—2 p. m.

[Received 7:45 p. m.]

4. This Government's delay in replying to the last neutral communication has been due to its expectation of receiving a proposal from either Argentina or Chile which it would be embarrassing to accept if it had meanwhile informed the neutrals that it is still disposed to consider any further suggestion sent to it by them direct. The President today tells me he is advised from Santiago that the Chilean Minister for Foreign Affairs has sent a circular telegram to the Argentine, Brazilian and Peruvian Foreign Offices asking whether there is any reason why their Governments should not join the Chilean Government in an effort to bring about peace in the Chaco.

It is the opinion of the general staff here that Kundt's<sup>10</sup> offensive has broken down and that the rains will forbid its revival before April at earliest. According to Ayala's private information from La Paz, Kundt has informed Salamanca<sup>11</sup> that there is no prospect of an early or decisive Bolivian victory and that popular disillusionment as to Kundt's ability is growing rapidly.

WHEELER

724.3415/2756a : Circular telegram

*The Acting Secretary of State to the Diplomatic Missions in Argentina, Bolivia, Brazil, Chile, Paraguay, and Peru*

WASHINGTON, January 7, 1933—3 p. m.

Department advised by Bolivian Minister that Argentine Government has sounded out Bolivian Government regarding proposed solution of Chaco matter by conversations to be held presumably in Buenos Aires and that Bolivian Government has replied to this and to a similar suggestion from Chilean Government to the effect that it feels that all neutral Governments which are desirous of helping in a solution should agree among themselves regarding suggestion which they will make to the two contending powers. The Minister added that it was the intention of his Government that the four neighboring countries should come to an agreement among themselves

<sup>10</sup> Hans Kundt, German General in the employ of Bolivia.

<sup>11</sup> Daniel Salamanca, President of Bolivia.

and with the Neutral Commission, the neighboring countries perhaps joining the Neutral Commission, in order that effective action could be taken to settle the Chaco dispute. Please cable any information discreetly obtainable regarding this.

CASTLE

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724.3415/2752 : Telegram

*The President of the Council of the League of Nations (De Valera) to the Chairman of the Commission of Neutrals (White)*

GENEVA, January 7, 1933.

[Received 11 a. m.]

Council will be deeply interested in information concerning dispute between Bolivia-Paraguay. Conveyed your telegram<sup>12</sup> for which thank you. Dispute between these two members League is on agenda next meeting Council. Latter will, I know, be glad be kept fully informed developments.

DE VALERA

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724.3415/2757 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, January 8, 1933— 4 p. m.

[Received 11 : 40 p. m.]

5. Your telegram number 76 [*circular?*] of January 7, 3 p. m. Argentina has made no approach to Paraguay since Moreno<sup>13</sup> left Asunción nor has any suggestion come from Chile. Last night I broached hypothetically to the President the idea of the combination outlined in your telegram. His reaction is as follows:

The present time is most propitious for a settlement as both peoples at heart desire peace; both are facing bankruptcy and smarting from losses and neither has won a sweeping victory. The neighbor powers decide to offer, in lieu of the complete demobilization Paraguay has been insisting on, a form of security which would satisfy her demands. Since the neighbor powers would thus be furnishing an element of which the neutrals could not avail themselves in framing their suggestion of December 15th,<sup>14</sup> the latter might be able to accept the modified formula. Also Bolivia might find in the modification sufficient face saving to enable her to agree. The difficulty would be the mutual jealousy of Saavedra Lamas and Cruchaga. Peru would offer no difficulties but at the first sign of lack of unanimity between Argentina

<sup>12</sup> *Foreign Relations*, 1932, vol. v, p. 258.

<sup>13</sup> Ruiz Moreno, adviser to the Argentine Foreign Office.

<sup>14</sup> *Foreign Relations*, 1932, vol. v, p. 126.

and Chile Brazil would stand out entirely as has always been her policy.

The only chance of success along the line indicated, Ayala believes, would be for the neutrals to request the four neighbor powers to consult together and to lay before the group, with a view to a combined effort, a specific suggestion which might be made to the two contending powers in the name of the neutral powers and the neighbor powers together. He has not much confidence, however, that the latter would view such a request favorably.

WHEELER

724.3415/2760 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 9, 1933—11 a. m.

[Received 4:32 p. m.]

4. Department's circular January 7, 3 p. m. Embassy's telegram 3, January 4, 7 p. m. Peru's position is that set out in circular. No replies yet received from Argentina, Brazil and Chile. Believed at Foreign Office changes going against Bolivia which would willingly accept any suggestion promising cessation hostilities.

DEARING

724.3415/2759 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 9, 1933—4 p. m.

[Received January 9—2:40 p. m.]

4. Department's circular telegram January 7, 3 p. m. Argentine Minister for Foreign Affairs has addressed a personal telegram to Brazilian Minister for Foreign Affairs stating that he will transmit a proposal to governments of interested nations for the settlement of Chaco question. Brazilian Minister for Foreign Affairs will reply that he awaits such a proposal with interest and desires to cooperate with any practical suggestion relative to the issue.

Bolivian Minister on Saturday made a similar statement to Brazilian Foreign Office to that which was made to the Department and which is referred to in your telegram. He added that his Government preferred that negotiations should remain in Washington rather than be transferred elsewhere and that it was desirable that the American Governments especially interested in the matter should agree upon a concrete proposal for solution before submitting such a proposal to Bolivia and Paraguay.

MORGAN

724.3415/2762 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, January 9, 1933—5 p. m.

[Received 7:53 p. m.]

4. Department's circular telegram of January 7, 3 p. m. The Minister of Foreign Affairs informed me today that the Argentine proposal was made at the suggestion of Ruiz Moreno, adviser to the Argentine Foreign Office, on his return last week from Asunción and would provide for an immediate cessation of hostilities based on a withdrawal to the Ballivian Line and the Paraguay River, and arbitration including Hayes zone,<sup>15</sup> all of which Paraguay informed Ruiz Moreno it would accept if negotiations were conducted under Argentine auspices. Finot<sup>16</sup> has already informed the Department of Bolivia's reply thereto.

The same reply was made to the Chilean suggestion, the details of which I have not learned. The Minister of Foreign Affairs said that Chile is eager to mediate without the cooperation of the neighboring countries and that pressure is being brought to bear on Bolivia to accept, the veiled intimation being that in case of refusal the importation of munitions via Arica would be prohibited. The Minister also informed me that his Government resents this Argentine and Chilean pressure and that it would probably not object to the inclusion of the four countries in Neutral Commission. It does not intend to consider isolated suggestions from Orestes.

The Bolivian Government is informed that Paraguay intends to make a formal declaration of war, so that importation of arms may be prohibited by neighboring countries.

Bolivian troops have captured two more forts from Paraguay.

FEELY

724.3415/2824 2/6

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] January 9, 1933.

The Chilean Chargé d'Affaires, Mr. Cohen, called at 5:20 p. m., and left with me the attached telegram from Minister for Foreign Affairs Cruchaga. I immediately gave Mr. Cohen a memorandum setting forth my views which he promised to cable Cruchaga in reply. Copies of both memoranda are attached hereto.

F[RANCIS] W[HITE]

<sup>15</sup> See Hayes Award of November 12, 1878, *Foreign Relations*, 1878, p. 711.

<sup>16</sup> Enrique Finot, Bolivian Minister in the United States.

[Annex 1—Telegram—Translation]

*The Chilean Minister for Foreign Affairs (Cruchaga) to the Chilean Chargé (Cohen)*

[SANTIAGO?] January 9, 1933.

No. 6.—Please send the following personal and confidential communication to Mr. White. Before making an official answer to the telegram of December 31<sup>17</sup> from the Honorable Commission of Neutrals, with reference to knowing what steps the Government of Chile would be disposed to take for the purpose of achieving peace between Bolivia and Paraguay, I desire to inform you that my Government cherishes sincere desire to cooperate in pacific action. [The]<sup>17a</sup> initiative would consist naturally in inducing the Parties to arbitral resort, with certain preparatory suggestion and subsequent modalities. For this it is necessary to know whether the Commission of Neutrals would agree that we neighboring countries act directly and not through the Commission; but if it is not possible, stating that our action would continue the efforts of the Neutrals on behalf of the mission of peace. In consulting you personally I trust that you will use your high influence in order to leave us in a position to take immediate steps, bearing in mind that we could urge the Government of Paraguay as far as it might be possible to reestablish contact with the Neutrals in order that if the need should arise the neighboring countries might work together with the Commission in the course of the negotiations. [My]<sup>17a</sup> personal impression is that no other possibility (will offer) to bring to an end the sanguinary struggle, so that I shall deeply appreciate your opinion in order to determine upon a reply.

Affectionate salutations,

MIGUEL CRUCHAGA

[Annex 2—Memorandum]

*The Chairman of the Commission of Neutrals (White) to the Chilean Chargé (Cohen)*

[WASHINGTON,] January 9, 1933.

What the Neutral Commission considers would be helpful in the present juncture would be for the four neighboring countries to tell the Neutral Commission just what they are prepared to do to bring about peace. This would probably best be accomplished by the four

<sup>17</sup> *Foreign Relations*, 1932, vol. v, p. 218.<sup>17a</sup> Brackets appear in the file translation.



neighboring countries consulting together and deciding upon measures which they would all support. When the four neighboring countries have agreed among themselves then if the neighboring countries would discuss the matter with the Neutral Commission an agreement would be easily arrived at between the four neighboring countries and the Neutral Commission in order that the Neutral Commission and the four neighboring governments might simultaneously take identic action.

F[RANCIS] W[HITE]

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724.3415/2766a : Telegram

*The Acting Secretary of State to the Ambassador in Peru (Dearing)*<sup>18</sup>

WASHINGTON, January 10, 1933—1 p. m.

4. Telegram from Minister of Foreign Affairs of Chile, through Chilean Embassy here,<sup>19</sup> states that according to information which he considers trustworthy the Governments of Paraguay and Bolivia would be disposed to hear and consider proposals which were drawn up by the five Neutrals and the four neighbors in conjunction. The proposal would be as follows: First, agreement on an armistice, Bolivia and Paraguay maintaining their actual positions while they agree in a short time on the stipulations for the fundamental solution of the problem. Second, acceptance by both parties of the principle of arbitration applied through successive arbitrations. After first establishing the points of disagreement to which the arbitration will be extended with the preliminary reports of the geographical and historical institutes which both parties may designate, the respective arbitral tribunals will be set up. Third, once these bases are accepted in general they will proceed rapidly to a study of the details of the armistice, its duration, giving the necessary guarantees not to renew hostilities, constitution of the arbitration, and other particulars required for the execution of the plan proposed.

Please cable any information discreetly obtainable as to whether Chilean Government has discussed this with Government to which you are accredited and whether that Government is in agreement with Chilean Government that this is the basis on which to proceed and associates itself with the Chilean Government in this matter.

CASTLE

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<sup>18</sup> The same, January 10, 1 p. m., to the diplomatic representatives in Argentina (No. 3) and Brazil (No. 6).

<sup>19</sup> Transmitted to the Chairman of the Commission of Neutrals in note of the Chilean Chargé dated January 9 (724.3415/2770).

724.3415/2766b : Telegram

*The Acting Secretary of State to the Minister in Bolivia (Feely)*<sup>20</sup>

WASHINGTON, January 10, 1933—1 p. m.

2. [Here follows text of paragraph 1 of telegram No. 4, January 10, 1 p. m., to the Ambassador in Peru, printed *supra*.]

Please cable any information discreetly obtainable, whether this plan has been discussed with the Government to which you are accredited, and whether it seems likely that it meets with its approval.

CASTLE

724.3415/2768 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 10, 1933—7 p. m.

[Received January 10—6:20 p. m.]

6. Your circular January 7, 3 p. m. Minister for Foreign Affairs told me this afternoon that he had informed Espil<sup>21</sup> by air mail for communication to neutrals of his sounding out Bolivian and Paraguayan Governments in hope of finding formula acceptable to both. When asked the nature of the possible solution he said he did not know, that he was feeling his way and as soon as anything promising or concrete presented he intended to communicate it to neighboring countries and Neutral Commission.

In course of conversation he said that jurisconsult of Foreign Office was more familiar with background of long-standing Chaco controversy than anyone in Bolivia or Paraguay having assisted at Bolivian-Paraguayan Conference in 1928 in Buenos Aires<sup>22</sup> and possessing quantities of maps and documents on the subject which suggests that he may later advance this as a pretext for holding in Buenos Aires any ultimate negotiations.

BLISS

724.3415/2769 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 10, 1933—10 p. m.

[Received January 11—8:20 a. m.]

6. Department's telegram No. 4, January 10, 1 p. m. Paraguayan Minister states Chilean message was received at the Foreign Office

<sup>20</sup> The same, January 10, 1 p. m., to the Minister in Paraguay as telegram No. 1.

<sup>21</sup> Felipe A. Espil, Argentine Ambassador in the United States.

<sup>22</sup> See "Minutes and Documents of the Conferences of Paraguayan and Bolivian Plenipotentiaries held in Buenos Aires under the auspices of the Argentine Government" in *Proceedings of the Commission of Inquiry and Conciliation, Bolivia and Paraguay, March 13, 1929-September 13, 1929* (Washington [1929]), pp. 265 ff.; see also *Foreign Relations*, 1928, vol. I, p. 675.

this afternoon. Polo has shown that Peru is consulting Chile primarily, wished neighboring countries to act together and in support of Commission of Neutrals. Further report tomorrow. Paraguayan Minister doubtful whether armistice can be arranged unless Paraguayan gains assured to her meanwhile.

DEARING

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724.3415/2771 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, January 11, 1933—10 a. m.

[Received 12:40 p. m.]

6. Your telegram No. 1, January 10, 1 p. m.<sup>23</sup> Yesterday this Government received a cable from the Paraguayan Minister in Santiago giving the outline of a proposal, similar to that of your telegram which he reported has been telegraphed by Cruchaga to Argentina, Brazil and Peru inviting them to a joint consideration thereof. Up to the present Paraguay has received nothing direct on the subject but Ayala is momentarily expecting that the matter will be formally broached. Yesterday he preferred not to express any opinion as to the proposal itself unless and until it should reach him direct except to say that Paraguay would of course be glad to receive and consider any proposals drawn up by the Neutrals and the four neighbor powers in conjunction.

It is plain, however, that he seriously doubts whether the Neutrals and the neighbors together would be able to devise any guarantee, other than demilitarization, which Paraguay would willingly accept as a condition for ceasing hostilities pending a discussion, that he is convinced would be a protracted one and which Bolivia would be able to utilize to increase her military effectiveness.

WHEELER

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724.3415/2774 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, January 11, 1933—5 p. m.

[Received 6:15 p. m.]

5. The Chilean proposal consisting of the points quoted in the Department's telegram January 10, 7 [1] p. m., was received last night by the Bolivian Minister for Foreign Affairs and will be discussed at a Cabinet meeting today and at a meeting of the advisers tomorrow so that no reply may be expected before Thursday.

<sup>23</sup> See footnote 20, p. 249.

I gather from informal conversations with the President and the Minister for Foreign Affairs today that acceptance is not likely.

Argentina continues telegraphic conversations as to the proposal referred to in my telegram January 9, 5 [p. m. ?] first paragraph.

FEELY

724.3415/2775 : Telegram

*The Brazilian Minister for Foreign Affairs (Mello Franco) to the Chairman of the Commission of Neutrals (White)*

[Translation]

RIO DE JANEIRO, January 11, 1933.

[Received 6:33 p. m.]

In reply to your telegram of the 2nd instant [*31st ultimo?*],<sup>24</sup> I have the honor to state that the Brazilian Government considers the proposal of your Commission acceptable, and is disposed to collaborate with the states represented therein in any action capable of leading the Governments of Bolivia and Paraguay to reestablish a definitive peace.

AFRANIO DE MELLO FRANCO

724.3415/2773 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 11, 1933—7 p. m.

[Received 8:40 p. m.]

7. Department's telegram No. 4, January 10, 1 p. m., Chaco. Foreign Office states that Chilean plan being discussed with the Ambassador today and that in all likelihood Peru will accept it entirely.

DEARING

724.3415/2789

*The Argentine Ambassador (Espil) to the Chairman of the Commission of Neutrals (White)*

[Translation]

WASHINGTON, January 11, 1933.

EXCELLENCY: I transcribe to you the communication which I have just received from my Chancellery in reply to the telegram from the Commission of Neutrals dated the thirty-first of December last.<sup>24</sup> The communication reads as follows:

<sup>24</sup> *Foreign Relations*, 1932, vol. v, p. 218.

"Please state to their Excellencies, the members of the Commission of Neutrals, that it has been grateful to me to receive their communication of the thirty-first of the current month [*sic*], in which communication, in view of the regrettable withdrawal of the Representative of Paraguay, because of a decision which, as the text of the telegram announces, it is hoped may have a temporary character, the Commission of Neutrals, as it stated on the fourth of November, 1931 [1932],<sup>26</sup> and within the limits of the said communication confirmed in accordance with the reservations formulated by this Chancellery on the eighteenth of October of the same year,<sup>27</sup> continues to make every effort to find a solution satisfactory to both parties in controversy, and, as it also announced in the said communication, is carrying on a consultation with the other American nations in order that no avenue capable of leading to peace may remain unexplored.

The Argentine Government cannot but lend its attention to the continuity of the endeavors so well inspired, as it did, on the sixteenth of December, to the last proposal addressed by the Neutrals, formulating its hope that a new negotiation (*gestión*) might reestablish the situation of accepted good offices (*buenos oficios consentidos*) thus promoting the noble intentions of your Commission. It also takes pleasure in advising that, in accordance with its announced intention of availing itself of any opportunity which in its turn might be offered to it to contribute to the termination of the grievous conflict, it will initiate a negotiation (*gestión*) of which it will advise the limitrophe countries as set forth in the declaration of August 6,<sup>28</sup> and, at the opportune time, it hopes that it will be strengthened by the solidary action of all countries of America, and will have the support of your worthy Commission of Neutrals."

In requesting Your Excellency to be good enough to bring this communication to the knowledge of the other members of the Commission of Neutrals, I take pleasure in renewing to you the assurances of my distinguished consideration.

FELIPE A. ESPIL

724.3415/2824 5/16

*Memorandum by the Chairman of the Commission of Neutrals*  
(White)

[WASHINGTON,] January 12, 1933.

The Argentine Ambassador called and left with me a note<sup>29</sup> addressed to me as Chairman of the Neutral Commission giving the reply of the Minister of Foreign Affairs to our cable of December 31.

He also showed me, strictly confidentially, a copy of a cable that he had received from his Government which showed that there is a grave disagreement between Saavedra Lamas and Cruchaga. Each

<sup>26</sup> See *Foreign Relations*, 1932, vol. v, p. 209.

<sup>27</sup> *Ibid.*, p. 203.

<sup>28</sup> *Ibid.*, p. 168.

<sup>29</sup> *Supra*.

one is trying to bring about a settlement and get credit for it and is resentful of what the other is doing.

The telegram instructed Espil to inquire of the Neutrals whether the Chilean proposal had been accepted by the two contending parties and to try to get the answer in as formal a manner as possible. If we should tell Espil that the two countries had accepted, Espil was then to tell us that Paraguay had formally told Argentina that it had not been consulted by Chile.

The telegram further stated that Saavedra Lamas on January 2 had sent a note to Cruchaga which Cruchaga had admitted to the Argentine Ambassador in Santiago that he had received on January 8, advising him that as the result of sounding out the Bolivian Government Argentina was sending a special representative to Paraguay to see if a settlement could not be arrived at and promising to let the Chilean Government know the results. Saavedra thought that the present Chilean action was designed to forestall this action on the part of Argentina.

I told Mr. Espil that we had received Mr. Cruchaga's proposal,<sup>30</sup> a copy of which he said had been submitted to the Argentine, Brazilian and Peruvian Governments, and which I therefore felt authorized to show him and gave him a copy of the Chilean proposal. I said that we had not answered the note nor had the Neutrals had a meeting as yet to consider it because there did not yet seem to be an accord between the four neighboring countries. I also advised Mr. Espil of the Brazilian reply.

After talking the matter over a while, during which Mr. Espil said he thought that the Neutral proposal of December 15<sup>31</sup> offered the best basis of a settlement that could be found and agreed with me that the Chilean proposal does not advance matters any, I asked Mr. Espil if he would suggest to his Government that Argentina, which has not yet made a definite proposal, propose that the four neighboring countries tell Bolivia and Paraguay that the time has come to stop fighting; that they will not let any further military supplies reach them; that they must stop fighting and accept the Neutral proposal of December 15 as the basis for discussion, and that while the negotiations are going on and the arbitration is in progress the territory southeast of the Bolivian-Vitrones line will be patrolled and policed by forces of Argentina and Brazil, or of Argentina, Brazil and Chile, as his Government might prefer. I said that Argentina and Brazil are the two countries that border on the Chaco and that they would be the logical ones or, in view of the great interest of Chile in the matter, it

<sup>30</sup> See telegram No. 4, January 10, 1 p. m., to the Ambassador in Peru, p. 248.

<sup>31</sup> *Foreign Relations*, 1932, vol. v, p. 126.

would of course be equally satisfactory, so far as this Government is concerned, to have Chile included. I said I thought Peru would hardly be likely to cooperate in this matter on account of its internal difficulties and the Leticia question.<sup>32</sup> Mr. Espil thought that the question of policing was an excellent one. He did not seem so sure that the four Governments would stop supplies going in but thought that the other offered a real progress and said that he would take it up with his Government at once. I urged him to do so by cable and not by airmail and said that we would hold up action in the meantime.

F[RANCIS] W[HITE]

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724.3415/2777 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 12, 1933—3 p. m.

[Received January 12—1:45 p. m.]

6. Department's telegram number 6, January 10, 1 p. m.<sup>33</sup> Brazilian Minister for Foreign Affairs has replied to the Cruchaga proposals through the Chilean Chargé d'Affaires, Rio de Janeiro, that Brazil is ready to accept and further any proposition which the Neutral Commission and neighboring neutrals agree upon for settling the Chaco dispute but since he awaits a proposition which Argentina recently stated she proposed to make, as reported in my telegram 4, January 9, 4 p. m., he can not at present reply more specifically to Chile.

Orally, he stated to the Chilean Chargé d'Affaires that he thought in relation to an agreement for an armistice that it would be preferable if Bolivian and Paraguayan forces should withdraw from the disputed territory instead of maintaining their actual positions as suggested by Cruchaga.

MORGAN

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724.3415/2780 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 12, 1933—5 p. m.

[Received 8:05 p. m.]

7. Your 3, January 10, 1 p. m.<sup>33</sup> Minister for Foreign Affairs this morning read me note dated January 2 he had sent to Ministers for Foreign Affairs of Brazil, Chile and Peru. He read same note this

<sup>32</sup> See pp. 384 ff.

<sup>33</sup> See footnote 18, p. 248.

morning to Chilean Chargé d'Affaires who had not previously seen it. Note states that the continuation of the unfortunate conflict between Bolivia and Paraguay, despite the plausible efforts of the Neutral Commission, to which the Argentine Government has given its cooperation up to Commission's last proposal and the withdrawal of the Paraguayan representative which "puts an end to the good offices in their legitimate limits", prompted the Argentine Government to explore in the conflicting countries the possibility for a way to peace, using the wealth of antecedents and formulas in the Argentine Foreign Office growing out of the conference in Buenos Aires in 1927 and 1928 and intensifying its efforts through confidential agents and negotiations to find a possibility of concrete solutions offering prospects of acceptance. These negotiations having developed satisfactorily, the Argentine Government, bearing in mind the agreement of August 6,<sup>34</sup> now apprises the neighboring countries, hoping shortly to present matters in concrete form for concerted action on the part of all the countries of America and the Neutral Commission and expresses the hope that nothing will be done to frustrate the noble motive which inspires us all.

Though it is inferred that note sent direct to Chilean Minister for Foreign Affairs was delayed in delivery Minister is evidently annoyed with him for acting independently and said that Chilean formula is not acceptable to contending parties. Although he answered my question that he found sympathetic attitude to his soundings he added that problem was most difficult because of the many conflicting political currents in both countries and that there was no use in making any more proposals until acceptable formula was found.

The impression made on me . . . is that Argentine Minister for Foreign Affairs will try to block any proposal not his own.

Incidentally, I learn that juriconsult referred to in my 6, January 10, 7 p. m., was his confidential agent at Asunción. Informant had heard his mission was not successful.

BLISS

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724.3415/2779 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, January 12, 1933—10 p. m.  
[Received January 12—9:53 p. m.]

6. The Bolivian Government today replied to the Chilean suggestion as follows:

"We thank the Chilean Minister for Foreign Affairs for his solicitous intervention in sending us a project of a proposal for the settle-

<sup>34</sup> *Foreign Relations*, 1932, vol. v, p. 168.



ment of the controversy between Bolivia and Paraguay. But we suggest for many obvious reasons the necessity of reviving the proposal of the five neutrals of December 15<sup>36</sup> which would now be signed by the four neighbors as well.<sup>37</sup>

FEELEY

724.3415/2824 9/16

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] January 13, 1933.

The Peruvian Ambassador<sup>37</sup> called and said that his Government had instructed him to get some information regarding the Chaco matter so that they could answer the Neutral note. The Ambassador did not seem to know just what our note to Peru<sup>38</sup> was and I read him the essential parts saying that we were inquiring of the four neighboring governments just what steps they were prepared to take to bring about peace in the Chaco. I told the Ambassador that Brazil had answered<sup>39</sup> fully supporting our proposal of December 15.<sup>36</sup> The Chilean Government had made a proposal which I showed the Ambassador.<sup>40</sup> I said that this did not seem to advance the matter any and was not responsive to our request. I said we understood the Argentine Government would answer definitely a little later; that they had given us a preliminary answer saying they were exploring the situation and would give us a more definite answer later.

I told the Ambassador that I thought the thing that had the greatest chance of acceptance would be for the neighboring countries to say that they would police the territory while the matter was being submitted to arbitration. The Ambassador said that he felt quite sure his Government would not join in. I said I understood that Peru was very much occupied but that if Argentina and Brazil, the two countries which border on the Chaco, would do so, and perhaps ask Chile to join with them, that this would give Paraguay the guarantees that she required so that she could accept our proposal as a basis of discussion. Bolivia has already accepted as such. The Ambassador said he thought that was helpful and that he would take the matter up with his Government.

F[RANCIS] W[HITE]

<sup>36</sup> *Foreign Relations*, 1932, vol. v, p. 126.

<sup>37</sup> Manuel de Freyre y Santander.

<sup>38</sup> Presumably the note of December 31, 1932, from the Commission of Neutrals to the Ministers for Foreign Affairs of Argentina, Brazil, Chile, and Peru, *Foreign Relations*, 1932, vol. v, p. 218.

<sup>39</sup> See telegram of January 11 from the Brazilian Minister for Foreign Affairs to the Chairman of the Commission of Neutrals, p. 251.

<sup>40</sup> See telegram No. 4, January 10, 1 p. m., to the Ambassador in Peru, p. 248.

724.3415/2824 7/16

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] January 14, 1933.

The Chilean Chargé d'Affaires, Mr. Cohen, called and read me a telegram from Mr. Cruchaga to the effect that all countries except Argentina now having accepted his plan he thought the Neutral Commission would make a great mistake in not taking some action in support thereof and might cause the breakdown of this peace effort which would be much regretted.

I told Mr. Cohen that Peru had not answered as yet the Neutral communication of December 31<sup>41</sup> and I was pretty sure that she had not answered the recent Chilean proposal either. My information was to that effect. Argentina has not accepted the Chilean proposal and Brazil has stated that while she is willing to cooperate with all the countries to bring about peace, having been advised that the Argentine Government has a suggestion to make, she does not feel that she can reply specifically to the Chilean proposal until she has received the Argentine proposal.

I read Mr. Cohen the Bolivian reply<sup>42</sup> thanking Mr. Cruchaga for his interest and saying that they think more can be accomplished by reviving the Neutral proposal of December 15<sup>43</sup> which would be signed by the four neighboring countries as well. I also told him that the Legation in Asunción reported on the eleventh<sup>44</sup> that while the Paraguayan Minister in Santiago had reported regarding the Chilean proposal it had not yet been received directly by the Paraguayan Government, and that President Ayala did not want to discuss it in detail until it should be presented formally to him, but that he had indicated that he did not think much progress could be made unless the four neighboring countries get together with the Neutrals and make a joint proposal.

I told Mr. Cohen that in these circumstances I did not think that anything would be gained by our supporting the Chilean proposal now. I said that he could see that it has not yet been accepted by anybody; that Argentina is working on a new proposal, and that I really did not think we would accomplish anything and it would seem that the best thing would be to await further developments.

Mr. Cohen said that the situation is most unfortunate—that Saavedra Lamas would not support any proposal that was not his own. I said that in view thereof I thought we had better wait and see what he is going to propose and . . . see if we can not find some workable basis

<sup>41</sup> *Foreign Relations*, 1932, vol. v, p. 218.

<sup>42</sup> See telegram No. 6, January 12, 10 p. m., from the Minister in Bolivia, p. 255.

<sup>43</sup> *Foreign Relations*, 1932, vol. v, p. 126.

<sup>44</sup> See telegram No. 6, January 11, 10 a. m., from the Minister in Paraguay, p. 250.

therein. Mr. Cohen said that he agreed and that he would suggest to Cruchaga that the best thing would be for Argentina and Chile to come to an agreement and if they could agree he thought the agreement of the others would be easier.

F[RANCIS] W[HITE]

724.3415/2796 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 16, 1933—midnight.

[Received January 17—1:46 a. m.]

26. Chaco. Chilean Ambassador informs me Bolivia and Paraguay, through their Ministers in Santiago, have agreed with Chilean note for bringing Chaco hostilities to halt and arranging settlement. He understands Bolivian and Paraguayan Ministers in Lima have expressed themselves similarly and states Peru and Chile are in accord but Leticia situation blocking conversations for the moment. He thinks Argentina desires to go alone or merely to have four neighboring countries act and leave Neutral Commission outside, that Brazil is holding back. Efforts continue to bring all four into line with Chilean note and Chile and Peru prepared to act alone if Argentina and Brazil hold out and to cooperate with Neutrals as soon as situation permits. He did not reveal actual terms but states he merely wants opportunity to go ahead with the Foreign Office.

Repeated confidentially to Santiago.

DEARING

724.3415/2796 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, January 17, 1933—4 p. m.

13. Your 26, January 16, midnight. For your information only. Department's information indicates that Argentina does not accept Chilean proposal; Brazil has stated she will not answer until she receives the announced Argentine plan; Bolivia has thanked Chile for its interest and says that she thinks more good will be done by reviving the Neutral proposal of December 15 and giving it the backing of the four neighboring countries. Latest information from Asunción is to the effect that Chilean proposal had not been received officially and government would not commit itself until it is received but indicated that it was not considered to meet the situation and Paraguay hoped

four neighboring countries and Neutrals would agree in advance on some plan. Department also feels best chance for progress is for neighbors and the Neutrals to agree in advance before taking up any plan with Bolivia and Paraguay.

Neutral Commission is waiting until next week for Argentine proposal to see if it offers any possibility of a settlement. Please repeat confidentially to Santiago.

STIMSON

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724.3415/2802 : Telegram

*The Minister in Uruguay (Wright) to the Secretary of State*

MONTEVIDEO, January 18, 1933—6 p. m.

[Received January 19—12:30 a. m.]

4. The Minister for Foreign Affairs<sup>47</sup> upon his own initiative today informed me that Soler<sup>48</sup> who passed through Montevideo yesterday and also the Paraguayan Minister to Argentina have by cable sought his support of a proposal that the Commission of Neutrals dealing with Chaco question be dissolved or at least its activities transferred to Montevideo, because of Paraguayan dissatisfaction at the result of the negotiations and because Uruguay as a Government represented on the Commission and also as a regional although not conterminous power enjoys an exceptionally advantageous position for cooperation with other powers of this zone.

Blanco believes dissolution of Commission would be serious blow to the diplomacy of the Americas, that it would be most unwise to discard the services of Varela<sup>49</sup> who has the confidence of Paraguayan delegate, and considers that the moment has come for active and genuine cooperation between the Neutral Commission and the conterminous countries, if not of all the American states. He is of the opinion that Argentina's attitude is pro-Paraguayan, that Paraguay probably believes it would have a better chance with Argentina's active participation, and that the probable reason behind all this is that Argentina would greatly like Ricardo play a lone or petty hand. He very discreetly intimated that his informant caller had stated that Paraguay's dissatisfaction and withdrawal of her delegate is based on her umbrage that a proposal which had been broached to her in advance and deemed unacceptable had thereafter been proposed to both countries as a basis for suspension of hostilities.

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<sup>47</sup> Juan Carlos Blanco.

<sup>48</sup> Juan José Soler, Paraguayan representative before the Commission of Neutrals.

<sup>49</sup> J. Varela, Uruguayan Minister in the United States.

He asks that you be confidentially informed of the above and assured that he will aid in every way possible toward such cooperation in negotiations which should continue at Washington.

Repeated to Embassy at Buenos Aires.

WRIGHT

724.3415/2802 : Telegram

*The Secretary of State to the Minister in Uruguay (Wright)*

WASHINGTON, January 20, 1933—1 p. m.

2. Your 4, January 18, 6 p. m. Please express to Minister of Foreign Affairs the hearty appreciation of this Government for his helpful and cooperative attitude in the matter.

STIMSON

724.3415/2816 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, January 24, 1933—noon.

[Received 12:40 p. m.]

17. Chilean Minister for Foreign Affairs will today propose to the Argentine Minister for Foreign Affairs conference at Mendoza on Thursday. He has surrounded the move with mystery but told me that he is willing to withdraw or modify his proposal if it will help bring peace in the Chaco.

CULBERTSON

724.3415/2821 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 25, 1933—5 p. m.

[Received 5:19 p. m.]

11. Minister for Foreign Affairs told me this afternoon that as a result of telephone talk with Chilean Minister for Foreign Affairs the two Ministers are to meet at Mendoza on the 31st and that he hoped and expected they would reach full agreement as to future action regarding Chaco question and new commercial treaty. He told me the telephone conversations had been very cordial.

I have been informed confidentially that Chilean Minister for Foreign Affairs, failing to receive an answer to a telegram sent Argentine Minister for Foreign Affairs on January 10 explaining his submission of a formula to end Chaco dispute, decided to request telephone conversation to avoid possible embarrassing situation.

I am also informed that Carlos Sos [*sic*], a Paraguayan confidential emissary, is now in Buenos Aires.

BLISS

724.3415/2825 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, January 26, 1933—11 a. m.

[Received 3: 15 p. m.]

13. Yesterday the Chilean Government asked Ayala, (1st) whether Paraguay was in a position to consider a proposal from Chile and, (2nd), whether Paraguay was opposed to the neutrals taking any further part. Ayala replied as follows: Paraguay has received an offer of [mediation?] from Argentina the said offer having been preceded by the statement that, while it was Argentina's understanding that the neutral group had ceased to act, she intended to invite their cooperation; Paraguay had answered that she would be greatly interested in any proposal Argentina might put forward; this was Paraguay's only engagement. While Paraguay could not negotiate with two sets of powers at one time, if the neutrals found it possible to act in unison with the neighbor countries there could be no objection. What Paraguay wanted was united action. It was then suggested by Chile that Paraguay express a preference as between Argentina and Chile to take the lead in the negotiations but this Ayala declines to do. The above inquiry by Chile is here believed to indicate that Saavedra and Cruchaga at their coming meeting in Mendoza will discuss a concrete proposal.

I am confidentially informed that 14 French planes recently purchased by Paraguay have arrived in Buenos Aires and are now in process of transshipment and that it is not impossible that Paraguay may obtain the "loan" from Argentina of a number of pilots. This Government is greatly pleased at Chile's reported action of January 20 in refusing transit of a shipment of war material for Bolivia which it is assumed is in retaliation for Bolivia's refusal to consider Chile's recent proposal as to the Chaco.

WHEELER

724.3415/2826 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 26, 1933—5 p. m.

[Received 7: 50 p. m.]

13. Minister for Foreign Affairs told me today that he hoped his conversation next week with Chilean Minister for Foreign Affairs would lead to agreement between their Governments on procedure in Chaco dispute. Also that his investigations at La Paz and Asunción encourage his hope of finding solution on following bases: cessation of hostilities, mutual demobilization, withdrawal of troops to deter-

mined lines, submission of controversy to commission to determine scope of arbitration of Chaco question. It is his idea that said commission be composed of representatives from neighboring countries and those composing Neutral Commission though he would prefer a commission composed of representatives of the 19 American Republics signatory declaration August 3d.<sup>50</sup> If this hoped for solution should fail he thinks Paraguay will declare war naturally entailing declarations of neutrality by neighboring Governments.

Minister declared his intention of advising Espil fully in the premises for information of Neutral Commission.

BLISS

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724.3415/2836: Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, January 27, 1933—7 p. m.  
[Received January 27—3:43 p. m.]

86. Regarding the Chaco dispute. Drummond<sup>51</sup> tells me that a meeting of the Council Committee was held today. The members of the Committee have been anxious to help the Committee of Neutrals and believed that they have shown in every possible way their desire to be of assistance and their willingness to see the dispute handled in any way that would conduce to a peaceful settlement. Now they point out that hostilities seem to have broken out on a large scale since the offer of the Committee of Neutrals, that Bolivia seems convinced of the friendliness of the United States whereas Paraguay seems convinced of the friendliness of the Argentine and that the Paraguayan delegation has actually withdrawn from the discussions in Washington.

Therefore they feel that they must carry out the responsibility which is incumbent on them under the Covenant<sup>52</sup> and try some other means of putting an end to hostilities. They are therefore contemplating the appointment of a small committee of three members who shall proceed first to the capitals of the two parties to the dispute and then to the theatre of operations if necessary. Their primary function will be to search for and recommend a solution to the conflict but in the event that hostilities are still continuing they will endeavor first to arrange for a cessation of hostilities to be followed by a definitive solution.

In order that there shall be no possibility of mistrust regarding the commission they suggest one member citizen of a small European state,

<sup>50</sup> *Foreign Relations*, 1932, vol. v, p. 159.

<sup>51</sup> Sir Eric Drummond, Secretary General of the League of Nations.

<sup>52</sup> *Treaties, Conventions, etc., Between the United States and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3336.

one from the United States and the third from the Argentine. Drummond has consulted the Bolivian representative who states that his Government might have some difficulty in accepting the suggestion in view of a possible conflict of jurisdiction with the Committee of Neutrals. He is at once reporting the matter to La Paz. The Paraguayan representative at once accepted the suggestion and is also advising his Government. Drummond also expects to consult the Argentine Government at once.

Drummond very much hopes that you can see your way to acquiesce in this suggestion as the events have put a burden on the members of the council which they feel strongly. They consider that in order to carry out action on the Manchurian affair<sup>53</sup> they must show continued interest and efforts towards a peaceful solution of this dispute.

The Chaco matter is on the agenda of the Council but will not come up before Tuesday afternoon at the earliest. I would appreciate as urgently as possible an expression of your views.

Since dictating above I learn that the United Press is aware of this action of Drummond.

WILSON

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724.3415/2836 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, January 30, 1933—5 p. m.

60. Your 86, January 27, 7 p. m. Conversations are now going on between countries bordering on Bolivia and Paraguay to see if they can agree on some action to be taken jointly with the Neutrals to put an end to the Chaco fighting. So far they have been unable to agree but Ministers of Foreign Affairs of Argentina and Chile are meeting at Mendoza on Wednesday and we are hopeful that something tangible will result therefrom. We feel therefore that it would be better not to complicate the situation at the present time by proposal of the League to send a commission. If the negotiations of the neighboring powers fail, then would be time to take the matter up. Department understands that Paraguay has also taken this same view of the matter.

It is Department's view, on the basis of past experience, that the best chance of obtaining a settlement is through the cooperation of the neighboring powers and the Neutral Commission is doing everything possible at the present time to bring about such cooperation. The League will have even more difficulty than did the Neutral Commission

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<sup>53</sup> See vol. III, pp. 1 ff.



in trying to deal with this matter at long range without such cooperation.

STIMSON

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724.3415/2840 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, January 31, 1933—2 p. m.  
[Received January 31—9: 55 a. m.]

87. Your 60, January 30, 5 p. m. Discussed matter with Drummond this morning. He had heard of meeting of Foreign Ministers at Mendoza and was interested to learn that they are taking up this matter. He informed me very confidentially that a reply from the Paraguayan Government has come in in which they took the position that the neighboring states (limitrophe) were working on the problem now and therefore the Paraguayan Government hesitated to complicate matters by the sending of a League commission at this moment.

Reply from the Bolivian Government has not been received and until this is done Drummond earnestly hopes that no mention will be made of the Paraguayan reply.

Relative to the point made in last sentence of final paragraph of your telegram Drummond replied that he recognized the difficulty of long distance negotiation and that it was with the hope of avoiding this difficulty that the Council Committee suggested a commission to the two capitals.

Drummond does not know what action the Council Committee will take but believes that under the circumstances it will be advisable to delay action, probably on the grounds of the replies of the two Governments concerned.

WILSON

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724.3415/2841 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, January 31, 1933—4 p. m.  
[Received January 31—12: 34 p. m.]

88. Supplementing my 87, January 31, 2 p. m., Costa du Rels, Bolivian delegate, just explained to me that his Government held firmly to the idea that the dispute ought to be settled by American nations. He stated that he thought the Council Committee had gone a little too rapidly at the task in view of the efforts that are to be made tomorrow by the Foreign Ministers of Argentine and Chile. He also thought the Council Committee had been premature in announcing the nationalities represented on the proposed commission of inquiry since

it was a shock to Bolivian public opinion to contemplate an Argentine on such a committee. He stated that neither Paraguay nor Bolivia had yet answered Drummond's inquiry and that he felt the best thing to do was to delay such a reply until the action of the neighboring states could be cleared up. He pointed out that the situation was difficult politically because under the obligations of the Covenant it was difficult to refuse a commission of inquiry without entailing regrettable consequences.

I naturally did not divulge to him that Paraguay had replied and in the light of your 60 agreed with him that perhaps the best thing to do would be for his Government to make no reply until the situation of the neighboring states was clearer than it is now. The situation might well be cleared up within the next few days after the meeting at Mendoza.

Costa was in entire accord and stated that he might perhaps hope for a reply from his Government about the end of the week.

WILSON

724.3415/2844a

*The Chairman of the Commission of Neutrals (White) to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, February 2, 1933.

DEAR HUGH: With regard to the suggestion of the League of Nations that a commission be sent to the Chaco composed of an American, an Argentine, and the national of some small European nation, the Bolivian Minister said that this proposal was a terrible "gaffe" on the part of the League. He said that it was well known that Argentina has not been neutral and has been supplying arms and munitions to Paraguay and has been giving them advice both politically and in military matters. He said the League should know the diplomatic situation between Argentina and Bolivia and should not have made the proposal. Bolivia, he said, had not alluded to this fact in politely rejecting the suggestion because they do not want to create an incident at this time and simply are not strong enough to fight both Argentina and Paraguay.

Our information checks up on all that he has said. We have it from our Military Attaché in Buenos Aires that considerable quantities of munitions have been sent from the Argentine arsenals to Paraguay. There was an Argentine Military Mission in Paraguay which Argentina very ostentatiously withdrew as a sign of its neutrality. The chief of this Mission was shortly afterwards appointed Military Attaché to Paraguay and is really the head adviser of the Paraguayan General Staff, making frequent trips to the front. Other members of

the Mission drifted back secretly and are active in helping the Paraguayan army. Once or twice the Bolivians have been on the point of breaking off diplomatic relations with Argentina on account of Argentina's activities but they have always gotten either an apology or a denial from Argentina and so have not done so. Furthermore, as the Minister stated, they do not think this is any time for them to create an incident with such an important neighbor as Argentina.

The Minister said that Costa du Rels will be instructed to bring this matter discreetly and privately to the attention of the League officials. I do not know whether he will do so or not but thought you ought to know the situation.

With all good wishes  
Ever yours

FRANCIS WHITE

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724.3415/2848 : Telegram

*The Secretary of State to the Ambassador in Chile (Culbertson)*

WASHINGTON, February 2, 1933—3 p. m.

12. As soon as Cruchaga returns from Mendoza endeavor discreetly to find out result of his conversation with Argentine Minister of Foreign Affairs especially as regards the Chaco.

STIMSON

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724.3415/2844 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 2, 1933—4 p. m.  
[Received February 2—12:35 p. m.]

90. Council Committee on Chaco dispute will make a report to Council tomorrow Friday morning to explain that parties to dispute both replied stating it is better to delay action pending negotiations of limitrophe states. Report will add that Government of the United States also unofficially consulted held similar views.

In order to give no offense to Committee of Neutrals Drummond would like to insert a reference to the fact that the Committee of Neutrals was also unofficially consulted if this is in accordance with facts.

Please reply so that I will have it tomorrow Friday morning if possible whether Department consulted Committee before sending telegram 60, January 30, 5 p. m.

Report reiterates desire to assist efforts of Committee of Neutrals and limitrophe states.

WILSON

724.3415/2844: Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, February 2, 1933—6 p. m.

62. Your 90, Feb. 2, 4 p. m. Department did not take up matter with Neutral Commission. However, Department knows from past experience and from recent casual conversations with members of Neutral Commission that they all share its views in the matter. However, Commission as such was not consulted.

STIMSON

724.3415/2845: Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 2, 1933—7 p. m.

[Received February 2—2:05 p. m.]

91. Reference last sentence first paragraph my telegram No. 90, February 2, 4 p. m. Drummond just telephoned to state that the Council Committee had just decided that the report will add only that the Governments of the United States and the Argentine had been unofficially consulted. They do not intend to state that any reply had been received from us.

WILSON

724.3415/2857: Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, February 3, 1933—3 p. m.

[Received February 4—3:05 p. m.]

37. Wilson's 88, January 31, 4 p. m. Council this morning adopted a report of the Committee of Three in the Bolivia-Paraguay dispute. The report reviews the questions which the Committee had considered regarding the constitution and mandate of a commission of inquiry and included the results of consultations with Bolivia and Paraguay on this question and their responses. The Committee found that in substance both answers, while favorable in principle to the proposal, suggest that League action be deferred until the result of the efforts of neighboring states in cooperation with the Commission of Neutrals is known (Wilson's 87, January 31, 2 p. m.). The Committee of Three recommend that the Council should postpone for the present further consideration of sending a commission of inquiry and reserve the possibility of submitting proposals for action at a later date if necessary.

After a lengthy exposé of the part of the Bolivian and Paraguayan delegates which developed nothing new the Council sent the following telegram:

"Fighting is continuing between two members of the League of Nations who are bound by the Covenant. That this should still be going on in spite of the various opportunities which have been offered for settling the conflict is a fact of exceptional gravity. The Council addressed to both Governments an urgent appeal to make the necessary effort to end hostilities and conclude an armistice. The Council will continue to follow developments with close attention and reserves the possibility of making proposals should the occasion arise. It expresses its keen anxiety that the negotiations now in course may succeed in settling the dispute."<sup>54</sup>

GILBERT

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724.3415/2855: Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 3, 1933—5 p. m.

[Received 8:11 p. m.]

22. Text of published document signed by Foreign Ministers at Mendoza being telegraphed to Chilean Embassy in Washington today.

The two Foreign Ministers signed a secret document relating to the Chaco question.<sup>55</sup> It provides,

1st. For the submission to arbitral decision in its entirety the question of the Chaco, the tribunal to be established within a month. If there should be differences with reference to the zone to be submitted to arbitration these would be submitted to the Permanent Court of International Justice for an advisory opinion;

2d. The parties as a consequence of the preceding would declare hostilities terminated;

3d. The parties would agree to demobilize and to return to their peacetime military establishments;

4th. The parties would retire their troops to the Rio Paraguay for Paraguay and to the line Bolivian [*Bolivian?*] for Bolivia; that is, the line indicated by the neutrals at Washington.

Tomorrow, Chile and Argentina will consult with Brazil and Peru in accordance with their understanding of August 6th, 1932,<sup>56</sup> providing for joint action.

If the four countries agree they will sound out Bolivia and Paraguay, this being important according to the Minister for Foreign

<sup>54</sup> See League of Nations, *Official Journal*, February 1933, p. 255.

<sup>55</sup> The Chaco question was but one of several subjects discussed at Mendoza by the Argentine and Chilean Ministers for Foreign Affairs.

<sup>56</sup> *Foreign Relations*, 1932, vol. v, p. 168.

Affairs since both countries have been inclined to resent pressure. If preliminary answers are favorable the four neighboring countries will communicate their formula to the Commission of Neutrals for its approval, in which event the formula will be presented simultaneously by the nine powers to the belligerents and if they accept arbitration they will draw up proceedings.

The Minister for Foreign Affairs stated that a meeting of the Presidents of Argentina, Chile, and Brazil is under serious consideration and he regards it as an important gesture in connection with the settlement of the Chaco question. He added that Saavedra Lamas is no longer opposed to the Neutral Commission and that in his opinion his reputed anti-American feelings have been exaggerated.

Repeated to Buenos Aires.

CULBERTSON

724.3415/2900‡

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] February 6, 1933.

I telephoned Mr. Cohen this morning and told him that I was much gratified by the news we had received regarding the results of the conference at Mendoza and asked Mr. Cohen whether he would be good enough to express to Mr. Cruchaga my appreciation of what has been accomplished. I told him to tell Mr. Cruchaga that if we finally get the Chaco matter settled the credit will be largely his for having succeeded in bringing Saavedra Lamas into line.

F[RANCIS] W[HITE]

724.3415/2900‡

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] February 8, 1933.

The Neutral Commission met today for the first time since December 30. It was thought wise to have a meeting to show, in view of the Paraguayan withdrawal, that the Neutral Commission is still in existence and is actively following the matter.

It was a rather general informal discussion. I told them what I knew of the meeting in Mendoza, of press despatches sent down from here giving the reaction to Saavedra Lamas' gaffe of the other day, and of the telegram that Saavedra had sent to Espil which he advised me of today.

There was some informal discussion regarding statements in the press here as to our policy of disinteresting ourselves in South American affairs. I said that there was no basis of foundation for the statement appearing in the Washington *Herald* yesterday, written by Mr. Flythe . . .

It was decided to tell the press that we had met and discussed new aspects of the Chaco situation, and had considered communications received by the Commission since the date of our last meeting.

F[RANCIS] W[HITE]

724.3415/2873 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, February 9, 1933—10 a. m.

[Received February 11—6:36 a. m.]

44. The following is the text of a telegram dated February 4 from the Government of Bolivia to the President of the Council in reply to the latter's communication of February 3 (Consulate's No. 37, February 3, 3 p. m.):

"In reply to Your Excellency's cable of yesterday the Bolivian Government states that it has considered and is disposed to continue to consider with respect such proposals as have been or may hereafter be made by the Committee of Neutrals at Washington and by neighboring states with a view to arriving at a peaceful solution of dispute. Bolivia will cooperate sincerely in any efforts undertaken with a view to restoration of peace on the basis of justice and respect for the sovereignty of the countries concerned in the dispute."

GILBERT

724.3415/2867 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 9, 1933—noon.

[Received 1:25 p. m.]

22. Paraguay's reply sent yesterday afternoon to the last note of the League read in part as follows:

"Great as is our desire to reestablish peace we cannot lay down our arms before an aggressor country which has invaded our territory with the open design of conquest. This Government considers that to be efficacious the exhortation should be directed especially to the country which has provoked this cruel struggle and whose refusal to offer adequate securities causes the conflict to continue."

WHEELER

724.3415/29004

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] February 14, 1933.

The Chilean Chargé d'Affaires, Mr. Cohen, called and read me a cable from Cruchaga saying that he had telephoned to Rio today and that he had learned that Brazil will this afternoon deliver a favorable reply to the Chilean and Argentine Governments regarding their plan of action in the Chaco. They will endeavor to hasten the Peruvian answer and Mr. Cohen said that as the Peruvian Government has all the way through instructed the Peruvian Embassy here to work in close harmony with the Chilean Embassy he did not anticipate any difficulty on the part of Peru. He said of course there might be some reluctance now to act as whole-heartedly as before because Chile had sent a fairly strong note to Peru regarding the Leticia matter.

Cruchaga's telegram told Cohen to emphasize that there is nothing in the Mendoza agreement hostile to the Neutral Commission. He said that Saavedra Lamas at that conference had stated that he did not want to supplant the Neutral Commission and that his idea all the way through had been to work in close cooperation with the Neutrals. Cruchaga added that this is also the view of the Brazilian Government. The telegram also stated that the delay in Peru's answer might be due to the representations which Bolivia is making at Lima, representations which are pretty well known about in Santiago, and that ex-President Montes of Bolivia had told the Chilean Minister in La Paz that Bolivia really wants peace and can not carry on the war much longer.

Mr. Cohen has not yet received the text of the proposal regarding the Chaco, which is coming to him by airmail, but from the telegraphic summary he understands it to envisage an agreement for what he called global arbitration. It also provides for the immediate suspension of hostilities, demobilization down to peace time strength, and retirement of forces to a line to be agreed upon, but Cohen does not know what that line is.

Mr. Cohen said that as soon as Peru answers, a preliminary sounding out would be made both in Asunción and La Paz, and then the matter would be taken up with the Neutral Commission to see if the five Governments represented thereon and the four neighboring countries could join together in making a joint proposal and in asking all the other American nations to join with them in this matter. He said that as soon as he receives the text of the agreement he will let me have it.

I thanked Mr. Cohen for the information he gave me and told him I would await his further communication with interest.

F[RANCIS] W[HITE]



724.3415/2897 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 21, 1933—11 a. m.

[Received February 22—8:28 a. m.]

25. Chile's *volte-face* in the matter of passing war materials through Arica has caused great surprise here and the President has several times remarked to me that some powerful influence must be behind it. I now learn that on February 18 the Paraguayan Minister in Santiago telegraphed him that the American Ambassador there had several times recently called on Cruchaga to ask for what reason the shipments for Bolivia were being held up. Ayala replied that he would not believe the implication that Chile's reversal of her previous decision was due to diplomatic pressure from the United States. Ramírez replied that such had been Cruchaga's meaning. Ayala then requested the Chilean Minister here to ask the latter his reasons for the reversal. To the question Cruchaga replied with what Ayala calls "puerile reasons" the last being that to refuse passing the consignment would result in "international complications". Ayala again telegraphed Ramírez that he refused to believe that, even if such pressure had been applied, the United States Government had either instructed it or was aware of this. There is danger, however, that this insinuation may be credited in the Cabinet.

Ayala has begun to doubt Chile's *bona fides* and to believing that she wishes Bolivia to continue to be occupied with Paraguay for reasons connected with the present situation between Peru and Colombia and from the fact that the Chilean railway is Government-owned and its income a matter of consideration.

In answer to Chile's decision today a decree was issued calling the Congress in extraordinary session on February 24th to secure authorization for the Executive to declare war against Bolivia. This will not make the declaration inevitable but there is no doubt that it will quickly follow unless an acceptable concrete proposal looking to peace is meanwhile received by this Government.

Bordenave<sup>57</sup> leaves for Washington February 23d.

WHEELER

724.3415/2904 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 25, 1933—noon.

[Received 3:10 p. m.]

26. Extraordinary session of Congress opened last night. The President's message, after reciting events since Bolivian attack on

<sup>57</sup> Enriqué Bordenave, Paraguayan Minister to the United States.

Fortín Antonio López on June 15th last, asked the constitutional authorization to declare war and to establish *estado de sitio* till its close. Congress will probably take action thereon on February 27th.

This morning Argentine, Brazilian, Chilean and Peruvian representatives jointly handed the Minister for Foreign Affairs text of the proposal for peace. It is to be considered tentative and will not be presented formally until and unless Paraguay's answer is favorable in which case it will then be laid before the neutrals.

The promised new Bolivian offensive began yesterday with the bombing of Nanawa from the air, one enemy airplane being brought down by Paraguayan fire. The public here is deeply angered that Bolivia should have timed this action for the date on which she was aware the peace proposal would be submitted to both countries.

WHEELER

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724.3415/2904 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN [February 25, 1933—6 p. m.]

[Received 11:20 p. m.]

27. My telegram No. 26, February 25, noon. The points of the ABCP proposal are as follows:

1. Immediate cessation of hostilities on both sides.
2. Demilitarization of that portion of the Chaco occupied by the belligerent armies by the retirement of the Bolivian forces to the line Robore-Ballivian, the troops being divided into eight separate sections which shall not move east thereof, and of the Paraguayan forces to the River Paraguay.
3. Reduction of the effectives of both armies to peace strength.
4. Submission to legal arbitration of the basic question with obligation of consulting The Hague Court in case agreement cannot be reached as to the zone to be arbitrated.

Paraguay's reply will be given February 27th. When replies have been received by both Governments they will be laid before the Neutral Commission. My Brazilian colleague tells me that it is the intention to request the other South American countries and possibly those of Central America also to join in the effort to bring about acceptance of the proposal.

Ayala informs me that Paraguay's reply will be an acceptance on principle but that he expects the general staff to balk at Ballivian and anticipates that the southern base of the line will have to be modified. I am convinced that he will use all his personal effort to overcome this objection.

WHEELER

724.3415/2897 : Telegram

*The Secretary of State to the Minister in Paraguay (Wheeler)*

WASHINGTON, February 27, 1933—3 p. m.

7. Your 25, February 21, 11 a. m. Department has not taken any steps whatsoever in matter of transit of Bolivian munitions through Chile. Upon receipt of your telegram inquiry was made of Embassy in Santiago whether Ambassador had without instructions from Department and without its knowledge taken any action in the premises. His reply has now been received stating that no action has been taken by him. Department has had reports from Embassy in Chile in the past that British Ambassador made representations to Chile to permit British munitions to pass through Chilean territory to Bolivia. Ambassador at Santiago states that reports in your telegram under acknowledgment probably refer to inquiries made by British Ambassador.

On February 13th Bolivian Minister called at Department and requested on behalf of his Government that this Government take some action in the matter. He was told that our efforts in the past in the Chaco matter had been directed toward finding a peaceful settlement and that we would not now take any action with a view to having arms supplied to one of the contesting powers. He was also told that sentiment in this country is against wars and against supplying munitions for wars and that there is now a resolution pending before the House of Representatives regarding shipment of arms, permitting President to prohibit export of arms from United States to warring countries. The resolution has already passed the Senate. He was told that if we had the authority which this resolution would give us we would stop shipments of arms to both Bolivia and Paraguay and we were therefore not in a position to ask Chile to let supplies into Bolivia.

Copy of memorandum of this conversation was sent to you in Department's instruction 121 of February 17.<sup>58</sup>

STIMSON

724.3415/2907 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 28, 1933—1 p. m.

[Received 1:05 p. m.]

28. My telegram 27, February 25, 6 p. m. This Government handed its reply to the ABCP representatives last night. It accepts the pro-

<sup>58</sup> Not printed.

posal on principle with reservations which Ayala considers minor ones.

WHEELER

724.3415/2934

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 28, 1933.

Mr. Espil, the Argentine Ambassador, called and read me a strictly confidential cable from the Minister of Foreign Affairs of Argentina asking him to ask us whether the United States would join in with the neighboring Governments in trying to force an armistice on Bolivia and Paraguay. He said that Argentina would deal with Paraguay if we would deal with Bolivia. He suggested that we invoke the Kellogg Pact<sup>59</sup> on Bolivia and also point out to Bolivia the "incontestable value" of the aid which American bankers might lend to Bolivia.

I told Mr. Espil that as the United States had been acting in this matter with the other neutral countries we would want to act only in conjunction with our neutral colleagues. Secondly, I pointed out that Bolivia is not a party to the Kellogg Pact, and thirdly, that despite charges to the contrary, this Government does not practice economic imperialism such as is envisaged by the mention of aid from American bankers. Fourthly, I pointed out that to mention any aid the bankers might give, might be looked upon as holding out some hope to Bolivia of financial assistance from American bankers, whereas this Government has no control over private bankers and does not ask them to make loans to foreign Governments. Furthermore, as he well knew, there is no chance whatsoever of Bolivia, or any other South American Government, getting a loan in this market for many years to come.

I also told Mr. Espil that this appeared to be a suggestion outside of the proposal which had been made to Bolivia and Paraguay by the four neighboring countries on the basis of the Mendoza conversation and that I thought it only fogged the issue to have too many proposals before the two contending countries. I told him quite frankly that I thought the best hope of success was to concentrate on their recent proposal, which I understood had been accepted in principle by Bolivia, and that the Paraguayan President at least seemed favorably disposed toward it although he thought he might have some difficulty with the General Staff regarding the concentration of Bolivian forces at Ballivian but he had promised to use his best endeavors to overcome

<sup>59</sup> Treaty for the Renunciation of War, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. I, p. 153.

this opposition. I said I thought they had best concentrate along that line. I added that if his Government was contemplating bringing about an armistice through bringing pressure to bear I did not know of any pressure that could be brought on those countries by any other countries than the four which border thereon.

Mr. Espil said that he agreed with me and that he would answer in that sense. He said he thought my suggestion of concentrating on the Mendoza formula was a very good one.

F[RANCIS] W[HITE]

724.3415/2909 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, February 28, 1933—5 p. m.

[Received 5:15 p. m.]

16. The Chilean Minister here has been informed by his Government that Paraguay has accepted the proposal of the neighboring countries with only slight modifications and has suspended consideration of the Executive's proposal to declare war on Bolivia. In view of the Paraguayan acceptance the Chilean Minister has been instructed to urge prompt acceptance of the proposal by Bolivia.

I gather from extra-official conversations here that Bolivia will not accept withdrawal and demobilization of troops and will insist upon exact delimitation of arbitral zone.

FEELY

724.3415/2914 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 1, 1933—noon.

[Received 4:18 p. m.]

29. My telegram No. 28, February 28, 1 p. m. Paraguay's representatives [*reservations?*] in answer to the proposal were:

1. If Paraguay retires to the river she will be out of the Chaco while if Bolivia retains a concentration at Ballivian she will be well within the territory and at a point which will constitute a continual threat to the Mennonite Colony, et cetera. On a peace footing it would be possible for Bolivia to maintain there from 3000 to 4000 men which would necessitate Paraguay's keeping a like force at Puerto Casado. This Government asks therefore that Villa Montes on the western edge of the Chaco be substituted for Ballivian.

2. As regards peace footing Paraguay asks that the minimum number of troops permitted to each country be decided upon by a neutral expert.

3. Paraguay desires a committee of investigation which shall determine the responsibility for the present hostilities.

Three would not be pressed if Bolivia declines to favor it. The President declared to me this morning that he will not permit further lengthy negotiations, which have the effect of slowing the fighting at the front, and that if nothing acceptable emerges within a short time this country will break off with the neighbor powers and plunge into a fight to a finish.

WHEELER

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724.3415/2915 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, March 1, 1933—6 p. m.

[Received 6 : 30 p. m.]

18. Bolivia accepts in principle the idea of ending the conflict and suggests the following conditions of settlement :

1. All previous diplomatic acts and projects are null and shall not influence the award.

2. The question shall be settled by arbitration in accordance with the principles of the August 3d declaration<sup>60</sup> and the award shall apply the principle of the *uti possedetis juris* of 1810.

3. The territory shall be adjudicated to the party having the best titles, acts of force and of occupation being without value. The award cannot anticipate the establishment of compensations nor arrangements by equity.

4. The Hayes Award Zone<sup>61</sup> to be included in the arbitral territory.

5. Territory to be arbitrated shall be bounded by the two rivers, parallel 21, and meridian 59°55'.

When these points are agreed upon the details of the armistice, of the arbitral tribunal, the exchange of prisoners, et cetera, shall be considered.

The Bolivian attitude toward these latter points is as follows : rejects Ballivian-Robore line and suggests instead the positions held when hostilities cease.

The questions to be submitted to arbitration shall be determined by the Presidents of the Supreme Courts of the American nations who shall be also legal arbitrators as to questions impossible of settlement by direct understanding.

A special organism to be set up by the Governments of Bolivia and Paraguay sitting in Rio de Janeiro or Lima would keep the interested

<sup>60</sup> *Foreign Relations*, 1932, vol. v, p. 159.

<sup>61</sup> Hayes Award, November 12, 1878 ; see *Foreign Relations*, 1878, p. 711.

governments in touch with the Presidents of the Supreme Courts through the respective Ministries of Foreign Affairs and the computation of the opinions and the proclamation of the results, would be confided to the Supreme Court of the United States.

Three [*The?*] prisoners to be delivered within 20 days after the armistice at neutral points.

If the exploratory efforts indicate the possibility of an understanding, Bolivia will accept the good offices of the four countries in joint action with the neutrals.

FEELY

724.3415/2952

*The Minister in Bolivia (Feely) to the Secretary of State*

No. 549

LA PAZ, March 1, 1933.

[Received March 16.]

SIR: I have the honor to confirm my telegram No. 18 of March 1, 1933, 6 p. m., and to transmit herewith a translation of the text of the Bolivian reply, dated February 28, to the project of a proposal for the settlement of the Chaco Dispute, agreed upon at the Mendoza Conference, and submitted to the Bolivian Government on February 25 jointly by the Argentine, Brazilian, Chilean and Peruvian Ministers in La Paz. Enclosure No. 1.

The Bolivian Foreign Office on the same day issued a communiqué, stating that Bolivia accepted in principle the new suggestions intended to bring about a peaceful solution of the Chaco question, but without making public the details of the proposal nor of the Bolivian reply, the negotiations being considered of a confidential nature. Enclosure No. 2.<sup>62</sup>

The Legation's comments on the Bolivian reply will be contained in a later despatch.

The Argentine, Brazilian and Chilean Ministers are optimistic as to the outcome and feel that the beginning of an understanding between the two belligerents may now be reached, in spite of Bolivia's major reservations, viz as to the withdrawal of troops and the delimitation of the arbitral zone. The Peruvian Minister is not so optimistic, and is of the opinion that these reservations will not be acceptable to Paraguay, and that the Bolivian policy is to delay the negotiations until a military success in the Chaco can be achieved.

The Bolivian reply was given to me by the Minister of Foreign Affairs and is to be considered confidential until it is released by the four neighboring countries. It is the first instance since the beginning of the diplomatic negotiations following the outbreak of hostilities in

<sup>62</sup> Not printed.

July, 1932, in which the Bolivian Government has put forward a concrete proposal for the settlement of the dispute.

Respectfully yours,

EDWARD F. FEELY

[Enclosure—Translation]

*The Bolivian Minister for Foreign Affairs (Canelas) to the Ministers of Argentina, Brazil, Chile, and Peru in Bolivia*

LA PAZ, February 28, 1933.

MEMORANDUM

The Bolivian Government has had the honor to receive on February 25, the confidential project of a proposal which has been presented to it in the name of the Governments of Argentina, Brazil, Chile, and Perú for the purpose of establishing the bases for a pacific settlement of the Chaco question.

The Bolivian Government has stated on various occasions, and now has the pleasure of reiterating, its favorable inclination to accept friendly initiatives directed towards establishing peace and of seeking a just and permanent settlement of the territorial controversy which exists between Bolivia and Paraguay, making of record in each instance the advantage of having these suggestions concerted in conjunction with the Commission of Neutrals in Washington, which has for some time past been following the course of the conflict, and whose efforts in favor of peace have reflected with continuing good will, the state of mind of the continent with relation thereto. For these reasons, the Bolivian Government notes with pleasure that the Governments of Argentina, Brazil, Chile and Perú have also been pleased to invoke the auspices of that Commission for the new conditions of peace which they are engaged in formulating.

The Bolivian Government honors the noble purposes of the Governments of Argentina, Brazil, Chile and Perú, and has studied with the attention that it deserves, the important document which has been submitted to its consideration in a confidential way. After accepting, in principle, as it has consistently done in previous instances, the generous idea of putting an end to the bloody struggle which has arisen because of the incessant advances that Paraguay has been carrying on in the Bolivian territory of the Chaco, and in its desire to cooperate, on its part, in the reestablishment of peace, the Bolivian Government takes the liberty of formulating the following conditions for a settlement, which were already mentioned, although briefly, by the President of Bolivia in an extra official conversation with the Argentine Minister some weeks ago.



1. All diplomatic projects and acts entered into prior to this agreement are considered to be non-existent, and shall not influence the arbitral decision.

2. The question shall be defined by the arbitration, in accordance with the principles proclaimed by the majority of the American nations in the declaration of August 3, 1932; that is to say, in the sense that neither force nor occupation constitute titles to territorial sovereignty. In a positive way, the arbitral award shall apply the principle of the *uti possidetis juris* of 1810.

3. The territory in question shall be adjudicated in the arbitration to the party who may have the better titles (thereto), denying, as has been said, any value to acts of force and of occupation. The award shall not anticipate the establishment of compensations or settlements in equity, without the consent of the parties.

4. The territory awarded by President Hayes shall be comprised in the territory subject to arbitration.

5. The territory to be submitted to arbitration shall be bounded on the East by the Paraguay River; on the South by the Pilcomayo River; on the North by Parallel 21; and on the West by Meridian 59 Degrees, 55 minutes West of Greenwich.

As soon as an agreement has been reached as to the points above set forth, which, as may easily be seen, are strictly intended to seek a solution based on justice, which is the only guarantee of international peace, consideration would then be given to the questions emerging therefrom, such, for example, as those which have to do with the details of the armistice, the entity that will be charged with the arbitral proceedings and the manner of its realization, the exchange of prisoners, etc.

In order to facilitate their compliance with the lofty mission which the Governments of Argentina, Brazil, Chile and Perú have taken upon themselves, the Bolivian Government takes the liberty of expressing its opinion as to these questions, as follows:

1. In reference to the cessation of hostilities and the withdrawal of the armed forces, the Ballivian-Robore line, indicated in the Mendoza agreement, is disadvantageous and unacceptable to Bolivia, for reasons which will be made known opportunely if the occasion arises. In this respect, Bolivia reiterates the opinion, already expressed on previous occasions, that the armistice should be concerted in such a way that each of the parties shall hold the positions in which he finds himself when firing ceases.

2. The problem of the Chaco, in the course of time and because of facts which are of international knowledge, has reached a state of grave importance which profoundly affects the national sentiments of the two peoples. In order that the solution may carry with it the stamp of unassailable authority, it seems necessary to have recourse to some form of continental justice. Bolivia would therefore propose that the question or questions to be submitted to the arbitral decision should be decided by the vote of the Presidents of the Supreme Courts of Justice of all the American States, who would be consulted, as legal

arbitrators, in order to hand down opinions as to the concrete questions that may arise in the course of the negotiations for peace, and which cannot be settled by direct understanding between the parties.

A special organism, set up by the Governments of Bolivia and Paraguay, sitting in Rio de Janeiro or Lima, would be charged with keeping the interested governments in contact, through the medium of the respective Foreign Offices (Bolivian and Paraguayan), with the Presidents of the Supreme Courts of Justice of the American States, the computation of the opinions expressed, and the proclamation of the results to be confided to the President of the Supreme Court of Justice of the United States.

3. Within 20 days following the cessation of hostilities, the Governments of Bolivia and Paraguay would deliver at neutral cities or points, to be designated opportunely, the prisoners held by each of them.

If the confidential explorations now being carried out by the Governments of Argentina, Brazil, Chile and Perú indicate the possibility of a beginning of an understanding as to the points which with sincerity and loyal intentions have been set forth above, the Government of Bolivia will be honored to accept the friendly good offices which the said governments are pleased to announce, in joint action with the Washington Commission of Neutrals.

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724.3415/2923 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 3, 1933—8 p. m.

[Received 10:30 p. m.]

31. My telegram No. 25, February 21, 11 p. m. [*a. m.*] The Senate this afternoon gave its authorization to the Executive to declare war on Bolivia.

WHEELER

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724.3415/2927 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, March 6, 1933—6 p. m.

[Received 6:10 p. m.]

41. My telegram No. 38, March 3, noon.<sup>63</sup> This afternoon the Chilean and Argentine Foreign Ministers agreed that tomorrow they will transmit to the neutrals, with some expression of pessimism, the Paraguayan and Bolivian replies. Bolivia's fifth point which limits the scope of the arbitration is considered the most serious obstacle. In view of the fact that both countries have accepted arbitration in prin-

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<sup>63</sup> Not printed.

ciple the support of the neutrals will be requested in an effort to persuade Bolivia and Paraguay to declare immediately an armistice and to retire their forces to the lines referred to in the original proposal.

CULBERTSON

724.3415/2932 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, March 8, 1933—5 p. m.

[Received 5:35 p. m.]

19. The Chilean Government is bringing pressure to bear on Bolivia to omit point 5 of Bolivia's reply to the recent proposal. The Bolivian Government has thus far refused to consider any change in its attitude with respect to the delimitation of the arbitral zone, and is not entirely satisfied with the manner in which the negotiations are being conducted.

FEELY

724.3415/2933 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 8, 1933—7 p. m.

[Received 8 p. m.]

33. Today Ayala telegraphed the President of Peru that this Government views with concern the possibility of Peru's permitting the transit through Mollendo of war materials destined for Bolivia.

WHEELER

724.3415/3024

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] March 9, 1933.

The Argentine Ambassador called and said that he expected to be instructed shortly to take up with the Neutral Commission the question of whether we would support a move for an armistice in the Chaco matter. I told Mr. Espil that I could not speak for my Neutral Colleagues but that I, personally, was willing to do everything we properly could to bring about a cessation of fighting in the Chaco. I pointed out that the Neutral Commission had made such a suggestion early last summer and, while the proposal had been accepted by Bolivia, it had been rejected by Paraguay. I inquired whether he had any information to indicate that Paraguay would be apt to be more ready to fall in with such a plan now and he said that he did not.

F[RANCIS] W[HITE]

724.3415/2940 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, March 9, 1933—5 p. m.  
[Received 5:10 p. m.]

20. Referring to my telegram No. 19 of March 8, 5 p. m., the Minister of Foreign Affairs informed me today that Bolivia had replied refusing to consider the deletion of point 5 and suggesting that in future the negotiations be conducted jointly by all four countries and not individually.

He also informed me that the transit of arms via Arica was not being hindered by the Chilean Government.

FEELY

724.3415/3025

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*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] March 10, 1933.

Mr. Finot called and left with me a copy of the Bolivian reply of March 2 to the neighboring countries. He also left a confidential memorandum <sup>64</sup> regarding the modifications proposed by the Minister of Foreign Affairs of Chile to the Bolivian counter proposal.

The Minister told me that Bolivia was not at all pleased with the attitude of Argentina and Chile in the matter. He said that Bolivia feels that Argentina is frankly hostile to Bolivia and that Chile is trying to get Bolivia under her tutelage.

Bolivia insists that she should know the Paraguayan counter proposal before any new project is advanced and that any new project should be advanced by Argentina, Brazil, Chile and Peru in unison. Bolivia does not want to negotiate with each one of the neighboring countries separately over possibly four different sets of plans.

The Minister added that Bolivia insists that the Neutrals be kept advised of the negotiations and has insisted that unless the neighboring countries do so Bolivia will advise the Neutrals herself. He said it was for that reason that he was leaving me, under instructions of his Government, these two very confidential memoranda.

I asked the Minister whether he was leaving these with me for my own personal information or for the information of the Neutral Commission. He said that as far as he was concerned he did not care one way or the other. He thought that if I gave the information to the Neutral Commission perhaps it would get out and be made public and that then Argentina and some of the other neighboring coun-

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<sup>64</sup> Not printed.

tries might charge that this Government was trying to block their efforts by having the information published. He did not know just what the policy of this Government would be in that connection and therefore left the matter entirely to my discretion. I told the Minister that I would consider the memoranda as confidential for my own personal information only unless and until the Bolivian Government should present this information to me for the Neutral Commission, in which case of course I would have no alternative but to transmit it to my Neutral colleagues.

F[RANCIS] W[HITE]

[Annex—Translation<sup>65</sup>]

*Reply of the Government of Bolivia to the Proposal Made by the Governments of Argentina, Brazil, Chile, and Peru for Settling the Chaco Question*

LA PAZ, March 2, 1933.

The Government of Bolivia is pleased because the proposal of the ABCP seeks the auspices of the Commission of Neutrals of Washington and it sets forth the following bases.

In accepting in principle the suggestion in favor of the peace which the proposal of the ABCP contains Bolivia states:

First. All previous drafts and diplomatic acts shall be considered non-existent and shall not influence the arbitral decision.

Second. The question shall be settled by arbitration in accordance with the principles proclaimed by the American nations on August 3 of last year, that is to say, by establishing that neither force nor occupation constitute titles to territorial sovereignty. The arbitral award shall apply the principle of the *uti possidetis juris* of 1810.

Third. The territory in dispute shall be awarded to the party which has the better titles. The award shall not, without the consent of the parties, establish compensations nor arrangements to title in equity.

Fourth. The zone awarded by President Hayes shall be included in the arbitrable territory.

Fifth. The arbitrable territory shall be bounded as follows: on the east, by the Paraguay River; on the south, by the Pilcomayo River; on the north, by the 21st parallel, and on west by meridian 59°55' west of Greenwich.

When the agreement in the foregoing points is reached, the contingent questions shall be considered, concerning which the Government of Bolivia advances: 1st. The withdrawal of the forces to the Ballivián-Roboré line as indicated by the Act of Mendoza, is an impediment (*inconveniente*) and is unacceptable to Bolivia. Bolivia

<sup>65</sup> Translation supplied by the editors.

reiterates its view that each party should remain in the positions occupied at the time of the suspension of hostilities. 2nd. In order that the solution may be endowed with high authority, Bolivia suggests the employment of continental justice. The question or questions to be submitted to arbitration shall be determined by the vote of the Presidents of the Supreme Court of Justice of all the states of America, who would be consulted on the differences which may arise in the course of the peace negotiations. A special organism, constituted in Rio de Janeiro or Lima would be charged with placing the interested governments in contact with the Presidents of the Supreme Courts. The computation of the opinions and the proclamation of the results would be entrusted to the Chief Justice of the Supreme Court of the United States of America. 3rd. Within twenty days following the cessation of hostilities the prisoners retained by both parties would be returned.

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724.3415/2941 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, March 10, 1933—noon.

[Received 12:30 p. m.]

44. My telegram No. 41.<sup>66</sup> Bolivian Minister told Cruchaga yesterday under instructions from La Paz that his Government is not disposed to modify in any way conditions laid down in its reply. Cruchaga said that if this position was maintained in formal reply to the neutrals and to the neighboring states he would be ready to cooperate in some drastic measures to persuade Bolivia to accept arbitration presumably by embargoes.

CULBERTSON

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724.3415/3026

*The Chief of the Division of Latin American Affairs (Wilson) to the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] March 13, 1933.

MR. WHITE: After Mr. Finot's conversation with Mr. Phillips this morning he mentioned to me the conversation he had had with you on March 10 when he had left with you for your own personal information two confidential memoranda, one being a copy of the Bolivian reply of March 2 to the neighboring countries, and the other regarding changes proposed by Cruchaga to Bolivia's counter-proposal.

<sup>66</sup> March 6, 6 p. m., p. 281.

He showed me a cable just received from his Government requesting that the foregoing information be brought to the attention officially of the Neutral Commission. He asked if I would advise you, therefore, as President of the Neutral Commission, that the Commission should be officially advised in the matter.

EDWIN C. WILSON

724.3415/2974

*The Ambassador in Chile (Culbertson) to the Secretary of State*

No. 1405

SANTIAGO, March 15, 1933.

[Received March 23.]

SIR: Referring to my despatch No. 1387 of February 20, 1933,<sup>67</sup> and to previous despatches on the controversy between Chile and Bolivia regarding an embargo on shipments of arms through Arica, I have the honor to report that Chile is now freely permitting the transshipment of armaments through Chilean territory to Bolivia.

At the Foreign Office Señor Nieto explained that this change was decided upon for reasons of policy and not because the Chilean Government has in any way altered its position as to its rights to control shipments of arms to Bolivia under the 1904 Treaty.<sup>68</sup> To quote Señor Nieto "This reversal of position was due to Chile's desire to avoid becoming embroiled with Bolivia over the Chaco because of an arms embargo." He went on to explain that the press and public opinion in Bolivia had become very embittered towards Chile and that they feared that the arms embargo if persisted in might provoke another Leticia incident. There was nothing, he said, to prevent a group of trouble-making Bolivians from coming down the railroad and taking one of the Chilean ports by surprise. I feel that this reason is a little far-fetched and that the true one is that Chile does not wish to bear alone the onus of an arms embargo. It may be also that trouble with Bolivia at this time would impair Chile's effectiveness as a mediator in the Chaco dispute.

I understand that the bulk of the arms arriving at Arica are from European sources although airplanes and airplane parts from the United States have been among recent consignments.

Respectfully yours,

W. S. CULBERTSON

<sup>67</sup> Not printed.

<sup>68</sup> Signed at Santiago, October 20, 1904, *Foreign Relations*, 1905, p. 104.

724.3415/2956 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 17, 1933—noon.

[Received 4:40 p. m.]

35. The President informs me that he has information that Peru has come to an agreement with Bolivia for the admission of Bolivian war materials at Mollendo in the event that Chile refuses them passage at Arica. This, together with a deepening doubt of the sincerity of Argentina and Chile, has destroyed Paraguay's last hope of any favorable outcome of the present negotiations. This Government has thus far refrained from making the declaration of a state of war at the urgency of the ABCP but she considers a state of war further protracted and, while Bolivia increases her importation of supplies and equipment from Chile and Argentina, might be fatal to Paraguay and I anticipate that the declaration will be made early next week.

WHEELER

724.3415/2957 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 20, 1933—9 a. m.

[Received 11:35 a. m.]

36. Yesterday Uruguay inquired confidentially whether Paraguay would receive from that Government an independent proposal for an armistice the main features of which proposal were indicated. Ayala replied that Paraguay's engagement with the ABCP would forbid its consideration at the present time. He tells me that the contemplated proposal was of such a character that he has no idea it could be made acceptable. Yesterday by instruction of their Governments the Chilean and Brazilian Ministers here appealed to him not to declare a state of war. He answered that in view of the continued passage of armament for Bolivia, Paraguay's only recourse was to invoke the law of neutrality.

WHEELER

724.3415/3051

*The Peruvian Ambassador (Freyre) to the Chairman of the Commission of Neutrals (White)*

[Translation]

WASHINGTON, March 20, 1933.

MR. PRESIDENT: With reference to the proposal of an armistice, between Bolivia and Paraguay, which I have had the honor to sign



together with the representatives of Argentina, Brazil and Chile, I take the liberty of stating, pursuant to instructions from my Government, that the said armistice, in its opinion, should be effected, both parties maintaining their present respective positions, without their forces being obliged to withdraw.

It is, therefore, with this reservation that I have signed the proposal referred to.<sup>69</sup>

I repeat [etc.]

M. DE FREYRE Y S.

724.3415/3051

*The Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé to the Chairman of the Commission of Neutrals (White)*

[Translation]

WASHINGTON, March 20, 1933.

EXCELLENCY: Pursuant to instructions from our Governments, we have the pleasure of communicating, confidentially, to the Commission of Neutrals, the Act signed at Mendoza on the 2d of February of 1933,—in which Act there is given the peace formula suggested by them to the Governments of Bolivia and Paraguay,—and the replies which the latter have made to the said proposal.

We extend to Your Excellency [etc.]

M. DE FREYRE Y S.

*Ambassador of Peru*

FELIPE A. ESPIL

*Ambassador of Argentina*

R. DE LIMA E SILVA

*Ambassador of Brazil*

B. COHEN

*Chargé d'Affaires a. i. of Chile*

[Enclosure 1—Translation]

*Act of Mendoza Signed February 2, 1933*

#### ACT

Having met at the City of Mendoza, on the first and second days of February of one thousand nine hundred thirty and three, Their Excellencies the Ministers of Foreign Affairs of the Argentine Republic and of the Republic of Chile, Dr. Carlos Saavedra Lamas and Mr. Miguel Cruchaga Tocornal, for the purpose of considering various matters of common interest which pertain to continental solidarity,

<sup>69</sup> *Infra.*

in accordance with the spirit of frank harmony and of cordial cooperation which unite the respective peoples and governments, and, among the said matters, the present situation of the deplorable armed conflict dividing the sister peoples of Bolivia and Paraguay and the problems thereby posed before the other countries, especially the countries which are limitrophe neighbors,

AND CONSIDERING :

*First.* That a last effort should be made to put an end to the lamentable state of affairs which exists in the Chaco Boreal, which *de facto* constitutes a war although war has not been formally declared ;

*Second.* That the other countries, especially the limitrophe neighbors, cannot contemplate that situation passively, which situation, besides signifying a lamentable retrogression, from the standpoint of the moral and material guarantees with which the American Continent has heightened its civilizing work, is also a source likely to originate, unfortunately, diplomatic difficulties of a delicate character, in view of the peculiar position in which the contending countries have placed themselves ;

*Third.* That in order to solve that conflict in a manner acceptable to both parties the friendly mediation authorized by the first Hague Convention of 1907,<sup>70</sup> for the pacific solution of international conflicts is advisable ;

*Fourth.* That for such purpose there should be held particularly in mind the lessons which flow from the continuous efforts previously made, with the most laudable purpose, by the Commission of Neutrals, as well as by other countries and international entities, and among these, because of its recent date, the conclusions of the exploration carried out by the Government of the Argentine Republic before the Governments of Bolivia and of Paraguay as well as the draft formula suggested by the Government of the Republic of Chile ;

*Fifth.* That from the exploration of the Argentine Government, which is referred to, and from studies made by the Government of Chile, it appears that, in the present state of affairs which exist in the Chaco Boreal, a solution on the following essential bases would be viable for the purpose of reaching a solution of the conflict as soon as possible, without greater sacrifices of peace, which sacrifices are incompatible with the sentiments of the continent :

a) To submit to an arbitration *juris* all and every one of the questions which may be brought up for the definitive solution of the Chaco dispute. The arbitral tribunal would be constituted within the period of one month from the date of the formal proposal. The *compromis* would be signed at an American capital ; the tribunal would function

<sup>70</sup> *Foreign Relations*, 1907, pt. 2, p. 1181.

in a second capital, and the arbitral award would be communicated to the parties in a third capital. If there should be difficulty regarding the determination of the litigated zone or the submittal of such point to arbitration, it would be suggested that an *avis consultatif* regarding it be requested from the Permanent Court of International Justice.

b) The parties declare the hostilities terminated in this act.

c) Both parties agree to withdraw their respective troops in such manner that Bolivia would concentrate them in two nuclei situated at Ballivián and Roboré and Paraguay, upon the Paraguay River.

d) The parties agree consequently to reduce their military effectives to the number which they had in time of peace and, therefore, agree to demobilization;

*Sixth.* That before formulating officially to the two contending countries the bases laid down in the fifth point, above, it is proper to submit them confidentially to the Governments of Bolivia and Paraguay, for the purpose of determining their viability without ambiguity;

*Seventh.* That the agreement signed at Buenos Aires on August sixth, one thousand nine hundred thirty and two,<sup>71</sup> between the Governments of Argentina, Brazil, Chile and Peru, is inspired in proposals which agree entirely with the foregoing points and its stipulations oblige the four countries referred to to act in common, in jointly offering their friendly services to Bolivia and Paraguay.

IN VIEW OF ALL THE FOREGOING, the undersigned Ministers of Foreign Affairs agree upon the following:—

*First.* To propose, confidentially, to the Governments of Brazil and of Peru, in view of their capacity as signatories of the Agreement of August sixth, one thousand nine hundred thirty and two, the formula laid down in point five of this Act, with the understanding that if the two Governments referred to should also consider them viable and appropriate to the purpose, as the Governments of Argentina and of Chile already considered them, the said formula shall be submitted in advance, as soon as possible and in the same confidential way, to the Governments of Bolivia and Paraguay, as the last effort which the four limitrophe countries are making as a measure of friendly mediation, for the purpose of advancing a peaceful and dignified solution, for both parties, of the armed conflict in which the said parties, unfortunately, find themselves involved.

*Second.* If the Governments of Bolivia and Paraguay should give their agreement to the formula expressed, the four limitrophe countries will then address themselves to the five countries constituting the Commission of Neutrals of Washington, to the end that the nine countries jointly present, in a formal manner, to the Governments of

<sup>71</sup> *Foreign Relations, 1932*, vol. v, p. 168.

Bolivia and Paraguay, the formula of pacification expressed above, and at the same time invite the other countries of the continent to second them in such action.

*Third.* In any case, it is understood that the Governments of the Argentine Republic, of Brazil, of Chile, and of Peru maintain and reaffirm the unity of views and action which found expression in the Agreement of August sixth, one thousand nine hundred thirty and two, whether as mediating countries or as neutral countries.

*Fourth.* In consequence of the foregoing, the signatories resolve to communicate, immediately and simultaneously, copies of this Act to the Governments of Brazil and Peru, with the request that they express to the senders their views on the subject.

*Fifth.* They resolve, likewise, to communicate a copy of this Act to the Governments of Bolivia and of Paraguay when the moment arrives for the presentation to these two countries, by the four limitrophe countries, of the formula referred to in point one. In faith whereof, the undersigned subscribe this Act in two copies of the same tenor, drawn up at the City of Mendoza on the second of February, one thousand nine hundred thirty and three.

MIGUEL CRUCHAGA  
CARLOS SAAVEDRA LAMAS

[Enclosure 2—Translation]

*Reply of Bolivia*

The reply to the A. B. C. and Peru, expresses pleasure that the proposal will seek the sponsorship of the Commission of Neutrals of Washington and indicates the following bases, accepting, in principle, the suggestion of peace.

1) All previous drafts (*proyectos*)\* and diplomatic acts are considered non-existent, not influencing the arbitral decision.

2) The question shall be settled (*definida*) by arbitration, in accordance with the principles proclaimed by the American nations, on August 3, 1932; that is to say: that neither force nor occupation constitute titles to territorial sovereignty. The arbitral decision shall apply the principle of *uti possidetis juris* of 1810.

3) The territory shall be adjudicated to the party having the best titles. The award shall not, without the consent of the parties, establish compensations nor arrangements as a matter of equity.

4) The zone awarded by President Hayes<sup>72</sup> is included in the arbitrable territory.

\* Translator's footnote: The translator assumes that this word refers especially to the various unperfected agreements on the Chaco question, but it is possible that the word is used in a broader sense, including all plans or projects relative to the question.

<sup>72</sup> Hayes Award, November 12, 1878; *Foreign Relations*, 1878, p. 711.

5) The arbitrable territory is delimited [as follows]:<sup>74</sup> on the east by the River Paraguay, on the south by the River Pilcomayo, on the north by parallel 21°, and on the west by meridian 59°55' West Greenwich.

When the agreement on the foregoing points is reached, the contingent questions will be considered, concerning which questions we announce:

a) The withdrawal of the forces to the line Ballivián-Roboré, which is indicated by the Act of Mendoza, is inappropriate and unacceptable for Bolivia. We add that Bolivia reaffirms the view that each party should remain in the positions occupied at the time of the cessation of fire.

b) In order that the solution may carry high authority, we suggest continental justice. Question or questions to be submitted to arbitration, to be settled by vote of the Presidents [i. e., Chief Justices]<sup>74</sup> of the Supreme Courts of Justice of all the States of America, which would be consulted on the differences which may arise in the course of the negotiations of peace. A special organism, constituted at Rio de Janeiro or Lima, would undertake placing the interested Governments in communication with the Presidents of the Supreme Courts. The counting (*computación*) † of the opinions expressed and the proclamation of the results would be entrusted to the President of the [sic]<sup>74</sup> Federal Court of the United States of America;<sup>75</sup>

c) Within twenty days following the moment of the cessation of hostilities, the prisoners would be returned.

[Enclosure 3—Translation]

### *Reply of Paraguay*

The bases proposed, of arbitration, demilitarization, and reduction of armies are accepted by Paraguay with the modifications and additions stated below:

*First:* That the words "zone in litigation" (*zona litigiosa*) be replaced by the expression "specific subject of the controversy" (*materia específica de la controversia*);

*Second:* That the Bolivian troops withdraw to Villa Montes and Roboré;

*Third:* That the military effectives be reduced to the minimum required by the internal security of each State, for the term of five years;

*Fourth:* That an investigation, of an international character, be proceeded to for the purpose of determining the aggressor and his responsibility.

<sup>74</sup> Brackets appear in the file translation.

† The translator realizes that this is an unusual word to use in this connection, but apparently it is the word intended. [Translator's footnote.]

<sup>75</sup> i. e., the Chief Justice of the Supreme Court of the United States.

724.3415/3051

*The Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé to the Chairman of the Commission of Neutrals (White)*

[Translation]

WASHINGTON, March 20, 1933.

EXCELLENCY: We have had the pleasure, in a note of today's date, to advise the Commission of Neutrals that Bolivia and Paraguay have agreed to accept, in principle, the formula of arrangement sponsored by our Governments, the text of which formula is laid down in the Act of Mendoza.

In view of so favorable a reception, our Governments believe that the subsequent negotiations for peace might be better directed if the consent of Bolivia and Paraguay should be obtained for an immediate, absolute cessation of hostilities for sixty days, through an agreement the details of which would be decided upon in a rapid exchange of ideas between the Parties and the limitrophe countries.

In accordance with the proposal of maintaining its attitude in solidarity with the Commission of Neutrals, our Governments trust that on being informed of the present status of the efforts for conciliation, the Commission likewise may consider that the moment has come to undertake, with the four limitrophe countries, immediate negotiations with Bolivia and Paraguay for the purpose of obtaining the cessation, so greatly desired, of hostilities, and we have been requested to ask, to this end, the cooperation of the Commission of Neutrals.

We express [etc.]

M. DE FREYRE Y S.

*Ambassador of Peru*

FELIPE A. ESPIL

*Ambassador of Argentina*

R. DE LIMA E SILVA

*Ambassador of Brazil*

B. COHEN

*Chargé d'Affaires a. i. of Chile*

724.3415/2965 : Telegram

*The Secretary of State to the Minister in Paraguay (Wheeler)* <sup>76</sup>

WASHINGTON, March 22, 1933—2 p. m.

9. Neutral Commission has been requested by the representatives of the neighbors to join in immediate representations to Bolivia and Paraguay to bring about cessation of hostilities. They state that Bo-

<sup>76</sup> The same, March 22, 2 p. m., to the Minister in Bolivia as telegram No. 6.

livia and Paraguay have accepted in principle the Mendoza formula and in view thereof they believe that further peace negotiations can be better carried out if they could obtain the consent of Bolivia and Paraguay for the immediate cessation of hostilities for 60 days. Peruvian Ambassador makes the reservation that the armistice should be on the basis that both parties will maintain their actual respective positions without their forces being obliged to withdraw.

Please cable as soon as possible views of Government to which you are accredited regarding this matter.

HULL

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724.3415/2966 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, March 22, 1933—10 p. m.

[Received March 23—12:20 a. m.]

37. Your telegram No. 9, March 22, 2 p. m. I have just seen the President. This Government's determination to agree to no armistice based on present positions I believe to be unalterable. It is his conviction that Peru's reservation<sup>77</sup> is made in Bolivia's interest, the latter's troops being in a serious position on half rations and dependent on planes for further provisions. The proposed period of 60 days he understands would be used by Bolivia only to fill her present shortage of stores and ammunition and at its close she would resume her military campaign. Paraguay would gladly accept an immediate cessation of hostilities for any period whatsoever but only with the guarantee of security provided by a proper mutual retirement.

I am of the opinion that if the Mendoza formula of retirement were accepted by Bolivia, Ayala would press it with the General Staff and at this time it seems likely that he could force the latter's agreement thereto.

WHEELER

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724.3415/2967 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, March 23, 1933—11 a. m.

[Received 11:35 a. m.]

23. There is every indication that the Bolivian Government will not accept a suspension of hostilities, even on the basis of positions actually held, unless and until a prior agreement has been made for the settlement of the fundamental question.

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<sup>77</sup> See note of March 20 from the Peruvian Ambassador to the Chairman of the Commission of Neutrals, p. 287.

Recent military successes and the acquiescence of Chile in the free transit of arms via Arica have greatly strengthened Bolivian confidence in a successful issue of the military campaign.

FEELY

724.3415/3051

*The Commission of Neutrals to the Argentine, Brazilian, and Peruvian Ambassadors and the Chilean Chargé*

[Translation]

WASHINGTON, March 23, 1933.

GENTLEMEN: The Commission of Neutrals accept receipt, with pleasure, of the note of Your Excellencies, dated the 20th instant, requesting the cooperation of the Commission for the purpose of undertaking immediate negotiations with Bolivia and Paraguay to the end of obtaining the cessation, so much desired, of hostilities for sixty days. The Commission of Neutrals, unanimously, has decided that it be stated to Your Excellencies that it supports, cordially and decidedly, your interesting proposal and that Your Governments can so state to the Governments of Bolivia and Paraguay, in arranging the agreement of absolute cessation of hostilities, the details of which, as Your Excellencies state, will be decided in a rapid exchange of ideas between the parties and the limitrophe countries.

We greet [etc.]

FRANCIS WHITE

*President of the Commission  
of Neutrals*

O. B. CINTAS

*Ambassador of Cuba*

J. VARELA

*Minister of Uruguay*

FERNANDO GONZÁLEZ ROA

*Ambassador of Mexico*

FABIO LOZANO T.

*Minister of Colombia*

724.3415/2976: Telegram

*The Secretary of State to the Minister in Paraguay (Wheeler)*

WASHINGTON, March 27, 1933—1 p. m.

10. Your 38, March 25, noon.<sup>78</sup> The representatives of Argentina, Brazil, Chile and Peru, on March 20th in writing advised the Neutral

<sup>78</sup> Not printed.



Commission of the Mendoza formula and of the replies of Bolivia and Paraguay accepting this formula "in principle." Their note continues that in view of this favorable reception given the proposal those Governments felt that the future peaceful negotiations could be better carried out if Bolivia and Paraguay should consent to an immediate absolute cessation of hostilities for 60 days, "by means of a convention whose details would be decided upon in a rapid exchange of ideas between the parties and the neighboring countries". They requested the Neutrals to make immediate representation to Bolivia and Paraguay to bring about the cessation of hostilities.

As the Neutral Commission obviously could not take the position of opposing an armistice or any other peaceful settlement, and not wanting to make direct representations to the two countries in view of your No. 37 of March 22, 10 a. m. [*p. m.*?], and similar reports from Bolivia, it merely acknowledged receipt on the 23d instant of the above mentioned note and stated that the Neutral Commission had determined unanimously to support in a cordial and decided manner the interesting proposition of the neighbors and that the four neighboring Governments could so state to the Governments of Bolivia and Paraguay "upon drawing up the convention for the absolute cessation of hostilities whose details as stated by Your Excellencies will be decided upon in a rapid exchange of ideas between the parties and the neighboring countries". That is all that the Neutral Commission has done or proposes at this time to do. The text of the notes were given out here but no other public statement was made. When the representatives of Argentina, Brazil, Chile and Peru presented their note on March 20th, the Peruvian Ambassador presented a separate note stating that in signing the collective note he wanted to make it clear that his Government felt that the armistice should be carried out on the basis that both parties would maintain their actual respective positions without their forces being obliged to withdraw. This is undoubtedly the cause of the press reports you mention. You will note that the suggestion comes however from the Peruvian Government and not from the Neutral Commission.

You are at liberty to make such use of the above as you consider most helpful.

HULL

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724.3415/2983 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, March 30, 1933—noon.

[Received 12:35 p. m.]

25. In reply to a suggestion from the Chilean Government that Bolivia consent to leave the determination of the arbitral zone to an

*avis consultatif*, the Bolivian Government on March 29 stated that such a method, because of the great delay it would involve, could only be accepted in case a direct agreement could not be arrived at as to the zone.

For the Department's confidential information. Finot cabled his Government on March 27 that in his opinion the Neutral Commission was not supporting activities of the neighboring countries with interest or enthusiasm and that the Commission would not be displeased if the present negotiations failed.

FEELY

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724.3415/2983 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, March 30, 1933—5 p. m.

7. Your 25, March 30, noon, last paragraph. There is no justification for Finot's statement. The Commission supported fully the suggestions of the neighboring countries for an armistice and would be very glad to see the efforts of the neighboring countries succeed in reestablishing peace and bringing about a settlement of the Chaco matter.

HULL

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724.3415/3027

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] April 1, 1933.

The Argentine Ambassador and the Chilean Chargé d'Affaires called and showed me telegrams from their Governments asking them to get the cooperation of the Neutrals in supporting the Mendoza formula. They wanted the support to be by joint action of the nine countries working together. The Argentine telegram indicated that there was not much hope of an armistice under present conditions.

I told both gentlemen that I could not talk for the Neutral Commission but only for myself. I had all along thought the Mendoza formula a good one and had thought it a mistake to complicate the situation by making another suggestion while the Mendoza formula was pending, namely an armistice proposal. I said that the Mendoza formula is said to have been accepted in principle by both countries but that the reservations made indicate that there is little chance of its acceptance unless the two Governments change their points of view. I said that I did not think that making the same proposal again by nine countries would in itself change the situation and we would

waste a lot of influence which we would otherwise have in reserve to use on a more propitious occasion; that I was most anxious to see this matter settled and was thinking only of the practical way to do so. I told them I thought this could best be accomplished by sounding out in La Paz and Asunción informally to see whether they would change their views. I said that I was perfectly willing to have the American Legations in La Paz and Asunción cooperate with the Ministers of the neighboring powers in this work provided this met with the views of the Argentine and Chilean Governments. I said that we would have to send explicit instructions so that they would know what to work for. In Asunción, the instructions should be to try to get Paraguay to withdraw her reservation demanding that Bolivia withdraw to Villa Montes and to accept Ballivian-Robore as suggested. Paraguay should be told that her other reservations would be considered when the arbitral *compromis* is drawn up.

In La Paz the endeavors should be to have Bolivia withdraw its condition No. 5, delimiting the zone, and also Clause A rejecting the Ballivian-Robore withdrawal points. If this is done, then Bolivia should be told that her other reservations are matters to be considered when the *compromis* is negotiated.

I said that I considered it important to tell both parties exactly what we wanted them to accept and that their other conditions should be considered at the time the *compromis* is being negotiated or otherwise they might feel that we had tacitly accepted their other conditions which would make the negotiations more difficult.

Both Mr. Espil and Mr. Cohen agreed with me and felt that my suggestion was the right way to deal with the matter. They said they would take the matter up with their Governments and would let me know the results. I told them that as soon as they do so I will be prepared to send instructions.

F[RANCIS] W[HITE]

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724.3415/3008

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] April 6, 1933.

The Brazilian Ambassador called and said that his Government learned that the United States was willing to cooperate with the ABC Peru countries in the Chaco matter. I explained to him my conversation with Mr. Espil and Mr. Cohen the other day and said that we were cooperating in preliminary explorations to see whether the reservations made by Bolivia and Paraguay could be modified, as it seemed futile for the nine Powers to make the same proposal over again unless the positions of Bolivia and Paraguay could be changed.

I told the Ambassador that the United States was not breaking away from the Neutral Commission in any way whatsoever and that if we succeeded in changing the views of the two countries then the Neutrals and the neighbors would act again.

F[RANCIS] W[HITE]

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724.3415/2996 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, April 6, 1933—11 a. m.

[Received 1:45 p. m.]

41. I am privately informed that Espil has cabled his Foreign Office that "the Department of State with the neutrals will take a renewed interest in the Chaco situation. The neutrals are disposed to adopt the Mendoza formula and it is expected that the Government will ask Paraguay and Bolivia to waive reservations and accept it". Last night Ayala told me he believed he could swing the General Staff to agreement but in face of Kundt's recent demand for a new army of 50,000 men he has no hope that Bolivia will accept. He has so far held back the declaration of a state of war at the instance of Cruchaga and Saavedra Lamas but in view of the great quantity of arms and ammunition now expected by Bolivia from Europe and the necessity of preventing its entry, if possible, he is averse to delaying the declaration beyond a few days longer irrespective of the progress of negotiations.

WHEELER

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724.3415/2996a : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, April 6, 1933—1 p. m.

8. Argentine and Chilean Governments have requested this Government to cooperate with them in endeavoring to persuade Bolivia to withdraw its fifth reservation to the Mendoza formula delimiting the arbitrable territory and also to persuade Bolivia to accept retirement to Ballivian and Robore. You may join with your Argentine and Chilean colleagues in this endeavor. You should also endeavor to have Bolivia withhold pressing the other reservations and should make it clear that in limiting your request to acceptance of retirement to Ballivian and Robore and withdrawal of the condition regarding the limits of the arbitrable territory there is no acceptance even in principle of the other Bolivian reservations which should be reserved for discussion at the time negotiations for the arbitral *compromis* are undertaken. Cable results.

If these negotiations are successful then the neighboring countries and the Neutrals will join in officially urging the Mendoza formula on both Bolivia and Paraguay.

HULL

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724.3415/2996b : Telegram

*The Secretary of State to the Minister in Paraguay (Wheeler)*

WASHINGTON, April 6, 1933—1 p. m.

11. Argentine and Chilean Governments have requested that this Government cooperate in endeavoring to have Paraguay accept the Mendoza formula. Please cooperate with your Argentine and Chilean colleagues in endeavoring to have the Paraguayan Government withdraw its second reservation to the Mendoza formula and agree that the Bolivian troops should retire to Ballivian and Robore. In other words, that Paraguay withdraw her requirement that Bolivian troops retire to Villa Montes. Also endeavor to have Paraguayan Government reserve its other three reservations for discussion when negotiations open for the arbitral *compromis*. It should of course be clearly understood that in asking the Paraguayan Government to withdraw its second reservation there is no acceptance even in principle of the other three Paraguayan reservations. These will be discussed in the negotiations for the *compromis*. Cable reply.

If these negotiations are successful then the neighboring countries and the Neutrals will join in officially urging the Mendoza formula on both Bolivia and Paraguay.

HULL

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724.3415/3001 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, April 7, 1933—10 a. m.

[Received 2:35 p. m.]

42. Your telegram No. 11 of April 6, 1 p. m. The President, after some consultation, authorizes me to assure you that while there will be opposition to overcome this Government will accede to the request in its entirety. Its reply to the formal proposal, however, will not be made without some delay from the conviction that apparent eagerness would be construed in La Paz as a sign of weakness and would stiffen Bolivian resistance to agreement. Neither my Argentine nor my Chilean colleague has as yet received any instruction from his Government in the matter.

WHEELER

724.3415/2997 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*LA PAZ, April 7, 1933—11 p. m. [*a. m.*?]

[Received 11:15 a. m.]

28. Referring to Department's telegram 8, April 6, 1 p. m. I feel it my duty before taking action to inform the Department that in my opinion Bolivia will not accept a withdrawal purely of her reservation as to the prior delimitation of the arbitral zone nor a retirement of troops to Ballivian and Robore although some concrete suggestion for a modification of both reservations might have more favorable consideration.

In the opinion of the Bolivian Government the negotiations undertaken by the neighboring countries have been carried on in such an irregular way that any hope of a successful outcome has been seriously prejudiced if not eliminated and the absence of Brazil and Peru from the negotiations at this juncture serves to strengthen this conviction.

Under these circumstances I feel that the result will be negative, but will follow the Department's instructions unless contrary instructions are received today.

FEELY

724.3415/2997 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, April 7, 1933—5 p. m.

9. Your 28, April 7, 11 a. m. As similar representations are being made to Paraguay to withdraw her reservations to the Mendoza formula, Department prefers to have you discuss this matter in accordance with its April 6, 1 p. m., in conjunction with the representatives of Argentina and Chile, and also Brazil and Peru if they are willing to join in.

HULL

724.3415/3003 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, April 9, 1933—7 p. m.

[Received 7:10 p. m.]

29. Referring to Department's telegram No. 8, April 6, 1 p. m. I discussed a plan of action with the Brazilian and Chilean Ministers today.

The Chilean Minister has been instructed to delay action pending further instructions but stated that President of Bolivia had informed him on April 7th that Bolivia was open to suggestions as to the delimitation of the arbitral zone, such, for example, as to request a decision thereon from historical and geographical societies, provided military operations would not be affected in the interim.

Brazilian Minister has been instructed to explore the possibility of having Bolivia withdraw point 5 of her reply, or to consider any position for the modification thereof, the Bolivian Government being of the opinion that each belligerent should be informed officially of the other's attitude as to the basic points of divergence.

Argentine Minister's instructions are to request the withdrawal of the two Bolivian reservations and to explore the possibility of modifications thereon.

It was decided to take no action until the Chilean Minister has received instructions and then to endeavor to take common action.

I am of the opinion that the present negotiations will be fruitless unless all the mediating countries take identical action.

FEELY

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724.3415/3005 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, April 10, 1933—5 p. m.

[Received April 11—1:10 a. m.]

43. My telegram No. 42, April 7, 10 p. m. [*a. m.*] On April 8, my Brazilian colleague received instructions to make the representation "together with the Argentine and Chilean Ministers" and to take the initiative in the affair. The Argentine and Chilean Ministers also were on that date informed that I would join with them and with the Brazilian Minister in the prospective action. Last night the Argentine Minister sent me word that he had arranged a meeting within the hour with the Minister for Foreign Affairs at whose house we met and made the joint representation, my Brazilian colleague taking the lead. It appeared, however, at this meeting that the instructions received by my colleagues had either lacked clearness or had been in very general terms, the Argentine Minister appearing to be most hazy as to what his Government was pressing. The Chilean Minister later told me confidentially that he himself had not received any specific instruction but was so certain from previous correspondence of what Cruchaga desired that he had joined the representations without hesitation. As my personal understanding with the President was complete and satisfactory I stated merely that my instructions were to cooperate with

my colleagues in behalf of the Mendoza formula. The Minister for Foreign Affairs replied that the matter would be considered by the Cabinet and a communication made to us as soon as practicable. After the meeting I went to the President's house and gave him its details. He had already been informed that the conference had not shown complete unanimity and said that further consideration and postponement by the neighbor powers seems inevitable. I suggested that he ask that we four representatives confer with him today to see if the difficulty could not be ironed out without delay. The Argentine Minister, however, sent word that he had suddenly been taken ill and could not take part.

This morning the President telegraphed me that he was not disposed to defer longer to the backing and filling of Brazil and Argentine and that a note was being sent me which was this Government's separate reply to my own representation. I asked him to withhold it till I could speak with him and went to the Palace where I urged that it be made an identic note to all four representatives and that it be so couched as to cover the points of my representation without specifically referring to it. The result after a Cabinet meeting was an identic memorandum which has now been handed to me and to my three colleagues of which the following is a translation:

"The Government of Paraguay, desirous of putting an end to the war, as soon as possible, in order to seek by appropriate means a legal solution of the conflict with Bolivia, declares that it agrees to the withdrawal of its second reservation to the formula of Mendoza, with the result that the Bolivian troops should retire to Ballivian and Robore. It likewise agrees that the other amendments and additions which it made in its answer of the 27th of February shall be the object of consideration later, upon the occasion of the negotiation of the arbitral *compromis*."

. . . The Peruvian Minister has received no communication whatever from his Government touching the matter.

WHEELER

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724.3415/3004: Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, April 10, 1933—9 p. m.  
[Received 11:13 p. m.]

30. Referring to my telegram No. 29, April 9, 7 p. m., and following a meeting with my three colleagues intended to coordinate the action of the four countries we carried out our instructions individually this afternoon on the basis of a friendly exploration as to possible modifications in the two principal Bolivian reservations with the following result:



The Minister of Foreign Affairs informed each of us individually that we might inform our Governments that the Bolivian Government while it would not withdraw its reservations on these points, officially announced that the delimitation of the arbitral zone as set forth in the Bolivian reply was not a condition *sine qua non* of further negotiations and that it was open to friendly suggestions as to modifications thereof.

As to the withdrawal of troops the Minister of Foreign Affairs declared that this was a technical military matter of secondary consideration and that once an agreement had been reached as to the arbitral zone Bolivia would be willing to withdraw her troops even farther than the line proposed or even to consider partial demobilization.

The Minister of Foreign Affairs in making these identical declarations to each of us, responded cordially to our representations and we were favorably impressed by his attitude. He stated that he was considering the advisability of notifying each of the four Governments officially of these declarations. Peruvian Minister is without instructions.

FEELY

724.3415/3045

*The Bolivian Minister (Finot) to the Secretary of State*<sup>81</sup>

[Translation]

#### MEMORANDUM

In connection with certain steps which are being taken in order to obtain from Bolivia the withdrawal of the fifth clause of the memorandum in which she recently replied to the proposed arrangement which was submitted to her by the Governments of Argentina, Chile, Brazil, and Peru for a solution of the conflict which she is sustaining with Paraguay, the Minister of Bolivia at Washington wishes to inform the Department of State as to the reasons upon which his Government bases its maintenance of the points of view which, on this matter, I have invariably supported in the course of the negotiations to settle the Chaco dispute. The said fifth clause establishes the zone which Bolivia would be prepared to submit to arbitration and constitutes a specific basis upon which the negotiations looking to an arbitral agreement may be developed.

From the first moment of the present stage of the negotiations looking to peace, the Government of Bolivia has suggested the propriety of

<sup>81</sup> Handed to the Chairman of the Commission of Neutrals on April 11; transmitted to the Commission of Neutrals on April 23, at the request of Sr. Finot. (724.3415/3045a)

consulting Paraguay on the same point, in order to know her claims and to know whether it is possible to fix upon a reasonable basis for negotiations. Bolivia has gone ahead, for her part, and proposed this basis, in the desire that the friendly negotiations be guided in a practical and advantageous manner, facilitating action toward peace, which cannot be completed without a previous understanding on the manner of solving the territorial difference.

Arbitration having been accepted by both sides as the only possible solution, the difficulty of determining the arbitrable zone is the stumbling block in the way of reaching an understanding; and even though it is true that the viewpoints of Bolivia and Paraguay appear absolutely divergent and irreconcilable, it is the duty of those acting as mediators to ascertain which side is right—for one side must be, as in any human litigation—in order to induce the recalcitrant party to moderate its claims in order not to hinder a possible solution.

Paraguay proceeds on the supposition that the Chaco is hers and admits of arbitration only for determining the limits of her right, or what is the same thing, considers the litigation as decided in her favor. Bolivia, on the other hand, although convinced that the territory in question belongs to her, is prepared to submit it to arbitration with no other requisite than the indication of the extent thereof. This is the true situation of the parties, which the mediators are bound to examine carefully and to appreciate with an elevated and impartial judgment.

The Paraguayan thesis consists in affirming that the Chaco dispute is not a "territorial" dispute, but a "boundary" dispute. It seems difficult at mere sight to discover the cause of such definition, as it should be understood that any boundary encloses or delimits territories. Little by little as we go deeper into the purpose of this tendency which is as strange as it is obstinate, we can clearly note the motive on which it is based. If Paraguay admitted that the dispute is "territorial" as Bolivia submits it, alleging titles to the Chaco, there would be danger that a legal decision might deprive the former of the clandestine possession of the territories which she has held under the protection of a favorable geographic situation. If the dispute were one "of boundaries", as Paraguay understands it, that is, limiting it to "determining the boundaries which in 1810 separated the *Paraguayan Chaco*, which was part of the colonial province of the same name, from the provinces which constituted the Republic of Bolivia", Paraguay's right would be recognized in the arbitration *compromis*, and there would remain to be determined only how much this right includes.

But the Bolivian claims are not directed to seeking a boundary of the supposed rights of Paraguay over the Chaco; they are directed

toward regaining the rights of Bolivia over the territory bounded on the east and south by the great rivers Paraguay and Pilcomayo, the former being the natural boundary between the colonial province of that name, which became the Republic of Paraguay, and the District of Charcas, later the Republic of Bolivia. The primary question consists in ascertaining whether Paraguay has a right to the territory of the Chaco, and not in establishing a limit of that right, recognizing it as existent by the decision of one of the parties.

To admit territorial litigation over the Chaco means for Paraguay admitting the possibility of losing, in the courts of international justice, all or part of the territory of which she has possessed herself by force. For that reason she insists in maintaining that the question is one "of boundaries"; for that reason she rejects arbitration with the demarkation of territory, a cardinal point in the Bolivia defense, since an arbitration on this basis will have to decide to whom the territory under litigation lawfully belongs, and Paraguay admits the arbitration but on condition that she be guaranteed that she is to retain possession of the Chaco.

Bolivia does not wish to designate boundaries in the Chaco, for she maintains that it belongs to her *in toto*. If Bolivia, in diplomatic acts which Paraguay, blinded by ambition and with restricted vision, refused to ratify, yielded a part of the Chaco, she did it by way of compromise, and out of love of peace and on the altar of fraternal policy which her adversary never could appreciate, as she was sure, up until a short time since, that Bolivia was incapable, on account of the distance and the natural obstacles which appeared to be insuperable, of defending her patrimony against audacious invasion. The present conflict provoked by Paraguay, is showing that that country miscalculated and that it is now time to open her eyes to reality.

Having explained the fundamental reason why Paraguay resists a determination of the arbitrable zone, there exists still another circumstantial or tactical reason, which also holds the key to her attitude. On the basis of the antecedents of other arbitral decisions and having in view the tendencies of any arbitrator, who generally is inclined to divide the matter in litigation equitably between the parties, she has made her calculations embracing within her claims an enormous portion of unquestionable Bolivian territory, without delimiting them to the north or the west in order to make sure in this way, in case of a judgment of Solomon, that she would be assigned all or almost all of the Chaco which is in litigation. The stupidity of which the Government of Bolivia would be guilty is obvious if she should permit herself to be taken in by such a dangerous game. For this reason, therefore, it is for her a cardinal point in the controversy that there cannot be arbitration without the delimitation of the zone.

The curious part of the case is that Paraguay, always contradictory in her defense, has subscribed with Bolivia and approved a formal *compromis*, now in full effect, which binds her to accept arbitration over a limited zone. The Gutiérrez-Díaz León Protocol, signed at Buenos Aires on April 22, 1927,<sup>82</sup> through the good offices of the Argentine Government, says literally in Article 4: "Should it be impossible to arrive at an agreement respecting the final determination of the international frontier, the plenipotentiaries shall state the reasons for the disagreement and shall fix the exact zone which will form the subject of the decision of an arbitral court to be appointed by mutual agreement." And if Paraguay herself has agreed to respect this basis of arbitration how is it possible that there should be any mediators or friendly adjusters who would pretend to obligate Bolivia to accept an arbitration without reservations, without limitations, over all the territory which the adversary has the idea of bringing into litigation? Can there be a government in the world which would dare to submit the national patrimony to trial without reservations and without limitation?

It is said and is repeated that the rectitude and respectability of the court will suffice to avoid any danger of that sort. And who is prepared to guarantee the result of an arbitration initiated under such strange conditions, without any precedent whatever in the history of international differences?

These clear, logical, elementary reasons cannot fail to be acknowledged and appreciated by the friendly governments who are trying to reach a peaceful settlement of the Chaco conflict. In view of Paraguay's obstinacy in a contrary sense, it is not reasonable to try to secure Bolivia's deviation from her justifiable attitude. It is obvious that any mediation should be directed to bringing it about that the zone of the litigation be circumscribed, trying to guide Paraguay along the path of reality and logic.

The Government of Bolivia cannot believe that the attitude of any one of the friendly Governments who are trying to induce her to change this fundamental point of her policy is inspired by the purpose of doing her an irreparable injury. It is inclined to assume, on the contrary, that an imperfect knowledge of the problem is involved, and for this reason attempts once more to explain the bases for her justifiable conduct.

Those who are acquainted with the Chaco problem know perfectly well that only the determination of the arbitrable zone can lead to a real and final solution, and that it is toward this objective that the friendly efforts toward peace should be directed. Bolivia accepted

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<sup>82</sup> For text, see despatch No. 275, April 29, 1927, from the Chargé in Argentina, *Foreign Relations*, 1927, vol. I, p. 316.

the formula of the pact of non-aggression prepared by the Commission of Neutrals in Washington<sup>83</sup> which would have prevented the armed conflict, while Paraguay rejected it and executed the aggression which began the present struggle; Bolivia accepted with small changes of form the peace proposal formulated by the same Commission, while Paraguay withdrew from Washington in an angry attitude. All these are antecedents which permit impartial determination as to which of the parties is the one which should be induced, by persuasion and by the moral influence of the mediators, to reduce its claims and moderate its intransigency out of regard for justice and peace.

It seems that the action of certain Governments of the neighboring countries is directed also to obtaining Bolivia's consent to withdraw her troops from the Chaco, while the adversary concentrates his on the banks of the Paraguay River. On repeated occasions Bolivia has explained the reasons on which she bases her non-agreement to the evacuation of the Chaco, which would leave Paraguay in virtual possession of the disputed territory, inasmuch as she could recover it with extreme facility, while a new mobilization would be ruinous in the extreme to Bolivia. It is impossible to think about concentrating the Bolivian effectives at the points indicated by the proposal of the neighboring countries, because adequate means of installation and obtaining supplies would be lacking there. Under such circumstances the withdrawal of troops would mean, therefore, evacuation and demobilization. There is no reasonable motive for demanding such measures as long as there is no guarantee that the territorial dispute will be satisfactorily defined. Once this guarantee is obtained demobilization will take place as the result of the convenience of the parties, since the reason for the struggle will have disappeared.

In conclusion, the Minister of Bolivia calls the attention of the Department of State to the fact that, after Bolivia's having accepted the good offices of the neighboring nations and the Commission of Neutrals of Washington together, one or more of the Governments who have bound themselves to carry out coordinate action, are trying now to initiate a separate policy, disjoining the efforts toward peace and weakening their efficacy.

The Government of Bolivia would be pleased if every proposed settlement were presented to it conjointly by the four governments of the neighboring nations and with the consent of the Commission of Neutrals, whose good offices it considers in force and cannot consider them as having been discarded.

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<sup>83</sup> Draft Pact of Non-Aggression of May 6, 1932, *Foreign Relations*, 1932, vol. v, p. 8.

724.3415/3020

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] April 14, 1933.

The Brazilian Ambassador called and inquired regarding the Bolivian memorandum expressing the point of view of that Government in the Chaco matter. I let him read Mr. Finot's memorandum of April 11 to me. The Ambassador inquired what I thought of the situation and I said that I was sorry that the two parties had not agreed to the Mendoza formula but, in view of the position which Bolivia has taken in this matter, the only suggestion that occurred to me was that the Mendoza formula and the proposal of the Neutrals of December 15 might be combined into a new proposal, using the provisions of the Mendoza formula for the withdrawal of Bolivia to Ballivian and Robore, and incorporating the features of the December 15 proposal regarding limiting the zone and arbitration of the matter. The Ambassador said that this interested him and that he would cable his Government to that effect and would let me know any reply he might have.

F[RANCIS] W[HITE]

724.3415/3004 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, April 14, 1933—2 p. m.

10. Your 30, April 10, 9 p. m. Would it be possible to find a way out by incorporating in a new proposal the features of the Neutrals' proposal of December 15th last<sup>84</sup> for determination of the Chaco by a board of geographers, to be followed by an arbitral settlement of the matter and the provision in the Mendoza formula for the withdrawal of troops to Ballivian and Robore?

HULL

724.3415/3022 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, April 19, 1933—3 p. m.

[Received 6:11 p. m.]

57. The Minister for Foreign Affairs<sup>85</sup> asked me to transmit to you his earnest wish for active cooperation in the effort to settle the Chaco dispute. Explaining the present status he informed me that Paraguay

<sup>84</sup> *Foreign Relations*, 1932, vol. v, p. 126.

<sup>85</sup> Miguel Cruchaga Tocornal.

has withdrawn its reservations but that the Bolivian attitude is still equivocal. If Bolivia delays he believes Paraguay will formally declare war and the other complications may follow including even the possibility of Argentina entering the conflict. Bolivia has made one concession by declaring that its reservation number 5 is not a *sine qua non* but she does not wish to retire her troops until the zone of arbitration is settled. The Minister emphasized that the acceptance by Bolivia of the Act of Mendoza is the first essential step. Thereupon under the Act a complaint would be assembled immediately at which the Act, with such modifications as might be agreed upon including the determination of the zone arbitration, would be signed and the details of the armistice arranged. The Minister hopes that you will designate a representative to this conference. He urges that our cooperation, which he thinks will be decisive if taken with the ABC countries, take the form of joining Chile and the Argentine in presenting on the same day communications to Bolivia urging it to withdraw its reservations to the Mendoza formula, these communications not to be identic but similar in substance. Argentina has agreed to send such a communication and Brazil has already acted in this sense. The Chilean note to Bolivia would read as follows :

“The Government of Chile which has maintained a close cooperation with the Governments of Argentina, Brazil and Peru in the efforts for a pacific mediation to resolve the conflict in the Chaco believing that since Paraguay has withdrawn the reservations made by it to the Mendoza formula, it is appropriate to call the attention of Bolivia in a friendly manner to the direct responsibility which it would assume for the eventual failure of that effort, and to request it to make manifest in a concrete and definite manner its reiterated aims for peace which will assure the arbitral procedure under the Mendoza formula as well as the immediate cessation of hostilities contemplated therein.”

With only a Chargé d’Affaires in Washington the Minister earnestly requests me to transmit this message to you. He has taken the initiative in making the Act of Mendoza effective and is in a position to reflect the common purpose of the ABC countries. These reasons have overcome my reluctance to act at all and I believe justify me in recommending to you to consider favorably Cruchaga’s suggestions. Two groups of nations, the neutrals and the neighboring countries, have been endeavoring to find a peaceful solution. From the beginning it has been obvious that cooperation between the United States and, with or without the other neutrals, the neighboring countries would greatly enhance the chances of success. An opportunity is now offered to show a generous spirit in advancing a peace move which has its origin in South America.

Our world policies and the President’s liberal policy toward Latin America will gain prestige by this cooperation. If it brings peace

we will have credit with the ABC countries for joining to make effective their efforts. If it fails we will at least have gained their good will in support of any effort we may later make in a special conference or otherwise to settle the *de facto* wars of South America.

CULBERTSON

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724.3415/3040 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, April 20, 1933—4 p. m.

[Received 5:10 p. m.]

33. Referring to Department's telegram No. 10, April 14, 2 p. m., the Minister for Foreign Affairs today informed me that the plan therein suggested might offer a basis of discussion, at the same time expressing his mild objection to the proposed method of delimiting the arbitral zone, in spite of the fact that President Salamanca had already accepted this method in principle.

FEELY

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724.3415/3039 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, April 20, 1933—5 p. m.

[Received 5:25 p. m.]

34. In an informal conversation with the Minister for Foreign Affairs today I inquired whether a concrete proposal based on the following general principles would be favorably received by Bolivia, explaining that I was acting without instructions and on my own initiative;

"Both parties to agree to a legal arbitration in accordance with neutral proposal of December 15, the arbitral zone to be determined within a limited time by geographical and historical societies it being understood that the Hayes zone would be excluded therefrom in exchange for the exclusion of an equivalent zone from Bahía Negra to the south in such a way as to permit of the establishment of practicable port on the Paraguay River; immediately after the signing this agreement troops would be withdrawn in accordance with the Mendoza formula."

The Minister replied that he considered this a practical suggestion, which would be given earnest consideration by the Bolivian Government, and suggested that I discuss it with the President, which I shall do tomorrow in the same informal manner. The Minister added that if the two zones were excluded there might not be any need for the services of the geographical commission to which he is personally opposed.



He also informed me that a somewhat similar plan had been suggested by the Uruguayan Government to the Paraguayan Minister at Buenos Aires about a month ago, who was favorably impressed but expressed the opinion that the internal political situation was such as to preclude its acceptance by Paraguay at that time.

I have not informed my colleagues of my conversation with the Minister of Foreign Affairs.

FEELY

724.3415/3044 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, April 23, 1933—6 p. m.

[Received 8 : 58 p. m.]

37. Chilean Minister yesterday delivered the following note to the Bolivian Government:

“The Chilean Government which has maintained close contact with the Argentine, Brazil and Peru in the efforts made to settle the Chaco conflict believes that as Paraguay has withdrawn her reservations to the Mendoza formula, it is now time to remind Bolivia of the responsibility she would assume for the eventual failure of that formula and amicably requests that she put into effect her reiterated desire for peace in a concrete and firm way that will assure the execution of an arbitral process within the Mendoza formula, and also the immediate cessation of hostilities.”

A similar but milder note was received from Argentina.

The Bolivian Government is greatly perturbed at what it considers undue pressure incompatible with the role of mediator and I fear that the success of the Mendoza formula has been seriously prejudiced.

FEELY

724.3415/3049 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, April 24, 1933—3 p. m.

[Received 4 : 35 p. m.]

35. Informed by Brazilian Chargé d’Affaires that he is about to submit to Argentine Minister for Foreign Affairs a suggestion made by his Government and which he says has met with favorable response in both La Paz and Asunción to the effect that the drawing of the lines to which the two armies contending in the Chaco shall retire be left to a neutral military commission and that a similar civilian body decide the point as to the territory to be submitted to arbitration. A prompt cessation of hostilities is of course included in foregoing suggestion,

BLISS

724.3415/3105

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] April 27, 1933.

The Argentine Ambassador called and showed me two telegrams from his Government, one of some days ago, asking that this Government join with Argentina and Chile in making representations to Bolivia. I explained to the Ambassador that we had gotten a telegram in this sense on the twentieth instant from our Embassy in Santiago, Chile,<sup>86</sup> but that I had been ill ever since and had not been able to act on it. I stated that in the meantime the Argentine and Chilean Governments had taken action independently and that Bolivia had replied rejecting their proposal and was very much upset at the implication made that Bolivia be considered responsible for rejecting the Mendoza formula, the implication being that in doing so Bolivia would be taking responsibility for the continuation of hostilities. I said that as a matter of fact both countries had taken such responsibility at various times. Paraguay had certainly done so in rejecting the Neutral proposal of December 15. I said that I could see no good to come out of pursuing the matter further on the basis of the Mendoza formula at this time through formal action. I repeated what I had told him over the telephone when I was ill, namely, that this Government is willing to cooperate in sounding out informally the Bolivian and Paraguay Governments with a view to formulating a proposal which might be accepted by both parties, but that in making any formal representations we would not want to act independently of the Neutrals as the five Neutrals have acted in close cooperation during a period of over three years.

Mr. Espil showed me the second telegram just received from his Government saying that in answer to the Bolivian objections the Argentine Government had intimated to Bolivia that it was ready to withdraw from any action in connection with the Chaco. I told Mr. Espil that I thought there was no possibility of finding a solution as long as negotiations were carried on in the slipshod manner in which they have been carried on. In this present instance Brazil apparently acted on its own a week or more before Argentina and Chile had acted; then those Governments had acted, and Peru has taken no action whatsoever. I told him that I thought the way out might be found by having the Neutrals and the neighboring countries agree in advance on what they would do and then all do it at the same time as acting on different, even though analogous, lines would not bring about the solution we all want. The Ambassador said that he fully agreed.

F[RANCIS] W[HITE]

<sup>86</sup> Presumably telegram No. 57, April 19, 3 p. m., p. 309.

724.3415/3093

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] April 27, 1933.

The Chilean Chargé d'Affaires called and left with me the attached *aide-mémoire*<sup>87</sup> being a paraphrase of a cable he had just received from Mr. Cruchaga. I explained to Mr. Cohen the situation as I had explained it this morning to the Argentine Ambassador. Mr. Cohen said that he agreed fully with everything I had said and felt that that was the only way in which to bring about a settlement; that he would cable at once to Mr. Cruchaga, who was somewhat worried about the situation, and suggest that he make some definite proposal. I said that we were ready and anxious to cooperate in any reasonable step looking to a solution.

F[RANCIS] W[HITE]

724.3415/3093

*The Chilean Embassy to the Department of State*<sup>88</sup>

[Translation]

## AIDE-MÉMOIRE

The Department of State has received, through the American Ambassador at Santiago, the text of the note sent by Chile to Bolivia on the 22nd instant,<sup>89</sup> urging it to set aside its objections in view of the favorable pronouncement of Paraguay in the soundings (*sondeo*) recently conducted at Asunción and La Paz, with the cooperation of the United States. On the same date, at La Paz, the Argentine Government in writing, and the Brazilian Government verbally, took the same action.

On the 18th instant, through Ambassador Culbertson, the Chilean chancellery requested the cooperation of the Department of State, in the form of a friendly counsel, like that given to the Government of Bolivia. As it received no reply to its request, and in view of a despatch from Ambassador Espil to his Government, dated the 21st, to the effect that the Department of State would not address a note to Bolivia, because of not having been informed officially of Paraguay's note, and because it considered it necessary, in any case, to consult with the other neutrals, the A. B. C. countries decided to take the new step on the 22nd, as stated above.

<sup>87</sup> *Infra.*<sup>88</sup> See memorandum by the Chairman of the Commission of Neutrals, April 27, *supra.*<sup>89</sup> See telegram No. 37, April 23, 6 p. m., from the Minister in Bolivia, p. 312.

In the judgment of the Chilean chancellery, it would appear logical that if the individual cooperation of the United States in the second sounding by the A. B. C. countries resulted in obtaining the consent of Paraguay, the United States should lend its cooperation to a third effort directed to overcoming the last resistance of Bolivia, postponing the consultation with the neutrals for the contingency of achieving a favorable result.

The Minister of Foreign Relations of Chile formally requests the cooperation of the United States, and agrees with the Chancellor of the Argentine Republic that it is of great importance, because if the present occasion is lost, the war in the Chaco would continue and the responsibility for having raised the final objection to conciliatory plans would rest on Bolivia. It fears that if the present measure looking toward peace fails, grave ulterior consequences will result, and it considers that the cooperation of the United States in the present efforts of the A. B. C. countries would have a profound political effect on public opinion and the way would be opened for a solution of the Leticia conflict.

The Minister of Foreign Relations of Chile takes the liberty of recalling, on this occasion, that Chile has always given its support to the measures of the neutrals and that the Mendoza formula is conceived precisely for the purpose of supporting their action.

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724.3415/3072 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 5, 1933—6 p. m.  
[Received May 5—5:50 p. m.]

41. In further conversation with the Minister of Foreign Affairs with respect to the suggestion contained in my telegram No. 34, April 20, 5 p. m., I inquired whether Bolivia would consent to allow the arbitral zone to be determined by a compromise between a zone to be proposed by Paraguay and that already indicated by Bolivia in her memorandum of February 28,<sup>90</sup> the two zones referred to in my said telegram to be excluded. The compromise would be arrived at by friendly exploration on the part of the mediators in Asunción and La Paz.

The Minister of Foreign Affairs replied that if Paraguay would propose an arbitral zone, the solution suggested would, in his opinion, be feasible and acceptable to Bolivia.

The Uruguayan Government has consented to act as intermediary in the creation a commission to investigate the treatment of prisoners.

FEELY

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<sup>90</sup> *Ante*, p. 279.

724.3415/3098 : Telegram

*The Bolivian Minister for Foreign Affairs (Canelas) to the Bolivian Diplomatic Missions in Argentina, Colombia, Brazil, Chile, Cuba, Mexico, Peru, the United States, and Uruguay*<sup>91</sup>

[Translation]

LA PAZ, May 5, 1933.

183. Please advise [*visit*] Chancellor \* and state that Government Bolivia desires continuance good offices ABCP consortium [and] Commission Neutrals Washington and considers that in present state negotiations determination of territorial claims on the part of Paraguay would be decisive step towards arbitral solution invoked by countries in conflict. Bolivia having pointed out on her part arbitrable territory it would be proper to ask Paraguay to do the same in order that immediate application arbitration might be based on those concrete bases.

As long as Paraguay continues avoiding determination of her arbitrable claims in the Chaco, Government Bolivia reiterates its favorable disposition towards considering proposals which the ABCP and Commission Neutrals Washington may desire to express directly to the two countries regarding arbitrable zone.

CANELAS

724.3415/3125

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] May 6, 1933.

The Minister of Paraguay called and inquired what the chances were for a peaceful settlement of the Chaco. I told him that I thought he or his Government could answer that better than any one else. The Minister said that he did not see any possibility of a solution and he thought the best thing would be for his Government to declare war on Bolivia and carry the matter to a finish by arms.

I told the Minister that obviously I could not agree with any such proposition and that I thought he and his Government would be making a great mistake in taking any such action. The Minister asked what action the Neutral Commission would take. I asked him whether he was coming to the Neutral Commission formally on behalf of his Government with such an inquiry and reminded him that Paraguay had withdrawn from the Commission of Neutrals when

<sup>91</sup> Copy left with the Chairman of the Commission of Neutrals by the Bolivian Minister on May 6. The Chairman told the Minister that as a result of this he would call a meeting of the Commission for Monday, May 8.

\* The Secretary of State. [Translator's note.]

the Neutrals made the proposal of December 15.<sup>92</sup> We had some discussion regarding the matter, the Minister taking the position that Bolivia was responsible for the continuation of the war by not accepting the Mendoza formula, and I told him that there were many times during the course of the negotiations in the last four years when immediate blame could be imputed to either one or the other; that he was now blaming Bolivia for not accepting the Mendoza formula and he should not forget that Bolivia last December could, with as much justification impute the continuation of the struggle to Paraguay for not having accepted the proposal of the Neutrals of December 15. I said that unfortunately so far there had not been a proposal which had been accepted at the same time by both parties but I hoped that the time was coming when this defect would be remedied.

Finally the Minister asked whether he should say to his Government that the Neutral Commission would take no action until formally requested to do so by Paraguay. I told him that he could do nothing of the sort; that I had not made any such statement. I told him that he could tell his Government that the Neutral Commission was always ready to be of any possible assistance to the combatants in finding a solution satisfactory to both and that we would make use of any opportunity to do so and would welcome any suggestions which the Paraguayan Government might make as to how we could be most effective to this end. The Minister said that he would do so.

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F[RANCIS] W[HITE]

724.3415/3104

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] May 8, 1933.

The Neutral Commission met and I gave the members copies of the circular telegram of the Bolivian Government to its Legations abroad which had been left with me by Mr. Finot on Saturday. I also told them of the conversation I had had on Saturday with the Paraguayan Minister. As a result, it was decided to ask the neighboring countries to meet with us on the following day, Tuesday, May ninth.

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F[RANCIS] W[HITE]

724.3415/3074: Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 8, 1933—7 p. m.  
[Received May 8—6:45 p. m.]

42. The Under Secretary of Foreign Affairs speaking for the Minister today requested that I inform my Government that the Bolivian

<sup>92</sup> *Foreign Relations*, 1932, vol. v, p. 126.

Government would look with favor on a conference to be held in a South American capital to continue the negotiations for a peaceful settlement and that it would prefer Rio de Janeiro as the seat of the conference. A similar request was made to the Brazilian Minister here.

I am of the opinion that Bolivia would be glad to participate in such a conference if invited to do so.

FEELY

724.3415/3114

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

WASHINGTON, May 9, 1933.

The Neutral Commission met and the Ambassadors of Brazil and Peru were present. The Argentine Ambassador and the Chilean Chargé d'Affaires had telephoned me just before the meeting to say that their Governments had instructed them not to take part in the meeting as they were provoked by the last Bolivian note. I advised those present of this situation. The Brazilian and Peruvian Ambassadors stated that they were absolutely without information of any sort from their Government in the matter. They were given a copy of the Bolivian circular telegram of May 5 and were told that the Neutral Commission would welcome an exchange of views of the nine countries that had been endeavoring to find a solution of this matter and that the Neutrals were willing to have the sessions in any place satisfactory to the nine mediating Governments and the two contending parties.

The Brazilian and Peruvian Ambassadors then withdrew and the Neutral Commission continued in session alone, as the result of which identic notes were drafted to the Argentine Ambassador and the Chilean Chargé d'Affaires, copies of which are attached hereto.<sup>94</sup> Copies were sent to the Brazilian and Peruvian Ambassadors and also to all the Neutral members.

F[RANCIS] W[HITE]

724.3415/3114

*The Chairman of the Commission of Neutrals (White) to the  
Argentine Ambassador (Espil)*<sup>95</sup>

[Translation]

WASHINGTON, May 9, 1933.

MR. AMBASSADOR: The Commission of Neutrals has the honor to send you herewith a copy of a cablegram which the Government of

<sup>94</sup> *Infra.*

<sup>95</sup> The same, May 9, to the Chilean Chargé; copies to the Brazilian and Peruvian Ambassadors and to all the Neutral members.

Bolivia, through its representative in Washington, has brought to the knowledge of the Commission. In it the Government of Bolivia states that it desires the continuation of the good offices of the Commission of Neutrals in conjunction with the neighboring nations.

On his part, the Minister of Paraguay in Washington called on the undersigned, inquiring what new means can be hoped for, to find a peaceful settlement.

In view of these manifestations, the Commission of Neutrals has unanimously considered that an exchange of ideas between the delegates of the nine countries that have striven with such disinterestedness to bring about the reconciliation of the combatants would be useful and favorable to the interests of peace on the continent.

The Commission is ready to collaborate in this new attempt, holding meetings whenever and wherever it may be considered most appropriate by the mediating and the contending Governments.

I should be pleased if you, Sir, would be good enough to transmit the above information to your Government.

I present [etc.]

FRANCIS WHITE

724.3415/3103

*The Paraguayan Minister (Bordenave) to the Secretary of State*<sup>96</sup>

[Translation]

WASHINGTON, May 10, 1933.

MR. SECRETARY: I have the honor to address myself to Your Excellency, for the purpose of advising you that, by a Decree signed today, my Government declared the state of war with the Republic of Bolivia.

I renew [etc.]

ENRIQUE BORDENAVE

724.3415/3124

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] May 10, 1933.

The Paraguayan Minister called and left with me a note<sup>97</sup> advising the Department that Paraguay has declared war on Bolivia today. The Minister said that this would relieve me of any further care in this matter. I asked him if he meant by that that his Government

<sup>96</sup> Acknowledged May 12.

<sup>97</sup> *Supra.*



did not desire any further peace efforts on our part. He hastily said that he did not. He went off into a long diatribe against Bolivia and said that no arbitral settlement was possible with Bolivia. He added that Argentina and Chile are very much provoked by Bolivia and her attitude.

I asked the Minister whether he had anything to suggest; if there was anything that we could do to be useful at this juncture in bringing about peace. He said that there was nothing he could suggest.

The Minister said that yesterday he had cabled his Government the invitation sent by the Neutrals to Argentina, Chile, Brazil and Peru, regarding the meeting of the nine countries to try to devise some way out. He said that he had cabled his Government asking them to urge Argentina and Chile to accept. He said that he did not see, however, what could be suggested to the combatant countries as we have already made every possible suggestion and there was no formula left to try out. I told the Minister that I was still hopeful that a peaceful solution would be found.

F[RANCIS] W[HITE]

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724.3415/3080 : Telegram

*The Chargé in Argentina (White) to the Secretary of State*

BUENOS AIRES, May 10, 1933—4 p. m.

[Received 4:02 p. m.]

39. At diplomatic reception yesterday Minister for Foreign Affairs expressed himself as averse to the Argentine Government taking any further mediatory steps in Chaco dispute at the present time.

WHITE

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724.3415/3080 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, May 10, 1933—5 p. m.

13. Yesterday Neutral Commission sent a letter to Argentine Ambassador stating that the Commission of Neutrals has unanimously felt it would be useful and favorable to the interests of continental peace to have an exchange of ideas between the delegates of the nine countries that have endeavored in such a disinterested manner to bring about the conciliation of the combatants and that the Commission is ready to collaborate in this new attempt, holding sessions when and in the place which may be considered most opportune to the mediating Governments and the contending parties. A similar note was sent

to the Chilean Chargé d'Affaires and similar statement made to Brazilian and Peruvian Ambassadors who attended the meeting of the Neutral Commission.

Argentine Ambassador advises Department today that Minister of Foreign Affairs of Argentina telephoned him to say that he was much pleased by this statement but that Argentina is very much annoyed at Bolivia on account of recent communication exchanged between Argentine and Bolivian Governments and that whether Argentina attends such a meeting as proposed depends upon the Bolivian reply to the latest Argentine communication. Ambassador stated that Argentine Minister of Foreign Affairs said that if this reply is unfavorable Argentina will break diplomatic relations with Bolivia. On the other hand, if it is satisfactory, Argentina will be glad to cooperate with the other countries to seek a peaceful solution. Argentine Ambassador was instructed to ask this Government to use its influence to have Bolivia make a moderate reply.

The matter has already been discussed with Bolivian Minister here and Department will be glad to have you discuss the matter with the Minister of Foreign Affairs of Bolivia.

HULL

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724.3415/3090 : Telegram

*The Ambassador in Mexico (Daniels) to the Secretary of State*

MEXICO CITY, May 11, 1933—5 p. m.

[Received May 12—12:43 a. m.]

93. According to the Mexico City press this morning, Mexican Foreign Office sent supplementary instructions to its Embassy, Washington, yesterday in the sense that Mexico, independently of its previous and present action on the Neutral Commission now functioning in Washington in cooperation with the ABCP group (Argentine, Brazil, Chile, and Peru) over the Paraguayan-Bolivian dispute maintains its position to give every facility and not to obstruct in the slightest way negotiations now going on for the amicable and pacific settlement of the South American conflicts it being Mexico's only desire that the friendly discussions should be successful and it is disposed to lend its good offices in such manner and at such place as would be most helpful. Translations entire statement<sup>98</sup> by pouch.

I called on the Minister of Foreign Affairs<sup>99</sup> this morning (this being his regular diplomatic day) and asked him whether he had any further comments or suggestions. He replied that Mexico would be delighted to cooperate in the most effective possible way with the

<sup>98</sup> Not printed.

<sup>99</sup> José Manuel Puig Casauranc.

United States, the other members of the Neutral Commission and the ABCP group. He said that the situation between Bolivia and Paraguay had not changed because of the declaration of war, except in a legal sense, and he assumed that the Commission would not cease its efforts to adjust the matter satisfactorily.

Doctor Puig said that he is somewhat fearful of Chile's attitude and added that both Chile and Argentine had direct interests in the Chaco.

DANIELS

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724.3415/3089 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 11, 1933—9 p. m.  
[Received 10:40 p. m.]

45. In reply to the Department's telegram No. 13, May 10, 5 p. m., I discussed the matter at length with the Minister of Foreign Affairs today, and found that the Bolivian Government, having received a telegram from Finot reporting his conversation with White, had practically decided not to reply to the last Argentine note as it considered the present Argentine attitude as threatening and another instance of undue pressure.

The Minister heartily approved of the Neutral Commission's idea of a conference of the nine countries.

After informing him that I had no instructions from my Government, I expressed the opinion that the situation was extremely critical and that Bolivia's failure to reply to the last Argentine note in conciliatory terms might have disastrous consequences and would no doubt seriously prejudice, if not entirely prevent the success of any further negotiations for peace.

The Minister was not entirely convinced but said that the matter would be given serious consideration by his Government. I am of the opinion that a reply will be sent within a few days but I am not sure that its tenor will satisfy Argentina.

Special guards were stationed at the Chilean and Argentine Legations last night but were withdrawn at the suggestion of the two Ministers.

The Minister of Foreign Affairs informed me that Bolivia would probably not take any official action in response to the declaration of war. The city is quiet and there have been no demonstrations.

FEELY

724.3415/3094 : Telegram

*The Secretary General of the League of Nations (Drummond) to the  
Chairman of the Commission of Neutrals (White)*

GENEVA, May 11, 1933.

[Received May 12.]

Council has received from Bolivian Government following telegram :

“(Translation) <sup>1</sup> By declaring war on Bolivia at the very moment when new peace movements were being initiated as is shown by the recent activities of the Commission of Neutrals in Washington and of the neighboring countries whom Bolivia has requested to renew their good offices, Paraguay puts herself outside of the Pact <sup>2</sup> and incurs the sanctions established by article 16 thereof. Bolivia denounces Paraguay for having first of all let loose the conflict and for obstructing now the means of peaceful solution. (End translation).”

Council Committee replied as follows:

“President Council acknowledges receipt your telegram which being communicated Council which meet within next days examine whole situation. In order that Council be fully informed Council Committee wishes know whether Bolivian Government ready accept arbitral decision both as to determination of questions to be arbitrated and as to substance of such questions the arbitral procedure to be determined by Council League Nations. Committee would be grateful for definite rapid reply this question. Paraguay already declared readiness accept arbitration both points and Committee asking Paraguayan Government for confirmation its previous attitude this respect. On receipt replies two Governments Committee will be able make immediate proposals to Council on the dispute. Drummond.”

Similar telegram *mutatis mutandis* has been addressed Paraguay. Committee is confident that Council can count on firm support Committee of Neutrals in any proposals which Council may adopt with view restoration and maintenance peace.

DRUMMOND

724.3415/3089 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, May 12, 1933—noon.

14. Your 45, May 11, 9 p. m. Argentine Ambassador made it clear that any cooperation of Argentina in the Nine Power conference depends upon nature of Bolivian reply. He said if reply unsatisfactory

<sup>1</sup>Text in Spanish; translation made in the Department. See also League of Nations, *Official Journal*, June 1933, pp. 752-753.

<sup>2</sup>The Covenant of the League of Nations, *Treaties, Conventions, etc.*, vol. III, p. 3336.

Argentina will break off diplomatic relations with Bolivia. If reply is satisfactory Argentina will attend the conference. Bolivia suggested to the Neutrals conference of the nine countries and the matter now apparently rests with Bolivia whether such a conference is to be held or not.

HULL

724.3415/3094 : Telegram

*The Chairman of the Commission of Neutrals (White) to the Secretary General of the League of Nations (Drummond)*

WASHINGTON, May 12, 1933.

The Commission of Neutrals acknowledges with thanks the receipt of your radio 11th instant. The Commission, as always, is most desirous cooperate with Council of League with view restoration and maintenance peace.

WHITE

724.3415/3115

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] May 12, 1933.

The Brazilian Ambassador called and inquired about the action the Neutral Commission would take on the League proposal. I told him of our reply. The Ambassador then said that his Government had advised him that Argentina having said that she would not take part in any peace negotiations in the Chaco Brazil would not do so either. I told him that Argentina had not told us that they would not take part in any peace negotiations in the Chaco but, on the contrary, the Argentine Ambassador had advised us that the action of Argentina depends upon the reply of Bolivia to the recent Argentine note. If this reply is satisfactory, Argentina said that she would join in, but if it is unsatisfactory, she would break off diplomatic relations with Bolivia. The Ambassador said that he did not know this and that he would advise his Government thereof.

F[RANCIS] W[HITE]

724.3415/3100 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 13, 1933—10 a. m.

[Received 11:25 a. m.]

46. Referring to Department's telegram May 12, noon, the Minister for Foreign Affairs yesterday informed me that the Bolivian [reply?] to the last Argentine note would be brief but cordial in tone.

Subsequently he sent for the Argentine Minister and authorized him to convey to his Government certain official declarations expressing Bolivia's earnest desire that Argentina lend its support to an arbitral solution in cooperation with the other eight countries, and stating that Bolivia is desirous of ending in a friendly [way?] the debate originated by the Argentine note of April 22d and that the Bolivian reply will be cordial in tone.

I am hopeful that this will terminate the incident, but I have suggested the advisability of an early Bolivian reply both to Argentina and Chile in order to forestall further incidents.

FEELY

724.3415/3123

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] May 15, 1933.

The Bolivian Minister called and asked if we had received answers from Argentina and Chile regarding the proposed nine Power conference. I told him that we had received nothing from Chile and from Argentina only the verbal statement which I had already communicated to him. He said that his Government had answered the League maintaining its regular position that it will submit to arbitration only when the limits of the territory in dispute are determined.

The Minister hoped that the Neutrals would have a meeting and revive the proposal of the geographers to delimit the zone that was incorporated in our suggestion of December 15. I told the Minister that having requested the four neighboring countries to meet with us at any place convenient I thought the Neutral Commission would find it difficult to do anything before we have their replies and, as I had already told him, Argentina had said that her reply would depend upon the nature of the Bolivian answer.

The Minister said that he would telegraph his Government again this afternoon urging them to send at once a conciliatory answer to Argentina.

F[RANCIS] W[HITE]

724.3415/3122 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 18, 1933—9 p. m.

[Received 9:55 p. m.]

182. Reference Gilbert's 123, May 17, 2 p. m.<sup>3</sup> I have received confidentially from Drummond the "report" which has been accepted

<sup>3</sup>Not printed.

by the members of the Council in confidential sitting and will be presented to the Council for formal adoption probably on Saturday. After a summary of the history of the steps taken to settle the Chaco dispute the remainder of the report reads as follows:

"The states represented on the Committee of the Council which has been sitting since September 23, 1932, have lately invoked article 11 of the Covenant before the Council.

In conformity with the Covenant the two countries are under obligation to settle their dispute by pacific means. In order to carry out this obligation the Council recommends the following procedure:

The two Governments would confide the final settlement of the dispute to an impartial authority, deriving its powers from a treaty binding on both States, namely, the Covenant of the League of Nations. Such an authority after a thorough study of the question would fix the frontier between the two countries. Such a procedure connotes:

1. The cessation of hostilities and the withdrawal by Paraguay of the declaration of a state of war with Bolivia.
2. The establishment of an agreement for a submission of the dispute to arbitration.

In order effectively to establish the procedure for settlement indicated in the preceding paragraph the Council considers it essential to send to the spot a commission whose task would be:

1. To negotiate, if desirable, any arrangement calculated to promote the execution of the obligation to cease hostilities.
2. To prepare in consultation with the two Governments concerned an agreement for arbitration. If the agreement for arbitration does not indicate the arbitrators or the procedure for their appointment the Council will provide for such appointment and will, if necessary, settle the arbitral procedure.
3. The Commission will be at the Council's disposal and will keep it informed of the course of its activities.

The committee at the Council's request will proceed to make an inquiry on all the circumstances of the dispute including the part which the two parties have taken therein and report to the Council to enable this latter to fulfill the duties imposed upon it by the Covenant of the League of Nations.

Such is the solution that the Council proposes to the parties.

This conflict has been going on for decades. A great many conciliatory bodies have unsuccessfully attempted to arrive at a settlement. The two countries have been fighting since 1932 and even earlier. The Covenant offers the two parties as members of the League of Nations an honorable means of settling their dispute. The Council, therefore, invites the two Governments to accept the procedure for settlement laid down above and in particular to undertake to give all necessary facilities to the commission which the Council proposes to send to the spot.

Hostilities have, as has been already pointed out, been proceeding sometimes spasmodically but since June last year, continuously on both sides. During the last 4 years the dispute has been before a committee consisting of neutral representatives. It has also formed the subject of efforts at conciliation by the neighboring countries. Recently one of the parties has declared the existence of a state of war. The Council feels that in view of all these special circumstances its first duty is to endeavor to bring about the cessation of hostilities and a settlement of the dispute. It does not consider that it will adopt or need for the present enter into consideration of a different order. It trusts that it may never be compelled to do so, since it is convinced that if the parties really desire peace and good relations they will accept this procedure and pending its operation will discontinue hostilities which have already been going on too long."

In handing me the report Drummond stated that he anticipated that neither of the parties would immediately accept the recommendations and both would declare that it was necessary to submit the matter to their Governments for a decision. However, he anticipates a favorable reply from Paraguay but fears that the Bolivians will take the line that inasmuch as the matter is before the Neutral Commission in Washington they find it difficult to accept the procedure suggested by the Council. Drummond explained that the members of the Council feel that they have no alternative but to act in this matter; the long duration of the conflict, the failure of all efforts to arrange a settlement, the declaration of war by Paraguay, and, finally and most important from their point of view, the appeal by both Governments at different times to the Council have created a situation where the Council must act under the obligations of the Covenant. Drummond sincerely hopes that this has been done in such a way as will be agreeable to our Government and if the procedure which is contemplated is agreeable to our Government then he hopes that it may be possible for the Neutral Commission to advise the Bolivian Government that it regards the proposal of the Council as a reasonable solution and hopes that the two parties will be able to accept it.

Costa du Rels, Bolivian representative, has explained to me that they would find it difficult to accept a procedure which involves a long armistice before arbitration since the maintenance of some 4,000 men in such a remote region is an operation of such cost that they could not maintain it indefinitely. A long delayed decision would, therefore, according to Costa work in favor of Paraguay. I shall not elaborate his position further as I assume the Department is familiar with it.

I should appreciate guidance as to how you desire me to reply to Drummond.

WILSON



724.3415/3126 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 19, 1933—8 p. m.

[Received 9:45 p. m.]

48. The Bolivian Government today replied to the Argentine note of May 8 in part as follows:

Bolivia in the note of April 27 defending her points of view and safeguarding her rights, did not intend to cast any doubt on the lofty purposes of the Neutral Commission and the ABCP.

Reference is then made to the Bolivian telegram of May 4th requesting the renewal of the good offices, showing that Bolivia is desirous of seeing a successful outcome of the peace negotiations.

Bolivia considers the incident closed and expresses the hope that the traditional relations between the two countries will remain unaltered, and that Argentine will renew her cooperation in the noble work of peace.

FEELY

724.3415/3126

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] May 20, 1933.

On receipt of telegram No. 48 from La Paz this morning, I telephoned the Argentine Ambassador and advised him of it, and said that I hoped his Government would now cooperate with the Neutral Commission in this matter. He said that he had nothing from his Government. I asked whether he would make a suggestion to his Government along that line and if he did not want to take the initiative he might put it on me and say that I had asked him to make the inquiry. Mr. Espil asked if I had any suggestion as to what might be done if there should be a meeting. I said that one thing that might be done, which I thought would perhaps be effective, would be for the nine countries to agree to support the League's proposal. This would put the League and the nine countries all in agreement and all working for the same object and might therefore have more chance for success. It would give the two contending parties one and only one proposal and would offer a united front by all the peace-makers. Mr. Espil said that he would take the matter up with his Government in that sense.

I tried to get the Chilean Chargé to see if he had any information but could not get him until later.

In the meantime I heard from Mr. Heath of the UP that he had a despatch from Santiago saying that Bolivia had replied to the Chilean note and that the Chilean Government considered the note most satisfactory and was now ready to cooperate with the Neutrals and the League. When I finally got Mr. Cohen on the phone I told him this and asked him to let me know anything he might hear from his Government. He promised to do so.

I called back Mr. Espil and advised him of the press despatch from Santiago.

I then called up the Brazilian Ambassador and, with reference to our conversation some days ago in which he had told me that his Government, in view of the withdrawal of Argentina and Chile from mediation in the matter, had decided also not to join in with the Neutral Commission,—at which time I had told him that the Argentine position apparently was not definitely to withdraw but to wait for Bolivia's reply and if it was satisfactory to join in,—told him that I now had news that Bolivia had answered Argentina and Chile and that the Chilean Government at least found the reply satisfactory and was ready to cooperate. I told him that I was hoping that we would shortly hear from Argentina in the same sense and I also hoped he would advise his Government and see if it would not also join in. I told him I thought it would be very helpful if the nine countries would support the League proposal so that there would be but one proposal before the two combatant countries. He promised to cable his Government and to advise me of anything he might hear.

F[RANCIS] W[HITE]

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724.3415/3126 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)*

WASHINGTON, May 20, 1933—3 p. m.

15. Your 48, May 19, 8 p. m. Has Bolivian Government also replied to Chilean note? Chilean Government will not cooperate either unless it gets a satisfactory answer.

HULL

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724.3415/3122 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, May 20, 1933—4 p. m.

105. Your 182, May 18, 9 p. m. Argentina and Chile were much annoyed at a note from Bolivia and stated that they would not take

any further action in the Chaco matter for the present. At Bolivia's request the Neutral Commission asked the four neighbors to join it to see if nine countries could cooperate on a single program. No answers have been received but the Argentine Government orally advised us, through Ambassador here, that if Bolivia would send a conciliatory reply to the latest Argentine and Chilean notes Argentina would then be ready to cooperate. If not, Argentina contemplated breaking diplomatic relations with Bolivia. Argentina asked the good offices of the Department in trying to settle the matter.

Department took the matter up with the Bolivian Minister here and through the Legation in La Paz and answers were sent yesterday to Argentina and Chile. The excerpts received from Legation in La Paz indicate that the note was conciliatory and should be satisfactory. A press report from Santiago, not yet published, indicates that the Chilean Government considers note most satisfactory and is willing to cooperate. Department has taken matter up again this morning with Argentine and Brazilian Ambassadors to get their cooperation and has stated that what we have in mind would be to have the nine countries forming the Neutral Commission and neighboring group unite in supporting League proposal so that there will be a united front by all peace organizations. If this can be accomplished there would seem to be more chance for success. Department will keep you informed of further developments in the matter.

HULL

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724.3415/3130 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 20, 1933—8 p. m.

[Received 8:40 p. m.]

184. Supplementing my 182, May 18, 9 p. m., Gilbert is reporting session of the Council on Paraguay-Bolivia.

An urgent and informal letter from Drummond dated today gives me an account of the meeting and then adds:

"It, therefore, would be of extraordinary value and, I believe, help toward settling this wretched business if the Commission could tell him <sup>4</sup> that he must not shelter behind it and that it was willing this time to cooperate with the League as the League previously cooperated with it. I may add that the representatives of the great powers have promised to take diplomatic action at La Paz recommending strongly the acceptance of the report by Bolivia, and if it were at all possible that your Government could take somewhat similar action the chances of success would clearly be enormously enhanced.

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<sup>4</sup> Identity of person referred to not ascertained.

Your Government's action was most helpful and invaluable in the Peru-Colombia business.<sup>5</sup> I enclose a copy of the telegram which we are sending to the Commission of Neutrals and to the Argentine and Chile."

Herewith follows text of telegram referred to in last sentence of Drummond's letter :

"Reference my telegram May 11, Council today discussed Bolivia-Paraguay dispute and made proposals for settlement. Paraguay accepted proposals. Bolivian representative is consulting his Government. Full report proceedings follows immediately. Drummond."

WILSON

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724.3415/3132 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 21, 1933—6 p. m.  
[Received May 22—9 : 25 a. m.]

49. Department's telegram 15, May 20, 3 p. m. The same reply was sent to Chile but instead of being handed to the Chilean Minister here it was delivered to the Chilean Foreign Office by the Bolivian Minister at Santiago.

FEELY

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724.3415/3147

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] May 22, 1933.

The Bolivian Minister called and asked if the Neutral Commission was going to have a meeting and call in the neighboring countries. I told him that we were still waiting to hear from Argentina, Chile, and Brazil. The Minister was very insistent that now was the time for us to have a meeting and I made it clear to him that we are not in conflict with the League proposals and that I personally hoped Bolivia would accept the latest League proposal.

F[RANCIS] W[HITE]

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<sup>5</sup> See pp. 384 ff.

724.3415/3137 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 22, 1933—4 p. m.

[Received 4:45 p. m.]

51. The Undersecretary of Foreign Affairs informed me this morning that his Government will not accept the intervention of the League and that Bolivia desires a renewal of the negotiations under the auspices of the Neutral Commission and the ABCP. He was of the opinion that an immediate renewal of the negotiations by the nine countries might forestall any further action by the League.

FEELY

724.3415/3150

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] May 23, 1933.

I telephoned the Argentine Ambassador to inquire whether he had any reply to make to the communication of the Neutral Commission of May 9. He said that he did not but that he was decoding a telegram then. He later called me back to say that his Government felt that the matter was now in the hands of the League and that there was nothing to do at this time. Mr. Espil said that he thought any meeting now might seem as though we were trying to interfere with what Geneva was doing. I told Mr. Espil that, quite the contrary, if we had a meeting and supported what Geneva was doing it would end for good and all any possibility of either Bolivia or Paraguay trying to play off either the Neutral group or the neighboring group against the League. I said that it was evident that this was what Bolivia was trying to do at the present moment from telegrams we had received from Geneva, and I thought that Argentina, standing aside, merely served to continue the uncertainty which now exists regarding Argentina's activity. I said I realized that Argentina had never wanted to cooperate with the Neutral Commission and that if there was any feeling on the part of Argentina that they did not want to take action in Washington we had invited them on May 9 to meet anywhere else, and that if even that did not fit in with Argentina's plans I would ask him to find out whether his Government would advise Bolivia categorically and in writing that it was backing the League proposal and whether it would make public announcement thereof, publishing the text of its communication. I said it was not necessary for us all to have a meeting together either in Washington or anywhere else; if all would take common action that might bring about the peace that the Neutral Commission has been striving for, and would, from our point of view,

be just as satisfactory. As long as Argentina continues the policy of not supporting effectively other peace moves, it continues the uncertainty as to what her action and desires are, and makes it possible for one of the contesting parties to try to play off one group against the other. I said I very much hoped that on behalf of peace in this hemisphere his Government would now take some positive affirmative action by sending a note to Bolivia supporting the League action and making public its position. Mr. Espil said that nobody could doubt that Argentina was supporting the League and that he did not think this was necessary. I told him that the statement made by the Bolivian delegate in Geneva, as well as what the Bolivian Minister here told me, certainly gave the impression that Bolivia was trying to play off the Neutral Commission and the neighboring group against the League Committee, while I personally knew nothing which would justify my feeling that Argentina was backing the League, and that I thought it worth while for him to try to get his Government to take some positive action at this time. He said he agreed and would do so.

F[RANCIS] W[HITE]

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724.3415/3140 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 23, 1933—4 p. m.

[Received 5: 12 p. m.]

155. Bolivian Minister today was informed by La Paz that State Department had invited four neighbors to cooperate with Chaco neutrals in Washington. He was urgently instructed to request acceptance by Peru and to request this Embassy to support invitation to Foreign Office here.

Embassy awaits instructions.

DEARING

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724.3415/3141 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 23, 1933—6 p. m.

[Received 8: 05 p. m.]

53. The Bolivian Government today instructed its Ministers in the four neighboring countries to urge prompt acceptance of the invitation to join with the Neutral Commission in the renewal of negotiations for a peaceful settlement.

The British and French Ministers here today received instructions to urge Bolivia to accept the League formula.

FEELY

724.3415/3144a : Telegram

*The Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, May 24, 1933—4 p. m.

26. On May 9th Neutral Commission informed Argentine, Brazilian, Chilean and Peruvian Ambassadors of communications from and conversations with Bolivian and Paraguayan Ministers <sup>7</sup> and said that the Commission unanimously considered it would be useful and favorable to the interests of peace in this continent to have an exchange of ideas between the representatives of the nine countries and added that the Commission was ready to collaborate in this new step, holding sessions when and in the place which should be judged most opportune by the nine mediating Governments and the contending parties. This suggestion was sent by letter to Argentine Ambassador <sup>8</sup> and there has been no formal reply.

The Ambassador did state orally, under instructions from his Government, that Argentina would determine her action upon receiving a reply from Bolivia to Argentina's latest communication. If this communication should be satisfactory, Argentina would be ready to cooperate; otherwise Argentina would break off diplomatic relations with Bolivia. The Department was asked to use its good offices to have Bolivia make a favorable reply. After taking the matter up repeatedly with Bolivian Minister here and through our Legation in La Paz, a conciliatory answer was sent. Argentine Ambassador now states that although the answer was not perhaps everything that Argentina desired the Argentine Government considers the matter closed but does not desire to cooperate. This is of course at variance with statement he made under instructions when he was urging the Department to use its good offices to have a conciliatory reply sent.

Please discuss the matter informally with Minister of Foreign Affairs in attempt to have a definite statement sent to the Commission regarding Argentina's proposed action.

Bolivia at this time is most anxious to have the nine countries meet to consider the situation and it seems likely that it is trying to play off this group against the League of Nations. It would seem to be most helpful if the nine countries could meet and discuss the matter and as a result decide to support the recent proposal of the League. Report by cable.

HULL

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<sup>7</sup> See memorandum by the Chairman of the Commission of Neutrals, May 9, p. 318.

<sup>8</sup> Dated May 9.

724.3415/3141 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, May 24, 1933—4 p. m.

64. Your 155, May 23, 4 p. m. Neutral Commission on May 9th invited representatives of ABCP countries in Washington to meet with them. Brazilian and Peruvian Ambassadors came and their Governments were invited to meet with the Neutral Commission at any place that might be convenient to all. Argentine and Chilean representatives did not attend but were given written invitations in that sense. Department feels it would be helpful for the nine countries to agree on a common program and thinks they would be most effective by backing up latest League proposal to Bolivia and Paraguay. Department hopes that Peru will join.

HULL

724.3415/3155

*Memorandum by the Chairman of the Commission of Neutrals (White)*

[WASHINGTON,] May 25, 1933.

Mr. Cohen<sup>o</sup> called and showed me copies of communications exchanged between Bolivia and Chile. He also told me that he had a telegram from Señor Cruchaga saying that while the Bolivian answer was considered perfectly satisfactory the Chilean Government did not contemplate taking any action in the matter at this time. His Government thought it best to let the League have a free hand and see what they could do.

I told Mr. Cohen that I was disappointed to hear this; that I had thought it would be better for the nine countries to meet together and support the League proposal because otherwise there would be an attempt to play off one group against the other; Bolivia would undoubtedly tell the League that the matter was still pending before the Neutral and neighboring countries, and the League effort would fail. Mr. Cohen said that he expected the League efforts to fail and added that he understood Argentina was taking the same position and was not doing anything at this time. I told Mr. Cohen that such was unfortunately the case and that I hoped it was not from any desire to see the League efforts fail; that I still hoped it would be possible for all the countries to get together and support the League proposal. He said that he would advise Mr. Cruchaga in this sense.

F[RANCIS] W[HITE]

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<sup>o</sup> Chilean Chargé.



724.3415/3158

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] May 25, 1933.

Mr. Finot called and said that his Government was very much upset at the failure of Argentina and Chile to come into the meeting with the Neutrals. He said that he had information that Argentina and Chile, especially the latter, were active in Geneva, trying to have the League support the Mendoza formula. He said that there was no more reason why the League should take the Mendoza formula as the point of departure in their negotiations than that they should take the Neutral proposal of December 15.<sup>10</sup> He hoped that the Neutral Commission would not fall in for any such thing as this and would tell the League that we want to be consulted before they make another proposal. We have told the League that we will cooperate and the League counts heavily on our support. However, cooperation, he thought, meant consultation in advance so that we would have some word in drawing up the plan and not just be asked to come in and support the plan after it has been formulated and presented to the two Governments. I told Mr. Finot that he could be sure that we would not support any proposal we did not agree to. Whether we were consulted in advance or not was a matter for the League to decide but of course they would run the risk of not getting our support if they brought out a proposal without consulting us.

F[RANCIS] W[HITE]

724.3415/3152 : Telegram

*The Chargé in Argentina (White) to the Secretary of State*

BUENOS AIRES, May 26, 1933—6 p. m.

[Received 11 p. m.]

45. Your 26, May 24, 4 p. m. Yesterday being national festival have only just had interview with the Minister of Foreign Affairs. I found that he is quite definitely committed to the attitude of not soiling his fingers further with the Chaco business. (See also my telegram 39, May 10, 4 p. m.) His formal statement to this effect is contained in a telegram to Espil of May 22 which he states that he has also communicated to the League of Nations. As illustrating his frame of mind I may mention that most of my interview was occupied by an indignant

<sup>10</sup> *Foreign Relations*, 1932, vol. v, p. 126.

recital of his painstaking efforts to mediate and their rebuff by Bolivia. While favoring action by the League of Nations, he denies that there is danger of Bolivia trying to play neutrals against the League and read me message sent to Espil to this effect.

WHITE

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724.3415/3153 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, May 29, 1933—11 p. m.

[Received 11:44 p. m.]

54. The Minister of Foreign Affairs today sent for the ABCP Ministers and requested that they inform their Governments that Bolivia was desirous that the negotiations for an immediate peace on the basis of arbitration be renewed by the neighboring countries and the neutrals and that while Bolivia had not modified her attitude as to the prior delimitation of the arbitral zone, nevertheless, if Paraguay will not declare her territorial pretention Bolivia would be glad to receive suggestions from the two American entities upon that point. The Minister suggested that if inquiries were received by the four Governments from the League, the former be asked by their Ministers here to express their willingness to renew the negotiations, and said that, as a last resort Bolivia would accept a renewal of the neutral and ABCP activities under the auspices of the League.

All four Ministers were impressed by the attitude of the Minister of Foreign Affairs and his evident sincerity and were agreed that Bolivia now desires an early peace. The Minister also intimated to them that he was informed that the United States would be prepared to suggest to the League the advisability of a return of the negotiations to an American capital.

The fear that the League may hold Bolivia responsible for the failure of the League's intervention, the closing of the Argentine frontier announced here today, and the failure thus far to achieve a decisive military victory, are no doubt the principal reasons for the present more amenable attitude of Bolivia.

I believe that if the negotiations could now be renewed without delay, preferably without the cooperation of the League, the possibility of a successful issue is greater than at any previous time.

FEELY

724.3415/3161 : Telegram

*The Chargé in Brazil (Thurston) to the Secretary of State*

RIO DE JANEIRO, May 31, 1933—2 p. m.

[Received 4:15 p. m.]

58. The Undersecretary called me to the Foreign Office last evening on behalf of the Minister for Foreign Affairs to request that I convey to you the following viewpoint of Brazil with respect to Mr. White's suggestion that the ABCP states and the neutrals jointly support the efforts of the League of Nations to effect a settlement of the Chaco conflict.

After recalling Brazil's consistent support of the Neutral Commission, even in the face of resultant complications, Dr. Cavalcanti stated that, while Brazil had been glad to accept the invitation to resume with the other neighbor states meetings with the Neutral Commission, it does not approve of Mr. White's suggestion. He stated that Brazil feels that for reasons of continental policy and tradition the problem should, if possible, be settled by American means, but if these means fail then the American peace agencies should relinquish the task for the League to take on if it so wishes. In this connection he remarked that Brazil is not a member of the League and pointed out that the League had in the first instance entered into the Chaco question without prior consultation with the neutrals. If the neutrals feel that they have failed Brazil prefers to withdraw from the negotiations. If there is still hope it will continue to give full support. It does not, however, desire to associate in a mixed American and League undertaking.

I asked if Brazil has any constructive suggestion to advance. The Undersecretary replied that it has none, but has strong reason to believe that both belligerents, but especially Bolivia, now anxiously desire to find a solution. He emphasized this.

Dr. Cavalcanti expressed the wish that Brazil might be informed of the views of the Government of the United States regarding the situation.

Today Dr. Cavalcanti requested me to add to the foregoing that Brazil has been informed that Bolivia has again asked the ABCP and neutral states to resume their good offices, which Bolivia prefers to those of the League, and that Bolivia is prepared to have the zone to be submitted to arbitration defined by the American mediators. Brazil considers this to justify continuance of American efforts.

THURSTON

724.3415/3173

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] June 1, 1933.

The Bolivian Minister called and discussed the Chaco matter and wanted the Neutral Commission to meet and take some action. I asked him what action he could suggest and he said that he had nothing to suggest. We went over the history of the matter, including Bolivia's attitude in 1929 and 1930 and also last summer, and especially the rather caustic remarks which were made by the Bolivian Government in its notes regarding the action of the Neutrals. I said that the matter was now in the hands of the League and that Argentina and Chile did not want to cooperate with the Neutral Commission and that I understood Brazil did not want to support action by the League. I said that I really could see nothing for us to do in the matter. The Minister then said that he would like me to call a meeting of the Neutrals at which he could be present and could present his point of view that the Neutrals ought to do something.

After some discussion it appeared that his Government would accept a solution along the lines suggested in the Neutral proposal of December 15 as regards arbitration and delimiting the territory. I said that that proposal had not been accepted by Paraguay nor had it been categorically accepted by Bolivia. He indicated that Bolivia would be willing to withdraw completely and demobilize once it knew that the matter would be definitely settled. I asked him whether this meant that Bolivia would withdraw to Villa Montes once an agreement had been signed with Paraguay to settle the matter in accordance with the suggestion of the Neutrals of December 15. He said it was his understanding that they would.

I told the Minister that if he would get me a written categorical statement from his Government to that effect I would submit it to the Neutral Commission to see whether we should take it up with Paraguay and try to get their concurrence to proceed on that basis and, if they would not, to inform the League what Bolivia had been prepared to do so that that could be taken into account in negotiations there. The Minister said that he would try to get a definite statement from his Government that there should be an immediate armistice on present positions for a period of thirty days while negotiations are under way to sign an agreement between Bolivia and Paraguay for a definite settlement of the matter in the manner suggested by the Neutrals on December 15, with the further agreement that once that

instrument is signed Paraguay will withdraw to the River and Bolivia to Villa Montes. I told the Minister that I would withhold calling any meeting of the Neutrals until I received his further definite statement.

F[RANCIS] W[HITE]

724.3415/3168 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, June 2, 1933—noon.

[Received 12:50 p. m.]

55. The Chilean Minister was yesterday instructed by his Government to request the personal opinion of his ABC colleagues here as to whether the declarations contained in the first paragraph of my telegram No. 54 of May 29, 11 p. m. could be interpreted to mean that Bolivia would consent to allow the four neighboring countries to determine the arbitral zone.

The three Ministers were of the opinion that Bolivia would not accept such a solution and the Chilean Government was so informed.

The Bolivian Government is informed that the League of Nations will press Paraguay to declare her territorial pretensions and that the League is desirous of continuing the negotiations without American intervention.

FEELY

724.3415/3251a

*The Acting Secretary of State to President Roosevelt*

WASHINGTON, June 9, 1933.

MY DEAR MR. PRESIDENT: Mr. Francis White recommends, and I concur, that he call a meeting of the Chaco Neutral Commission and endeavor to have this Commission send telegrams to the Bolivian and Paraguayan Governments to the effect that, as the dispute is now being taken up in Geneva, and in order not to cross wires, the Neutral Commission withdraw from its activities, leaving them entirely in the hands of the League of Nations.

We should suggest that the Neutral Commission send a similar telegram to the President of the League of Nations saying that, as there are many non-combatant South American countries that have real political interests involved in this dispute any commission which the League might send to the Chaco could appropriately be composed entirely of Latin Americans.

After four and a half years of patient endeavors in this matter the United States can in this way get out of the matter gracefully and leave

it to the League and South Americans. In our opinion, we should not be a member of the League commission dealing with the Chaco matter because, if we do so, we will surely run into conflict with Argentina, which is not a neutral and has openly supported Paraguay. It seems evident that Argentina will not work for the success of the League commission and failure, therefore, of such efforts is almost assured. We do not want to get into trouble with Argentina on account of American interests in that country. We have no interest in the Chaco.

This seems to be the precise moment for us to withdraw from the Neutral Commission because the new Minister from Paraguay has stated that he has no instructions to discuss with us the Chaco matter, and the Bolivian Minister has been ordered to Geneva for a couple of months in connection with the affair. There is no one, therefore, left in Washington who is authorized to deal with the matter. We believe that it is time to liquidate the Neutral Commission and for the United States to withdraw entirely from the matter. May I have your approval to this course? <sup>11</sup>

Faithfully yours,

WILLIAM PHILLIPS

724.3415/3198

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] June 21, 1933.

On Friday, June 16, the Neutral Commission met at my request and I told the Commission that since Soler had left Washington at the end of December Paraguay had not been represented before the Commission as Señor Bordenave, when he arrived as Minister, stated he had no instructions to deal with the Chaco matter. I pointed out that Mr. Finot had sailed on the tenth for Geneva to take up the matter there and said I thought, in view of the fact that neither Government was dealing with the Neutral Commission and as they were both members of the League and had elected to take the matter up in Geneva, that the most dignified thing for the Commission to do was to go out of existence. I explained that this suggestion was not a personal one of mine but that the matter had been considered by this Government and that was our feeling and I submitted it to them for their consideration.

There was some discussion of the matter, the Uruguayan Minister being very much opposed to the Commission being broken up, and the Colombian Minister expressed a personal view somewhat along the

<sup>11</sup> Reply not found in Department files.

same line. Finally I was asked whether, as a way out, I could draw up a draft of a telegram for the consideration of the Commission which would merely suspend the Commission's action while the League was considering the matter. I pointed out that while this latter course was preferable to continuing actively to function and thus perhaps crossing wires with the Committee in Geneva I still thought that it had the disadvantage that it did give a chance for either Bolivia or Paraguay to refuse any League proposal on the ground that the Neutral Commission had the matter in hand and hence try to put the blame on the Neutral Commission for any breakdown in the work in Geneva. However, I promised to try to draft a telegram along the lines they desired. There is attached hereto, marked A, the telegram I proposed to be sent by the Neutrals to Bolivia and Paraguay and, marked B, the telegram I proposed that the Commission send to the League of Nations.<sup>12</sup>

On the morning of Saturday, June 17, the Mexican Chargé, Señor Padilla Nervo, called on me and said that after the meeting of the sixteenth, he had telegraphed his Government regarding my suggestion and the points of view of the Uruguayan and Colombian Ministers, and that he had just received a telegram telling him to support decidedly the dissolution of the Commission, pointing out that the splendid good-will shown by the five Neutrals during the negotiations should be topped off by the spontaneous dissolution of the Commission as an unequivocal manifestation of its desire not to disturb the action taking place in Geneva. The instruction added that the Mexican attitude was in agreement with a prior statement made by the Mexican Government<sup>13</sup> that it would be pleased to see the friendly mediation of the ABCP countries in the Chaco conflict and even the transfer of the seat of the conferences as the only desire of Mexico is that the conflict should be settled and the state of war terminated between these two brotherly countries.

The Chargé said that he wanted me to know of his instructions before the meeting scheduled for that day. I thanked him very much for advising me and it was decided that as soon as the meeting opened he would advise the Commission of his instructions and suggest therefore that we give further consideration to the dissolution of the Commission. I showed him the telegrams which I had drafted at the request of the Commission the day before and it was agreed that in view of the recent developments I would not present them to the Commission at this time. There is attached hereto, marked C,<sup>14</sup> the proposed draft telegram to be sent by the Neutrals to Bolivia and Paraguay and, as D,<sup>14</sup> the

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<sup>12</sup> Neither printed.

<sup>13</sup> See telegram No. 93, May 11, 5 p. m., from the Ambassador in Mexico, p. 321.

<sup>14</sup> Not printed.

proposed telegram to the President of the League. I also attach, marked E,<sup>14a</sup> a press despatch given to me by the representative of the United Press of a message from Mexico dated June 17 giving the text of the instructions to the Mexican Chargé d'Affaires.

When the Commission met on the seventeenth, the Mexican Chargé, as agreed, made his statement. This immediately precipitated a long argument by the Uruguayan Minister who said that he thought that we should not disband because he anticipated that the League would fail and then Bolivia and Paraguay would come to us for a settlement. He said that he thought the result would be that Bolivia would withdraw from the League of Nations as Japan had done.<sup>15</sup> I said that that, to me, seemed more of an argument why we should disband than that we should continue. If Bolivia does withdraw from the League or the League negotiations fail, we do not want to be in a position where they can say that it was the action of the Commission of Neutrals in keeping in the picture which had caused Bolivia to withdraw from the League or had caused the League action to fail. It was agreed that as the Mexican Government had definitely spoken in the matter we should adjourn while the other representatives on the Commission could communicate with their Governments. An adjournment was taken to Thursday, June 22, as the Uruguayan Minister would be out of town the early part of the week.

F[RANCIS] W[HITE]

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724.3415/3207c : Telegram

*The Acting Secretary of State to the Minister in Switzerland  
(Wilson), at Geneva*

[WASHINGTON,] June 27, 1933—3 p. m.

118. Neutral Commission met today<sup>16</sup> and gave following statement to the press:

"The Neutral Commission met and decided that in view of the present negotiations in other places between Bolivia and Paraguay for a settlement of the Chaco question there was nothing further for the Neutral Commission to do in the matter and that it could best contribute to the establishment of peace, the only object it has had in view during the long tedious negotiations it has patiently carried on, by withdrawing from the situation.

Experience has shown that if there is more than one center of negotiation confusion and lack of agreement are the inevitable results. The Commission therefore feels that it can best contribute to peace on this continent by withdrawing from the negotiations. Thus negotiations can be centered in Geneva, if other peace agencies will take

<sup>14a</sup> Not reprinted.

<sup>15</sup> As of March 27, 1933; see vol. III, pp. 205-253.

<sup>16</sup> See memorandum by the Chairman of the Commission of Neutrals, *infra*.



a similar attitude, allowing the League Committee to work with universal support for peace.

The Neutral Commission also feels that its action promotes the best interests of Pan Americanism as it gives full support to the contending countries in seeking a solution in the place which they select, and it also clearly demonstrates to the American nations the necessity for them to deal effectively at the next Pan American Conference<sup>17</sup> with the fundamental problem of the preservation of peace and order in this hemisphere.

In withdrawing from the negotiations the Neutral Commission and the Governments represented thereon do not wish to indicate that if both contending countries should feel that they could in the future be of assistance to them in bringing about peace and should request their help such an appeal would not be considered. Should both countries agree at a later date to appeal to the countries that have formed the Neutral Commission for further good offices in seeking to establish peace between them, their petition will of course be considered with care and sympathy. The action, if any, which those nations may take, will of course depend upon all the circumstances existing at that time."

Paraguayan and Bolivian representatives in Washington have been advised regarding it.

Please say informally to Drummond and/or the League Committee dealing with the Chaco matter that should it be decided by the League to send a Commission to the Chaco this Government does not desire to be represented thereon nor does it desire that an American citizen be appointed on the Commission.

PHILLIPS

724.3415/3218

*Memorandum by the Chairman of the Commission of Neutrals  
(White)*

[WASHINGTON,] June 28, 1933.

The Neutrals met on the twenty-seventh and all were in favor of disbanding the Neutral Commission with the exception of the Uruguayan Minister, Doctor Varela. Doctor Varela asked me to try to draw up a formula which would be acceptable to all and I drew up a draft of a press release. After this was read, certain modifications were made, and then it was typed out and copies given to each member of the Commission who studied it, made suggestions, and finally the corrected text was accepted unanimously. The Uruguayan Minister said that he was really not in favor of the statement because it supported a thesis which is opposed to his; he realized there was no possibility of reconciling two points of view so diametrically opposed as his and the other members of the Commission and

<sup>17</sup> See pp. 1 ff.

he would therefore make the vote unanimous. In this connection, it may be said that certain proposals made by the Mexican Chargé were rejected categorically by Señor Varela who said that if they were adopted by the Commission then it would be a majority report and not a unanimous one. He was perfectly willing to make the text that was finally agreed on unanimous. A copy is attached hereto.<sup>18</sup>

F[RANCIS] W[HITE]

724.3415/3219

*The Paraguayan Minister (Bordenave) to the Chairman of the Commission of Neutrals (White)*

[Translation]

WASHINGTON, June 28, 1933.

HONORABLE FRANCIS WHITE: I have to acknowledge receipt of the communication dated yesterday<sup>19</sup> by which you were kind enough to send me, for the information of my Government, a copy of the statement given to the press today by the Commission of Neutrals.

On this occasion I have the honor to be the interpreter of the gratitude of Paraguay toward the distinguished members of the Commission of Neutrals, for their efforts in behalf of a peaceful settlement of the Chaco dispute, asking them to have the kindness to transmit to their respective Governments the expression of these sentiments.

I greet you with the highest consideration.

ENRIQUE BORDENAVE

724.3415/3219

*The Chairman of the Commission of Neutrals (White)<sup>20</sup> to the Paraguayan Minister (Bordenave)*

WASHINGTON, June 29, 1933.

DEAR MR. MINISTER: Thank you very much for your letter of the twenty-eighth instant. I desire to express to you the thanks of the Government of the United States for the expressions you make therein regarding the action of the Neutral Commission. I have sent copies of your letter to the representatives of the other Governments that formed part of the Commission.

Yours, very sincerely,

FRANCIS WHITE

<sup>18</sup> See telegram No. 118, *supra*.

<sup>19</sup> Not printed.

<sup>20</sup> Mr. White resigned as Assistant Secretary of State July 2, 1933.

724.3415/3224 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, July 6, 1933—10 p. m.

[Received 10:10 p. m.]

59. I am informed that the Brazilian Government has confidentially suggested to the Argentine, Chilean and Peruvian Governments that the four neighboring countries intimate to the League that they would be disposed to organize a commission of investigation and take steps looking toward a direct agreement between the parties as to arbitration. I am informed that the Bolivian Government approved of the idea.

FEELY

724.3415/3234 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, July 15, 1933—11 p. m.

[Received 12:41 p. m. (a. m.?) ]

61. Referring to my telegram of July 6, 10 p. m., Bolivia and Paraguay have since accepted on principle a suggestion made to them by the four neighboring countries that the two belligerents intimate to the League that they would look with favor upon a further participation under League auspices of the ABCP countries in the way of organizing the commission of investigation and arranging a direct agreement as to arbitration. Bolivia has already instructed her delegation to make such an intimation to the League<sup>21</sup> but Paraguay has not yet done so.

FEELY

724.3415/3243 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, July 25, 1933—11 a. m.

[Received July 25—11 a. m.]

62. Referring to my telegram No. 61, July 15, 11 a. m. [p. m.?), the Bolivian Government yesterday instructed its delegation to request that the League give a mandate to the ABCP countries to organize a commission of investigation and to make proposals for an arbitral *compromis* to the belligerents. The Bolivian Government is informed that the Paraguayan delegation has received identic instructions, and is hopeful that in view of the impasse in Geneva the

<sup>21</sup> See League of Nations, *Official Journal*, September 1933, p. 1083.

League will accede to the request. The preliminary negotiations resulting in this action took place in Rio de Janeiro under the auspices of the Brazilian Government.

FEELY

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724.3415/3244 : Telegram

*The Chargé in Brazil (Thurston) to the Secretary of State*

RIO DE JANEIRO, July 25, 1933—5 p. m.

[Received July 25—4: 15 p. m.]

69. Embassy's 58, May 31, 2 p. m. I have just been informed at the Foreign Office that a public statement will be issued tonight announcing that arrangements with the League of Nations and Bolivia and Paraguay have been made whereunder the ABCP states will undertake to effect a settlement of the Chaco conflict.

THURSTON

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724.3415/3245 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, July 26, 1933—11 a. m.

[Received 2: 55 p. m.]

78. Paraguay has given her acceptance to a suggestion which recently originated in Brazil and was later approved by the other members of the ABCP group and the League in accordance with which the neighbor powers under League authority will assume active charge of negotiations. Under the new arrangement a League commission would not be sent to Chaco.

Benitez<sup>22</sup> is frankly pleased with the change and believes it presages a prompter and more effective solution.

HORN

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724.3415/3266

*The Chargé in Brazil (Thurston) to the Secretary of State*

No. 4171

RIO DE JANEIRO, July 26, 1933.

[Received August 7.]

SIR: Supplementing the Embassy's telegram number 69, dated July 25, 5 P. M., I have the honor to report that the following statement was printed in the Rio de Janeiro newspapers this morning, presumably having been issued by the Foreign Office:

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<sup>22</sup> Paraguayan Minister for Foreign Affairs.

"The belligerent Governments of Bolivia and Paraguay agreed, after having heard the Governments of the Argentine Republic, Brazil, Chile, and Peru, to request the League of Nations to nominate the four ABCP States, in substitution of the commission of five members whose appointment has been under consideration by the Committee of Three, with full powers to study a formula designed to restore peace between them."

I was informed at the Foreign Office yesterday afternoon that this development has been brought about by the Brazilian Minister for Foreign Affairs, Dr. Mello Franco, and I received the impression that his principal purpose was to return to America and withdraw from the League of Nations jurisdiction over the Chaco peace efforts. During a recent conversation the Minister for Foreign Affairs expressed to me his great regret at the relinquishment by the Neutral Commission in Washington of its jurisdiction over the Chaco peace efforts, indicating that he had hoped that the message conveyed in the Embassy's telegram number 58, dated May 31, 2 P. M., would encourage it to continue with its labors.

Respectfully yours,

WALTER C. THURSTON

724.3415/3249 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, July 27, 1933—noon.

[Received 1:50 p. m.]

79. My 78, July 26, 11 a. m. was in error in stating that the League had approved the suggestion.

HORN

724.3415/3254 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, July 27, 1933—4 p. m.

[Received July 29—6:15 a. m.]

177. Consulate's despatch 632, political, July 14,<sup>23</sup> last paragraph. This rumor which was at first discredited, seems now to be confirmed. The Secretariat has issued the following communiqué:

"The Committee set up by the Council to examine the difference between Bolivia and Paraguay has received from the Delegations of Bolivia and Paraguay letters requesting it on behalf of the two Governments to confide to the Governments of Argentine, Brazil, Chile and Peru, the mandate of the Commission of Five which has been appointed in execution of the Council's decision of July 3.

The Committee has requested further explanations on the subject from the two Delegations.[""]

<sup>23</sup> Not printed.

I learn that this proposal (transmitted by the two Governments in separate letters expressing agreement between them) has confronted the Committee of Three with a difficult problem. At the present moment the Committee is completely at a loss to understand the meaning of this proposal, as briefly submitted by the parties, even in its purely technical and juridical aspects. It is not clear whether the plan contemplates

(1) that the Governments of the limitrophe countries undertake the settlement of the dispute (*a*) independently or (*b*) under the direction of and responsible to the Council, or

(2) that the Council appoint a commission composed of nationals of the limitrophe countries which would replace the commission already constituted and assume its task under the same terms of reference.

The first alternative, with the Governments acting either independently or under the direction of the Council, is seen as involving complicated questions of a juridical if not of a political nature especially as Brazil is not a League member and Argentina is at most an inactive member. The second alternative involves a change of procedure of which the purpose and utility are not clear. In addition the Committee does not know to what extent the limitrophe Governments are in agreement on the proposal and what they understand by it.

The Committee furthermore is uncertain as to whether the proposal may imply a possible change in the situation with respect to the substance of the dispute or merely a desire for a change of procedure due to dissatisfaction with present methods or whether it may not be simply a maneuver.

As a practical objection to any change the present commission has already booked passage for South America and the Spanish and Mexican members are actually en route.

In view of this situation the Committee has requested the parties to submit a complete explanation of the meaning and scope of their proposal. In any case the Committee does not feel competent to take a final decision on the matter and contemplates after reaching its own conclusions, the submission of the question to the Council together with its recommendations.

GILBERT

724.3415/3253 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, July 28, 1933—noon.

[Received 1:15 p. m.]

63. Bolivia will not reply until next week to the League's request for an explanation of her motives in asking for a mandate for the ABCP countries.

In the meantime I judge from conversations with officials of the Foreign Office that Bolivia is considering the advisability of suggesting to the ABCP countries that the neutral countries be invited to participate in the negotiations in the event that the League consents to give a mandate to the neighboring countries.

FEELY

724.3415/3274

*The Chargé in Brazil (Thurston) to the Secretary of State*

No. 4182

RIO DE JANEIRO, July 29, 1933.

[Received August 14.]

SIR: I have the honor to refer to the Embassy's despatch number 4171, dated July 26, 1933, and to report that at the weekly diplomatic reception last evening I inquired of Dr. Mello Franco, the Brazilian Minister for Foreign Affairs, concerning the negotiations now in progress to bring about the appointment by the League of Nations of the A-B-C-P States to study a formula designed to restore peace between Bolivia and Paraguay.

Dr. Mello Franco reiterated his profound disappointment at the action of the Neutral Commission in relinquishing the Chaco mediation. He said that it had been his hope that the message conveyed to the Department in the Embassy's telegram number 58, dated May 31, 2 P. M., would indicate the feasibility of an American solution, and encourage the Neutral Commission to continue with its task. He remarked that he could not yet understand the action of Washington in abandoning the problem to the League, and he characterized that action as a blow to the Monroe Doctrine.<sup>24</sup> In elaboration of this point, Dr. Mello Franco stated that the League of Nations is not prepared to deal with such problems as that between Bolivia and Paraguay, and pointed out that the contemplated dispatch of a commission to the Chaco for the purpose of ascertaining the origins of the conflict was a futile move which would entail great waste of time and continued bloodshed. Such a commission, he continued, would take no positive action, but would merely submit a lengthy report (as did the Lytton Committee<sup>25</sup>), which presumably would designate one of the belligerent States as the aggressor and cause the League of Nations eventually to apply sanctions. He stated that he could not believe that the United States would view with equanimity such action by the League of Nations with respect to an American State.

<sup>24</sup> See *Foreign Relations*, 1929, vol. I, pp. 698 ff.

<sup>25</sup> For text of the Lytton Report, see League of Nations, *Appeal by the Chinese Government, Report of the Commission of Inquiry* (Geneva, October 1, 1932).

Entertaining these views, he said, he had sought a means to restore to America the paramount place in the peace negotiations to which he feels it is entitled. This he found in the recommendations of the League itself, which provided that a Commission should be appointed. He thereupon took up the matter with the Governments of Argentina, Chile, and Peru, and with the two belligerents, with the result that the latter agreed to request the League to nominate the A-B-C-P States for appointment as the Commission. The definitive reply of the League is being awaited.

Respectfully yours,

WALTER C. THURSTON

724.3415/3264: Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, August 4, 1933—10 a. m.

[Received August 5—6: 52 a. m.]

178. Consulate's 177, July 27, 4 p. m. The following is a summary of the report adopted by the Council yesterday.<sup>26</sup>

1. Recalls that the Covenant is the only international instrument by which the two parties are legally bound for the settlement of the present conflict and in view of the "formal relinquishment of the matter by third parties it now devolves upon the League of Nations alone to seek a rapid settlement and to select the most appropriate means to that end".

2. The Council cannot consider the proposal concerning action of limitrophe powers unless the procedure would have the effect not merely of not delaying but also of expediting the settlement.

3. Notes that the procedure suggested presents certain advantages since it was proposed by the two parties by joint agreement and "it associates with our efforts as our mandatories the neighboring powers who after the two parties, have the most direct interest in the reestablishment of peace".

4. Trusts that the powers will now find the conditions favorable "for seeking a solution on the basis of the Covenant."

5. Decides to ask the Governments of Argentina, Brazil, Chile, and Peru whether they accept this mission "on the basis of the present report"; directs to fix the date to communicate the report to them for early reply and to request in case they accept that they keep the Council informed of their action. To this end the Committee of Three is instructed to keep in touch with the four Governments.

6. The Council's report of July 3 retains in full its executive force and that League remains seized of the question.

After the adoption of this report the Council empowered the Committee of Three, in case the four Governments were unwilling to accept this mission, to despatch the League Commission already constituted at the earliest possible moment.

<sup>26</sup> See League of Nations, *Official Journal*, pp. 1577-1593.



League officials seem to have no definite information as to the probable attitude of the Governments of the limitrophe powers towards this proposal. There is a feeling current here, however, that Brazil in particular and perhaps Argentina would be inclined not to accept any proposal which places their action under mandate of the League.

GILBERT

724.3415/3269 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, August 10, 1933—7 p. m.

[Received 7:08 p. m.]

64. The Minister of Foreign Affairs informed me today that Argentina, Chile and Peru are insisting upon a cessation of hostilities as a condition precedent to further negotiations and that he had instructed the Bolivian Minister at Rio de Janeiro to inform the Brazilian Government that if those countries persist in that attitude Bolivia cannot accept that condition and would prefer to have the negotiations returned to Geneva. He again expressed regret that the United States was not to be a participant in future negotiations for peace.

FEELY

724.3415/3293 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, August 23, 1933—3 p. m.

[Received August 25—6 a. m.]

184. Consulate's 178, August 4, 10 a. m., paragraph 5.

1. The League has as yet received no reply from these powers. The Secretary General has, however, received a note from the Bolivian delegation here transmitting the text of a telegram from La Paz to the Bolivian Legation at Rio de Janeiro. In summary the telegram states that throughout all stages of the negotiations on this dispute Bolivia has declined to accept the idea of a preliminary armistice for the reasons stated on previous occasions. These reasons were recognized by the League Council which admitted the simultaneous negotiations of an armistice and of an arbitral agreement in its report of July 3rd which serves as the declaration of the mandate to the four powers. In accepting the transfer of the negotiations to the American powers, Bolivia had made known her disinclination to reconsider the rejected clauses of the Mendoza Agreement whereupon Rio de Janeiro, Santiago and Lima had given her assurances on that head. The acceptance of a preliminary armistice would therefore be contrary to the

antecedents which constitute the basis of the parties' request to confide the matter to the ABCP. Bolivia would be pleased to receive suggestions for the establishment of an arbitral agreement or "a direct agreement" which would lead to a cessation of hostilities and a definitive solution. This Bolivian note, which has been made available to me in strict confidence, is being communicated to the members of the Council but is not being published.

2. Failing any reply to its communication to the four powers the League's knowledge of the action on its invitation is only by inference from indirect sources of information. Its understanding of these developments is substantially as follows:

Brazil drafted a reply accepting the League mandate and embodying only a few theoretical safeguards. This draft was not acceptable to Argentine and Chile who took the position that a cessation of hostilities should precede all other negotiations. Brazil and Peru finally acceded to this stipulation and a proposal in that sense was made to Bolivia and Paraguay. Paraguay accepted and Bolivia responded in the manner outlined in its communication to the League cited above.

The League is now expecting a reply from the four Governments stating that they are unable to secure conditions necessary for the execution of the Council mandate. If the reply is a clear-cut refusal in these terms, that is, if it does not contain suggestions to the Council to modify its mandate, it is believed that the Committee of Three will proceed at once with the despatch of the League Commission.

GILBERT

724.3415/3306

*The Ambassador in Brazil (Gibson) to the Secretary of State*

No. 15

RIO DE JANEIRO, August 23, 1933.

[Received September 5.]

SIR: I have the honor to refer to the Embassy's despatch No. 4182 of July 29, 1933, on the subject noted above, and to enclose herewith a copy of a memorandum of a conversation I had on August 21 with the Minister for Foreign Affairs with respect to the Chaco negotiations.

Respectfully yours,

For the Ambassador  
WALTER C. THURSTON

[Enclosure]

*Memorandum by the Ambassador in Brazil (Gibson)*

In the course of my conversation with the Minister for Foreign Affairs this afternoon, I asked him as to the progress made in connection with the Chaco negotiations. He said that the negotiations

were in suspense pending the receipt of replies from the other three mediating Powers to his latest proposal. He had said that if they were in agreement he would propose to both Paraguay and Bolivia a preliminary settlement by the acceptance of a line delimiting the territory unconditionally recognized as belonging to Paraguay, and that the remaining territory should be evacuated by both sides who should at the same time accept an armistice of forty-five days to be prolonged as conditions required. He had suggested this relatively brief armistice period because he felt that it was a common state in such cases to fix a period so long that all the interested parties lost interest in immediate action. He said that he had not heard from Argentina, Chile or Peru, and was unable to conjecture what their attitude would be on this proposal, but that after all the varied schemes which had been brought forward and rejected, he felt that this was about the last hope of favorable action.

He said that he would keep me informed of developments.

HUGH GIBSON

RIO DE JANEIRO, August 21, 1933.

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724.3415/3291 : Telegram

*The Chargé in Chile (Norweb) to the Secretary of State*

SANTIAGO, August 24, 1933—5 p. m.

[Received 8:37 p. m.]

90. The Foreign Office has just given us the formula which has been agreed upon by the neighboring countries for settling the Chaco matter and which Brazil will soon present to the belligerent countries. The formula provides that the belligerents will first sign an agreement to submit the entire Chaco question to arbitration. Immediately afterwards they agree to appoint an arbitrator to determine the arbitral zone and simultaneously with this second step they agree to cease hostilities. Bolivia and Paraguay accept the moral guarantee of the neighboring powers that the plan will be faithfully carried through. Bolivia has accepted the proposal in the same manner but Paraguay has not yet indicated its attitude.

In view of previous experiences we do not feel too optimistic but it is clear that the Chilean Government has more confidence in the present attempt than in previous ones.

NORWEB

724.3415/3295: Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, August 27, 1933—7 p. m.

[Received August 28—3:06 a. m.]

86. I am reliably informed that the Cabinet will meet tonight to discuss a new proposal received at noon yesterday directly from the Brazilian Foreign Office acting for the ABCP powers.<sup>27</sup> It provides:

1st, that an instrument be signed by the belligerents in which they agree to submit the entire Chaco dispute to legal arbitration,

2nd, they agree to cease military operations from the time of signing the foregoing,

3rd, the belligerents accept the moral guarantee of the ABCP powers that the Pact will be carried out and will select a South American capital as the center of negotiations.

The Minister for Foreign Affairs expects to telegraph Paraguay's reply tomorrow. There is a feeling among my colleagues that the proposal will be accepted as presented. A recent conversation with Benitez leads me to the same view.

The War Department announces today that fighting is continuing along the front from Nanawa to Rodríguez de Francia. Yesterday all enemy assaults attempted upon Nanawa, Pirizil and Gondra were immediately repulsed. At Campo Aceval Paraguayan troops won some ground and captured war materials. No estimate of casualties was given out.

HORN

724.3415/3296: Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, August 28, 1933—9 a. m.

[Received August 30—6:24 a. m.]

185. Following exchanges have taken place in the Bolivia-Paraguay dispute:

1. From Minister of Foreign Affairs Rio de Janeiro August 25 to President of Council accepting in the name of ABCP League's invitation (Consulate's 178, August 4, 10 a. m.) stating that the four powers are proceeding in complete solidarity in negotiations with "belligerents" in endeavoring to secure from them a "preliminary conciliation formula" and that a definitive reply will shortly be made.

2. From President of Council to Minister of Foreign Affairs, Rio de Janeiro, August 26, conveying hope that an early success may result from these efforts.<sup>28</sup>

GILBERT

<sup>27</sup> See League of Nations, *Official Journal*, November 1933, p. 1582.

<sup>28</sup> See *ibid.*, pp. 1582-1583.

724.3415/3297

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] August 29, 1933.

The Second Secretary of the Chilean Embassy (in the absence of the Chargé d'Affaires ad interim) showed me a telegram from his Foreign Office this morning which stated that the formula for the solution of the Chaco matter, which Norweb forwarded to Washington, had, in fact, been agreed upon by the four ABCP powers; that thereafter, however, Mello Franco had made "substantial" changes in the formula, thereby creating "a delicate situation" for the four powers involved.

724.3415/3313 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, September 8, 1933—6 p. m.

[Received 10 p. m.]

90. My telegrams 86, August 27, 7 p. m., and 88, August 31, 1 p. m.<sup>29</sup> The Minister for Foreign Affairs has lately telegraphed the following note to Rio de Janeiro:

"The Government of Paraguay, accepting the mediatory efforts of Argentina, Brazil, Chile and Peru as a testimony of the interest of those friendly nations in the peace and the destiny of the warring nations, expresses its cordial gratitude and declares:

1st. Its consent to submit the questions related to the conflict of the Chaco Boreal to a legal arbitration, as well [as] its willingness to sign an instrument in which such a desire is expressed.

2d. That it is disposed by the same instrument to bind itself to consider military operations as ended *ipso facto*.

3d. That it accepts the moral guarantee which the mediatory nations offer in the carrying out of the proposed plan, without prejudice to other effective means for preventing the renewal of the conflict and for assuring the calm progress of subsequent negotiations."

HORN

724.3415/3316 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, September 12, 1933—noon.

[Received September 12—11:25 a. m.]

80. In the course of conversation last evening Minister of Foreign Affairs expressed himself as more hopeful for Chaco settlement. Somewhat to his surprise Bolivia has accepted with very minor changes his recent proposal. (See my despatch 15, August 23rd)

<sup>29</sup> Latter not printed.

Paraguay has not yet replied but Minister here has expressed himself in a way that encourages hope of acceptance.

As plan is now drafted acceptance calls for immediate signature here by Bolivian and Paraguayan Ministers of a preliminary convention covering the following points:

- (1) Cessation of hostilities.
- (2) Affirmation of will to settle conflict by peaceful means.
- (3) Delimitation of territory in dispute.
- (4) Fixing of date for meeting in Rio de Janeiro of plenipotentiaries to negotiate settlement.
- (5) If these negotiations are not successful in 30 days the dispute to go to arbitration as provided in the convention.
- (6) Armistice to continue during arbitration.

Does Department desire fuller telegraphic reports on this general subject, with or without texts of governmental interchanges, or is subject being covered by other missions? <sup>30</sup> GIBSON

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724.3415/3328 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, September 22, 1933—9 p. m.

[Received 9:30 p. m.]

71. The Bolivian Government today <sup>31</sup> accepted in principle the ABCP proposal of August 25 on the assumption, however, that the Brazilian suggestion of September 2 and the Bolivian reply thereto of September 6 having to do with a limited zone of arbitration would be incorporated in the proposal. The Brazilian suggestion of September 2d proposed a maximum zone bounded by parallel 20 meridian 62 and the two rivers. The Bolivian reply of September 6th proposed meridian 61 and a line 50 kilometers south of parallel 20 as the maximum.

There is little hope in official circles here of a successful result.

FEELY

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724.3415/3329 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, September 26, 1933—noon.

[Received 4:55 p. m.]

92. I have just seen the President who is not very hopeful that the last formal proposal of the limitrophe nations will succeed. He tells me the ABCP powers have recently informally sought Paraguay's con-

<sup>30</sup> In telegram No. 70, September 14, 7 p. m., the Embassy was informed that the Department desired to continue to receive brief telegraphic reports and full despatches regarding important Chaco developments.

<sup>31</sup> See League of Nations, *Official Journal*, November 1933, p. 1589.

sent to a modification desired by Bolivia which would exclude an extensive zone of the Chaco from the arbitration. The Paraguayan Government firmly declined to consider such a change.

The President also told me that the Uruguayan Minister, who returned on the 23d from Montevideo, asked him if, in the event present negotiations should fail, the Paraguayan Government would be willing to have Uruguay introduce the Chaco War as a subject for consideration by the Seventh International Conference of American States. Ayala replied that although Paraguay is always willing to discuss the Chaco war if invited to do so, he believes its consideration at Montevideo would bring about the failure of the Conference.

HORN

724.3415/3331 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, September 26, 1933—4 p. m.

[Received 5:40 p. m.]

83. Embassy's telegram No. 80, September 26 [12], noon. Minister of Foreign Affairs tells me Chaco negotiations are now in a state where there are "greater possibilities of success" than at any previous time. In strictest confidence, however, he expressed his concern over the failure of the other mediating powers to exert their full and effective influence for peace. Last night he talked with considerable vigor to the representatives of the other mediating powers in an effort to get them to concert their efforts.

Because of the difficulty of keeping these powers in line for protracted negotiations Mello Franco was obliged to agree some days ago that if his efforts were not successful by September 30th the whole dispute should be referred back to the League of Nations but this time limit which he accepted with reluctance renders the matter urgent. The situation is now as follows:

Bolivia has accepted the Brazilian proposals "principle" with three modifications:

- (a) Northern limit to be moved 25 kilometers to the south of Bahía Negra;
- (b) Western limit to be 61 degrees instead of 62 degrees;
- (c) Unless plenipotentiaries are able to agree on a zone any territory claimed by either party to be submitted to arbitration.

Paraguay admits principle of arbitration for "entire Chaco question"; contends that Chaco has "natural limits" which are still to be determined and therefore sees no advantage in preliminary agreement as to zones; maintains that all causes of conflict between Bolivia and Paraguay existing or still to arise should be included under the expression "entire Chaco question".

The Minister is now engaged in a determined effort to persuade Bolivia and Paraguay to withdraw reservations which he says are not in themselves vital but which if maintained render illusory hopes of any agreement within the time limit. He is pressing for simple acceptance without reservation of the proposal reported in my telegram 80.

The Minister feels strongly that he should not without a struggle admit the inability of the American countries to settle their own problems by referring a confessed failure to the League. As of more immediate concern he is anxious to get the conflict at least "into the state of agreement to settle by peaceful means" before meeting of the Montevideo Conference, success of which he fears will be seriously prejudiced if it opens with the Chaco conflict unliquidated.

He feels on the other hand that there is a genuine chance of reaching a successful solution of this question in America if a clear and friendly interest is shown by the mediating powers and by our Government. He would not expect us to commit ourselves in any way as to the Brazilian proposal or its details or as to the various reservations which have been made, but he would greatly value any support from Washington in the form of messages to La Paz and Asunción, however informal, expressing the hope that the two contending Governments will make a maximum effort to facilitate agreement and find a mutually advantageous solution.

I gather that if there are any favorable developments the Minister feels fairly confident he could persuade the mediating powers to extend the period of negotiations beyond September 30th.

In view of the urgency of the matter I would appreciate a telegraphic indication as to any action the Department may feel warranted in taking.

I am impressed by the fact that Mello Franco is both practical and sincere in his effort to end this conflict and promote better relations among the American countries. His is the only plan now under consideration. Further, it is to be borne in mind that the Minister is now in a tight corner and needs help. Any friendly support we may give him will be a good investment for our future relations.

GIBSON

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724.3415/3331 : Telegram

*The Secretary of State to the Minister in Bolivia (Feely)* <sup>33</sup>

WASHINGTON, September 27, 1933—6 p. m.

23. Please express orally and most informally the following views to the Minister for Foreign Affairs.

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<sup>33</sup> The same, *mutatis mutandis*, September 27, 6 p. m., to the Chargé in Paraguay as No. 27; text repeated for information to the Ambassador in Brazil as No. 72.



This Government is very happy to learn from that of Brazil that the present Chaco negotiations undertaken by the Limitrophe countries under the mandate of the League of Nations are progressing favorably. While not conversant with the details of these negotiations, this Government, inspired by its sincere friendship for both Bolivia and Paraguay, ventures to express its hope that the two countries may be able to arrive at a mutually satisfactory solution of their difficulties.

HULL

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724.3415/3334 : Telegram

*The Minister in Bolivia (Feely) to the Secretary of State*

LA PAZ, September 28, 1933—3 p. m.

[Received 4: 11 p. m.]

75. The Brazilian Minister of Foreign Affairs today informed the Bolivian Government that if the ABCP is to accept the League mandate Bolivia must either accept without reservation the proposal of August 25th or the Chilean suggestion for a double arbitration.<sup>34</sup> It is not likely that Bolivia will accept either plan.

FEELY

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724.3415/3335 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, September 29, 1933—10 a. m.

[Received 12 noon.]

93. Department's telegram No. 27, September 27, 6 p. m.<sup>35</sup> At noon today I conveyed the message as desired to the Minister of Foreign Affairs. He expressed his Government's appreciation of the friendly interest manifested by the United States and promised a more responsive answer after the message had been duly considered.

HORN

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724.3415/3340 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, September 29, 1933—11 a. m.

[Received October 1—7: 33 a. m.]

204. At the meeting of the Council held late yesterday afternoon<sup>36</sup> the Chairman of the Council's Committee reviewed the status of the

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<sup>34</sup> See League of Nations, *Official Journal*, November 1933, p. 1590.

<sup>35</sup> See footnote 33, p. 359.

<sup>36</sup> See League of Nations, *Official Journal*, November 1933, p. 1552.

Bolivia-Paraguay dispute as outlined in the latest communication from ABCP powers (Consulate's telegram 196, September 25, 10 a. m.<sup>37</sup>) He expressed regret that "hostilities are continuing". He declared that should the negotiations succeed within the next few days "real progress will have been achieved" but reminded the Council that "if, however, the efforts of the neighboring powers unhappily fail to produce the desired results it is clearly necessary that the action of the Council which has been suspended since August 3 should be resumed immediately; for the purposes of such action the cooperation of the adjacent states would be an element of the highest importance."

The Paraguayan representative reaffirmed his country's acceptance September 8<sup>38</sup> of ABCP proposal of August 25 and asserted Paraguay's willingness to stop hostilities on the signature of an instrument of arbitration.

The Bolivian delegate stated that he would refrain from entering into a discussion inasmuch as the matter was being handled by the ABCP powers.

GILBERT

724.3415/3336 : Telegram

*The Chargé in Paraguay (Horn) to the Secretary of State*

ASUNCIÓN, September 29, 1933—6 p. m.

[Received September 30—3:02 a. m.]

94. My 93, September 29, 10 a. m. I have just had presented to me the following reply from the Minister of Foreign Affairs:

"The Paraguayan Government cordially thanks the American Government for its friendly interest in the satisfactory solution of the Chaco conflict and has the satisfaction of informing it that it has accepted without reservations the proposal of the mediators acting under mandate of the League."

HORN

724.3415/3342 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, October 2, 1933—2 p. m.

[Received October 2—11:35 a. m.]

208. The following is unofficial translation of a joint telegram dated Rio de Janeiro October 1 received by the President of the Council from the representatives of the ABCP powers:

"The Governments of The Argentine, Brazil, Chile and Peru, after having proceeded in perfect unity of views and with most persevering effort to the examination of the situation existing between the sister

<sup>37</sup> Not printed.

<sup>38</sup> See telegram No. 90, September 8, 6 p. m., from the Chargé in Paraguay, p. 356.

republics of Bolivia and Paraguay and in consequence of the consultations carried on and the exchanges between the respective Governments, recognize with sincere regret that it is not possible for them to accept the invitation extended to them by the Council of the League of Nations in its telegram of August 3 last<sup>40</sup> with a view to their proposing a formula susceptible of establishing peace definitively between the said republics for the complete solution of the Chaco question. Under these conditions the said Governments decline the above mentioned invitation and have the honor to state that they will transmit in due course to the Council of the League of Nations copies of the documents exchanged between their representatives and the chanceries of Bolivia and Paraguay."

With reference to Consulate's 178, August 4, 10 a. m., penultimate paragraph and 204, September 29, 11 a. m., the method of carrying out the action now incumbent upon the League is being formulated.

GILBERT

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724.3415/3343 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, October 3, 1933—1 p. m.  
[Received October 3—9:55 a. m.]

211. Consulate's 208, October 2, 2 p. m., final paragraph. Council Committee of Three are notifying League Chaco Commission to hold themselves in readiness to proceed at an early date.

GILBERT

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724.3415/3360

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 4, 1933.

I had a visit this afternoon from the Bolivian Minister, Señor Dr. Don Enrique Finot, who narrated to me the course events had taken recently in connection with the efforts of the ABCP powers to settle the Chaco controversy (telegrams and despatches received in the Department confirm the account which Dr. Finot gave me of this).

The Minister then said that a notice had been published in Buenos Aires yesterday that the President of the United States personally would offer his mediation in the controversy. He asked me if the report were true. I told him that I did not think so.

He asked me if I did not consider the present activities of the League in the Chaco matter to be somewhat in opposition to the Monroe Doctrine. I told him, no, that we did not consider the present activities of the League in connection with the Chaco controversy to be in opposition to the Monroe Doctrine; and explained the reasons why.

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<sup>40</sup> See telegram No. 178, August 4, 10 a. m., from the Consul at Geneva, p. 351.

Dr. Finot closed his remarks by observing that his Government would welcome at any time an effort on the part of the United States alone, or in association with other powers, to mediate in the controversy.

J[EFFERSON] C[AFFERY]

724.3415/3347 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, October 5, 1933—3 p. m.

[Received October 7—6:45 a. m.]

216. Chairman of Committee of Three despatched yesterday a telegram to Brazil answering ABCP powers' telegram of October 1 (Consulate's 208, October 2, 2 p. m.) soliciting the co-operation of the limitrophe states in the work of the League Commission.

It will, I understand, be the policy of the League, on the theory of salvaging the work done in Rio de Janeiro, to retain to the fullest extent possible this co-operation.

GILBERT

724.3415/3355 : Telegram

*The Ambassador in Brazil (Gibson) to the Secretary of State*

RIO DE JANEIRO, October 13, 1933—4 p. m.

[Received October 13—3:47 p. m.]

92. Minister of Foreign Affairs tells me he has conferred at length on the Chaco question with President Justo<sup>41</sup> who has thus far been considered an obstacle to solution. Justo expressed himself much gratified and authorized his Foreign Minister to sign with Mello Franco yesterday a hastily drafted "secret agreement" as to the terms of a fresh proposal to be made to Paraguay and Bolivia. He said this would not conflict with the effort of the League of Nations but would be "parallel to it".

The press has published the text of the joint telegram sent by the Presidents of Argentina and Brazil to the Presidents of Bolivia and Paraguay exhorting them to submit the Chaco conflict to arbitration—also replies which express desire of both countries to find a peaceful solution but which in no way commit them.<sup>42</sup>

GIBSON

<sup>41</sup> President of Argentina.

<sup>42</sup> For correspondence, see Republica de Bolivia, Ministerio de Relaciones Exteriores y Culto, *Memoria presentada al Congreso de 1934. Conflicto del Chaco* (La Paz, Editorial "Renacimiento", 1934), pp. 443-446; Republica del Paraguay, Ministerio de Relaciones Exteriores, *Libro Blanco, III Parte, Documentos Relativos al Mandato de la Liga de Las Naciones a los Gobiernos del ABCP (Proposición del 25 de Agosto de 1933), y al Acta del 11 de Octubre de 1933* (Asunción, Imprenta Nacional, 1934), pp. 71-85.

724.3415/3363 : Telegram

*The Chargé in Bolivia (Fernald) to the Secretary of State*

LA PAZ, October 24, 1933—11 a. m.

[Received 3:10 p. m.]

82. Dr. Carlos Calvo is appointed special envoy plenipotentiary leaving 27th for Buenos Aires. Negotiations are very secret, but apparently Argentina and Brazil have made peace proposal following Salamanca telegram of 12th.<sup>43</sup> Local newspapers hopeful for armistice by November 11th.

FERNALD

724.3415/3364 : Telegram

*The Chargé in Bolivia (Fernald) to the Secretary of State*

LA PAZ, October 26, 1933—noon.

[Received October 26—11:20 a. m.]

83. The Calvo confidential mission to Buenos Aires is indefinitely postponed in view of Paraguayan rejection of Argentine-Brazil proposition. Comment is that this is the fifth mediation failure caused by Paraguay.

FERNALD

724.3415/3377 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, October 31, 1933—4 p. m.

[Received November 2—6:52 a. m.]

278. 1. Secretariat has today circulated a note from the Bolivian representative here under date of October 19 of which the following is a résumé:

(a) The Bolivian Government attributes the failure of all previous negotiations to conclude an arbitral agreement to the circumstance that the parties have not agreed on a delimitation of the zone to be arbitrated and feels that the League Chaco Commission may encounter the same obstacle which would render its efforts entirely barren.

(b) Refers to its note of October 12 on this head and expresses dissatisfaction with the Council Committee's action in merely transmitting this communication to the Chaco Commission "without other

<sup>43</sup> In reply to the telegram of the Presidents of Argentina and Brazil of October 11. The telegram in part states that the "Government of Bolivia shares your desires, and is, as always, disposed to consider and accept every project which assures peace on the foundation of justice, conciliating the fundamental interests of two belligerent countries". (724.3415/3365) The telegrams are printed in *Republica de Bolivia, Ministerio de Relaciones Exteriores y Culto, Memoria presentada al Congreso de 1934, Conflicto del Chaco*, p. 434.

form of procedure". (See documents enclosed with Consulate's despatch No. 702, Political).<sup>44</sup>

(c) The Bolivian Government, "so long [as?] the powers of the Commission have not been properly defined will be compelled to ignore its labors".

2. The Council Committee replied under date of October 27 in substance as follows:

(a) The Commission is competent to deal with this as well as all other matters raised by the Bolivian Government inasmuch as the Council's report of July 3 provides that the Committee should discharge its functions "taken as a whole as best it could, having regard to the situation it found on its arrival with the view to bringing about a speedy and permanent settlement of the dispute".

(b) The terms of reference of the Commission were established on July 3 and reaffirmed on August 3 and September 28 by a unanimous vote of the Council, including Bolivia and no change has since occurred in these terms (Consulate's telegrams 178, August 4, 10 a. m.; and 204, September 29, 11 a. m.).

(c) The Committee expresses surprise that Bolivia should now propose "to act in a manner completely at variance with the procedure which it has formally and repeatedly accepted".

3. League reaction to the Bolivian communication touches on two points:

(a) Although the Bolivian representative here is acting under instructions it is questioned to what extent the form in which the communication is couched represents the precise attitude of La Paz;

(b) It is questioned to what extent the communication represents a definitive position of the Bolivian Government or to what degree it is an effort to influence the Commission to follow a particular line. In any event the Secretariat feels that the final revelation of the Bolivian position will not be made in Geneva but in South America.

4. The Council Committee has been informed by the Government of Paraguay that it has appointed Dr. Venancio Galeano as assessor to the Chaco Commission.

GILBERT

724.3415/3383: Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, November 4, 1933—10 a. m.

[Received November 6—6:40 a. m.]

282. Consulate's 278, October 31, 4 p. m.

1. On October 29 the Chairman of the Council Committee on the Chaco dispute cabled the Bolivian Minister of Foreign Affairs requesting the name and rank of the Bolivian representative appointed

<sup>44</sup> Not printed.

as assessor to Chaco Commission. The following reply was received under date of October 31 :

“With reference to your cablegram of yesterday the Bolivian Government will accredit its representative to the Commission as soon as the Council has given a decision in accordance with the points of view set forth in our delegation’s note of October 13th, meanwhile Bolivia will maintain at Montevideo an observer who will have no official relations with the Commission.”

2. Furthermore, I learn from the Secretariat that the Council Committee has just received a reply from Costa du Rels to its note of October 27 summarized in the Consulate’s telegram under reference. The text of this reply is in process of translation and is not yet available, but a competent League official informs me that it in no way changes the situation. Also I understand from him that though it will be incumbent upon the Council eventually to take official cognizance of the matter, probably nothing will be done at Geneva for the present, the policy being barring unforeseen developments to wait until the Commission has established contact with the situation and has reported its impressions.

GILBERT

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724.3415/3387 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, November 8, 1933—4 p. m.

[Received November 10—12: 35 p. m.]

287. 1. The Chairman of the Council’s Committee has received a cablegram from the Bolivian Minister for Foreign Affairs quoting declarations made November 3 by the Bolivian Minister at Montevideo before the League’s Chaco Commission. I assume that the Department has been informed of these declarations from Montevideo in which Bolivia lays down certain conditions for its collaboration with the Commission and in order that it may decide on its attitude requests the Commission for information concerning its instructions and its immediate program of work.

2. Learn from the Secretariat that the Commission has sent a conciliatory reply mentioning its general terms of reference, reassuring Bolivia regarding its sovereignty and stating its intention of visiting both countries parties to the dispute.

3. The League appears to be adopting an attitude of leaving to the Commission for the present at least the question of relations between itself and the parties to the dispute. The Secretariat nevertheless expects to be informed from time to time of the trend of negotiations. I am given to understand that in general this information will not be made public.

4. I would appreciate being advised as to whether the Department will keep in touch with the situation through our Latin American missions or whether it is desired that I continue to transmit such information as I may obtain here.

GILBERT

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724.3415/3387 : Telegram

*The Acting Secretary of State to the Consul at Geneva (Gilbert)*

WASHINGTON, November 11, 1933—2 p. m.

124. Your telegram 287, November 8, 4 p. m., paragraph 4. Please keep the Department informed of important developments.

PHILLIPS

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724.3415/3400 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Acting Secretary of State*

GENEVA, November 17, 1933—4 p. m.  
[Received November 19—7:42 a. m.]

299. Consulate's 287, November 18 [8], 4 p. m. Walters, Undersecretary General in charge of political affairs, has shown me a communication from the Chaco Commission to the League quoting a note from the Bolivian Foreign Office, dated November 10, which extends a welcome to the Commission to come to La Paz and expresses the intention of appointing a representative (assessor) on the Commission.

Walters informs me that the League will continue the policy of leaving the disposition as far as possible in the hands of the Commission and in order to avoid confusion and misunderstanding will discourage any attempt by the two parties to have recourse to Geneva for the conduct of negotiations.

GILBERT

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724.3415/3401 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, November 19, 1933—11 a. m.  
[Received 2:45 p. m.]

107. League Commission arrived at Asunción yesterday and leaves for Chaco tomorrow. Local press friendly, taking for granted that Commission will find Bolivia the aggressor but non-committal as to probable effect on hostilities or territorial issue of Commission's visit.



Recent successes in the field have strengthened Paraguayan confidence. Reported resignation of Canelas Ministry has encouraged those who believe that Bolivian reverses will cause overtures of Salamanca Government and modification of Bolivia's intransigent attitude. Commission's visit considered to afford Bolivia an opportunity to adopt more reasonable attitude with minimum loss of face.

NICHOLSON

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724.3415/3403 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, November 20, 1933—5 p. m.

[Received 9:28 p. m.]

108. League Commission had two long interviews yesterday with the President who had with him Foreign Minister, former Foreign Minister Zubizarreta, and Minister of War. Foreign Minister traced course of negotiations for settlement of dispute through their terms of office and the President stated that Paraguay wants cessation of hostilities, security, and unrestricted arbitration. The President said that Paraguay is willing to discuss economic questions direct with Bolivia but that she will not consider any proposal to give Bolivia sovereign rights on the Paraguay River. He said that he will consider earnestly any suggestions from the Commission.

The President is said to have been less suave and more emphatic in his statement of Paraguay's attitude at the second interview and to have given to the Commission, as he doubtless intended, the impression that they were hearing Paraguay's minimum terms.

This morning the Commission left for the Chaco, their exact itinerary still uncertain. Generals Robertson and Freydenberg expect to visit the front and the Paraguayan Government wishes the Commission to see something of the economic development of the Chaco but the Commission is expected to return here within a week. Meanwhile it is believed that Paraguay will press the advantage that she has gained recently in the field in order to improve both her military and her bargaining position.

NICHOLSON

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724.3415/3406 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Acting Secretary of State*

GENEVA, November 24, 1933—11 a. m.

[Received November 26—7:09 a. m.]

302. Consulate's 208, October 2, 2 p. m. League has now published the correspondence between the ABCP powers relating to their medi-

atory action in the Bolivia-Paraguay dispute on the basis of the Council's report of August 3.

GILBERT

724.3415/3415 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*<sup>45</sup>

ASUNCIÓN, December 2, 1933—2 p. m.

[Received 9:25 p. m.]

109. The League Commission left last night for Formosa whence they will proceed by railway to La Paz. The Commission returned to Asunción from the Chaco November 28th having visited Bahía Negra, Puerto Casado, Pinasco, and Paraguayan general headquarters; the military members made a tour of the front; the civilian members visited the Mennonite colonies; and a member visited Cumbura and the Bolivian port of Puerto Juarez on the upper Paraguay.

On the 29th the Commission had another long meeting with the President and his principal advisers at which the President, who is as expressed "more resilient" than at the last meeting, reiterated Paraguay's earnest desire for peace, her willingness to accept unrestricted arbitration, and her insistence on adequate security.

From sources close to the Commission I learn that they were much impressed by what they saw of the economic development of the Chaco; they found that the morale and condition of the Paraguayan troops was very good, that Paraguay has achieved substantial successes in the recent fighting, and that she is at the moment definitely Bolivia's superior in the field. The Commission look with disfavor on Bolivia's pretensions to Bahía Negra; soundings at Puerto Juarez apparently disprove the Bolivian contention that the channel is rocky and cannot be deepened, and the Commission are disposed to consider Puerto Juarez a sufficient outlet for Bolivia on the Paraguay River.

Paraguay's case has been skillfully presented to the Commission, who depart, I believe, feeling that Paraguay has been frank, reasonable, cordial, and consistent.

The Commission will probably return to Montevideo from La Paz.

NICHOLSON

<sup>45</sup> In telegram No. 30, December 4, 5 p. m., the Minister was instructed to repeat this telegram to the American Delegation at the Seventh International Conference of American States at Montevideo (see pp. 1 ff.) and to the Legation in Bolivia.

724.3415/3419: Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 5, 1933—noon.

[Received 2:35 p. m.]

110. I sent the following telegram yesterday to the American Delegation at Montevideo:

"December 4, 3 p. m. For the Secretary. I had a conversation this morning with President Ayala during the course of which I referred to press despatches from Montevideo which suggested the possibility of the Conference considering the Chaco question. Ayala said that he would welcome any support which the Conference might give to the League of Nations Commission but that he earnestly hoped that the Conference would do nothing to make the Commission's task more difficult.

The personnel and the prompt and businesslike methods of the Commission made an excellent impression on the Paraguayan Government. I think that it would be most unfortunate if anything were done by the Conference to divert attention from the Commission's efforts or to weaken its authority. However, some gesture by the Conference indicative of confidence in a settlement through the League might serve a good purpose. Although Ayala is clearly satisfied with his military position there is no doubt of his desire for peace or the sincerity of his willingness to submit question to arbitration."

NICHOLSON

724.3415/3418: Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 5, 1933—1 p. m.

[Received 1:40 p. m.]

111. Department's telegram December 4, 5 p. m.<sup>46</sup> complied with. I propose in future to repeat to the American Delegation at Montevideo and the Legation at La Paz for its confidential information telegrams to the Department concerning Paraguayan-Bolivian relations, send them copies of pertinent despatches, the latter to be forwarded through the Embassy at Buenos Aires. Please telegraph approval and instruct Legation at La Paz to reciprocate.<sup>47</sup>

NICHOLSON

<sup>46</sup> See footnote 45, p. 369.

<sup>47</sup> Telegram No. 111 was approved in telegraphic instruction No. 31, December 7, 6 p. m.

724.3415/3422 : Telegram

*The Minister in Bolivia (Des Portes) to the Acting Secretary of State*

LA PAZ, December 6, 1933—4 p. m.

[Received 4:28 p. m.]

94. The League Commission arrived in La Paz last night and was warmly welcomed.

DES PORTES

724.3415/3424 : Telegram

*The Minister in Bolivia (Des Portes) to the Acting Secretary of State*

LA PAZ, December 9, 1933—11 a. m.

[Received 1:50 p. m.]

95. The League Commission held sessions on 7th and 8th considering historical questions; keynote of welcome was Foreign Minister Calvo's statement "Bolivia has never sought foreign territory, never initiated war of conquest". Military members expect to leave for Chaco probably 12th; others may remain here 10 days more. It is reliably reported that a severe Bolivian reverse was suffered on 8th at Fort Arce and with the previous loss of one entire battery of artillery, still kept secret, conditions said to be critical. Reserves of soldiers and artillery are going forward to the front.

Expectations in official quarters are that Seventh Conference will undoubtedly give full cooperation to League Commission.

Above also sent to Montevideo and Asunción.

DES PORTES

724.3415/3426 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 11, 1933—11 p. m.

[Received December 12—12:38 a. m.]

112. After a period of comparative calm, lasting from November 17th to December 4th (which corresponds with the League Commission's stay in Paraguay) the Paraguayan Government on December 5th launched an offensive in the Alihuata Tuya-Gondra sectors which culminated today, according to the official communiqués, in the unconditional surrender of the Fourth and Ninth Bolivian Divisions with their commanders, officers, men and material. The Paraguayans have taken Alihuata and Zenteno and are now apparently astride the

Alihuata-Gondra road west of Gondra; the Bolivians opposite Nana-wa are retiring towards Saavedra. The Bolivians are said to be badly demoralized. The Paraguayan War Office reports the capture of 18,000 prisoners, and a great deal of material. Asunción celebrating a great victory. The President left for the front yesterday to be with the Army during the last stage of the operations which circles close to the War Office believe have disposed of a third of the Bolivian forces on the active front. Repeated to American delegation and La Paz.

NICHOLSON

724.3415/3427 : Telegram

*The Minister in Bolivia (Des Portes) to the Acting Secretary of State*

LA PAZ, December 12, 1933—3 p. m.

[Received 5:15 p. m.]

97. Rumors of revolution are without foundation.

At Fort Gondra the Fourth and Ninth Divisions are reported to have lost over 5,000 men, 250 officers and equipment, a cause being the lack of ammunition. Kundt's resignation is said to have been requested to be succeeded at the front by Colonel Penaranda. At La Paz General Lanza has succeeded Gonzales, Acting Chief of Staff.

Travel to the front on [of?] the League Commission military members has been delayed. Above sent to Asunción and Montevideo.

DES PORTES

724.3415/3429 : Telegram

*The Chairman of the American Delegation to the Seventh International Conference of American States (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 12, 1933—5 p. m.

[Received December 12—3:42 p. m.]

50. Confidential for the President from Hull. The President of Uruguay and a few heads of delegations of other Governments have a program to promote peace in Chaco which includes telegrams from a few heads of Governments including yourself addressed direct to the President of the Seventh International Conference of American States expressing the fervent and devout hope that efforts being made by the Conference, both individually and collectively, and efforts being made by League of Nations, by the President of Uruguay and those cooperating with him and by all other agencies to bring about a cessation of the war between Bolivia and Paraguay may speedily result in overwhelming success.

The plan is to read these telegrams at a plenary session of Committee No. 1 tomorrow Wednesday afternoon. I hope, therefore, that you can send suitable telegram or authorize me to deliver such to the President of the Conference.

HULL

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724.3415/3429 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation to the Seventh International Conference of American States (Hull)*

WASHINGTON, December 12, 1933—6 p. m.

69. Your 50, December 12, 5 p. m. The President has authorized you to deliver the following message from him to the President of the Conference:

"I wish to express to Your Excellency my fervent and devout hope that the efforts which I understand are being made by the Conference, both individually and collectively, the efforts being made by the League of Nations, by His Excellency the President of Uruguay, and those cooperating with him, and by all other agencies to bring about a cessation of the tragic warfare between Bolivia and Paraguay may speedily result in overwhelming success."

PHILLIPS

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724.3415/3438 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Acting Secretary of State*<sup>48</sup>

GENEVA, December 14, 1933—5 p. m.

[Received December 15—9 a. m.]

314. I transmit below the substance of telegrams relative to the Chaco conflict which have been handed me in the French text in strict confidence by a League official. Due to the briefness of these communications and certain ambiguities in their language as well as the difference in the sources of the information, League officials are unable to determine the exact status of affairs and are hoping for clarifying reports. The general attitude of the Secretariat is that there is danger of the situation becoming complicated through the injection of too many political elements.

1. The telegram from Buero<sup>49</sup> dated La Paz, December 12th, states that the Commission has a carefully studied formula of settlement

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<sup>48</sup> The opening paragraph of this telegram and sections marked "3." and "4." repeated in substance by the Department in telegram No. 97, December 18, 6 p. m., to the Chairman of the American Delegation.

<sup>49</sup> Juan Antonio Buero, Secretary General of the Investigating Committee of the League of Nations. See "The Chaco War: Telegrams Exchanged during the Sessions of the Conference—Plenary Sessions", Seventh International Conference of American States, *Minutes and Antecedents, with General Index* (Montevideo, 1933), pp. 219-225.

which it is going to present to the two parties and requests that an appeal be made to League members represented at Montevideo to support this formula, uniformity of action being essential for its success. The telegram adds that the President of Bolivia in a confidential conversation with the Commission has laid stress upon the difficulties in which he finds himself, in being in the presence of proposals submitted on the one hand by Montevideo, and on the other hand by Commission.

2. Officials of the Secretariat do not know the terms of the formula of settlement referred to above. It is, moreover, not clear to them whether the Commission desires concerted support from League members for (a) a definite formula stated in precise terms, or for (b) the Commission's plan of action in general without reference to specific terms. In order to leave the Commission entirely free in its judgment as to the propriety of announcing the terms of the formula which might possibly upset the situation and render further negotiations difficult, League officials prefer for the present to adopt the interpretation mentioned under alternative (b). With this object in view the Secretariat has communicated by telegraph with the Governments having nationals on the Commission and also with the Argentine representative at Paris in view of Argentine being a member of the Council and a limitrophe state in order to ascertain whether they would be ready to make a diplomatic *démarche* to support the action of the Commission. The Secretariat has replied to Buero's telegram informing him of this action.

The Secretariat is now awaiting the reactions of these Governments. I am definitely informed, however, that the British and French representatives at Montevideo are working together and that they have standing instructions to support the Commission whenever deemed opportune and expedient.

3. A telegram from Nogueira, dated Montevideo, December 12, states that the British and French Ministers called on the Uruguayan Minister of Foreign Affairs and expressed concern that Uruguay or the Conference might interfere in the Chaco matter. The telegram in translation continues as follows:

"I wish to confirm fully my preceding communications to the effect that Uruguay as well as the Conference have no idea of interfering but desire to offer to the League of Nations the eventual result of the present accessory negotiations. I feel that whatever the result the negotiation will end in the League of Nations favor".

4. Telegram from Nogueira dated Montevideo December 13 reads as follows in translation:

"The Chaco Committee of the Conference met today with the President of the Republic and decided unanimously to recommend support

to the Commission. The tendency is growing towards supporting sanctions if that is necessary. I have received a favorable telegram from Vigier<sup>50</sup> which I have transmitted to the Minister of Foreign Affairs”.

GILBERT

724.3415/3434 : Telegram

*The Ambassador in Peru (Dearing) to the Acting Secretary of State*

LIMA, December 14, 1933—7 p. m.

[Received 10:20 p. m.]

210. Chaco. Foreign Minister informs me this morning his last information from La Paz indicates likelihood of revolution, overthrow of Government and flight of Kundt<sup>51</sup> and Salamanca<sup>52</sup> to escape personal violence. Minister states situation is one of utmost importance and significance for Peru, that he anticipates no successful activity on the part of League Commission, and feels Bolivia's recent military losses are so disastrous that the way will very soon be open for a further effort to bring about peace. He only awaits the moment to take the initiative and invite Brazil, Argentina and Chile to join with Peru in a further effort to arrange an armistice as desired by Bolivia and an arbitration as desired by Paraguay and eventual peace. In reply to my surmise that Bolivia in defeat might be stiffer than before the Minister stated his information was to the contrary and that in addition to the sobering effect of the recent military losses Bolivia's funds are practically exhausted, that Bolivia has been using her gold reserve to meet the drain [of?] war expenses, that this reserve is now below 9 percent and promises shortly to disappear entirely and that in view of impending revolution Patino and other capitalists are withholding aid until the situation clarifies. The Minister felt Seventh Conference would be unlikely to take a vigorous initiative in the matter but would limit itself to resolutions leaving to the four neighboring powers the task of stopping hostilities and arranging peace.

Copy sent to American Delegation Montevideo.

DEARING

724.3415/3439 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Acting Secretary of State*

GENEVA, December 15, 1933—5 p. m.

[Received December 18—9:45 a. m.]

317. Consulate's No. 314, December 14, 5 p. m., paragraph [numbered?] 2. The Secretariat has now been informed that in addition

<sup>50</sup> Asesor jurídico, Investigating Committee of the League of Nations.

<sup>51</sup> Hans Kundt, German General in the employ of the Bolivian Government.

<sup>52</sup> Daniel Salamanca, President of Bolivia.



to the Governments of France and Great Britain which have given standing orders to their representatives, the Governments of Italy, Spain and Mexico will instruct their representatives at Montevideo to consult with the other interested Governments and with the Commission in order to determine the best method of lending support to the latter's action.

GILBERT

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724.3415/3450: Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 16, 1933—noon.

85. Your 59, December 15, midnight, third paragraph.<sup>53</sup> As regards Cruchaga's resolution we agree with your proposed method of handling the matter. While we have of course been supporting the present efforts of the League to settle this controversy, yet the specific wording of the resolution "in the application of the Covenant" with its possible implication of sanctions makes it highly advisable to handle the matter as you suggest.

Brazil of course is not a member of the League and may have her own ideas as to applying the resolution to "the four nations contiguous" but you of course have this in mind.

PHILLIPS

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724.3415/3437: Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 16, 1933—noon.

[Received December 16—11:25 a. m.]

60. Confidential for the President and Phillips. I find that resolution to end Chaco war proposes that we agree to sanctions. I have taken steps designed to keep the United States Government out of this obligation.

HULL

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724.3415/3442: Telegram

*The Minister in Bolivia (Des Portes) to the Acting Secretary of State*

LA PAZ, December 18, 1933—11 a. m.

[Received 1:50 p. m.]

100. I am reliably informed that three of the League Commission members leave today returning to Asunción after having received

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<sup>53</sup> *Ante*, p. 189.

agreement from Bolivia to integral arbitration. They expect acceptance from President of Paraguay but difficulties with other leaders. Above sent to Montevideo, Asunción.

DES PORTES

724.3415/3440 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 18, 1933—noon.

[Received December 18—noon.]

64. In private meeting of heads of delegations this morning a form of declaration on Chaco was submitted which at my suggestion was finally worded as follows:

“The states represented in the Seventh International American Conference declare that they will support according to the circumstances and special policy of each Government the forms for settlement that may be applied for the solution of the Chaco conflict”.

I feel that the reference to the circumstances and special policy of each Government will leave to our Government all freedom of judgment as to scope and method of its support.

Strong efforts are still being made to accomplish a solution of the Chaco situation but if no solution is found the Conference will probably feel that a declaration along the lines of the above should be made. I should therefore like to have your views on the subject.

HULL

724.3415/3441 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 18, 1933—2 p. m.

[Received December 18—1 p. m.]

66. Entire Committee approves of and wishes to take final action tomorrow morning on proposed declaration in my 64, December 18, noon.

Can we hear from you immediately?

HULL

724.3415/3440 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 18, 1933—3 p. m.

94. Your 64, December 18, noon. Declaration satisfactory.

PHILLIPS

724.3415/3444 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 19, 1933—11 a. m.

[Received 2:30 p. m.]

113. For the Secretary. President Ayala sent last night a communication to the President of the League Commission at La Paz proposing a general armistice to be effective as from midnight December 19th and to continue until midnight December 30th; the Commission to meet in a capital on the River Platte as soon as possible and immediately to summon the belligerents to appear before it to negotiate conditions of security and peace. The Paraguayan Government earnestly requests a direct answer with the urgency which the matter demands that orders to cease hostilities may be issued.

The President points out that "conditions of security and peace must be drawn up so as to assure a ratification of both Congresses".

If desired full text of President's communication will be telegraphed. Repeated to Montevideo.

NICHOLSON

724.3415/3445 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 19, 1933—1 p. m.

[Received 2:25 p. m.]

114. For the Secretary. My December 19, 11 a. m. President of League Commission has informed President Ayala that the Bolivian Government accepts the armistice proposed by Ayala. The Commission leaves La Paz today for Montevideo where it hopes to arrive the 24th. From that time it will be in Montevideo at the disposal of the plenipotentiaries of Paraguay and Bolivia.

Repeated to Montevideo.

NICHOLSON

724.3415/3446 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 19, 1933—2 p. m.

[Received December 19—2 p. m.]

71. The Department has no doubt read in the press of the developments in the Chaco situation including the peace which was entered

into beginning today to run until December 30 thus allowing time for the two countries to reach a definitive agreement as to demobilization and arbitration.

President of Conference has announced that he hopes to have the two countries sign this definitive agreement at the Conference before it closes.

Each day from its arrival the American delegation has exerted every possible effort for peace in the Chaco. The following telegram just received from our Minister at La Paz.

"I am reliably informed Paraguayan Government has asked truce of 10 days and Bolivia has accepted. League Commission leaves tomorrow for Paraguay. A member of the Commission states that present arrangement is the result of pressure by the American delegation in Montevideo."

HULL

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724.3415/3446 : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 19, 1933—8 p. m.

102. Your 71, December 19, 2 p. m. Warm congratulations. This is a great achievement.

PHILLIPS

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724.3415/3456 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 22, 1933—2 p. m.

[Received 8 : 59 p. m.]

115. For the Secretary. There is unquestionably increasingly strong sentiment here demanding peace commensurate with sweeping military successes. The designation of Zubizaretta as Paraguayan representative at Peace Conference indicates yielding by the President to strong feeling against an easy peace. It is possible that submission to arbitration by any agency of the territorial question will now be resisted. There are no evidences here of political disturbances. I am satisfied that the President today enjoys the full loyalty of General Estigarribia and the army. The protest by Bolivia over alleged violation of armistice arouses ridicule and resentment here and if recognized is likely to precipitate further military demonstrations by Paraguay.

For my guidance please reply by telegraph probable time the Secretary will leave Montevideo.

Repeated to Montevideo and La Paz.

NICHOLSON

724.3415/3455j : Telegram

*The Acting Secretary of State to the Chairman of the American Delegation (Hull)*

WASHINGTON, December 22, 1933—3 p. m.

115. The Bolivian Minister, in a note dated December 21,<sup>54</sup> under instructions from his Government, has informed the Department "that the Paraguayan Government has violated the truce". He states that the Paraguayan Army having been checked in attacks against Muñoz before the truce, which started at 12 p. m. on the 19th, renewed its attack between a quarter before 1 and 4 a. m. on the morning of December 20, compelling the unprepared Bolivian forces to abandon the fort; and on December 20 at 8 a. m. Paraguayan troops advanced in the Plantanillos sector.

PHILLIPS

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724.3415/3453 : Telegram

*The Chairman of the American Delegation (Hull) to the Acting Secretary of State*

MONTEVIDEO, December 22, 1933—11 p. m.

[Received December 23—2:11 a. m.]

80. For the President and Phillips. For more than 2 days the Bolivians prevented plenary session by threatening to create a scene because their charges of a violation of the armistice were not taken up and satisfactorily dealt with by Conference which had no jurisdiction.

At a small conference last evening I insisted that each warring Government should be asked to agree to a commission to deal with the controversy. This step was adopted and both Governments agreed today. Plenary session of Conference promptly followed.

All major subjects have been disposed of by Conference except transportation and highways. Work should conclude by Sunday leaving only Chaco peace negotiations to which we are giving every attention. We may remain here until Thursday on account of the peace negotiations. Conference will probably leave select committee to represent it in peace matters with authority to adjourn Conference after negotiations. This will be decided tomorrow.

Every member of the delegation and the entire organization have given me 100 percent support.

HULL

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<sup>54</sup> Not printed.

724.3415/3457 : Telegram

*The Minister in Bolivia (Des Portes) to the Acting Secretary of State*

LA PAZ, December 23, 1933—noon.

[Received 12:55 p. m.]

102. The Bolivian Government has accepted the suggestion that the truce violation question be given to a subcommittee designated by the League Commission.

The Bolivian assessors, Minister Gutiérrez and General Blanco Galindo, former provisional President of Bolivia, left yesterday for Uruguay to be joined by Colonel David Toro.

Repeated to Montevideo, Asunción, the Department of State.

DES PORTES

724.3415/3460 : Telegram

*The Ambassador in Argentina (Weddell) to the Acting Secretary of State*

BUENOS AIRES, December 28, 1933—11 p. m.

[Received December 29—12:07 a. m.]

For the President and Phillips.<sup>55</sup> Had conference yesterday with President of Argentina urging on him special efforts to induce Paraguay to agree to arbitrate. Saavedra Lamas returned from Montevideo this morning and tells me the outlook is encouraging. He and the President at the luncheon given me today requested a conference tomorrow on Chaco controversy. I shall earnestly urge that Argentine Government is in a better position than all other influences to secure acquiescence by Paraguay. Bolivia already agreeable.

WEDDELL

724.3415/3465 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 29, 1933—2 p. m.

[Received 5:30 p. m.]

Following telegram has been sent to the Legation at Montevideo and repeated to the Secretary of State at Buenos Aires:

"December 29, noon. Confidential for the Minister. In conversation with Ayala last night he said Army was hostile to extension of armistice but he might agree to extension of 8 days if satisfactory protection could be given Paraguay for this period.

<sup>55</sup> From Secretary of State Hull.

He said 'The war must stop'. He spoke candidly of the expense of maintaining Army and providing for 14,000 prisoners. One thousand of the prisoners require medical care. Regarding question of security and protection in the event of demilitarization I asked whether ABCP would be acceptable as guarantors and he said yes, but did not discuss the matter. He said the Commission does not appreciate difficulty of his position with a victorious Army to control now, and a Congress to satisfy later, as to any peace he may negotiate.

It is evident that economic pressure now adds greatly to Ayala's anxiety. He most earnestly desires immediate demobilization provided Paraguay can be adequately protected.

Please advise me whether this telegram accords with Zubizaretta's attitude and proposals."

NICHOLSON

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724.3415/3463 : Telegram

*The Minister in Paraguay (Nicholson) to the Acting Secretary of State*

ASUNCIÓN, December 29, 1933—3 p. m.

[Received 5:05 p. m.]

Paraguay has agreed to extension of the armistice for 8 days. Repeated to La Paz, Montevideo, and Buenos Aires.

NICHOLSON

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724.3415/3467 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Acting Secretary of State*

GENEVA, December 29, 1933—4 p. m.

[Received January 1, 1934—2:30 p. m.]

323. Secretariat has received a series of cablegrams from Buero concerning Chaco dispute giving a summary of the following:

1. Resolution presented by United States delegation to Pan American Conference enjoining the parties to accept the juridical procedure recommended by the League Commission in execution of its mandate.
2. Argentine resolution concerning eventual convocation by Pan American Union of a conference of limitrophe states should the League Commission deem such action opportune and useful.
3. Telegram sent by Commission to two parties urging prolongation of armistice to January 14 and the despatch of neutral officers to general headquarters of the two armies.

The Secretariat has given the substance of these communications to the press.

GILBERT

724.3415/3466: Telegram

*The Ambassador in Argentina (Weddell) to the Acting Secretary of State*

BUENOS AIRES, December 29, 1933—6 p. m.

[Received 8:47 p. m.]

124. For the President and Phillips from the Secretary of State. Had long conference today with President Justo and Foreign Minister Saavedra Lamas mainly on Chaco problems. They now exhibit genuine interest in the restoration of peace. I presented every possible idea and fact and argument calculated to encourage and induce them to stop the war. They and I are earnestly urging Paraguay to agree to armistice extension of 15 days. They promise to keep in behind Paraguay and urge agreement to arbitrate. I repeatedly stated to them that both the pivots and prestige for an early peace and the responsibility for peace rested with them. I feel that the chances are at least even that gradually the question of security may be worked out and an agreement to arbitrate may be reached. Nothing within the policy of our Government has been neglected here that we know of.

An entirely different matter is the earnest desire of the Argentine Government that we should agree on a reciprocity commercial treaty with them even though it may only embrace a few minor commodities.<sup>56</sup> They feel that the moral effect would not only be fine but that it would much strengthen our new program of policies toward Latin America. [Hull.]

WEDDELL

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<sup>56</sup> See pp. 642 ff.



## LETICIA DISPUTE BETWEEN COLOMBIA AND PERU <sup>1</sup>

721.23/838

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 4, 1933.

After Mr. Lozano <sup>2</sup> left the Secretary's office this morning I had a brief talk with him in the corridor of the Department as I had other visitors in my office. I told him that I had just learned that Colombia had replied to the Permanent Commission in Washington and that it had rejected any good offices on the part of the Permanent Commission and had omitted the matter which I considered of some importance and had discussed with him last Friday, namely that Colombia ask the Permanent Commission to ask Peru to get out of Leticia and open the way for it to do so. I said I understood that on the contrary Colombia has now closed the door to any action by the Commission. I told the Minister that while I had not seen the note and did not know its exact terms I regretted this action which would seem to upset completely what we had in mind and make difficult any action on the part of this Government along the lines that we had envisaged. The Minister seemed perturbed by this and said he had sent the note under direct orders from Bogotá.

F[RANCIS] W[HITE]

721.23/813

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 5, 1933.

Doctor Maúrtua <sup>3</sup> called on me this morning and stated that yesterday afternoon, when he called me up and asked for an appointment today, it was to bring in a statement of the Peruvian position and his proposal in its final modified form. He prepared a memorandum giving his proposal and a covering letter, which he was going to deliver to me today, when he was advised this morning by Ambassador Freyre <sup>4</sup> that the Peruvian Government had told him that it has accepted the

<sup>1</sup> Continued from *Foreign Relations*, 1932, vol. v, pp. 270-315.

<sup>2</sup> Fabio Lozano T., Colombian Minister in the United States.

<sup>3</sup> Victor M. Maúrtua, Peruvian representative before the Permanent Commission at Washington.

<sup>4</sup> Peruvian Ambassador in the United States.

Brazilian proposal.<sup>5</sup> Mr. Maúrtua said that he was much chagrined at this action because he thought more could be accomplished here in Washington, and the acceptance by the Peruvian Government of the Brazilian proposal had been made without consulting him.

I told Mr. Maúrtua that for some time I had been hoping that one or more of the South American countries would assume the responsibility which its position imposes upon it to deal with this matter. I had, some months ago, suggested to Brazil the suitability of Brazil handling the matter.<sup>6</sup> Nothing had come of these conversations and when last week I heard of the Brazilian proposal I was very pleased and was very gratified to hear that Colombia had accepted. My disappointment was a little more great when I heard that Peru had rejected the proposal. Now that they have changed their mind I was delighted. I thought that this was an excellent way to deal with the matter and hoped that the negotiations would be successful.

Mr. Maúrtua said that he thought his proposal offered the best way out and that he personally was very much disappointed as he thought we could work out something here. Now, in view of the information he had just got, we would have to suspend negotiations. I told him that I concurred fully in that as this Government would not want to cross wires with the Brazilian Government but would want to encourage and support it in its endeavors to bring about peace. Mr. Maúrtua said that he would also advise the Permanent Commission here so that it would know that its connection with the matter was also at an end, certainly for the time being. Mr. Maúrtua did leave with me a memorandum setting forth what his proposal is which he left merely for my information. I told him I was glad to accept it on that basis and with the understanding that no action of course was now to be taken on it. The memorandum is attached hereto.<sup>7</sup>

F[RANCIS] W[HITE]

721.23/668

*Memorandum by the Secretary of State*

[WASHINGTON,] January 5, 1933.

Dr. Varela<sup>8</sup> came in to say that he was Chairman of the Commission under the Gondra Treaty<sup>9</sup> and was much concerned about the situation between Peru and Colombia and the fact that Colombia

<sup>5</sup> See telegram No. 130, December 30, 1932, 11 a. m., from the Ambassador in Brazil, *Foreign Relations*, 1932, vol. v, p. 313.

<sup>6</sup> See memorandum by the Assistant Secretary of State, October 27, 1932, *ibid.*, p. 285.

<sup>7</sup> Not printed.

<sup>8</sup> J. Varela, Uruguayan Minister in the United States.

<sup>9</sup> Treaty to Avoid or Prevent Conflicts Between the American States, signed at Santiago, May 3, 1923, *Foreign Relations*, 1923, vol. i, p. 308. This treaty was supplemented by the General Convention of Inter-American Conciliation, signed at Washington, January 5, 1929, *ibid.*, 1929, vol. i, p. 653.

refused to have any conference at all under that Treaty. He said he was aware of the efforts which Mr. White had been making, with which he fully sympathized, and that he thought Mr. White had shown great intelligence and poise, but as time was pressing and there was likely to be a fight, he wondered whether I would not personally take the matter up with Mr. White and see what could be done. I told him I had been keeping in touch pretty carefully with Mr. White but that I was growing very anxious over the imminence of hostilities and would take the matter up again.

H[ENRY] L. S[TIMSON]

721.23/633 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 5, 1933—7 p. m.

2. Your 130, December 30, 11 a. m.<sup>10</sup> Colombian Minister yesterday left memorandum at Department stating that Colombian Government had accepted Brazilian suggestion. Peruvian Ambassador today advised Department confidentially that his Government has decided to locate the negotiations with Colombia in Rio. As a consequence, all conversations here with Maúrtua have been suspended. Please advise Brazilian Government of the satisfaction with which this Government learns that negotiations will take place in Rio and state that it earnestly hopes that the Brazilian Government will be able quickly to remove all danger of hostilities and that conversations to take place in Rio will bring about a definite and lasting settlement satisfactory to all countries concerned. This Government will be glad to keep Brazilian Government advised of developments which might be useful in its negotiations and to be helpful in any way it properly can.

STIMSON

721.23/666 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 6, 1933—1 p. m.

[Received January 6—10:15 a. m.]

1. Department's telegram No. 2, January 5, 7 p. m. Have informed Foreign Office of contents of telegram and have received thanks therefor.

Embassy's telegram No. 130, December 30, noon [11 a. m.],<sup>10</sup> Peru, having objected to Brazil's proposition to return Leticia to Colombia subsequent to Brazilian occupation thereof and before conversa-

<sup>10</sup> *Foreign Relations*, 1932, vol. v, p. 313.

tions have occurred at the Brazilian Foreign Office as to permanent settlement of the territorial dispute, Brazil has proposed that conversations shall take place before and not after Leticia has been returned to Colombia.

Since acceptance by Peru of this proposal is not yet assured, Brazilian Government would appreciate our Lima Embassy's views regarding Peruvian ultimate decision thereon and whatever assistance Department may be able to afford toward Peru's acceptance.

MORGAN

721.23/844

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 6, 1933.

The President of Colombia, Señor Olaya Herrera, called me by telephone this morning. He said first of all he wanted to express his sympathy to this Government in the death of ex-President Coolidge and asked me to convey his feelings in the matter to Secretary Stimson. I told him I would do so.

President Olaya then, after New Years greetings and an exchange of civilities, said that he wanted to discuss the question of Leticia. He said that the Brazilian Minister in Bogotá had made a verbal proposal to the Government of Colombia which Colombia had accepted. This proposal was, first, that the occupiers of Leticia should turn over the territory to a delegate of Brazil. Second, Brazil, a short time thereafter, would turn the territory over to Colombia. Third, there would then be conversations in Rio to adjust outstanding difficulties between Colombia and Peru. The President said that this was the proposal which had been made to Colombia and which had been accepted by Colombia. I told President Olaya that I was very glad to hear that this proposal had been accepted and that I had learned yesterday afternoon that the Peruvian Government desired to have the negotiations located in Rio; that as a consequence we had stopped all conversations here with Señor Maúrtua and had told the Brazilian Government we had learned with satisfaction that negotiations would take place in Rio and we earnestly hoped the Brazilian Government would be able to quickly remove all danger of hostilities and that the conversations to take place would bring about a definite and lasting settlement satisfactory to all the countries concerned.

The President said he understood that the Peruvian Minister in Brazil had made a counter suggestion to the Brazilian Government in the sense that Brazil should establish authority in Leticia which

would be placed under two flags, Brazilian and Peruvian. If the negotiations in Rio do not succeed, then the Brazilian authorities will withdraw and the territory will be turned back again completely to the Peruvian rebels who are now there. President Olaya said that obviously this proposal is unsatisfactory to Colombia and will not be accepted.

President Olaya said there was one thing which must be clearly understood in this matter and that is that Peru wants Colombia to promise to revise the Treaty of 1922.<sup>12</sup> President Olaya said that he does not want to do so. He is not going to make any promise that he can not fulfill and any promise he does make he will fulfill to the letter. If the invaders of Leticia will turn over the territory to Brazil and Brazil in a reasonable time will then turn it back to Colombia, reestablishing Colombia's authority there, he is ready to open negotiations in Brazil and to do so in a spirit of the greatest friendliness for Peru. He is willing to have a most ample discussion in order to conciliate completely their different points of view and to harmonize any divergences of opinion and interest which may exist. He will go into these negotiations in the most ample spirit of conciliation but he will not do so on the basis of promising in advance to revise the Treaty. He is willing to consider everything that Peru brings up, commercial, economic, and even territorial questions, I understood him to say, but he can not promise in advance a revision of the Treaty. (I can not be sure that he said he was willing to discuss a territorial change because at that time the connection was bad and when I asked for a repetition I again could not hear distinctly what he said).

President Olaya said that he was having a talk at one o'clock with Mr. Caffery when he would tell him very fully his views and would ask him to communicate them to us at once, but he wanted to have a talk with me and tell me that in view of our long standing friendship and my knowledge of him he felt I would have no difficulty in believing that he was honestly looking for a satisfactory solution and that he would strictly comply with and live up to anything he promised but that he would not make promises which he could not fulfill. I told President Olaya that he need have no concern on that score; that I knew him well enough so that he could be sure I knew that anything he agreed to do he would live up to. I expressed the hope that a peaceful solution would be found to this difficult problem.

I asked President Olaya whether it was his idea that in the conversations to be held in Rio Ecuador should be included.<sup>13</sup> I said that I had heard it mentioned that Ecuador would be included and I

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<sup>12</sup> Signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also *Foreign Relations*, 1923, vol. I, pp. 351 ff., and *ibid.*, 1925, vol. I, pp. 461 ff.

<sup>13</sup> See section entitled, "Boundary Dispute Between Ecuador and Peru," pp. 561 ff.

wanted to ask his views thereon. President Olaya said that he had no objection whatsoever to the inclusion of Ecuador in the conversations and that he would welcome it.

F[RANCIS] W[HITE]

721.23/723

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 7, 1933.

I got Mr. Thurston<sup>14</sup> in Rio by phone at 11:00 a. m. and told him, with reference to the Embassy's telegram No. 1 of January 6, 1 p. m., it was not clear to us exactly what Brazil has now proposed to Peru and Colombia. In the Embassy's telegram of December 30<sup>15</sup> it was stated that the Brazilian proposal was, first of all, that Peru turn Leticia over to a Brazilian representative who should then immediately thereafter turn the territory over to Colombia on the understanding that both countries would then agree to open conversations in Rio regarding their outstanding difficulties. This was accepted by Colombia and rejected by Peru. Now, in the telegram of January 6, it was stated that Peru having objected to the Brazilian proposal to return Leticia to Colombia subsequent to Brazilian occupation thereof and before conversations have occurred at the Brazilian Foreign Office looking to a permanent settlement, Brazil has now proposed that conversations shall take place before and not after Leticia has been returned to Colombia. I said I was not clear whether this means that conversations are to take place after Peru gets out of Leticia and before Leticia is turned back to Colombia, that is, while it is in the hands of the Brazilians, and that this was what we wanted to know. We wanted to know definitely whether Colombia has accepted that proposal because our information was to the effect that Colombia accepted the original proposal which was that conversations would take place after Leticia was returned to Colombia, which is the position the Colombian Government has taken all the way through.

I said that we were willing to take action in Lima, as requested by the Brazilian Foreign Office, on two conditions: one, that we know definitely what this second proposal is, and two, that Colombia has accepted it. On that basis, we will support the second Brazilian proposal, or, if Colombia has not accepted it and Brazil will revive, if she can, her original proposal, then we will support that original proposal in Lima. I said it was very important that we know definitely within the next hour, if possible, as Colombian forces were ad-

<sup>14</sup> Walter C. Thurston, Counselor of Embassy in Brazil.

<sup>15</sup> *Foreign Relations*, 1932, vol. v, p. 313.

vancing and we had information that Colombia was contemplating taking other action; that we could not advise her to hold off taking other measures unless there was some proposal up that she had definitely accepted and we did not know that she had accepted the modified Brazilian proposal.

I repeated that what we want to know is what is the new Brazilian proposal? Does it mean that negotiations are to take place with Brazil holding Leticia; secondly, what happens to Leticia if the countries do not agree, and third, has Colombia accepted that as a basis of discussion? If Colombia has accepted the new proposal, then we will support it in Lima; if not, then we would like to know if Brazil will revive her first proposal and we will support that.

Mr. Thurston stated that he had just returned yesterday from leave and was not familiar with the matter but that he would get in touch with the Ambassador at once and he thought the Ambassador could give us an answer within the hour. He repeated the information I had requested and I told him that was correct: if Colombia has not agreed to the second proposal we would like to know then whether Brazil is going to revive her original proposal—we are perfectly willing to support the original proposal which Colombia has accepted—that is, support it in Lima. However, if Colombia has accepted the modified proposal, which is more favorable to Peru, and there would seem therefore to be more chance of its being accepted in Lima, we will support that, provided Colombia has accepted it. I said it was very important for us to know exactly what the proposal is and whether Colombia has accepted it.

F[RANCIS] W[HITE]

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721.23/724

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 7, 1933.

Mr. Morgan called me back at 11:45 a. m. from Rio and said that the original Brazilian proposal having been rejected by Peru Brazil had suggested that the conversations take place while Leticia is in the hands of Brazil; that is, after it has been turned over to Brazil by Peru and before Brazil has turned it back to Colombia. Brazil wanted to limit the duration of the conversations to a maximum period of three months as she did not want to hold the Leticia territory longer than that. I asked the Ambassador what Brazil would do with the territory if the negotiations failed. He said that the Peruvians were insisting that in that event the territory be turned back to the Peruvians who had captured the town. He said that Brazil does not want

to do this because it feels that Leticia is Colombian. Brazil was not making any mention of what would happen to the territory if the negotiations failed but Peru would not agree unless there was some stipulation regarding this point and it was on this that the Brazilian Government wanted our support.

I stated again to Mr. Morgan that I understood that the first Brazilian proposal was that the territory be turned over by Peru to Brazil and by Brazil to Colombia and that negotiations be held in Rio thereafter for a settlement of outstanding difficulties. Mr. Morgan said that that is still the proposal, but Peru having objected to it Brazil was inquiring whether it would be satisfactory to have the negotiations held while Brazil still holds the territory. I said that there seemed to be an important difference now from the original proposal in that, according to his telegram of yesterday, as we interpret it, the proposal now is not that conversations take place after Leticia is restored to Colombia but while Leticia is being held temporarily by the Brazilian authorities. Mr. Morgan said that this was correct. I asked whether this last proposal had been accepted by Colombia. He said that it had; that he had been told by the Foreign Minister just now that Colombia had agreed. I asked whether this proposal had yet been accepted by Peru. Mr. Morgan said that Peru had not declined; that the question Peru is now bargaining for is that if the negotiations fail Peru wants the territory returned to Peru. I asked whether Colombia made it a point that the territory be restored to Colombia in case the negotiations fail. Mr. Morgan said that he was not informed on this point but that the Brazilians felt strongly that Leticia is Colombian and should go back to Colombia. I said that we took the same position. I then said that as I understood it the Brazilian Government wants our support in Lima on the proposal that the conversations take place while the territory is in Brazil's hands but without mentioning what will happen to the territory if the negotiations fail. Mr. Morgan said that that was correct. I then inquired whether this was acceptable to Colombia and Mr. Morgan said he was informed that it was. I told him that then we would support the proposal in Lima. I said that we want to do everything we can because Colombian troops are approaching, getting nearer the Peruvian forces, and the Colombian Government is contemplating other action and that we have advised them to delay that action to see if the Brazilian proposal can not be accepted. If Colombia has accepted this last proposal then we will go ahead and back it. I said that we would get off a cable at once to Lima.

. . . . .



721.23/725

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 7, 1933.

I got Mr. Caffery<sup>16</sup> on the phone about half past two and told him that I had just been advised by Ambassador Morgan in Rio<sup>17</sup> that Peru having rejected the first Brazilian proposal—namely that Peru turn over Leticia to Brazil, Brazil then to return it to Colombia, and negotiations then to take place in Rio to try to settle outstanding differences—a second proposal had therefore been made by Brazil, namely that the conversations take place while Leticia is in the hands of Brazil, and that this had been accepted by Colombia. Brazil was specifying a time limit of three months for the negotiations because it did not want to hold the territory longer. I said that Mr. Morgan advised me that the Peruvian Government was endeavoring to have the Brazilian Government promise that if the negotiations failed Brazil would return Leticia to the Peruvian rebels but that the Brazilian Government did not wish to do so as Leticia is unquestionably Colombian. The Brazilian proposal is to have negotiations carried on as soon as Leticia is handed over to the Brazilians without any stipulation as to what should be done with it should the negotiations fail. This Government has been asked to support this proposal in Lima and I wanted to check up first to know whether this proposal has been accepted, as reported, by Colombia.

Mr. Caffery said he was pretty sure that it had not; that nothing of this sort had been accepted when he saw President Olaya last night, but that he would get in touch with him at once and send me a brief cable. I told Mr. Caffery that we would hold up sending the note which we had drafted to the Peruvian Government pending word from him. He said that he would get after the matter at once and let me know.

F[RANCIS] W[HITE]

721.23/669 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, January 7, 1933—5 p. m.

[Received 6:07 p. m.]

7. For White. Olaya says he has not agreed to formula reported by Morgan. Details follow.

CAFFERY

<sup>16</sup> Jefferson Caffery, Minister in Colombia.<sup>17</sup> See memorandum, *supra*.

721.23/670 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, January 7, 1933—6 p. m.

[Received 9:50 p. m.]

8. My January 7, 5 p. m. To avoid misunderstanding Olaya telegraphed Colombian Legation at Rio de Janeiro last night (forwarding copy air mail) summary formula agreed to:

1. Leticia territory to be turned over to Brazilian delegate who will within 20 days turn it over to Colombian authorities;

2. Following this a conference to meet at Rio de Janeiro with Brazilian Minister for Foreign Affairs<sup>18</sup> as Honorary President "to study the possibility of reaching an agreement establishing the tranquillity of the Amazon regions on solid bases". Representation of Ecuador at conference acceptable to Colombia if Peru agrees.

Olaya adds:

"We offer to attend this conference with a sincerely open and conciliatory spirit and with the belief that there is sufficient basis for reaching an agreement taking into consideration not only the territorial but also the economic and commercial aspects of the question. The foregoing does not mean that we refuse to examine the possibility and advisability of changes by freely discussed compensations, but we must make it clear and definite that we consider the boundary treaty to be the legal bond between Colombia and Peru and that the revision of the treaty is not a necessary element of and even less the basis for the formula."

Reports from Colombian Legation, Santiago, state that Cruchaga<sup>19</sup> is resuming efforts at conciliation. Olaya has informed Colombian Legations at Santiago and Rio de Janeiro that he is not interested in Cruchaga's intervention.

CAFFERY

721.23/669 : Telegram

*The Acting Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 7, 1933—7 p. m.

4. For the Ambassador from White. Caffery reports Olaya states he has not accepted the second Brazilian proposal, namely, to hold negotiations in Rio before Leticia is returned to Colombia. Department is not taking matter up in Lima until you can get this matter straightened out.

CASTLE

<sup>18</sup> Afranio de Mello Franco.<sup>19</sup> Miguel Cruchaga Tocornal, Chilean Minister for Foreign Affairs.

721.23/669 Supp. : Telegram

*The Acting Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 8, 1933—noon.

5. Following message has been received from Bogotá. (Quote No. 8, January 7, 6 p. m., from Bogotá.)

CASTLE

721.23/684a : Telegram

*The Acting Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, January 9, 1933—noon.

6. What is the objection of Colombian Government to accepting Brazil's modified formula, namely that Peru turn over Leticia to Brazil and that conversations take place immediately in Rio for a maximum period of 3 months duration during which Brazil will hold Leticia? Rush reply.

CASTLE

721.23/669 Supp. : Telegram

*The Acting Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 9, 1933—noon.

3. Department's 4, January 7, 7 p. m. and 5, January 8, noon. It is important that the Department know without delay plans of the Brazilian Government if this Government is to take any action in support of Brazilian proposal. It seems absolutely clear that Colombia has not accepted Brazil's second formula. On the other hand, having made a second proposal, perhaps it would be more difficult to get Peru to reconsider accepting first formula. Is it the intention of the Brazilian Government to endeavor to revive its first proposal which has been accepted by Colombia? In that event this Government would be glad to join with Brazilian Government in an endeavor to persuade Peruvian Government to accept also. If the Brazilian Government is not contemplating this, has it any other proposal in mind? In any event this Government would desire to know the exact text of the proposal which it is asked to support. It has been the experience of the Department in recent negotiations that it is necessary to have everything clearly understood and in writing in order to avoid misunderstanding.

What armed forces has Brazil in the Leticia area and what steps, if any, does the Brazilian Government propose to take to prevent hostilities? The press states that Brazil is sending forces to preserve its neutrality. Just what measures does it contemplate under this heading?

The Department understands that Colombian troops are continuing to move up the Amazon and it is most urgent that the misunderstanding regarding the Brazilian proposal be cleared up at once and that this Government be informed thereof.

CASTLE

721.23/726

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 9, 1933.

I telephoned Ambassador Morgan at Rio at 12:30 this afternoon. Mr. Morgan said that he had just sent two cables to the Department and the first one was with regard to the Chaco matter.<sup>20</sup> He said that the Argentine Government had informed the Brazilian Government that it would shortly make a proposal regarding a solution of the Chaco controversy and that the Brazilian Government would reply stating that it would be glad to receive any suggestion looking toward the termination of this conflict.

I told Mr. Morgan that what the Neutral Commission hoped was that the four countries which border on Bolivia and Paraguay would come to an agreement among themselves concerning a means of stopping the fighting in the Chaco and bringing about a definite peaceful settlement thereof, and that they would then communicate with the Neutral Commission so that all could join in making the same proposal and bringing pressure to bear on the two countries to stop the fighting and settle the controversy.

Mr. Morgan said that he was glad to have this information and that he would take the matter up at once with the Brazilian Government, advising them of the way we look at it. He said that this coincided exactly with what the Bolivian Minister had just said to him and he thought that the Bolivian Minister was perhaps making similar observations to the Brazilian Government.

I then told the Ambassador that the matter I had principally in mind in calling him up was the question of Leticia. I said that we are very much concerned over the fact that Colombian troops are proceeding steadily up the Amazon and a conflict is getting nearer and nearer, and there seems to be complete disagreement between Colombia and Peru and no definite understanding regarding the Brazilian proposal. I said that the first Brazilian proposal, namely, that Peru turn Leticia over to a Brazilian representative, that the latter, within a reasonable

<sup>20</sup> For correspondence concerning the Chaco dispute, see pp. 241 ff.

period, turn it over to Colombia, and that negotiations be opened in Rio for a settlement of outstanding differences, had been accepted by Colombia but definitely rejected by Peru. Brazil had then made a second proposal, namely that Leticia be turned over by Peru to Brazil, and that, while the territory was in Brazil's hands and up to a maximum period of three months, negotiations be carried on in Rio to come to some agreement. I said that on Saturday Mr. Morgan had been informed by Brazil that this was acceptable to Colombia and we were asked to support the proposal in Lima, where acceptance was being delayed while the Peruvians were trying to stipulate that should the negotiations not result successfully Brazil would then turn Leticia back to the Peruvian rebels. I said that this latter stipulation would of course be absolutely unacceptable to Colombia as Leticia is Colombian. If Colombia had accepted the second formula proposed by Brazil, however, we had been prepared to support the proposal in Lima, but we had found out upon inquiry from Mr. Caffery that this proposal had not been accepted by Colombia. We had repeated to Mr. Morgan Caffery's cable stating just what the position of Colombia is.

Mr. Morgan said that the Colombian Minister had received on Saturday, after our conversation, a telegram from his Government setting forth its views, which he is putting in a memorandum and is to deliver to the Foreign Office, but it had not been delivered by two o'clock Rio time today. The Ambassador understood that this sets forth the position in the same terms as Mr. Caffery's telegram. Mr. Morgan said that the difficulty now is regarding the negotiations while Leticia is in Brazil's hands and what will happen to Leticia if the negotiations fail. He said that the Peruvian Minister in Rio had suggested that there be preliminary negotiations between himself and the Colombian Minister to see if they could settle this matter between them. These would be negotiations preliminary, of course, to the negotiations that would take place after Leticia is turned over to the Brazilians. The Colombian Minister has reported this to his Government and has asked for instructions and he is still waiting for them. I told Mr. Morgan that in view of the experiences we have had it would be well if he could suggest discreetly that any proposals be in writing; that we have had considerable difficulty with the Peruvian representatives here and we therefore deemed it essential to have everything in writing in order that there might be no mistake. I said that it seemed necessary, first of all, for the Brazilian Government to straighten out the misunderstanding and to tell us definitely in writing the terms of its proposal. I said that we are willing and anxious to support Brazil to the utmost in settling this matter but we do not want to have any misunderstanding or crossing of wires. I said that if the first Brazilian proposal should be revived we would support it. If that is impossible and

some other proposal is now made and we are advised regarding it definitely in writing, we will do what we properly can. I emphasized to Mr. Morgan that the Brazilian Government should understand that in the meantime we are doing nothing and that it is up to the Brazilian Government to straighten the matter out and tell us just what it wants us to do. I also emphasized that Colombian troops are steadily advancing and that therefore time is of the essence if a conflict is to be avoided. Mr. Morgan said he thought that our position was correct; that as the Brazilians have taken hold of the matter we should leave it to them until they tell us just what they want us to do. He said that he would see the Foreign Minister without delay.

I asked Mr. Morgan just what steps Brazil was prepared to take to stop a conflict; whether the troops being sent to the upper Amazon were, as reported in the press, to preserve Brazil's neutrality, or whether Brazil was contemplating taking effective measures to stop a conflict between Colombia and Peru. The Ambassador said that the troops were going to preserve Brazil's neutrality and to make sure that no fighting takes place in Brazilian territory. Outside of that, if the Peruvians and Colombians want to fight, the Brazilians will let them do so.

Mr. Morgan said that his two telegrams were already en route and that he would also promptly advise me of any further information he may get. I again emphasized that time is essential and also said that I understood that the Colombian Government was contemplating taking other proceedings; that we had advised that nothing be done while the Brazilian attempt is being tried out to see whether it does not offer the basis for a solution, but that we could not take the responsibility of telling Colombia to hold off much longer. Mr. Morgan asked just what action they were contemplating. I told him that I was not prepared to say just yet but that for his own personal information I would say that they were contemplating other steps and that we had asked them to hold off for the time being but that we could not continue to do so as it might involve some responsibility on our part if we did. Mr. Morgan said that he understood.

F[RANCIS] W[HITE]

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721.23/685 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 9, 1933—3 p. m.

[Received January 9—2: 35 p. m.]

3. Department's 5, January 8, noon. Colombian Minister confirms the receipt of telegram from Olaya to which you refer, but will not

hand it to Brazilian Foreign Office before today or tomorrow. Peruvian Minister states that although without instructions, he is ready to confer informally with Colombian Minister regarding Letician problem. Colombian Minister awaits his Government's instructions before meeting Peruvian colleague for such discussion. Above information given me by Brazilian Foreign Office an hour ago. Will telegraph tomorrow.

MORGAN

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721.23/688 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGORÁ, January 9, 1933—6 p. m.

[Received 10:43 p. m.]

9. Department's 6, January 9, noon. Without going into question of whether "modified formula" has been actually proposed by Brazil, I must respectfully point out that the public here would turn out of office any government agreeing to a further delay of possibly 3 months in the recovery of Leticia. The Colombian people feel that they have shown patience and restraint but breaking point has been about reached and the Government is now being attacked by some of its staunchest supporters. The feeling in many quarters is this: It is a shame that indisputably Colombian territory was seized  $4\frac{1}{3}$  months ago by alien invaders and the Government has not yet recovered it.

CAFFERY

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721.23/690 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 10, 1933—4 p. m.

[Received January 10—2:40 p. m.]

5. Department's telegram No. 6 [3?], January 9, noon. Colombian Minister visited me this morning and reported conversation with Brazilian Minister for Foreign Affairs last evening. Colombia's ultimate proposition as stated by him to Brazilian Minister for Foreign Affairs is the occupation of Leticia by Brazilian forces for a short period, probably 20 days, subsequent to which the territory shall be returned to Colombia. Conversations between Peruvian and Colombian representatives meeting in Rio de Janeiro shall be held subsequent to return of territory to Colombia and not before. The proposition which Brazil is now making is that of Colombia, as stated above, and Brazilian Ambassador in Washington will be instructed today to so state to the Department, asking that our Ambassador in Lima may be instructed to persuade Peru to accept this proposition.

Brazil has 2,800 men and two large and three small vessels between Manãos and Leticia. First naval disposition now on its way to Pará.

These forces will be used only to defend Brazil's neutrality and to maintain the inviolability of her territory. Brazilian Legation, Lima, telegraphed today that Peruvian Foreign Minister had requested Peruvian Minister of War now at Iquitos to take every measure to avoid hostilities.

MORGAN

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721.23/731

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 10, 1933.

The Brazilian Ambassador<sup>21</sup> called at 4:10 p. m. today and told me that he had been instructed by his Government to ask us to support in Lima the proposal of the Brazilian Government to Colombia and Peru. I asked him what the proposal is. He said the proposal is that Colombia [*Peru*] should turn over Leticia to Brazil and that Brazil, after a short time, should turn the territory over to Colombia, and that there would be conversations between the Peruvian and Colombian representatives in Rio to discuss their differences. He said that he was not quite clear whether the conversations were to take place before or after Leticia is turned back to Colombia but he did not think that that was an important point. I told him that on the contrary I considered it a most important point and that I would want to have that cleared up before we took any action. I asked him when he got his telegram. He said about three o'clock yesterday afternoon. I then read him the first paragraph of telegram No. 5, January 10, 4 p. m., from the Embassy in Rio, and the Ambassador said that his instructions agreed with that and that the conversations should take place after Leticia is returned to Colombia. I asked him if he was sure of this and he said he was. I then told him that on that basis we would send a telegram to our Embassy in Lima instructing it to present a note to the Peruvian Government and telling the Ambassador to keep in touch with his Brazilian colleague and endeavor to have the Brazilian proposal accepted. The Ambassador expressed his gratification at this.

F[RANCIS] W[HITE]

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<sup>21</sup> R. de Lima e Silva.



721.23/691a : Telegram

*The Acting Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, January 10, 1933—5 p. m.

5. Please present at once following note to Peruvian Minister of Foreign Affairs:

"The United States Government has been advised by the Government of Brazil that the latter has now proposed to the Governments of Peru and Colombia, as a solution of the present misunderstanding between them, that Peru turn over to Brazil the Leticia territory which, after a short period will be restored by Brazil to Colombia on the understanding that both countries will then endeavor to settle their differences through conversations at the Brazilian Foreign Office, in which Ecuador might also be invited to participate, the Government of Brazil acting as mediator.

The United States Government has been advised by the Brazilian Government that the Colombian Government has signified its acceptance of this proposal but that the Peruvian Government has not yet signified that it is prepared to try to find a peaceful solution of the difficulty on this basis.

The Brazilian Government has requested this Government to make known its views in this matter to the Government of Peru.

The United States Government has noted that the Peruvian Government recognizes that the Treaty of 1922 is valid and in effect. In view of this the United States Government is confident that the Peruvian Government will welcome the honorable and decorous way suggested and offered by the Brazilian Government by which this matter may be settled. The United States Government feels that it expresses the sentiment of public opinion in this hemisphere when it states that it would learn with the greatest satisfaction that the Peruvian Government has accepted the proposal of the Brazilian Government above referred to."

Advise your Brazilian colleague when note is delivered and cooperate with him in supporting Brazilian proposal and in endeavoring to have Peru accept it. In your oral conversation with Peruvian officials you may stress that the support of the invaders of Leticia by armed Peruvian forces is contrary to the obligations of the Peruvian Government under the Kellogg Pact<sup>22</sup> and that Peru should welcome means now offered for extricating herself from her untenable position.

CASTLE

<sup>22</sup> Treaty for the Renunciation of War, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. I, p. 153.

721.23/732

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 11, 1933.

The Brazilian Ambassador telephoned to say that he was instructed by his Government to express the thanks of the Brazilian Government for our support in Lima of the Brazilian proposal.

F[RANCIS] W[HITE]

721.23/715 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 12, 1933—11 a. m.

[Received 6:10 p. m.]

13. Leticia.

1. Brazilian Minister has presented Brazilian plan to Foreign Minister and President and has so informed Rio de Janeiro. He states our note <sup>23</sup> has made both Foreign Minister and President furious.

2. President and Foreign Minister refuse to accept second point in Brazilian plan which is delivery of Leticia to Colombia stating Constituent Assembly will not accept such a condition.

3. Manzanilla <sup>24</sup> informed Brazilian Minister Peru desires Brazil to occupy Leticia holding it as a pledge until the negotiations in Rio de Janeiro result in a final decision as to a new treaty and the disposition of Leticia.

4. Brazilian Minister has telegraphed his Government expressing opinion Peru merely wishes to neutralize Leticia by putting it in the hands of Brazil and that Peru is unable to control the Peruvians in occupation there.

DEARING

721.23/773

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 13, 1933.

The Peruvian Ambassador today, after discussing the Chaco matter, took up a discussion of the Leticia matter. He said that it is of course now water over the dam and too late to be rectified but it was too bad that the Colombian Government had not bought Vigil's land in the Leticia area. He said that Vigil <sup>25</sup> had invested all his money in sugar grinding machinery and had taken it up to Leticia

<sup>23</sup> See telegram No. 5, January 10, 5 p. m., to the Ambassador in Peru, p. 400.

<sup>24</sup> J. M. Manzanilla, Peruvian Minister for Foreign Affairs.

<sup>25</sup> Enrique Vigil, large property owner (*La Victoria*), Leticia area.

to establish the sugar industry there. He said that the only place Vigil could sell the sugar he manufactured was in Iquitos. When Leticia was given to Colombia the export duties from Colombia and the import duties into Peru ruined his business. He then offered to sell out—the only way of saving himself—but the Colombian Government refused to consider the matter. He undoubtedly asked an exorbitant sum but if some arrangement had been arrived at with him it would have been very much better. Vigil then moved to Iquitos, started a newspaper there and inflamed the Loretanos, and that was the cause of the trouble. I told the Ambassador that I was particularly interested to hear him say that as my information from perfectly neutral sources had indicated the same thing and that when in a conversation with Maúrtua I had mentioned this, Maúrtua, with great passion and vehemence, had accused me of being pro-Colombian and of advancing Colombian arguments.

The Ambassador went on to say that he had just recently been told by Bello Codesido, who had gotten the information direct from President Alessandri of Chile, that when Vasquez Cobo, who is head of the Colombian expedition to Leticia, was Minister in Paris, he was having a conversation one day with Sanchez Cerro, then in exile, and Alessandri, and that Sanchez Cerro had said that Leguía used the Tacna-Arica matter for purely internal political purposes and finally settled it when he thought he had gotten all the personal benefit he could out of it but that Leguía had not hesitated, while defending the Tacna-Arica settlement, to give away thousands and thousands of square kilometers to Colombia on the upper Amazon. Vasquez Cobo had immediately challenged this statement and a long argument ensued. Finally Vasquez Cobo inquired who Sanchez Cerro was anyhow. Sanchez Cerro made a movement to his hip pocket to pull out his card case for a card to show Vasquez Cobo his name. Vasquez Cobo took this to mean that he was going to pull out a pistol and threw back his arms, saying "if you want to shoot me, shoot me". Finally Sanchez Cerro persuaded him that he did not have a pistol and was merely getting a card out so that the gentleman would know his name in the future.

The Ambassador said that little personal animosities like these have so complicated the situation—first, there was Vigil's resentment which stirred up the trouble in Loreto, and then the appointment by Colombia of Vasquez Cobo to head the Colombian expedition which angered Sanchez Cerro, who had not been very friendly with Vasquez Cobo since the incident cited above, and also the appointment by Peru of Maúrtua as Peru's representative on the Conciliation Commission he said had stirred up Olaya and made him absolutely firm in his intention not to go to a Conciliation Commission because Maúrtua

would represent Peru. He said that Olaya and Maúrtua have not been on speaking terms since the Conference on Arbitration and Conciliation in Washington. When in a committee meeting one day they were discussing some point, Maúrtua had replied in a very brusque and sharp manner to Olaya and this had so offended Olaya that the next time he saw Maúrtua he looked the other way and did not speak to him and they have not spoken since.

F[RANCIS] W[HITE]

721.23/734 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 15, 1933—11 a. m.

[Received 2:30 p. m.]

21. Leticia.

1. In accordance with instructions from Rio de Janeiro Brazilian Minister delivered formal note 7 p. m. 13th setting up Brazilian plan and requesting Peru to indicate acceptance soonest possible. Manzanilla indicated he could not reply much before 17th.

2. Brazilian Minister received further instructions afternoon 14th urging Peru's reply and acceptance be given soonest possible since the departure of Colombian flotilla from Manãos could only be held up for a matter of hours and early Peruvian reply imperative.

3. Brazilian Minister last night conferred with Manzanilla for over an hour but with no very definite results. Further report later.

4. Foreign Office has just telephoned asking for duplicate copy of our note of 10th<sup>26</sup> since original has been left with the President and Foreign Minister wishes to make an immediate reply which is being drawn by Polo.<sup>27</sup>

5. Have requested Santiago to give me such information as discreetly obtainable regarding report Chile states war on Pacific coast will not be permitted.

6. Lozano<sup>28</sup> has just informed me Manzanilla's reply to Urdaneta<sup>29</sup> note of 11th was sent last night and is completely unsatisfactory. Comment later.

DEARING

<sup>26</sup> See telegram No. 5, January 10, 5 p. m., to the Ambassador in Peru, p. 400.

<sup>27</sup> Solón Polo, Chief Permanent Secretary, Peruvian Foreign Office.

<sup>28</sup> Fabio Lozano y Lozano, Colombian Minister in Peru.

<sup>29</sup> R. Urdaneta Arbeláez, Colombian Minister for Foreign Affairs.

721.23/757 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 16, 1933—11 p. m.  
[Received January 17—12: 48 a. m.]

25. Leticia. Referring to Department's telegram No. 12 of January 16, 5 p. m.,<sup>30</sup> translated text of answer follows:

Lima. January 14, 1933, No. 5.

Mr. Ambassador: I had the honor to receive Your Excellency's courteous communication No. 364 dated January 10, in which, according to information sent the Government of the United States by the Brazilian Government regarding the proposal of the latter, accepted by that of Colombia to settle the present misunderstanding with Peru through the delivery of the Leticia territory to Brazil to be, after a short period, returned by Brazil to Colombia, it being understood that both countries should then endeavor to settle their differences by conversations in the Ministry of Foreign Affairs of Brazil, to which Ecuador would also be invited, the Brazilian Government acting as mediator; Your Excellency adds that through the same channel the Government of the United States has been informed that the Peruvian Government has not yet been able on this base to arrive at a pacific solution of the difficulty, for which reason the Brazilian Government has requested that of the United States to make known to the Peruvian Government its opinion in the matter.

For this purpose Your Excellency informs me that your Government being advised that the Peruvian Government recognizes that the treaty of 1922 is currently valid, trusts that the Peruvian Government will regard favorably the honorable and decorous means suggested and offered by the Brazilian Government, for the settlement of this affair; and that the Government of the United States desires to express the opinion generally held in stating that it would learn with the greatest satisfaction that the Peruvian Government has accepted the proposal of the Brazilian Government.

I wish, before anything else, to beg Your Excellency to transmit to your Government the deepest gratitude of my own for the kind interest it takes in a pacific settlement of the differences which have arisen between Peru and Colombia because of the occupation of Leticia.

The mediation of the Brazilian Government to which Your Excellency refers, was presented (*formalizado*) yesterday by the Brazilian Minister in Lima and received the most deferent attention from my Government. In the preferential examination which was necessary to give to it, the desires and opinion of the Government of the United States which Your Excellency faithfully set forth in the note under reply, will be given consideration in all their high significance. In the meantime I am happy to be able to inform Your Excellency that, following the traditions of our international policy, my Government will make every possible effort to arrive at a peaceful and friendly settlement of the present difficulties which have arisen with Colombia, a

<sup>30</sup> Not printed; it instructed the Ambassador to cable translation of text of answer to his note of January 10.

country with which it is anxious to continue cultivating the most cordial relations.

I avail myself, et cetera.

Signed J. M. Manzanilla.

DEARING

721.23/766 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 16, 1933—2 p. m.

[Received January 18—7 a. m.]

6. 1. President of the Council on January 14 addressed the following telegram to the Government of Colombia which also indicates action taken vis-à-vis Peru :

“I have despatched to the Peruvian Government the following telegram :

“I have received from the Colombian Government and have circulated to the members of the League a statement setting forth the views of that Government in regard to the situation at Leticia. The members on the League would no doubt be glad to be informed of the views of the Peruvian Government. In the meantime I consider it my duty, in view of the reports which are appearing in the press, to express my conviction that Peru, as a member of the League of Nations and up to 3 months ago a member of the Council, will refrain from any action which is not in strict conformity with the Covenant of the League.”

I trust that the Colombian Government, which is an honored member of the League, will also refrain from any such action.”

2. This is only action taken by the League in this matter since that described in Consulate's 333, November 23, 9 p. m.,<sup>81</sup> except communication referred to above, addressed to Secretary General by Colombian Government, dated January 4<sup>82</sup> giving a detailed exposition of Colombia's position which I am transmitting by mail.

3. There is a possibility that this matter may be placed on the agenda of the Council. Decision will presumably rest on character of replies from the two Governments.

GILBERT

721.23/758 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 17, 1933—4 p. m.

[Received January 17—2:05 p. m.]

7. Brazilian Foreign Office states Colombian ships have left Manaus today but will stop at Tefte if Peru's attitude is modified. Peru's reply to Brazil's note which was handed in at Lima has not arrived.

MORGAN

<sup>81</sup> Not printed.

<sup>82</sup> See League of Nations, *Official Journal*, April 1933, p. 543.

721.23/764 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, January 17, 1933—5 p. m.

[Received 6:40 p. m.]

19. My 17, January 15, 11 p. m.<sup>33</sup> Colombian Government informed by its delegate to League of Nations that he understands that latter would be pleased to intervene in Leticia question. Olaya indicates, however, that he will not follow this intimation, relying on appeal to the Kellogg Pact signatories.

CAFFERY

721.23/802 : Telegram (part air)

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 18, 1933—11 a. m.

[Received January 20—7:23 a. m.]

7. 1. The following are texts of telegrams dated January 16th addressed to the President of the Council by Colombia and Peru, respectively, in answer to telegrams cited in Consulate's number 6, January 16, 2 p. m.

(a)—“I have the honor to acknowledge receipt of Your Excellency's cable transmitting telegram sent to the Peruvian Government informing it of the communication regarding the position at Leticia sent by the Colombian delegate to the League Secretariat for its information. In the cable in question Your Excellency expresses the conviction that Colombia will refrain from any act contrary to League Covenant. While thanking Your Excellency for this communication and for the interest shown by you in the maintenance of peace in America I have the honor to inform you that in the action which my Government proposes to take with a view to the restoration of order in Leticia there is nothing contrary to the letter or spirit of the Covenant.

A group of seditious persons of Peruvian nationality disavowed and deposed the legitimate authorities in the township of Leticia; no country has disputed or doubted that this port belongs to Colombia and our sovereignty over it has been expressly accepted by it since it has affirmed as it has done many times before, that it does not repudiate the frontier treaty between Colombia and Peru. The sole object of the Colombian Government in sending forces to Leticia is to restore public order which has been transgressed in an undisputed part of Colombian territory and the forces which are to carry out a primary duty of this Government will only be allowed to use roads which they are fully entitled to use under public treaties and over which it has jurisdiction. Apart from this object the Colombian forces have no aggressive designs against any country or any government; they are going to exercise their right within their own territory and will do so without in any way disturbing

<sup>33</sup> Not printed.

international peace unless the Peruvian Government attempts to prevent by force the legitimate use of that right. In this latter case, and if our forces are obliged to repel an unjust aggression, it would be the aggressor who would violate the League Covenant and not Colombia which always regards this Covenant as one of its most sacred international obligations and one which is most worthy of respect."

(b)—"In reply to your telegram I have the honor to inform you that the Peruvian delegate will explain the views of my Government regarding the Leticia incident for the information of the members of the League and in the meantime I can assure Your Excellency that Peru faithful to her traditions will not take any action contrary to the League Covenant. I must, however, draw the attention of the League to the fact that although the mediation offered by the Brazilian Government is pending, considerable Colombian naval forces are at the moment advancing against Leticia on the pretext that the question is a purely internal one although foreign mediation in this matter has been accepted and although other governments are making friendly representations with a view to securing a peaceful settlement. Our attitude which is exclusively defensive is also in contrast with that of Colombia which has expended considerable sums in order to improvise a numerous fleet which it is announced that she will proceed from Manãos with the troops she has disembarked, in order to attack Leticia, which constitutes the commencement of an aggression against Peru, whose responsibility is thus covered. My Government is not unmindful of the treaty in force with Colombia. It merely desires the modification of that portion of the treaty which has proved to be inapplicable and is prepared to accord appropriate territorial compensations with a view to facilitating reparation for serious injustice and thus consolidating its century old friendship for Colombia."

2. I am reliably informed that this matter is being placed on the agenda of the Council with the tentative date for its consideration January 24.

GILBERT

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721.23/734 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, January 18, 1933—1 p. m.

14. Your telegram No. 21, January 15, 11 a. m. Please endeavor to obtain from the Brazilian Minister a copy of his note to Peru of January 13, and cable the Department the text thereof. Also text of Peruvian reply.

STIMSON



721.23/781 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 18, 1933—10 p. m.  
 [Received January 19—4:20 a. m.]

31. Reference Department's telegram No. 14, January 18, 1 p. m., translation.

[“] Brazilian Legation, Lima,  
 January 13, 1933, No. 1.

Mr. Minister: By order of my Government I have the honor to transmit the following to Your Excellency:

The aggravation of the situation resulting from the insurrection of the first of September last and consequent to the deposition of Colombian authority at Leticia by Peruvian insurrectionists has caused the Brazilian Government, out of its love for American peace as well as on account of its interests growing out of its position as a neighbor to the instigators of the conflict, to attempt a friendly mediation near the respective Governments to find a solution which respecting the principle of inviolability of treaties will offer an honorable formula of settlement guaranteeing permanent peace in that region.

Notwithstanding the Colombian Government having declined in friendly fashion our first offer stating that what had occurred at Leticia was a purely internal affair and that accordingly it could not be the subject of discussion with other governments, we returned to the matter later after a previous understanding with the Peruvian Minister in Rio de Janeiro and offered our mediation to the two Governments on the ground of danger of a disturbance of the peace between them and especially having in mind our duties growing out of our brotherly friendship for both countries to which we find ourselves bound by treaties which reaffirm it and consecrate it. With this thought in mind the Brazilian Government proposed to the Government of Colombia through its Minister in Rio de Janeiro the following:

1. The Peruvian Government, although it had nothing to do with the origin of the uprising of the first of September in Leticia, will give its entire moral support and will use its persuasive influence with its neutrals residing in that region so that the territory in question may be confided to the keeping of the Brazilian Government, which will administer it provisionally through a delegate or delegates in whom it has confidence.

2. As soon as possible the Brazilian authorities will replace in their positions the Colombian officials deposed by the insurrectionists.

3. In compensation the Colombian Government agrees that immediately afterwards delegates from the two countries shall meet in Rio de Janeiro with the technician they deem necessary for the purpose of considering the Salomon-Lozano Treaty<sup>34</sup>

<sup>34</sup> For correspondence concerning the treaty signed March 24, 1922, between Colombia and Peru, see *Foreign Relations*, 1923, vol. I, pp. 351 ff.; for text, see League of Nations Treaty Series, vol. LXXIV, p. 9; see also *Foreign Relations*, 1925, vol. I, pp. 461 ff.

in a broad spirit of conciliation for the purpose of finding a formula susceptible to reciprocal acceptance and which shall include economic, commercial and cultural measures which may constitute a closer moral bond in the form of a territorial statute adequate for such purpose and peculiar to that region.

This formula appears to the Brazilian Government to be an honorable one for the two noble countries in conflict because it will permit an ample and friendly understanding between them with the assurance that a perfect and durable peace will be reestablished in that region.

The Colombian Government giving an example of elevated American and pacific feeling accepted our suggestion. This being the case, my Government has instructed me to urge upon Your Excellency the hope it feels that our mediation under the terms formulated in this note will be accepted by the Peruvian Government also which has always contributed to the harmony among the nations of the continent.

I have the honor to renew to Your Excellency, Mr. Minister, the assurance of my highest consideration.

(Signed) A. de Ipanema Moreira

Attested a true copy  
Sr. Angel de Castro."

Manzanilla's reply (note No. 1, dated January 16th) began by quoting back in full the Brazilian note and then continued:

"I feel most profoundly flattered by this just recognition of the political traditions of Peru and for this recognition I beg you to accept my gratitude and to transmit to your Government in the most expressive form possible my thanks for the noble and generous interest which has been aroused in it by the present difficulties that have arisen, much to our regret, with Colombia.

Already in its first proposal of mediation which Your Excellency's Government made to our Minister in Rio de Janeiro the thirtieth of December last, it was decided (*se consignó*) in addition to the engagement to obtain from Colombia in spite of the Fluvial Convention of 1928 <sup>35</sup> that its flotilla would not advance beyond Belém de Para, to call together immediately in Rio de Janeiro a conference between the interested countries to discuss not only the Treaty of the 24th of March 1922 but in general all the existing conventions, and to find the way to bring about definite modifications with the opinion and support of the jurists who should thoroughly examine the old disputes and establish the basis for a solid treaty carefully thought out and of frank and loyal friendship between the brother countries; and the delivery of Leticia to an illustrious delegate of Brazil or to a mission specially sent so that within a period which was to be fixed by common accord Leticia would be delivered temporarily to Colombia while in Rio de Janeiro the Salomon-Lozano Treaty would be reconsidered to [*as?*] the basis of a new treaty would [*to?*] be laid down under the constant and friendly mediation of Brazil. To this

<sup>35</sup> Treaty of Limits and Navigation between Brazil and Colombia signed at Rio de Janeiro, November 15, 1923, League of Nations Treaty Series, vol. c, p. 123.

benevolent suggestion we replied accepting it but with the modification required by national dignity and the internal situation in Peru, and especially in Loreto, that Leticia would not be returned to Colombia; and replying to suggestions from the Minister for Foreign Affairs of Brazil which merited on our part the most especial deference, we accepted also the third of the present month the proposal that the Colombian authorities expelled from Leticia the first of September might go back there as simple private individuals.

In the meantime 2 days had gone by since the Colombian flotilla had departed from its anchorage at Belém de Para and had begun to move up the Amazon on the way to Leticia and the Putumayo and there appeared for the first time upon the initiative of the Minister of Colombia in Rio de Janeiro the idea of fixing a definite period for the duration of the negotiations which, it was hinted, should be 90 days, so that it might be decided to whom Leticia should be delivered at the end of this period. Our reply was favorable to the length of time suggested which in case of inconclusiveness of the negotiations we were disposed to extend or prolong for 30 days more, but upon clear condition that if these periods should go by without an agreement having been reached the situation of Leticia would have to go back to what it is at present, since having been delivered to Brazil as a sacred pledge, the depositor had the right to the restitution of the thing deposited.

For the purpose of eliminating the resistances that might be provoked by the situation of Leticia if the negotiations should prove inconclusive, we put forward the idea of a formula of a period of no definite length which would make it unnecessary to fix the condition of Leticia at the end of the negotiations and which would also facilitate the arrangement and permit a measure of calm to settle upon every one so the negotiation would be more cordial and effective.

Subsequent to the foregoing I received Friday last the important proposal contained in Your Excellency's note No. 1 which represents a retrocession in the conditions which had previously been discussed for the mediation, such as the restitution of Leticia in the shortest possible time to the Colombian functionaries who had been deposed by the insurrectionists, and the commitment, in compensation, of a simple meeting of the negotiators of the two countries in Rio de Janeiro to consider the Salomon-Lozano Treaty in generic form without fixing in any manner the main object of the deliberations. This was all the more worthy of attention when it is recalled that since the thirtieth of November last this Ministry had received through an official representative of Colombia, among other points of view, (1) to the effect that this country would declare that as soon as a legal regime had been reestablished in Leticia and the adjoining territory, Colombia would be disposed to receive in Bogotá a Peruvian embassy to examine the possibility and convenience of introducing into the Salomon-Lozano Treaty such geographical modifications as the parties shall agree upon according to the compensations system and on the unquestioned basis of the juridical status of the treaty in force. Notwithstanding this, and moved by its unalloyed desire to preserve the peace of the continent, and out of its great appreciation for the friendly intervention of the Brazilian Government, my Government has no objection to promising its moral support to the

end that the territory in dispute shall be confided to the provisional administration of a Brazilian delegation, and asks only that this administration shall continue until a definitive arrangement is reached between Peru and Colombia and that it make clear the main objective of the negotiations in Rio de Janeiro, which is, that all modifications shall be agreed to in the boundary line of the Salomon-Lozano Treaty so as to avoid the conflicts which may be produced by the uncertain concept of a territorial statute within this order of ideas. The modification which we ask of the second of the clauses proposed could be accomplished by the setting up of a mixed commission composed of Peruvians and Brazilians who will proceed to Loreto to place themselves in contact with the inhabitants in general, and with the occupiers of Leticia in particular, for the purpose of discovering during a period which shall not exceed 60 days, their opinions as to the possibility of the return of the deposed Colombian officials as a means for facilitating precisely the realization of the nationalist aspirations of the Loretanos. The initiative for the setting up of this mixed commission proves the earnest desire to cooperate with Brazil in her efforts although my Government believed that in Loreto the desire exists that the Colombian authorities shall not return to Leticia.

The Government of Peru in accordance with its honorable traditions accepts resolutely the mediation of the Brazilian Government in order to contribute once more to the harmony of the nations of the continent and trusts that the modifications suggested in the second clause proposed and the clarification of the third, inspired as they are by the same noble proposals animating Your Excellency's Government, will be appreciated by it as the sincere and efficacious collaboration they really are in the cause of the peace of America and the consolidation of the brotherly friendship between Peru and Colombia which we have so much interest in maintaining.

I beg to renew to you, therefore, Mr. Minister, the assurances of my high and distinguished consideration.

(Signed) J. M. Manzanilla."

DEARING

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721.23/802a : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*<sup>26</sup>

WASHINGTON, January 19, 1933—6 p. m.

14. Peruvian Ambassador this morning advised Department that Peru has accepted Brazilian "offer of mediation". This "mediation" to be on following basis: 1, Peru to turn over Leticia to Brazil, and 2, Brazil to return Leticia to Colombia on the understanding that negotiations will at once be opened in Rio for the modification of the frontier between the two countries as established in the Salomon-Lozano Treaty. Conference will also discuss questions of economic and commercial nature in that region.

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<sup>26</sup> The same telegram (omitting last paragraph) was sent on the same date to the Ambassador in Peru as No. 17.

Ambassador stated that Peru had suggested only one modification, namely that Leticia should be held by Brazil while the negotiations are going on. Peru had also made a further proposal as evidence of its goodwill in the matter, namely that a mixed commission of Brazilians and Peruvians go to Loreto to try to find out whether the Lorentanos would be willing to have Leticia returned at once to Colombia. He also expressed under instructions of his Government the appreciation of Peru for interest of United States in the matter and for its support of Brazilian proposal.

Ambassador was told that the Brazilian proposal as he outlined it was different from the one communicated to this Government by Brazilian Government. Proposal, as he stated it, makes the primary concern of conference the modification of the boundaries established by the Treaty of 1922. This was not in Brazilian proposal communicated to us and this Government understood that while Colombia did not object to having this matter brought up in the conference and discussing it most fully it had not agreed in advance that there must be a boundary modification. The Ambassador stated that this boundary modification is desirable and expressed hope that this Government would support the proposal in Bogotá. He was told that this Government will not cross wires with the Brazilian Government and will only support Brazilian proposals communicated to it by Brazilian Government.

Department feels that you should advise Brazilian Government of above.

STIMSON

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721.23/860

*The Secretary of State to the Secretary of the Navy (Adams)*

WASHINGTON, January 20, 1933.

SIR: This Department has been advised that the Peruvian cruiser *Bolognesi* left Callão on January 18 proceeding to Balboa for the purpose of using the facilities of the Canal Zone drydock there. It appears that arrangements to this end were made by Captain Spears of the Naval Mission in Peru direct through the Commandant of the Fifteenth Naval District at Balboa.

The Peruvian Government was advised on January 19 that in the case of possible armed conflict between two American states it is the policy of this Government to refrain from facilitating in any way the preparations of either party. The Peruvian Government was informed, therefore, that in view of the present situation between Peru and Colombia the use of the drydock at Balboa will not be available to the Peruvian cruiser. I should be glad if the Commandant of the

Fifteenth Naval District could be appropriately informed of the foregoing.

It follows from the policy stated above that no facilities of any nature of this Government should be placed at the disposal of either the Government of Colombia or the Government of Peru which would assist them in their preparations for possible hostilities. A similar position is required on the part of our Government as regards the Governments of Bolivia and Paraguay, which are actually engaged in armed conflict. I bespeak the cooperation of your Department in carrying out this policy.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

721.23/805 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

Bogotá, January 21, 1933—10 a. m.

[Received 3:25 p. m.]

21. My 19, January 17, 5 p. m. Colombian Government has delayed sending note to Kellogg Pact signatories in order to give every opportunity for Brazilian negotiations and avoid injuring sensibilities of Brazilian Minister for Foreign Affairs. Although Mello Franco admits completely unsatisfactory nature of Peruvian reply he still requests that Colombia take no steps to interrupt his mediation. Notwithstanding this Colombia intends to transmit Kellogg note today.

CAFFERY

721.23/922

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 23, 1933.

The Peruvian Ambassador called and said that he had a telegram from his Government dated the twenty-first of January<sup>37</sup> which he would like to communicate to me. It stated that if Brazil insists that Leticia should be delivered to Colombia she will fail in her endeavor to prevent war because the Loretanos are decided to oppose forcibly any use of force by Colombia and that Peru can not stand by and do nothing when the interests of Loreto are endangered. The telegram stated that it should be borne in mind that we are dealing no longer with Leticia alone but with the whole of Loreto. Peru, the cable said, would greatly appreciate it if the Powers who favor a peaceful solution should signify their approval to Brazil of the

<sup>37</sup> Not printed.

modifications offered by Peru to Brazil's bases of mediation. These modifications were namely the retention of Leticia by Brazil while negotiations between Peru and Colombia proceed at Rio "for the purpose of rectifying by mutual concession the boundary line established by the Treaty Salomon-Lozano and the appointment of a mixed Peru-Brazilian Commission to investigate at Loreto whether the Loretanos would accept the return to Leticia of Colombian authorities". The telegram states it would seem also prudent to have the Colombian ships detain their advance while mediation is pending and expresses the fear, if a clash occurs, that all Peru's efforts to maintain peace will have been in vain. Manzanilla's telegram ends "I am, as you know, fundamentally a man of peace and have been working indefatigably to that end, but I need the assistance of all those who are equally devoted to the same cause".

The Ambassador stated that he hoped we would support this change suggested by Peru. I told the Ambassador, very frankly, that I was not prepared to support it. I said that, first of all, if there is to be a change in the Brazilian proposal, we would want Brazil to advise us thereof, and, in the second place, I could not support a proposal which had as its basis the obligation on the part of Colombia to negotiate the return of Leticia to Peru.

The Ambassador said that this proposal did not say that Leticia should be returned to Peru and I told him that while it did not say so in so many words that was certainly the object sought by the Peruvian Government and I said that this came out clearly in the telegram Manzanilla had sent to the Colombian Minister of Foreign Affairs in reply to the latter's cable some days ago. The Ambassador said that he had just received the texts of these messages by airmail from Lima and had not yet had time to study them. I told the Ambassador that we had received them by cable some days ago and that it was very evident therefrom that that is what they really want. I said that we supported the sanctity of treaties and any agreement on the basis Peru suggested would mean support of the use of force as an instrument of national policy and for the acquisition of territory. We had a brisk discussion on this matter and the Ambassador again came back to the point that the Peruvian proposal did not definitely say that Leticia had to be given over to Peru. I told him that it was absolutely transparent in the proposal and that we would not support it. I told the Ambassador that as he had been the Peruvian Commissioner at Arica when an attempt was made to hold a plebiscite in the Provinces of Tacna and Arica<sup>38</sup> he could appreciate that the Peruvian position now is entirely analogous to that adopted by Augustine Edwards, the Chilean Commissioner, when he wel-

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<sup>38</sup> See *Foreign Relations*, 1925, vol. I, pp. 369 ff.

comed General Pershing on his arrival in Arica by saying that he was very glad General Pershing had come to hold elections which would confirm Tacna and Arica under Chilean sovereignty. General Pershing was aghast and, thinking he had misunderstood, asked Edwards what he meant. The latter explained that the President of the United States knew that whoever controlled elections in South America always won and when he held in his Award that there should be elections and the territory should be controlled by Chile he naturally meant that the elections would only be a formality for confirming Chilean sovereignty over the Provinces. In that dark day for Peru, we had stood out against any such subterfuge and had said that the Award meant exactly what it said—that there was to be a free and fair plebiscite. The Peruvians should recall this incident and understand that we are not taking any new position disadvantageous to Peru but are merely maintaining the same straightforward position which we held for Peru's benefit in the case cited at Arica several years ago. The Ambassador admitted that this was correct.

The Ambassador then said that he had turned down so many proposals of his Government he wondered if there was not something that could be said regarding the Peruvian proposal. I told the Ambassador that of course if Colombia would accept the Peruvian proposal we would be delighted—that we had no proposal that we would insist upon as such. Our only desire is to bring about peace and any formula that will do that and be accepted by the two countries will have our warm support. I said that I thought the Brazilian proposal was the one that was fair and most apt to bring this about and that I hoped his Government would accept it. He said they had not accepted so far; that they wanted this change, and he did not think that they would accept the proposal as put up by Brazil, but that if some change could be made in it it might be easier for them to accept. I told the Ambassador that I thought Colombia was absolutely in the right in the Leticia matter; that they are the aggrieved party, and that if Peru is looking for a way out we will naturally be glad to help her but the proposal will have to be one that can reasonably be accepted in Colombia. I told the Ambassador that if Brazil modified its proposal in the sense that Leticia would be held by Brazil while the negotiations were carried on in Rio on the basis already proposed by Brazil, that is, without any prior agreement to modify the boundary or to turn Leticia back to Peru, I thought we would be prepared to support that proposal on the understanding, of course, that in that case the negotiations would have to be limited in time, and it would have to be agreed that if, at the end of the stipulated period, no agreement had been arrived at between the two countries, then Brazil would be authorized to return Leticia to Colombia. I said that I would want to know, first



of all, from Brazil that Brazil made this proposal, and secondly, we would want to know in writing that the Peruvian Government specifically accepted it before we would take it up with Colombia. I said that I did not know whether it would be necessary for us to take it up with Colombia—if Peru accepted it, I thought Colombia might possibly accept it also. In any event, if Brazil made this proposal and Peru had definitely accepted it and Colombia was hesitating about accepting it, I would not mind advising Colombia to accept.

The Ambassador did not think that this would meet the Peruvian wishes but said it was at least something and he hoped it might succeed. I told him that it was useless for him to try to get us to support the changes which his Government wanted. The Ambassador left with me a copy of the telegram he had just received and also, in order to clear up any possible misunderstanding regarding his conversation with me on the nineteenth, left with me a copy of the telegram he had received from his Government dated January 18, referred to in that conversation. These two telegrams are attached hereto.<sup>39</sup>

In the course of the conversation, when I mentioned to the Ambassador that the territory on the Sucumbios River had been asked for by Peru not in order to join it with Peru but in order to have something to give to Ecuador when negotiations were entered into between Ecuador and Peru to settle their boundary dispute, in compensation for something which Peru might desire elsewhere, the Ambassador said he never had attached any importance to the argument advanced by Peru regarding that territory and had advised both his Government and Maúrtua to leave out reference thereto in presenting their cases.

F[RANCIS] W[HITE]

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721.23/829 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, January 23, 1933—midnight.

[Received January 24—2:42 a. m.]

37. Referring to my telegram No. 36, paragraph 2,<sup>40</sup> confidential. Following epitomizes five paragraphs of the Brazilian note: “

1. Brazil states that contrary to Manzanilla's statement subject of Rio conferences not all outstanding conventions but Salomon-Lozano Treaty—the cause of the present conflict. For that reason Ecuador

<sup>39</sup> Not printed.

<sup>40</sup> Telegram No. 36, January 23, 11 p. m., not printed; paragraph 2 reported that Brazilian Minister in Peru had delivered note from Brazilian Minister for Foreign Affairs that afternoon (721.23/781).

<sup>41</sup> In reply to Peruvian note No. 1, January 16, part of which in translation was contained in telegram No. 31, January 18, 10 p. m., from the Ambassador in Peru, p. 408.

not invited by Brazil, only Peru and Colombia can deal with that. Brazil requested detention of Colombia flotilla merely as a conciliatory gesture pending Peruvian reply which being delayed Colombia felt unable to detain vessels longer but stated that vessels would return as soon as object of the expedition was realized. Brazil inquires by what right it could possibly fail to observe its obligations under the fluvial convention with Colombia since no state of war exists and Colombia is merely sending vessels to restore order in her own territory.

2. Brazil states her course has been consistently same; that its plan was concretely set forth in the formula presented in the note of 13th to Peru and represents all Brazil felt it would be possible to obtain from Colombia. The course of negotiations with the Peruvian and Colombian Ministers at Rio de Janeiro was reviewed, statement made that military preparations were going forward and the situation was becoming aggravated and accordingly Brazil offered friendly mediation on the basis stated.

3. Having received Colombian acceptance of the Brazilian plan Peruvian Minister was informed accordingly and thereupon personally presented various modifications. Brazil attempted to bring the Colombian and Peruvian Ministers together to avoid misunderstandings that might arise from acting as intermediary and finally the Brazilian plan was definitely set out and communicated to Peru and Colombia on the 13th.

4. Peruvian modifications were refused by Colombia. Brazil feels it is neither convenient or possible for official Brazilian delegates to undertake to treat with the captors of Leticia or to endeavor to persuade them to accept the Brazilian formula; that this responsibility rests squarely upon Peru. Brazil adds that if the appeal to the captors should fail in its object Peru does not indicate what would then happen and Colombia would always insist upon necessity of reestablishing order in its own territory.

5. Brazil states Peru's question regarding the object of the Rio de Janeiro conferences may be answered by stating Brazilian proposal is perfectly clear in itself and that with good will on both sides good results could be achieved. Brazil indicates that Colombia has made a material concession in agreeing to discuss the treaty and that the discussion holds therefore promise of a happy solution. Note ends by requesting a reply with all possible urgency.

6. To a settlement Colombia contributes a commitment beforehand to discuss Salomon-Lozano Treaty once Colombian authority is reestablished at Leticia. Brazil contributes a willingness to receive and hold Leticia temporarily for delivery to Colombia despite the risk of attack by Loretanos. Peru seems to have contributed nothing but continues her desperate attempts to overreach.

721.23/878

*The Colombian Minister (Lozano) to the Secretary of State*<sup>42</sup>

[Translation]

No. 41

WASHINGTON, January 23, 1933.

MR. SECRETARY: I have the honor to communicate to your Excellency the following:

In the early morning of September 1, 1932, a group of armed individuals, among whom were soldiers and officers of the Peruvian army, attacked the Colombian town of Leticia and took possession of it after imprisoning and deporting the Colombian authorities.

Since that time Peruvian military forces have supported the invasion of Leticia and of the surrounding Colombian region by repeated military acts carried out there for the purpose of resisting any attempt by the Colombian Government to restore the legitimate authorities and to terminate an unlawful occupation of its territory.

Under the Boundary Treaty of March 24, 1922, between Colombia and Peru, Leticia is indisputably a part of Colombia. In a note to the Colombian Government dated September 30, 1932, the Peruvian Government admitted the validity of the Boundary Treaty of 1922 and consequently the fact that Leticia belongs to Colombia.

Colombian forces are now on their way up the Amazon River for the purpose of reestablishing public order in Colombian territory, and of preserving Colombian sovereignty within that territory which has been recognized as ours by Peru.

On January 6, 1933, Victor Ramos, the Commanding General of the Fifth Division in Eastern Peru, telegraphed to General Vasquez Cobo, in command of the Colombian forces proceeding to Leticia, at Manáos, and to the Consul General of Colombia at Belém del Para, that he would take military measures to prevent the Colombian forces from entering Leticia.

The foregoing facts show that Peru, in violation of the Briand-Kellogg Pact, is employing force in support of unlawful and inexcusable acts of aggression in the territory of a friendly nation.

On January 11, 1933, the Foreign Minister of Colombia addressed a note to the Foreign Minister of Peru<sup>43</sup> in which the matters recited above were set forth. This note requested the Government of Peru to withdraw the military forces of Peru from the territory of Colombia in order that the legitimate authorities might be reestablished there without any clash. It stated that the Colombian forces were proceeding to Leticia for the sole purpose of re-occupying Colombian territory and that they would avoid conflict with Peruvian military

<sup>42</sup> Francis White, Assistant Secretary of State, acknowledged this note in a note of January 25 and enclosed a copy of the telegram of that date from the Secretary of State to the Peruvian Minister for Foreign Affairs, printed on p. 423.

<sup>43</sup> For text, see League of Nations, *Official Journal*, April 1933, p. 609.

forces, unless the latter should oppose the Colombian forces in their task of restoring the rightful authority of Colombia. It declared that, when Colombian sovereignty over Leticia was restored, the Government of Colombia would be willing to discuss, in the most ample spirit of conciliation, any other matters which the Government of Peru might wish to discuss.

The Foreign Minister of Peru answered the above mentioned Colombian note by a note dated January 14, 1933,<sup>44</sup> which denied none of the facts set forth in the Colombian note and admitted the adoption of military measures by the Peruvian military authorities in Loreto for the defense of the invaders of Leticia against re-occupation by Colombia. It re-affirmed the Peruvian Government's recognition of the validity of the Boundary Treaty of 1922, but insisted on the modification of the frontier established by that treaty so as to correct what it asserted was the grave injustice committed in separating Leticia from Peru. This note evinces the purpose of Peru to compel the revision of the Treaty by the use of military force and thus to use such force as an instrument of national policy.

Copies of the above-mentioned notes exchanged between the two Governments accompany this communication.

The Government of Colombia begs to call to the enlightened attention of your Excellency's Government (1) that Peru supports by military force Peruvian citizens who have seized by force of arms undisputed Colombian territory and have overthrown the sovereignty of Colombia in territory which Peru does not dispute to be Colombian; (2) Peru has refused to withdraw Peruvian troops now in this territory and to discontinue its support of the Peruvian invaders; (3) the Peruvian Government has shown that it proposes to resist by force the efforts of Colombia to restore her authority over territory which is admitted to be hers.

In supporting by force the unlawful seizure of Colombian territory, the Peruvian Government is violating the Pact of Paris and, consequently, as therein provided, should be denied the benefits furnished by that treaty.

The Colombian Government, in view of the above, requests your Excellency's Government to call the Peruvian Government's attention to its obligations under the General Pact for the Renunciation of War, signed at Paris, August 27, 1928,<sup>45</sup> to renounce war as an instrument of national policy, and to urge that Government that it do not violate that Treaty.

Having thus complied with the instructions that I have received from my Government, I avail myself [etc.]

FABIO LOZANO

<sup>44</sup> For text, see League of Nations, *Official Journal*, April 1933, p. 611.

<sup>45</sup> *Foreign Relations*, 1928, vol. I, p. 153.

721.23/828 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 24, 1933—10 a. m.

[Received January 24—8:40 a. m.]

9. Although Colombian flotilla is only 4 days distance from Leticia, Peru's attitude remains unaltered. As Brazil desires to leave no means unemployed for maintaining continental peace, she proposes to circularize tomorrow all the American powers requesting them to make representations in Lima individually for maintenance thereof.

Please telegraph today whether you approve Brazil's intention.  
Repeated to Lima.

MORGAN

721.23/828 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 24, 1933—2 p. m.

17. Your 9, January 24, 10 a. m. Department fully in accord with Brazil's intention to exert all proper efforts for maintaining continental peace and her determination to circularize all American powers requesting them to make representations in Lima individually for maintenance thereof.

For your information Colombia has addressed a note to this Government,<sup>46</sup> as one of the signatories of the Kellogg Pact, asking it to remind Peru of her obligations thereunder. Department is now preparing a message in this sense to Government of Peru, and is again urging acceptance of Brazilian proposal.

STIMSON

721.23/834 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 24, 1933—5 p. m.

[Received January 24—2:30 p. m.]

17. 1. The following is the text of a telegram from Peru to the Secretary General, dated January 23:

"In view of the action which the League, in accordance with the functions assigned to it in the Covenant, is taking in the conflict which has arisen between Peru and Colombia by reason of the occupation of Leticia we request the League, in order to safeguard its jurisdictional powers and pending the adoption of a decision, to

<sup>46</sup> See note No. 41, January 23, from the Colombian Minister, p. 418.

order the suspension of all measures of force. The Peruvian Government is prepared to respect this order but declines any responsibility should Colombia fail to comply therewith, since this latter country has launched a flotilla on the Amazon for the purpose of attacking Peruvians of Leticia and is also threatening Peruvian territory. For this reason we ask that she should be ordered to cease such aggressive measures, to which Peru is far from having had any recourse whatever. If the League takes this action it will be working for peace which is the aim of Peru as well as of America as a whole."

2. This places the dispute formally before the League, previous action having been taken on the basis of extra Covenant authority which precedent has granted to the President of the Council.

3. The question was taken up in the Council this morning. Lester informed the Council of steps he had taken as President of the Council with particular reference to his telegram of January 14<sup>47</sup> to the two Governments concerned and read the replies that have been received to date including the text from Peru quoted above. The other telegrams have been previously transmitted to the Department.<sup>48</sup> The Council approved of the steps taken by Lester. The President then proposed that in answer to the Peruvian request as set forth above that the Council Committee, which is following the Bolivia-Paraguay dispute, should undertake the study of this question and report to the Council. This proposal was approved.

GILBERT

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721.23/1052

*Memorandum by the Assistant Secretary of State (White) and  
Comment Thereon by the Secretary of State*

[WASHINGTON,] January 25, 1933.

The Secretary invited the British, French, Italian, German and Japanese Ambassadors<sup>49</sup> to meet with him at Woodley<sup>50</sup> at six o'clock on the evening of January 24 to discuss the Leticia matter. Mr. White was also present. The Secretary asked Mr. White to explain the background of the Leticia matter to the Ambassadors, which he did, and the Secretary then explained how this Government looks at the matter; namely, that there is no question regarding the title of Colombia over Leticia and that Peru has recognized Leticia as Colombian but now wants Leticia to be transferred to Peru and states that she will

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<sup>47</sup> See telegram No. 6, January 16, 2 p. m., from the Consul at Geneva, p. 405.

<sup>48</sup> See telegram No. 7, January 18, 11 a. m., from the Consul at Geneva, p. 406.

<sup>49</sup> Sir Ronald Lindsay, M. Paul Claudel, Signor Augusto Rosso, Herr Friedrich W. von Prittwitz und Gaffron, and Mr. Katsuji Debuchi.

<sup>50</sup> Private residence of Secretary of State Stimson, 3000 Cathedral Avenue, Washington, D. C.

forcibly oppose the legitimate efforts of Colombia to reestablish her authority in her own territory and will only go to a conference to discuss the matter provided that Colombia agrees, in advance, to turn over Leticia to Peru. The Secretary said that this is a clear cut violation of the Kellogg Pact.

The French Ambassador inquired what could be done or what it was proposed to do and the Secretary said that he was preparing a note to send to the Minister of Foreign Affairs of Peru. The French Ambassador inquired whether a note would also be sent to Colombia and the Secretary replied in the negative. He said that Colombia has not violated the Pact and Peru has not asked us to send anything to Colombia. It is Peru which is acting contrary to the Kellogg Pact and Colombia has asked the signatories thereof to remind Peru of her obligations under that Treaty. The Secretary said he thought it would be very unfortunate if the first time one of the Pact signatories invokes the support of the other signatories to prevent a violation thereof the call should go unheeded. The French and British Ambassadors said that they agreed and the German and Italian Ambassadors assented. The Japanese Ambassador made no comment throughout the meeting.

The Secretary said that of course we would also support again the Brazilian proposal for a settlement. Brazil asked us to do so some time ago and we did it through our Ambassador in Lima. Now Colombia has asked us to remind Peru of her obligations under the Kellogg Pact and we will do that and again support the Brazilian proposal and urge its acceptance.

The Italian Ambassador inquired whether Brazil had advised any of the European Governments of her proposal and he was advised that the information of this Government indicates that the British and Italian Ministers in Lima had already supported the Brazilian proposal so that it was presumed their Governments had been advised regarding it. He was also told that possibly France also had taken the same action.

The French Ambassador inquired regarding the scope of the Secretary's note to Peru—whether it would be limited merely to a reference to the Kellogg Pact and to the Brazilian proposal—and the Secretary said that the note would also review the events in Leticia since September 1, as set forth in the exchange of telegrams between the Ministers of Foreign Affairs of Colombia and Peru on the eleventh and fourteenth instant.<sup>51</sup>

WHITE

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<sup>51</sup> For texts of the telegrams exchanged on the 11th and 14th, see League of Nations, *Official Journal*, April 1933, pp. 609 and 611.

[A notation at the bottom of the page reads:]

"While the foregoing accords with my recollection as to the ultimate facts stated and agreed upon, the matter was presented much less abruptly and forcibly than would appear from this. First of all the facts as presented in the Colombian-Peruvian correspondence was brought out gradually and discussed by question and answer in reference to the obligations of the Kellogg Pact, and then the conclusions were gradually summed up with the apparent concurrence of every one present, even the Japanese Ambassador made no dissent and several times nodded his head. The British Ambassador seemed to have considerable antecedent acquaintance with the situation.

H[ENRY] L. S[TIMSON]"

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721.23/852a Supp. : Telegram

*The Secretary of State to the Peruvian Minister for Foreign Affairs  
(Manzanilla)*

WASHINGTON, January 25, 1933.

The Government of Colombia has communicated to the Government of the United States of America, as a signatory of the Treaty for the Renunciation of War as an Instrument of National Policy, signed at Paris August 27, 1928, the text of the telegram which the Minister of Foreign Affairs of Colombia addressed to Your Excellency on January 11<sup>52</sup> regarding the situation arising out of the expulsion of the Colombian authorities from Leticia by Peruvian nationals on September 1, 1932. A copy of Your Excellency's reply of January 14<sup>53</sup> was at the same time communicated to me.

From an examination of this correspondence it appears that the Government of Peru recognizes the validity of the boundary treaty of 1922 between Peru and Colombia and that there is therefore no dispute between the two countries regarding sovereignty over the Leticia area which is recognized by both as belonging to Colombia.

The Colombian Government charges that on the night of August 31-September 1, 1932, Colombian authorities of the town of Leticia were attacked, imprisoned, and deported by a group of armed Peruvian individuals and that since then Peruvian military forces of the Department of Loreto have committed repeated acts of aggression against the Leticia territory, and have dug trenches not only in the town of Leticia and its environs but also at Tarapacá in Colombian territory on the Putumayo River; that they have taken field and machine guns to both places and have made preparations for armed resistance; that they have taken their military airplanes to Colombian territory and that the military authorities at Iquitos have communi-

<sup>52</sup> League of Nations, *Official Journal*, April 1933, p. 609.

<sup>53</sup> *Ibid.*, p. 611.



cated with Peruvian garrisons in the region to inform them that the Peruvian Government will hold the town of Leticia by force.

The Peruvian Government states that the occurrences at Leticia on September 1 were a surprise to the Peruvian Government as well as to the Colombian Government. Your Government adds that the precautions which the military authorities of Loreto found themselves obliged to adopt subsequently were the consequence of the large scale preparations which were being made by Colombia to recover Leticia.

While no specific denial is made of the charges advanced by the Colombian Government that since the original taking of Leticia, Peruvian forces have entrenched themselves in that territory which they have fortified, I have nevertheless noted the statement in Your Excellency's telegram of January 14th in which you state that forcible retention of Leticia by your Government can not be spoken of as it is not the Peruvian Government which has occupied that town and is holding it up to the present. This statement, and the encouraging fact that you definitely affirm the intention of the Peruvian Government to abide by the Treaty of 1922 and the Briand-Kellogg Anti-War Pact, lead me to hope that a solution of this difficulty will be found by your Government urging the Peruvian individuals who are now usurping authority in the Leticia area, which the Peruvian Government recognizes as Colombian, not to oppose the peaceful reestablishment of Colombian authority there.

You state in your telegram of the 14th instant to the Minister of Foreign Affairs of Colombia, above referred to, that your Government only seeks a modification of the frontier line established in the Treaty of 1922 and not the abrogation of that Treaty. When one of the parties to a treaty is dissatisfied therewith, it is of course perfectly proper and usual for it to open negotiations for a modification thereof, and to seek a settlement of the difference through pacific means. In fact, to deal with the matter otherwise would run counter to the stipulations of Article II of the Briand-Kellogg Pact by which the High Contracting Parties agreed that the settlement or solution of all disputes or conflicts of whatever nature or origin they may be, which may arise among them, shall never be sought except by pacific means.

As pointed out above, there is no dispute between the two parties regarding the present ownership of Leticia. This was recognized by Peru in the Treaty of 1922 as belonging to Colombia and your Government now affirms again its view that this treaty is valid. The essential difference which the above referred to correspondence between the two Governments brings out is that your Government now desires a future modification of the frontier line which would transfer Leticia to Peru in return for "adequate territorial compen-

sations". As pointed out, that, under Article II of the Briand-Kellogg Pact can be sought only by pacific means.

The telegram of the Minister of Foreign Affairs of Colombia to Your Excellency of January 11 declares, on behalf of the Government of Colombia, that in such action as it may be necessary for Colombia to take in the Leticia region its forces are advancing merely in order to reoccupy Colombian territory and to prevent the continuance in that region of the conditions of violence which have caused the suspension there of all law and right in violation of public treaties. The communication continues to affirm that the Colombian forces which will be employed for that purpose will avoid conflict with the military forces of Peru unless the latter oppose the Colombian forces in their task of restoring the legitimate authorities of Colombia. The Government of Colombia requested the Government of Peru, on the basis of the friendly relations that have so long existed between them, to take all measures necessary to assure that officials, forces, or any other agents of Peru should not resist these legitimate operations of the forces of Colombia which are necessary for the rightful maintenance of its Government. The Colombian Government added that it reiterated "the assurances already given, that once Colombian sovereignty over Leticia and the surrounding territory is reestablished, if there is then any other matter which the Peruvian Government desires to discuss, the Colombian Government will be ready to discuss it in the most ample spirit of conciliation and that such settlement can then be arrived at either through direct diplomatic negotiations, through the good offices of some third power, or by the means provided in existing treaties between the two countries".

I should not be frank if I did not candidly state to Your Excellency that I have been much disturbed by the statement in your telegram of January 14th, above referred to, that the military measures taken by the Peruvian authorities at Loreto were undertaken because of the measures which the Colombian Government is obliged to take to reestablish the Colombian authorities deposed in the Leticia territory. Your telegram stated that because of the status of these invaders as Peruvians and "in view of the motive of reintegration of the national territory that impelled them" to seize this territory they "could not be abandoned to the menacing uncertainty established with respect to them by the sending of Colombian military authorities having the mission of subduing them". My apprehensions on this score were heightened by the statement made by the Peruvian Ambassador in Washington on the 23rd instant,<sup>54</sup> pursuant to an instruc-

<sup>54</sup> See memorandum by the Assistant Secretary of State, January 23, p. 413.

tion from you of January 21st, that your Government feels that if the Brazilian Government, in endeavoring to find a satisfactory solution of this situation, insists that Leticia should be delivered to Colombia, she will fail in her endeavor to prevent war because the Loretanos are decided to oppose forcibly any use of force by Colombia and that Peru can not stand by passively when the interests of Loreto are at stake.

Let us examine the situation in the light of these statements:

It is admitted that Peruvian individuals seized Leticia and the surrounding territory and deposed the Colombian authorities. It is also admitted that Leticia and the adjacent territory is Colombian. It is stated in Your Excellency's telegram of the 14th instant under consideration that one can not speak of the forcible retention of Leticia by the Peruvian Government as it is not the Peruvian Government which has occupied that town and is holding it up to the present. In other words, the Peruvian Government quite properly disavows the taking and holding of Leticia. On the other hand, however, it would appear that other statements of your Government just referred to are unfortunately susceptible of the interpretation that your Government will use force to support these invaders of Leticia and to prevent the Colombian authorities from reestablishing their authority in this Colombian territory. Furthermore, your telegrams of January 18 and 21 to the Peruvian Ambassador in Washington<sup>55</sup> indicate not only that your Government has not yet accepted the very equitable solution of this difficulty proposed by the Government of Brazil but that it has insisted that the Leticia territory shall not be returned to Colombia until the boundary line established by the Salomon-Lozano Treaty of 1922 is modified. I venture to hope that these latter statements do not correctly express the intention of your Excellency's Government. For if it were conceivable that Peru was seeking to obtain her desire to modify the Treaty of 1922, not by pacific means, but by a forcible and armed support of the illegal occupation of Leticia, would such a position not be entirely contrary to the provisions of Article 2 of the Kellogg-Briand Pact, which provides that no solution of a controversy shall be sought except by pacific means? At least this Government sees no alternative to such conclusion. And if so, as set forth in the preamble of that Pact, such a violation of it would entail a denial of the benefits furnished by that Pact to the signatory power which violated it.

Furthermore, if the statement by the Peruvian Ambassador, to which I have referred, to the effect that the Loretanos are decided to oppose

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<sup>55</sup> Copies of communications of January 18 and 21 (not printed) were handed to Mr. White by the Peruvian Ambassador on January 23; for substance thereof, see memorandum by the Assistant Secretary of State, January 23, p. 413.

forcibly the efforts by Colombia to restore her authority in Leticia and that Peru can not stand by passively when the interests of Loreto are at stake, correctly represents the intentions of your Government, would not such action by Peru constitute a recourse to war for the settlement of an international controversy and the employment of war as an instrument of national policy in its relations with another signatory power and be contrary to Article I of the Kellogg-Briand Pact?

I am encouraged, however, to believe that your categoric statement reaffirming the validity of the boundary treaty between Peru and Colombia of 1922 and the intention of your Government to abide by that treaty "as well as all the other treaties in force, among which is the Briand-Kellogg Anti-War Pact" may be taken to indicate that your Government does not intend to take such a step as to oppose the reestablishment of lawful Colombian authority in Leticia.

The Government of Brazil, interpreting most clearly the feelings of the American nations that there should not be recourse to hostilities in this hemisphere, has drawn up and submitted to the Peruvian and Colombian Governments a proposal which in the opinion of my Government offers a peaceful and honorable means of terminating this situation. The essence of this proposal is as follows:

"1. The Peruvian Government, although it had nothing to do with the origin of the uprising of the first of September in Leticia, will give its entire moral support and will use its persuasive influence with its nationals residing in that region so that the territory in question may be confined to the keeping of the Brazilian Government, which will administer it provisionally through a delegate or delegates in whom it has confidence.

2. As soon as possible the Brazilian authorities will replace in their positions the Colombian officials deposed by the insurrectionists.

3. In compensation the Colombian Government agrees that immediately afterwards delegates from the two countries shall meet in Rio de Janeiro with the technicians they deem necessary for the purpose of considering the Salomon-Lozano Treaty in a broad spirit of conciliation for the purpose of finding a formula susceptible to reciprocal acceptance and which shall include economic, commercial and cultural measures which may constitute a closer moral bond in the form of a territorial statute adequate for such purpose and peculiar to that region."

My Government has been advised that the Government of Colombia has accepted this proposal of the Brazilian Government.

The Brazilian Government, feeling that this formula offered an equitable solution of this difficult situation, asked my Government to support it before your Government. My Government was very glad to do so, as Your Excellency is aware, through the American Ambassador in Lima. Once again, my Government most earnestly urges your Government to abide by the commitments undertaken by it in

the Pact of Paris and that it accept the solution proposed by the Brazilian Government for settling peacefully and in accordance with the international commitments of Peru this unfortunate situation.

In the same connection permit me also to remind Your Excellency of the Resolution voted at the Sixth International Conference of American States on February 20, 1928, in opposition to aggression,<sup>56</sup> and also of the declaration which Peru signed with 18 other American nations on August 3, 1932,<sup>57</sup> stating that it was opposed to force and renounced it both for the solution of its controversies and as an instrument of national policy in the reciprocal relations of the American countries. In the same document the American nations further declared that they would not recognize the validity of territorial acquisitions which might be obtained through occupation or conquest by force of arms.

HENRY L. STIMSON

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721.23/852a Supp. : Telegram

*The Secretary of State to the Consul at Geneva (Gilbert)*

WASHINGTON, January 25, 1933—1 p. m.

9. Colombian Government in a note to the United States as one of the signatories of the Kellogg Pact has asked this Government to call the Peruvian Government's attention to its obligations under that Pact to renounce war as an instrument of national policy and to urge that Government not to violate that Treaty. Please give informally to Drummond, for his information, the text of the following telegram sent by the Secretary of State to the Minister for Foreign Affairs of Peru today: (Here quote telegram to Minister of Foreign Affairs of Peru<sup>58</sup>).

STIMSON

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721.23/852a Supp. : Circular telegram

*The Secretary of State to All Diplomatic Missions in Latin America*

WASHINGTON, January 25, 1933—4 p. m.

Colombian Government addressed note to this Government,<sup>59</sup> as a signatory of Kellogg Pact, asking it to call Peru's attention to her obligations under that Pact. Secretary of State in a long telegram today to the Minister of Foreign Affairs of Peru set forth the views

<sup>56</sup> Sixth International Conference of American States, *Final Act, Motions, Agreements, Resolutions and Conventions* (Habana, 1928), p. 179.

<sup>57</sup> *Foreign Relations*, 1932, vol. v, p. 159.

<sup>58</sup> *Supra*.

<sup>59</sup> Dated January 23, p. 418.

of this Government regarding the situation in the light of the correspondence exchanged between Colombia and Peru and urged Peruvian Government to abide by the commitments undertaken by it in Pact of Paris and the declaration of August 3d last and that it accept the solution proposed by the Brazilian Government for a peaceful settlement.

STIMSON

721.23/854 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 26, 1933—11 a. m.

[Received 11:35 a. m.]

21. 1. The Council met this morning at 10 a. m. The first item on the agenda was the Colombian-Peruvian dispute. I had been confidentially apprised late last evening that the Committee of Three had prepared a "stiff" telegram to Peru and a telegram to Colombia to submit to the Council.

2. Department's telegram No. 9, January 25, 1 p. m., was in process of being decoded at 10 a. m. Learning that Drummond was already at the Council although it was first meeting in private session and the first item on the public agenda had not been reached, I had conveyed to him knowledge of the receipt of the Department's telegram referred to and what I could gather of the general tenor of its contents.

3. The Council approved the dispatch of telegrams to the Governments of Colombia and Peru. The text of the telegram to Colombia which incorporates the telegram to Peru is as follows:

"I have today addressed the following telegram to the Foreign Minister of Peru:

'The Council thanks you for your telegrams and expresses its appreciation of the assurances to the effect that Peru will not take any action contrary to the Covenant of the League. The Council having studied the documents submitted to it on the subject, and in part, the telegram addressed to you by Mr. Urdaneta on January 11th and your reply dated January 14th, feels bound to draw the attention of the Peruvian Government to the fact that it is the duty of Peru, as a member of the League, to refrain from any intervention by force on Colombian territory and to ensure that all necessary instructions are given to the Peruvian commanders concerned to the effect that the military forces of Peru should take no action beyond the defense of Peruvian territory and should not hinder Colombian authorities from the exercise of full sovereignty and jurisdiction in territory recognized by treaty to belong to Colombia. I have today communicated to the Colombian Government a copy of this telegram with the following message from the Council.'

The Council trusts that in the exercise of their legitimate rights the Colombian Government will take strictest precautions not only to avoid the violation of Peruvian territory but to make clear to the Peruvian Government that it is not the intention of the Colombian Government to commit any such violation. The Council further trusts that

in the act of restoring order the Colombian authorities will exercise all possible clemency and limit their action strictly to the preservation of order in their own territory.”

4. The discussion in the Council comprised: (a)—long and detailed statements of their positions by the representatives of Colombia and Peru; (b)—advocacy of the maintenance of treaties, by inference strongly in support of Colombia, on the part of other Council members.

5. Have arranged for meeting with Drummond this afternoon in which case I shall follow instructions in your number 9 and report by telegraph.

GILBERT

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721.23/855 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 26, 1933—4 p. m.  
[Received January 26—12:45 p. m.]

25. I have carried out instructions in Department's telegram No. 9, January 25, 1 p. m.

2. Drummond stated that he felt that Peru having in taking up the question appealed to the League of Nations (Consulate's No. 17, January 24, 5 p. m.) almost simultaneously with Colombia's appeal to Washington<sup>60</sup> under the Pact of Paris, it is extremely fortunate that the actions taken in Washington and Geneva (Consulate's No. 21, January 26, 11 a. m.) were so alike in spirit as to exert a coordinated influence. As a further element of coordination he stated that by my apprising him of the chief points Department's telegram in the manner described in my telegram last referred to Lester, chairman of the Committee of Three, was enabled in his presentation of the case to the Council to make reference to the nature of the part played by Brazil which up to that time had been unknown in Geneva. Drummond felt that with a view to mobilization of world opinion and to bring pressure from the largest possible number of states to bear on the disputants it would be exceedingly useful could the Department's telegram to Peru be formally communicated to him with permission to circulate it. He requested me to solicit an answer from you on this point. Please instruct. Should the Department approve I venture to suggest the explanatory inclusion in a communication to the League of the first sentence of the Department's telegram referred to.

GILBERT

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<sup>60</sup> See note No. 41, January 23, from the Colombian Minister, p. 418.

721.23/855 : Telegram

*The Secretary of State to the Consul at Geneva (Gilbert)*

WASHINGTON, January 26, 1933—6 p. m.

10. Your 25, January 26, 4 p. m. Please communicate formally to the Secretary General of the League copy of this Government's telegram of January 25 to the Minister of Foreign Affairs of Peru. As suggested by you, you should include in your communication to the Secretary General the explanatory portion of the Department's No. 9, January 25, 1 p. m., contained in the first sentence thereof.

STIMSON

721.23/925

*Memorandum by the Chief of the Division of Latin American Affairs (Wilson)*

[WASHINGTON,] January 27, 1933.

Dr. Rowe<sup>61</sup> telephoned yesterday and said he had been trying to get in touch with Mr. White and that he understood Mr. White was ill. He said that various of the Latin American diplomatic representatives seemed to be inquiring of each other as to the attitude they should advise their Governments to take regarding the Brazilian appeal to the American states to support its proposal to Peru on the Leticia matter. He said that he wanted to propose that the State Department should call a meeting of heads of the Latin American missions in Washington to consider the attitude that should be taken by the respective Governments in the Brazilian proposal. He felt this would line up action on the part of the American states.

I said that I was inclined to doubt the wisdom of this Department calling such a meeting. I said that the moment we were advised that the discussions between Colombia and Peru were centered in Brazil, we had been careful to do nothing which might cross wires with the Brazilian Government's efforts to settle this matter. Brazil had informed us of the offer it had made, which had been accepted by Colombia, and at Brazil's request we had supported this offer in Lima. Colombia had addressed an appeal to this Government as a Kellogg Pact signatory, the Secretary had called a meeting of the diplomatic representatives of certain European powers signatory to the Kellogg Pact, to discuss the situation. This Government had then addressed an appeal direct to the Minister for Foreign Affairs of Peru recalling to Peru its obligations under the Kellogg Pact. I said that certain of the Latin American diplomatic representatives had come to see Mr. White personally since the despatch of our note to Peru, and Mr. White

<sup>61</sup> Leo S. Rowe, Director General, Pan American Union.



had telephoned to practically all of the other Latin American diplomats. He had explained our position in the matter, and copies of our note had been transmitted to the Latin American diplomats. Our note, furthermore, had been published, and the action taken by the League had also been published. In other words, the Latin American Governments, through their representatives here, had full knowledge of what our position was.

I suggested that if it were thought advisable to have a meeting of the representatives of the Latin American states to consider the action to be taken on the Brazilian appeal, I thought the Government of Brazil was the one to call such a meeting. This could be done in Rio, where most of the South American states had diplomatic representatives, and the Central American states had consular representatives. Or, the Brazilian Ambassador in Washington could arrange such a meeting if he wanted to.

Dr. Rowe said that in the interest of gaining time he felt it would be better if the meeting could be called by the State Department and he hoped I would give consideration to his proposal. I said I would be glad to do so but that I felt, as stated to him, that this was a Brazilian proposal which had been addressed to the United States as to all the other American states; we had acted on it and it was up to the other American states to decide on their action; they were possessed of full information in the matter and if it was thought desirable to call the meeting on the Brazilian proposal I felt we should not do anything which would cross wires with Brazil and that such action had better come from Brazil itself.

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Dr. Rowe telephoned again this morning, and referring to our conversation yesterday, said that he still wanted to urge that a meeting be called by the State Department. I asked whether the Brazilian Ambassador was doing anything to sound out his colleagues as to their attitude on the Brazilian proposal. Dr. Rowe said he did not know, but would try to find out. I said that it was quite likely that many of the Latin American diplomats in Washington, in view of our note to Peru and the conversations which Mr. White had had with them, had cabled their Governments urging them to support the Brazilian offer. I asked Dr. Rowe if he knew what action, if any, had been taken by the Latin American diplomats. He said that he did not know but he thought it would be a good idea to try to find out and that he would do so. He said that in case the Brazilian Ambassador should think it advisable to call an informal meeting to line up action on the Brazilian proposal he would probably want to discuss the matter first with the State Department to see if we had any objection. I said that we of

course would have no objection and that I would be glad to discuss the matter with the Brazilian Ambassador at any time he cared to come in.

A further reason, which I did not explain to Dr. Rowe, for not complying with his request is contained in Mr. Caffery's telegram No. 22 of January 25, 8 p. m.,<sup>62</sup> which points out that Olaya had not, in fact, accepted the Brazilian proposal which the Brazilian Government informed us had been accepted by Colombia, and furthermore, that Brazil in its circular telegram to the American states had added an additional clause to its proposal, to which Olaya objected.

EDWIN C. WILSON

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721.23/894 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 27, 1933—1 p. m.

[Received 2:15 p. m.]

26. Drummond informs me that the Colombian and Peruvian representatives at their own request called on him together last evening to discuss possible methods reaching a settlement of the dispute. Sir Eric asserts that he gained the clear impression that the Peruvian delegate was trying to find some method of solution which would allow his Government to "climb down" from a position which he did not think was tenable.

Drummond told them that he happened to know that the American Government had among other suggestions to the Peruvian Government urged it to accept the "Brazilian proposals". The Peruvian delegate declared that it was the item in the proposal of the Brazilian Government that the temporary occupation of Leticia by the Brazilian authorities should terminate, he understood, in approximately 10 days, that was the most difficult point for the Peruvian Government to accept. The ensuing discussion developed the idea that it might be possible to suggest that the occupation be prolonged to a maximum of a month or 6 weeks in order to allow the present excitement in the district to die down. The Peruvian delegate seemed to think that if such a prolongation were possible and a definite date were determined in advance by the two Governments for a meeting of the proposed conference the Peruvians might accept the Brazilian suggestion. Both delegates agreed to telegraph the substance of this conversation to their respective Governments.

Drummond informs me that he made it clear to them that this was a purely personal suggestion on his part and that in doing so he in

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<sup>62</sup> Not printed.

no wise committed the League nor any member thereof. The delegates themselves were also acting entirely without instructions. Sir Eric told me, however, that he understood that both Santos of Colombia and Calderón of Peru, the representatives in question, were men who had considerable influence with their Governments.

GILBERT

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721.23/907 : Telegram

*The Peruvian Minister for Foreign Affairs (Manzanilla) to the Secretary of State*

[Translation]

LIMA, January 27, 1933.

[Received 10:28 p. m.]

I had the honor of receiving day before yesterday the important telegram from Your Excellency in which, after surveying the telegram addressed to me by the Minister of Foreign Affairs of Colombia on the 9th [*11th?*] of this month and the reply which I made thereto on the 14th and referring to the telegram from the same Minister of the 11th, transmitted to this Ministry by the Secretariat of the League of Nations, Your Excellency was pleased to express frankly your disappointment at my statement that the military measures taken by the Peruvian authorities of Loreto were undertaken in consequence of the ones which the Colombian Government finds itself compelled to employ in order to reinstall in the territory of Leticia its deposed authorities. It would be regrettable to have been the involuntary cause of that disappointment, which I could never have supposed would be produced in Your Excellency's mind. What has been done by the authorities of Loreto constitutes simply an act of elementary foresight, in view of the size of the forces that Colombia was sending to dominate Leticia; a much-talked-of expedition of seven vessels armed for war, carrying troops to be landed, to the number of more than a thousand soldiers, according to authoritative reports. Under these circumstances it was an act of unavoidable prudence for the authorities of Loreto to take measures which have been only of a purely defensive character in prevision of unexpected emergencies. Such is the significance which the slight preparations of a military nature made at Loreto had and now have. Now as to the juridical position which Peru assumes in this conflict with Colombia, I can only repeat what I have been glad to declare on various occasions: my Government, having had absolutely nothing to do with the events of September 1, 1932 at Leticia, prevented legally and politically from controlling such events, recognizing the force and validity of the Boundary Treaty of 1922

with Colombia<sup>63</sup> and disposed as it is to discuss amicably the rectification of the frontier line established in that Treaty, cannot be indifferent to the lot of the Peruvians who are occupying Leticia. They manifested by their attitude the national feeling of repulsion against the Treaty that has been produced in the country. It is just for the purpose of satisfying that national aspiration represented by the events of Leticia that we wish to negotiate with Colombia directly or through the mediation of another Government, but we believe that in the meantime and since we are going to negotiate the rectification of the line of the Treaty there is neither reason nor right in using such violent means as are represented by the Colombian military expedition to subdue the occupants of Leticia, who are defending the rights of mankind. These Peruvians have not committed any crime. As a minority, they are exercising the universally recognized right to have their political significance taken into account and as Peruvians they claim the right to free choice with regard to the change of nationality which was forced upon them without their consent by the cession of the territory in which they live. We do not deny Colombia's right to Leticia, which is based solely on the validity of the Treaty, although that Treaty dates back only two [*ten?*] years and has taken the place of the right representing colonial possession for three centuries and that of a hundred years more in the republican era. But the Colombian flotilla and its landing forces are not going to subjugate the neoColombian territory of Leticia, but its present inhabitants, all Peruvians, whose aspiration is received by my Government, in order to attempt to realize it by means of friendly negotiations with Colombia.

In the Treaty of 1922 Colombia undertook to surrender certain territories to Peru. That pledge has not been complied with. Nevertheless, Peru, respecting her international pacts, has not disregarded the Treaty as she could have done, for one of its stipulations was left unexecuted, which is a resolatory condition for the others. And she has not even attempted to recover by force the territories which have not been turned over to her. The true significance of my Government's declarations is that it cannot view with indifference the aggression against the Peruvians at Leticia, gathered there to demand that their rights be respected. We have already agreed that it be turned over to Brazil as a sacred trust to be administered provisionally while Peru and Colombia decide its final destiny in direct negotiations or by means of arbitration and we object to Colombia again having under her authority the Peruvians who revolted against her, and that after forcing it upon them by the violent means represented by the cannon of seven ves-

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<sup>63</sup> Signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also *Foreign Relations*, 1923, vol. I, pp. 351 ff., and *ibid.*, 1925, vol. I, pp. 461 ff.

sels armed for war and the action of more than a thousand soldiers who are going to be sent forth as conquerors. We are not violating the Briand-Kellogg Pact, because Peru is the very country that is seeking a peaceful settlement of the conflict that has arisen. It is Colombia that prefers to impose her will by violence and that has mobilized considerable forces for that purpose, while on our part not a soldier nor a vessel has left our territory and we have not acquired a single vessel more.

In contrast to this moderate and peaceful attitude of Peru, it is well known that Colombia has been putting out numerous loans since September 10, among them the one called the victory loan, a revealing name which would be inexplicable if it had been intended to devote it solely to restoring order in such a small place as Leticia. She has improvised a large fleet, arming merchant vessels for war, which vessels are ascending the Amazon in a guise which in itself alone constitutes the start of an aggression. She has acquired considerable quantities of arms of every kind in various countries and in order to supply the deficiencies of her naval and military personnel has enlisted legions of adventurers in European and American ports in order to make use of the perverse inclinations of those people in the execution of its purpose of drowning in blood the patriotic aspirations of the Peruvians in Leticia, and as if all this were not enough, the Colombian authorities of the Putumayo have for more than 2 months past been taking possession, by force, of various Peruvian merchant steamers which were there under the guaranty of the Treaty in force and have kidnapped their crews, interning them in highland towns of their country and a campaign of cruel persecution has been begun against the Peruvians who were residing tranquilly in Colombia, devoted to their work. All this in order to reduce a town, like Leticia, if one can believe the Colombian accounts.

In view of these incontestable and revealing facts, these accounts which my Government has denied are worthless.

Your Excellency knows, without doubt, that my Government sought for the friendly solution of this conflict, the cooperation of the Conciliation Commission at Washington, refused by the Colombian Government, and it accepted immediately, with pleasure, and from the first moment, the mediation of Brazil; then, in the discussion of the three bases presented, it accepted without condition the first, proposed a modification in the second, to the effect of appointing a mixed Peruvian-Brazilian commission of persuasion; that, this not having been accepted, has been replaced by the initiative of general arbitration, and it has requested clarification of the third.

The opinion of the Brazilian Government, which deserves from us, as was to be expected, the highest consideration, has not yet been communicated to us.

In this situation, as in every other, Peru will comply strictly with the international pacts which it has signed, and particularly, those guaranteeing peace between the nations of the American continent.

She has not forgotten the Pact of Paris and will comply with it, as she will likewise comply with the Resolution approved at the Habana Conference<sup>64</sup> to which Your Excellency refers, and she will be consistent with the declaration, of which she has been reminded, of August 3, 1932.<sup>65</sup> There exists, for this, not only the motive of the public faith which has been pledged, but also the circumstance that all those international undertakings were perfected with the enthusiastic and decided cooperation of the Government of Peru: it is therefore logical that I should declare in its name that at no time, and for no reason have we contemplated, even as a remote possibility, the acquisition, whether on a large or small scale, of any territory whatever, by means of occupation or conquest by force of arms.

What my Government does desire, with serenity but with firmness, is the rectification of the Colombian-Peruvian boundary, consisting of the revision of the Salomon-Lozano Treaty, both because the Treaty is impracticable and because the Treaty has not been carried out on the part of Colombia.

J. M. MANZANILLA

721.23/915 : Telegram

*The Minister in Ecuador (Dawson) to the Secretary of State*

QUITO, January 30, 1933—11 a. m.

[Received 5:10 p. m.]

4. Ecuadorean Minister in Lima delivered Saturday a note in which Ecuador expresses the hope that Peru will observe obligations Kellogg Pact will not reject Brazilian mediation or other eventual friendly offices. Note also urges a just and definitive solution of all Amazon territorial problems including those of Ecuador. A generally similar note omitting reference to Kellogg Pact will be delivered today to Colombian Minister at Quito. I am informed that texts of both notes will be telegraphed to Ecuadorean Minister at Washington.<sup>66</sup> In apprising me of the foregoing the Minister for Foreign Affairs renewed his plea for any assistance practicable in assuring Ecuadorean partic-

<sup>64</sup> See Resolution on Aggression (February 18, 1933), Sixth International Conference of American States, *Final Act, Motions, Agreements, Resolutions and Conventions* (Habana, 1928), p. 179.

<sup>65</sup> *Foreign Relations*, 1932, vol. v, p. 159.

<sup>66</sup> Not printed.

ipation in negotiations. He informs me that the Peruvian Minister for Foreign Affairs has again assured the Ecuadorean Minister in Lima that Peru is agreeable to Ecuador's participation if Ecuador is invited by Brazil.

DAWSON

721.23/912 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, January 30, 1933—2 p. m.

[Received January 30—1:45 p. m.]

30. Drummond has imparted to me informally the gist of a conversation with Santos<sup>67</sup> and Calderón<sup>68</sup> on January 28. It appears that Calderón had submitted to Drummond on his own responsibility and without consulting his Government certain "proposals" on which, in his opinion, a settlement of the controversy might be based (I can telegraph them if desired).

Drummond suggested, and the Colombian and Peruvian representatives fully concurred, that in view of the definite proposals now before the Peruvian Government, among them that of the United States of January 25, it would be advisable at present to abstain from further action here having the aspect of "negotiations", thus allowing the governments which are intervening in the dispute sufficient time to develop their action particularly as it was felt that any new suggestions emanating from Geneva now might create confusion and result in a misunderstanding.

For the Department's information, however, I submit the following two points brought out in the course of the conversation:

(1) Santos said that he had "definite information that the Colombian Government could not accept to begin negotiations with Peru until the territory in dispute has been restored to the Colombian authorities".

(2) Apropos of a statement by Calderón expressing fear that the continued advance towards Leticia of the ships sent by Colombia would be considered by Peru as a method of pressure and therefore render the negotiations more difficult, Santos said that he had already telegraphed personally urging that the ships remain as far as possible where they were. He had made it clear, however, that this was his own suggestion and did not come from the League.

GILBERT

<sup>67</sup> Eduardo Santos, Acting Head of the Permanent Delegation of Colombia to the League of Nations, Envoy Extraordinary and Minister Plenipotentiary of Colombia, on special mission in Europe.

<sup>68</sup> Francisco García Calderón, Peruvian Minister in France, Delegate to the League of Nations.

721.23/907 Supp. : Telegram

*The Secretary of State to the Peruvian Minister for Foreign Affairs  
(Manzanilla)*

WASHINGTON, January 30, 1933.

Your Excellency's telegram of January 27 has been received and I have been very pleased to note your statement that the Government of Peru has not forgotten and will abide by the Pact of Paris and will fulfill also the Resolution approved at the Sixth Pan American Conference and the declaration of the American nations of August 3, 1932. I hope that Your Excellency's Government will now see its way clear promptly to accept the Brazilian proposal without modification so that bloodshed may be avoided and this situation may be definitely and peacefully settled.

HENRY L. STIMSON

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721.23/907 Supp. : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, January 30, 1933—5 p. m.

18. With reference to Department's circular telegram of January 25, Secretary of State today sent following reply to Minister of Foreign Affairs of Peru to his telegram of the 27th :

[Here follows text of telegram of January 30 to the Peruvian Minister for Foreign Affairs, printed *supra*.]

I desire you to suggest to the Minister of Foreign Affairs that if he finds that Peru does not accept the Brazilian proposal within a reasonable time and that consequently it is impossible longer to have the Colombian Government detain its ships from going to Leticia, the Brazilian Government consider whether it would not then be well as a last effort for the Brazilian Government to remind the Peruvian Government of its statements that it will abide by the Pact of Paris and other treaties and also that the Colombian Government definitely stated in its telegram of January 11th to the Minister of Foreign Affairs of Peru<sup>69</sup> that Colombian forces are going to Leticia on a peaceful mission of reestablishing Colombian authority in Leticia and will not attack Peruvian forces unless first attacked by them, and that, in view of these statements of both Governments and the failure of Peru to accept the Brazilian proposal, Brazil suggest, as the then most satisfactory remaining way of preserving peace, that the Peruvian Government instruct the Peruvian forces not to interfere with the Colombian forces advancing on Leticia and publicly advise the

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<sup>69</sup> League of Nations, *Official Journal*, April 1933, p. 609.



occupiers of Leticia to offer no resistance to the peaceful reestablishment by Colombia of her sovereign authority in that area. This would permit the reoccupation of Leticia by Colombia without bloodshed after which the conference in Rio, under the good offices of the Brazilian Government, could then adjust any other outstanding matters between the two countries.

STIMSON

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721.23/934 : Telegram

*The Peruvian Minister for Foreign Affairs (Manzanilla) to the Secretary of State*

[Translation]

LIMA, January 31, 1933.

[Received 1:35 p. m.]

With reference to my telegram of the 27th and to Your Excellency's of today [*yesterday*], I have the honor to inform you that I have just notified the Brazilian Government of the unconditional acceptance of the first and third bases proposed and acceptance of the second one in such form that Leticia may appear transferred to the administration of Brazil during negotiations, not only by request of Peru but also by that of Colombia, which would mean theoretically the exercise by Colombia of an act of sovereignty over Leticia, thus leaving untouched what she considers a question of national honor in asking for the transfer of that town. With this and the proposal for general arbitration, my Government believes it has given new proof of its love for peace and its friendship toward Colombia and the mediating Government.

MANZANILLA

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721.23/929 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, January 31, 1933—3 p. m.

[Received January 31—1:25 p. m.]

10. Department's telegram No. 18, January 30, 5 p. m. Have conversed with Minister for Foreign Affairs over your telegram. He will adopt your suggestions should circumstances develop to the point you outline. Up to noon today no report from Lima to Brazil's request for acceptance without modification of her proposal.

MORGAN

721.23/852a Supp. : Circular telegram

*The Secretary of State to Certain Diplomatic Missions in Latin America*<sup>70</sup>

WASHINGTON, February 1, 1933—7 p. m.

Department's circular telegram January 25, 4 p. m. Please telegraph whether the Government to which you are accredited has sent any note to Peru urging the Peruvian Government to abide by the commitments undertaken by it in the Pact of Paris and the declaration of August 3, last, and to accept the Brazilian proposal. If no action has been taken you should discreetly point out to the Foreign Minister the urgency of the matter in view of the imminent danger of a clash and the importance of doing everything possible to prevent a possible violation of the Kellogg Pact and the August 3 declaration. You may say that this Government continues to extend its fullest support to the Brazilian proposal and to urge Peru's unconditional acceptance thereof.

STIMSON

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721.23/932 : Telegram

*The Secretary of State to the Ambassador in Great Britain (Mellon)*

WASHINGTON, February 1, 1933—7 p. m.

25. British Chargé yesterday left *aide-mémoire*<sup>71</sup> at Department regarding Leticia matter which seems to me to be such a wrong approach to this question that I want you to take the matter up with the Secretary of State for Foreign Affairs in an endeavor to have the British Government support in Lima the Brazilian proposal for a settlement and recall to Peru her obligations under the Kellogg Pact as requested by the Colombian Government.

*Aide-mémoire* first states that British Government has been supporting at Bogotá and Lima the offer of Brazilian Government to take over disputed territory for 2 or 3 months while direct negotiations proceed between the Peruvian and Colombian Governments. That is not the Brazilian proposal. Brazilian proposal is that Peru turn over Leticia to Brazil, that Brazil within a few days will turn territory over to Colombia, and that after it has been restored to Colombia then negotiations will be opened in Rio between Colombia and Peru to settle any outstanding differences.

British Ambassador on January 26 left with me an *aide-mémoire*<sup>71</sup> which showed this same misconception of Brazilian proposal and at-

<sup>70</sup> Chile, Costa Rica, Cuba, Dominican Republic, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, and Venezuela.

<sup>71</sup> Not printed.

tion of British Ambassador was called to this error by a personal letter. *Aide-mémoire* of 31st however persisted in same error.

Yesterday's *aide-mémoire* advanced following proposal of British Government:

1. Peru to agree that Leticia be forthwith taken over by Brazil for period not to exceed 4 months.
2. Peru and Colombia to institute immediate direct negotiations with a view to arriving at an amicable settlement of dispute.
3. If after a period of 2 months no direct settlement has been reached between the parties, dispute should be submitted unreservedly to a commission composed of representatives of the Brazilian, the United States and United Kingdom Governments; Peruvian and Colombian Governments agreeing in advance to accept decision of the commission.
4. Unless any other terms of reference to a neutral commission can be previously agreed upon between Peruvian and Colombian Governments, the mandate of the commission shall be limited to deciding whether Leticia shall be handed over to Colombia or to Peru.

Department immediately sent an *aide-mémoire* to British Embassy yesterday<sup>73</sup> setting forth fully reasons which compel it to conclusion that British proposal does not, in its opinion, meet requirements of the case. First of all, error regarding Brazilian proposal was pointed out. Secondly, as regards British proposal, it was pointed out that it in effect submits to the decision of a foreign commission question of whether Leticia shall be turned over to Colombia or Peru. This territory was recognized by Peru in the Salomon-Lozano Treaty of 1922 as belonging to Colombia and in the course of the last 5 months Peru has repeatedly confirmed her view that this Treaty is in effect and that Leticia belongs to Colombia. There is no question on that point. Therefore, to submit such a question to arbitration would, in the view of this Government, put a premium on the forceful seizure of territory and would be a derogation of the all important principle of the sanctity of treaties. This Government feels that in present chaotic condition of world affairs in general respect for treaties should be maintained unimpaired, and it is not pleasant to envisage the chaos that would ensue should there be a general breakdown of respect for treaties and international obligations. Department's memorandum stated that any action which encourages use of force to seize territory, as Peru has done, or to hold it as a gage to force the revision of a treaty, should be resisted to the utmost. To carry out British proposal would force Colombia to put in jeopardy territory which Peru definitely recognizes as belonging to Colombia. It is the information of this Government, based on statements of Peruvian Government itself, that real interest of Peruvian Government is to obtain Leticia and that any moves toward a general modification of frontiers are merely with this end in view.

<sup>73</sup> Not printed.

There are therefore two major reasons why United States does not feel it can support British proposal. First and primarily because it would tend to a breakdown in respect for sanctity of treaties and would lead, in the opinion of this Government, to grave international ills. Secondly the proposal seems to overlook the very vital and legitimate interests of one of the parties to the dispute. On account of internal political conditions furthermore the Colombian Government could not remain in office if it should make subject to the hazard of an arbitration territory which everyone, even Peru, recognizes as Colombian. British *aide-mémoire* specifically recognizes the territory as unquestionably Colombian. This Government did so in its telegram of January 25 to Minister of Foreign Affairs of Peru and the League of Nations did so when it rejected the Peruvian request that the League call on Colombia to desist from sending forces to retake Leticia. The League declined to take the action because it said that Leticia was recognized as Colombian in the Treaty between Peru and Colombia of 1922 registered with the League.

Furthermore this Government could not support the British proposal without knowing that it would not conflict with measures being taken by Brazilian Government to bring about a solution of the matter. The experience of this Government indicates that when two or more proposals are made in a dispute of this sort each party accepts the proposal which appears most favorable to its interests with the result that each party accepts a different proposal and there is no accord between them. For that reason this Government has refrained from making any direct suggestions to either Peru or Colombia in view of the action which the Brazilian Government is taking in trying to find a formula acceptable to both. Any suggestions this Government has had in the matter it has communicated to Brazilian Government as it feels that only in that way is it possible to avoid confusion and complication of the issue.

I should like you to discuss the matter at once with Sir John Simon <sup>74</sup> and point out the reasons why I feel this proposal is thoroughly unsound and urge him to make representations in Lima to the Peruvian Government to abide by its commitments under the Kellogg Pact and to support the real Brazilian proposal. Otherwise there will be great confusion.

STIMSON

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<sup>74</sup> British Secretary of State for Foreign Affairs.

721.23/949 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 2, 1933—11 a. m.

[Received 11:50 a. m.]

18. Your circular telegram of February 1, 7 p. m. See the last paragraph of my telegram No. 16 of January 28, 2 p. m.<sup>75</sup>

WHEELER

721.23/952 : Telegram

*The Minister in Costa Rica (Eberhardt) to the Secretary of State*

SAN JOSÉ, February 2, 1933—11 a. m.

[Received 2:04 p. m.]

3. Referring to Department's circular telegram of February 1, 7 p. m., see my despatch 1297, January 31st,<sup>76</sup> which left yesterday by air mail, for text of Costa Rican cable to Peru where hope expressed Brazilian proposal be accepted.

EBERHARDT

721.23/950 : Telegram

*The Minister in Guatemala (Whitehouse) to the Secretary of State*

GUATEMALA, February 2, 1933—11 a. m.

[Received 2:02 p. m.]

5. Your circular February 1, 7 p. m. Guatemalan Government telegraphed Peruvian Government about 10 days ago.<sup>77</sup>

WHITEHOUSE

721.23/951 : Telegram

*The Ambassador in Cuba (Guggenheim) to the Secretary of State*

HABANA, February 2, 1933—noon.

[Received 2 p. m.]

8. Department's circular telegram February 1, 7 p. m. Cuban Government on January 27th instructed its Chargé d'Affaires at Lima as follows:

<sup>75</sup> It read: "At Brazil's request Paraguay today telegraphed Peru urging her to accept Brazil's proposal, already accepted by Colombia, to the effect that Peru retire all Peruvians from Leticia after which Brazil will return the territory to Colombia as a preliminary to a reconsideration of the treaty." (724.3415/2837)

<sup>76</sup> Not printed.

<sup>77</sup> In reply to an inquiry from the Department whether the telegram was based on the Kellogg Pact, the Minister in Guatemala replied in telegram No. 6, February 2, 11 a. m.: "Yes." (721.23/950, 992)

"This Chancellery is pleased to accede to the Brazilian proposal not only in the interests of American peace but also because while saving Colombia's honor it opens the way to Peruvian aspirations. You are requested to act accordingly."

The Cuban Secretary of State<sup>78</sup> informs me that *démarche* has been made pursuant to this instruction. He will today send further telegraphic instructions to the Chargé d'Affaires at Lima directing him to emphasize Cuba's interest in preventing a clash and to urge Peru's unconditional acceptance of Brazilian proposal as offering best means to this end. Ferrara says he has refrained from basing representations to Peru on Kellogg Pact as he feels that from a purely juridical standpoint Colombia's military preparations might be construed as indicating an intention on the part of that Government to employ other than pacific means for settlement of the dispute.

Ferrara offers to cooperate to fullest extent in efforts to preserve peace.

GUGGENHEIM

721.23/958 : Telegram

*The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State*

SANTO DOMINGO, February 2, 1933—noon.

[Received 5:05 p. m.]

2. Department's circular telegram February 1, 7 p. m. Minister of Foreign Affairs informs me that at the instance of the Brazilian Government the Dominican Government on January 30 telegraphed the Peruvian Government supporting Brazilian proposal for the settlement of Leticia controversy as fair and reasonable and urging its acceptance by Peru.

SCHOENFELD

721.23/954 : Telegram

*The Minister in Nicaragua (Hanna) to the Secretary of State*

MANAGUA, February 2, 1933—noon.

[Received 3:15 p. m.]

25. Department's circular February 1, 7 p. m. On January 27 Nicaraguan Minister for Foreign Affairs, in response to an appeal of the Chargé d'Affaires of Brazil in Habana, sent a telegram to the Peruvian Minister for Foreign Affairs requesting the Government of Peru to accept the Brazilian proposal referred to.

HANNA

<sup>78</sup> Orestes Ferrara.

721.23/953 : Telegram

*The Ambassador in Mexico (Clark) to the Secretary of State*

MEXICO CITY, February 2, 1933—1 p. m.

[Received 3:25 p. m.]

24. Referring to Department's circular telegram February 1, 7 p. m., 1933. Notwithstanding Mexico has no diplomatic relations with Peru (see my telegram 90, May 25, 7 p. m., and Department's instruction 671, May 28, 1932<sup>79</sup>) I discreetly interviewed the Minister of Foreign Affairs this morning, who confirmed the impression I previously had, that owing to the fact that Mexico has no diplomatic relations with Peru it is not possible for Mexico to make any representations to Peru on this matter.

CLARK

721.23/956 : Telegram

*The Minister in Panama (Davis) to the Secretary of State*

PANAMA, February 2, 1933—5 p. m.

[Received 5:15 p. m.]

22. Department's circular telegram February 1, 7 p. m. The following telegram was sent to the Peruvian Government January 27 by the Panaman Government:

"The Government of Panama being profoundly alarmed by the possibility of an armed conflict between your country and the Republic of Colombia permits itself as a signatory of the Pact of Paris of August 27, 1922 [1928], which was likewise signed by Peru, to appeal in behalf of the peace of the continent to the sentiments of elevated Americanism by which Your Excellency's illustrious Government has always been inspired."

DAVIS

721.23/951 : Telegram

*The Secretary of State to the Ambassador in Cuba (Guggenheim)*

WASHINGTON, February 2, 1933—6 p. m.

5. Your 8, February 2, noon. Please explain to Mr. Ferrara the background of the Leticia matter as set forth in the telegram which the Secretary of State sent to the Minister of Foreign Affairs of Peru on January 25, a copy of which was sent to you in Department's circular instruction of same date.<sup>80</sup> Colombia is merely defending her own territory; territory which has been recognized by all, including

<sup>79</sup> Neither printed.<sup>80</sup> Not printed.

Peruvian Government, as being Colombian. Department thinks it important that Cuba should support action on basis of Kellogg Pact.  
STIMSON

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721.23/957 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 2, 1933—6 p. m.

[Received 6:05 p. m.]

21. Department's circular February 1, 7 p. m., and my despatch No. 1369, January 25th.<sup>81</sup> Chilean President has strongly urged acceptance Brazilian proposal. I had already talked with the Foreign Minister in the sense of the Department's telegram and understand that while he contemplates sending a communication to Peru on the basis of the Pact of Paris he is reserving action until his conference with the Argentine Foreign Minister.

In my opinion while recognizing the justice of Colombia's position Chile hesitates to bring the full pressure of its diplomacy to bear on Peru because it is concerned with the delicate internal situation in Peru which in its opinion prevents Peruvian President from making any substantial concessions. Also Chile has consistently underestimated the determination of Colombia. Further cable follows after the return of the Foreign Minister.

CULBERTSON

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721.23/985 : Telegram

*The Minister in Costa Rica (Eberhardt) to the Secretary of State*

SAN JOSÉ, February 3, 1933—9 a. m.

[Received 12:45 p. m.]

4. Your telegram No. 3, February 2, 6 p. m.<sup>82</sup> Costa Rican telegram made no mention of Kellogg Pact but invoked American brotherhood in expressing fervent hope that proposal of Brazilian Government seconded by Costa Rica would be accepted. I cited Kellogg Pact to the Minister for Foreign Affairs and told him that the Government of the United States continues to extend its fullest support to the Brazilian proposal and to urge Peru's unconditional acceptance thereof.

EBERHARDT

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<sup>81</sup> Latter not printed.

<sup>82</sup> It read: "Your 3, February 2, 11 a. m. Was Costa Rican telegram to Peru based on Kellogg Pact?" (721.23/952)



721.23/984 : Telegram

*The Ambassador in Cuba (Guggenheim) to the Secretary of State*

HABANA, February 3, 1933—noon.

[Received 12:50 p. m.]

9. Department's telegram No. 5, February 2, 6 p. m. In my presence this morning Secretary Ferrara dictated a telegram to Cuban Chargé d'Affaires at Lima instructing him to present a note supporting action on the basis of the Kellogg Pact.

GUGGENHEIM

721.23/991 : Telegram

*The Minister in Haiti (Armour) to the Secretary of State*

PORT-AU-PRINCE, February 3, 1933—2 p. m.

[Received 2:40 p. m.]

5. Reference to Department's circular telegrams of January 25, 4 p. m., and February 1, 7 p. m., Foreign Office informs me that in accordance with a request received from the Brazilian Government, Haitian Government sent to Peruvian Minister for Foreign Affairs, on January 28 last, a telegram along the lines indicated in Department's circular under reference.

ARMOUR

721.23/990 : Telegram

*The Minister in Nicaragua (Hanna) to the Secretary of State*

MANAGUA, February 3, 1933—3 p. m.

[Received February 3—2:10 p. m.]

26. Department's 6, February 2, 6 p. m.<sup>83</sup> Minister of Foreign Affairs says Colombia has made no request but he will telegraph Peru today reminding it of its commitments under Kellogg Pact and declaration of August 3.

HANNA

721.23/989 : Telegram

*The Ambassador in Great Britain (Mellon) to the Secretary of State*

LONDON, February 3, 1933—3 p. m.

[Received February 3—12:50 p. m.]

21. I discussed Department's 25, February 1, 7 p. m., with Simon last evening who informed me that the British Government was in

<sup>83</sup> It read: "Your 25, February [2], noon. Was action also taken on basis of Kellogg Pact as requested by Colombia?" (721.23/954)

entire accord with the juridical argument of the American position as set forth in your note and stated that the British Chargé d'Affaires in Washington had been instructed on February 1st to advise Department that "In view of the attitude of the United States Government I shall proceed no further in the matter and can only hope that serious conflict will not ensue."

Simon informed me he would let me know his decision at an early date in regard to representations at Lima under the Kellogg Pact. However, Craigie<sup>84</sup> stated confidentially this morning he expected British Minister to Peru would probably be consulted previously.

MELLON

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721.23/994 : Telegram

*The Minister in Venezuela (Summerlin) to the Secretary of State*

CARACAS, February 3, 1933—5 p. m.

[Received 7:12 p. m.]

2. Department's circular telegram February 1, 7 p. m. The Foreign Office states that it is now sending a telegram to Peru supporting the position taken by the Department.

SUMMERLIN

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721.23/957 : Telegram

*The Secretary of State to the Ambassador in Chile (Culbertson)*

WASHINGTON, February 3, 1933—5 p. m.

13. Your 21, February 2, 6 p. m. I trust the Chilean Government will take action on the basis of the Kellogg Pact. Of course Argentina is not a signatory of the Pact and naturally will not take action thereunder. I consider it important that Chile should do so and hope you will be able discreetly to have Cruchaga see the importance of not ignoring the first appeal that any signatory of Kellogg Pact has made to its fellow signatories to have them call another signatory's attention to its obligations under the Pact.

STIMSON

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721.23/989 : Telegram

*The Secretary of State to the Ambassador in Great Britain (Mellon)*

WASHINGTON, February 3, 1933—6 p. m.

27. Department's 25, February 1, 7 p. m. and your 21, February 3, 3 p. m. I hope Foreign Office will make representations to Peruvian Government to abide by its commitments under Kellogg Pact.

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<sup>84</sup> Robert Leslie Craigie, Counselor, British Foreign Office.

For your information the German and Italian Governments have authorized their representatives in Lima to make such representations when the British and French do so.

British *aide-mémoire* of today<sup>85</sup> persists in its misunderstanding of Brazilian Government's proposal, stating "the Brazilian Government have already agreed to take over Leticia for 2 or 3 months and it would hardly be reasonable to stipulate that during that period no negotiations should take place." Brazilian Government has not agreed to take over Leticia for 2 or 3 months. That Government has consistently taken the attitude that it did not want to assume responsibility and expense for long occupation of Leticia and the longest period mentioned for Brazilian occupation has been 20 days.

STIMSON

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721.23/1000a : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 3, 1933—6 p. m.

16. Personal for Caffery from Rublee.<sup>86</sup> Paragraph 6 of the note dated January 30 from the Peruvian Foreign Minister to the Brazilian Minister in Lima suggests a definite period of 60 days for term of negotiations between Colombia and Peru and in case of a failure to reach accord that arbitration might be resorted to. Brazil is to occupy Leticia during this period. Would Olaya consent to this procedure if it were definitely provided that Brazil would return Leticia to Colombia at expiration of 60 day period? If this is acceptable to Olaya Brazil might be advised by Colombia that if Peru were to modify its reply to the Brazilian proposal accordingly this would be acceptable to Colombia.

STIMSON

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721.23/995 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 3, 1933—7 p. m.

[Received February 3—6 : 33 p. m.]

24. Supplementing my telegram No. 21, February 2, 6 p. m., Minister for Foreign Affairs showed no inclination now to take further direct action in the Leticia matter. He implied that Brazil was not sympathetic to too active a participation of Chile in the matter. The chief reason, however, in my opinion, is that he is absorbed in the Chaco question.<sup>87</sup>

CULBERTSON

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<sup>85</sup> Not printed.

<sup>86</sup> George Rublee, Financial Adviser to the Colombian Government.

<sup>87</sup> See pp. 241 ff.

721.23/1004 : Telegram

*The Minister in Paraguay (Wheeler) to the Secretary of State*

ASUNCIÓN, February 4, 1933—11 a. m.  
[Received 11:27 a. m.]

21. Your telegram No. 6, February 2, 4 p. m.<sup>88</sup> Paraguay received no request from Colombia as did other South American countries to take any action under the Kellogg Pact and for this reason in her communication to Peru (referred to in my telegram 16, January 28, 2 p. m.<sup>88a</sup>) she merely urged the latter's acceptance of the Brazilian proposal. This morning she has sent a further communication with special reference to the Pact of Paris and declaration of August 3rd.

WHEELER

721.23/1006 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 4, 1933—noon.  
[Received 12:55 p. m.]

25. I spoke to the Minister for Foreign Affairs this morning in the sense of your telegram 13, February 3, 5 p. m. His attitude still reflects a lack of definite decision to act under the Kellogg Pact. I will bring the matter to his attention again next week.

CULBERTSON

721.23/1005½ : Telegram

*The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State*

SANTO DOMINGO, February 4, 1933—noon.  
[Received 6:12 p. m.]

3. Department's telegram No. 2, February 3, 5 p. m.<sup>89</sup> Minister for Foreign Affairs informs me that the Dominican Government did not expressly allude to Kellogg Pact in its telegram to the Peruvian Government but that in supporting the Brazilian proposal it urged settlement of Leticia controversy only by pacific means. Minister for Foreign Affairs states he has received reply from Peruvian Minister for Foreign Affairs indicating acceptance of Brazilian proposal but apparently with modifications. Dominican Minister for Foreign

<sup>88</sup> It read: "Your 18, February 2, 11 a. m. Has Paraguay taken any action under the Kellogg Pact as requested by Colombia?" (721.23/949)

<sup>88a</sup> See footnote 75, p. 444.

<sup>89</sup> It read: "Your 2, February 2, noon. Has Government made representations to Peru on basis of Kellogg Pact as requested by Colombia? I consider this important." (721.23/958)

Affairs states that express reference to Kellogg Pact will be made in eventual further communication to Peruvian Government but such reference seems to have been overlooked in the telegram of January 30 sent to the Peruvian Government at the instance of Brazilian Government.

SCHOENFELD

721.23/1005a : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 4, 1933—2 p. m.

27. Department just advised by British Embassy that British Government has instructed British Minister in Lima to make representations to Peruvian Government on basis of Kellogg Pact. British Government gave as reason for its change in attitude that it has now learned that Peruvian troops, as distinguished from Peruvian individuals, are now at Leticia.

German and Italian Ambassadors state their Ministers have been instructed to act when British and French do so. French Embassy confident its Government will take similar action and that delay is caused by change in French Government.

STIMSON

721.23/1008 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 4, 1933—3 p. m.

[Received 8 p. m.]

25. Department's telegram No. 16, February 3, 6 p. m. Personal for Rublee. Do I understand your telegram correctly<sup>90</sup> as follows: Peru would turn over Leticia at once to Brazil; conference would start at once Rio de Janeiro and no matter what result conference Brazil would deliver Leticia to Colombia at expiration of 60 days? Olaya would accept that formula but would not propose it to Brazil as Brazilian Minister for Foreign Affairs has declared efforts at mediation ended and he wants to be free to have Vasocobo [*Vasquez Cobo?*] move early next week (public patience with the Government may be exhausted any moment).

CAFFERY

<sup>90</sup> In telegram No. 17, February 6, noon, the Secretary of State replied for Mr. Rublee: "Your understanding my telegram is correct."

721.23/1012 : Telegram

*The Minister in Haiti (Armour) to the Secretary of State*

PORT-AU-PRINCE, February 5, 1933—11 a. m.  
[Received 2:50 p. m.]

7. Department's telegram No. 2, February 4, 2 p. m.<sup>91</sup> The Minister for Foreign Affairs<sup>92</sup> informs me that his telegram of January 28 last made no direct reference to the Kellogg Pact although in supporting the solution proposed by Brazil the inference might well have been drawn from the language he used that his action was based on the Kellogg Pact.

Yesterday the Minister received a reply from the Minister for Foreign Affairs of Peru in which the latter stated that his Government accepted the Brazilian proposal and that negotiations were proceeding on that basis.

Monsieur Blanchet assures me that he will now send a further telegram to the Peruvian Foreign Minister expressing the Haitian Government's satisfaction at the decision to accept a peaceful solution which shows that the principles set forth in the Kellogg Pact are a living and moving force in governing the relations of the signatories with one another.

ARMOUR

721.23/1010 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 5, 1933—8 p. m.  
[Received 11:28 p. m.]

26. Olaya asked me to add following to my 25, February 4, 3 p. m.: He would insist on provision allowing free movement of Vasquez Cobo's ships during 60 days period (Vasquez would, I believe, bring his boats up the Putumayo).

CAFFERY

721.23/1195

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 6, 1933.

I telephoned our Embassy in Rio today at 12:25<sup>93</sup> and as Ambassador Morgan was out of the city spoke with Mr. Thurston. I told Mr.

<sup>91</sup> It read: "Your 5, February 3, 2 p. m. Was Haitian Government's telegram to Peruvian Minister of Foreign Affairs based on Kellogg Pact as requested by Colombia? This is important." (721.23/991)

<sup>92</sup> Albert Blanchet.

<sup>93</sup> Presumably 12:25 a. m. See telegram No. 20, February 6, 3 p. m., to the Ambassador in Brazil, p. 458.

Thurston that last Friday we had received from Lima the text of the answer made by Peru to the Brazilian proposal and asked him if they had received a copy of the text from the Brazilian Government. He said that they had not and I told him to try to get a copy right away. I quoted for his information paragraph 6 of telegram No. 54 of February 2, 3 p. m., from Lima,<sup>94</sup> reading as follows:

“For the greater workableness of this proposal and as the best guaranty of all the rights in question it would contribute greatly to fix a definite period, which may be sixty days, for the term of the negotiations which are to be initiated immediately either in Rio or in Lima.”

I said that on that basis we had made informal inquiry in Bogotá as to whether the Colombian Government would accept this proposal—that is, that a definite period of sixty days be fixed for the negotiations between Colombia and Peru; that in case of failure to reach an accord arbitration might be resorted to, and that Brazil should occupy Leticia during this period. We had inquired whether Colombia would consent to this proposal if it were definitely provided that Brazil would return Leticia to Colombia at the expiration of the sixty day period. I said that we felt that if Colombia would accept this proposal as a way out of the present impasse she should make it known perhaps to Brazil so that Brazil could try to get Peru to modify her acceptance of the proposal along those lines. We now have reason to believe that Colombia will accept this but will not suggest it to Brazil as the Brazilian Minister of Foreign Affairs, according to word we have received from Bogotá, has declared Brazil's efforts at mediation ended. I said that we had not received any word to this effect and asked Mr. Thurston to inquire right away of the Brazilian Foreign Minister whether Brazil's efforts at mediation have ended and, if not, to ask whether Brazil had thought of suggesting the above as a way out. I said that Brazil first made the proposal; Colombia accepted it; Peru made conditions to her acceptance, and there it stands and no progress has been made. Now, if Brazil can get Peru to modify her conditions in that way, we have reason to believe that Colombia will accept and that would offer a way out. The proposal then will be—Peru will turn over Leticia at once to Brazil in accordance with Article one of the Brazilian proposal; Brazil will take over Leticia; a conference will start at once in Rio, and no matter what the result of the conference may be Brazil will deliver Leticia to Colombia at the expiration of sixty days. I said that if Brazil wants to make a proposal along those lines to the Peruvian Government and feels that support by us in Lima would be helpful to her we are ready to back up her efforts in Lima. I emphasized to Mr. Thurston that

<sup>94</sup> Not printed.

the matter was very urgent and should be taken up with the Foreign Office right away as we had received confidential word from Bogotá that public patience with the Colombian Government might be exhausted at any moment and might force them to send their troops right on to Leticia.

I then referred to our telegram No. 18 of January 30, 5 p. m., and said that when the time came to take action along that line he might also suggest to the Brazilian Government that they consider the following: that as a guarantee against aggression against Peru Colombia might invite Brazil to send the Brazilian flotilla to accompany the Colombian flotilla to the Colombian port of Leticia and, if Brazil accepts the invitation as within the broad scope of its plan, it would remove the main Peruvian contention that the Colombian flotilla has hostile intentions, and might possibly prevent an impending clash.

I told Mr. Thurston that it was the other matter, however, that was urgent for the moment and asked him to take it up at once with the Minister of Foreign Affairs and to send me a brief wire this afternoon regarding it. Mr. Thurston doubted whether he would be able to send me a reply this afternoon as the Minister of Foreign Affairs was in conference and might not be able to see him. I again stressed the urgency of the matter; said that the Colombians may proceed at any time to Leticia; that the Colombian Government has been showing a great deal of restraint and moderation but public patience is at an end and the Colombian troops may be forced to move at any time, and told him to call the Foreign Minister out of the meeting if necessary.

F[RANCIS] W[HITE]

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721.23/1194

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 6, 1933.

I called the German and Italian Ambassadors by telephone and told them that some days ago they had been good enough to advise me that their Governments had instructed their representatives in Lima to make representations to the Peruvian Government in the Leticia matter on the basis of the Kellogg Pact provided the other European nations had done so. I told the German Ambassador that the Italian Government had taken similar action and vice versa. I told them both that on Saturday I was advised that the British Government had instructed their Minister in Lima to make representations on the basis of the Kellogg Pact; that the only country we are waiting to hear from now is France, and that the delay there is undoubtedly due to the change in government. I said that in view of the extreme gravity of the situation at Leticia the Secretary had asked



me to inquire of them whether they would mind suggesting to their Governments, in view of the fact that three of the four European nations are apparently ready now to go ahead, that they do so without waiting for France. They both said that they would immediately send cables to their Governments in that sense.

F[RANCIS] W[HITE]

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721.23/1013 : Telegram

*The Minister in Haiti (Armour) to the Secretary of State*

PORT-AU-PRINCE, February 6, 1933—9 a. m.

[Received 10:10 a. m.]

8. My telegram No. 7, February 5, 11 a. m. If language Haitian Minister for Foreign Affairs proposes to use in his reply to Peruvian Government is not satisfactory could Department let me know at once together with suggestions as to changes in order that I may communicate with Foreign Minister before his message is sent.

ARMOUR

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721.23/1031 : Telegram

*The Minister in Costa Rica (Eberhardt) to the Secretary of State*

SAN JOSÉ, February 6, 1933—10 a. m.

[Received 3:43 p. m.]

6. Referring to Department's telegram No. 4, February 4, 2 p. m.,<sup>95</sup> Costa Rican Minister for Foreign Affairs assures me he is cabling note to Peru invoking Kellogg Pact. Text of such note will be transmitted to the Department when available.<sup>96</sup>

EBERHARDT

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721.23/1014 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 6, 1933—11 a. m.

[Received 12:05 p. m.]

27. My 25, February 4, 3 p. m. Personal for Rublee: Olaya yesterday informed Foreign Affairs Advisory Committee, which includes Lopez and Valencia, of suggestions and also advised Santos at Geneva. Last night Committee submitted report unanimously opposing suggestion and insisting that only possible formula is original Brazilian one. This morning he received telegram from Santos in the same sense. Olaya must therefore withdraw acceptance.

CAFFERY

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<sup>95</sup> Not printed.

<sup>96</sup> Note dated February 6, transmitted in despatch No. 1305, February 7, not printed.

721.23/1022 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 6, 1933—2 p. m.  
 [Received February 6—1:40 p. m.]

94. Drummond tells me that his latest information is to the effect that Peru has rejected the Brazilian proposals; that Brazilian mediation has come to an end and that an armed clash seems likely between Peruvian and Colombian forces on the latter's territory. He adds that situation may momentarily become serious and cooperation of great importance. He would much appreciate any information you have tending to confirm or refute these reports.

WILSON

721.23/1034 : Telegram

*The Minister in Haiti (Armour) to the Secretary of State*

PORT-AU-PRINCE, February 6, 1933—2 p. m.  
 [Received 4:40 p. m.]

9. My telegram No. 8, February 6, 9 a. m. Haitian Government is sending following reply to Minister for Foreign Affairs of Peru which I think Department will agree bases the Haitian Government's action more definitely on Kellogg Pact even than language mentioned in my last telegram:

"My Government warmly congratulates Your Excellency's Government in having accepted the mediation of Brazil and remains convinced that the pending difficulties will be pacifically and definitely solved in conformity with the Briand-Kellogg Pact."

ARMOUR

721.23/1032 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 6, 1933—3 p. m.  
 [Received 5:40 p. m.]

68. Leticia.

1. British Minister now completely straightened out and, under instructions from London to do so, orally informed Manzanilla at noon, 5th, British Government had learned Peruvian troops conscripted in Eastern Peru were in Leticia and desired to draw Peru's earnest attention to her obligations under article 2 of Pact of Paris.

2. Manzanilla asserted Peru had every intention of observing her obligations under Paris Pact but British Minister smoked him out drawing forth by questions that Peru will hold Leticia, will positively

not accept point 2 Brazilian Plan unless altered to meet Peruvian wishes and that action by Colombia against captors in Leticia will draw Peruvian attack.

3. Manzanilla hedged about presence of Government troops and Minister of War in Leticia but would not deny it, saying he did not know.

4. British Minister pointed to adverse opinion of world and Peru's opportunity under Brazilian Plan to save her face. Manzanilla stated world opinion would have to be ignored if it meant abandoning captors or Loreto and that Peru had been trying to save Colombia's face.

5. British Minister found Manzanilla absolutely stubborn and optimistic and not to be moved by statement Peru will win more by peaceful negotiations than by war and that Peru has made exceptional gain in getting commitment from Colombia through Brazilian good offices to discuss Salomon-Lozano Treaty. Manzanilla wants everything.

6. British Minister warned Manzanilla his optimism was fatal and that he must not wait too long to seize the right course. He has reported fully to London by telegraph.

7. British Minister, Bogotá, reported Colombia impatient and planning to attack 6th.

DEARING

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721.23/1014 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 6, 1933—3 p. m.

20. Reference White's telephone conversation Thurston this morning.<sup>97</sup> Telegram just received from Bogotá indicates change in situation and that President Olaya withdraws his acceptance of proposal mentioned.

STIMSON

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721.23/1005a Supp. : Telegram

*The Secretary of State to the Ambassador in France (Edge)*

WASHINGTON, February 6, 1933—5 p. m.

29. On January 24 Secretary invited French, British, German, Italian and Japanese Ambassadors to confer with him<sup>98</sup> regarding appeal received by signatories of Briand-Kellogg Pact on account of

<sup>97</sup> See memorandum by the Assistant Secretary of State, February 6, p. 453.

<sup>98</sup> See memorandum by the Assistant Secretary of State and comment thereon by the Secretary of State, January 25, p. 421.

Leticia matter. On January 25 Secretary cabled fully his views in matter to Minister of Foreign Affairs of Peru and called Peru's attention to her obligations under Kellogg Pact and supported proposal made by Brazilian Government for a settlement of the difficulty. The other American nations have taken or are taking similar action.

German and Italian Governments have instructed their Ministers in Lima to make similar representations if British and French Governments do the same. On Saturday British Government instructed its Minister in Lima to take similar action. French Ambassador here has been unable to get any word from his Government as to action it proposes to take. This is doubtless due to change in Government.

Situation at Leticia is most serious and is rapidly reaching a climax. Background of matter is clearly set forth in my telegram of December [January?] 25 to Minister of Foreign Affairs of Peru,<sup>99</sup> copy of which I have asked Consul at Geneva to send to you. I feel sure that French Government will want to take a position supporting sanctity of treaties and opposing thesis that a country which does not like a treaty in force can seize territory and hold it as a gage to force other party to modify treaty. Please take matter up as quickly as possible with Minister of Foreign Affairs and urge that instructions be sent to French Minister in Lima to support Briand-Kellogg Pact and to call Peruvian Government's attention to its obligations thereunder. Cable result.

STIMSON

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721.23/1022 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, February 6, 1933—5 p. m.

63. Your 94, February 6, 2 p. m. Department's information indicates that while the Brazilian Government is perhaps contemplating termination of mediation the door is still left open. The danger of a conflict is however serious. Department is watching situation very carefully and is of course disposed to cooperate in all proper peace efforts. Department still feels the best course to pursue at present is to back Brazilian Government and Department is in cable communication with Rio and also by telephone. Department will be glad to keep Drummond informed through you of any important developments.

STIMSON

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<sup>99</sup> *Ante*, p. 423.

721.23/1014 : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 6, 1933—5 p. m.

18. Your 27, February 6, 11 a. m. Department on basis of your 25, February 4, 3 p. m. telephoned Embassy Rio this morning<sup>1</sup> instructing it to make suggestion to Brazilian Government that it might want, as a way out of apparent impasse, to suggest that Peru modify its reply to Brazil in sense that Peru would turn over Leticia at once to Brazil, conference would start at once in Rio, and no matter what result of conference Brazil would deliver Leticia to Colombia expiration of 60 days.

Department has not been advised by Brazil that that Government has declared mediation ended and asked Embassy to inquire. Embassy also had not been advised mediation was over.

Department made no mention of freedom of movement of Vasquez Cobo's ships during 60 day period as it felt this might only precipitate a clash and hope that you would be able to persuade Olaya that in case proposal is accepted ships should be withdrawn to Manaos or at least to Teffe.

Department is extremely disappointed that Olaya has withdrawn his acceptance. The future peace in Leticia and friendly relations between Colombia and Peru unfortunately depend in large part on acceptance by Loretanos of new situation and it was hoped that during 60 day negotiations at Rio it would be possible to bring Loretanos around to acceptance of any agreement arrived at between the two Governments. Otherwise Colombia will have to maintain permanently a very strong garrison at Leticia with danger of constant incidents. I earnestly hope therefore that Olaya will accept this proposal which seems perfectly reasonable.

STIMSON

721.23/1014 Supp. : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 6, 1933—5 p. m.

21. Department's 20, February 6, 3 p. m. Following telegram has just been sent to Legation Bogotá:

(Here quote attached telegram to Bogotá)<sup>2</sup>

Minister Wilson Geneva cables today Drummond tells him he understands Brazilian mediation has come to an end, that armed clash seems likely and that cooperation is of great importance. Department has

<sup>1</sup> See memorandum by the Assistant Secretary of State, February 6, p. 453.

<sup>2</sup> Telegram No. 18, February 6, 5 p. m., *supra*.

replied advising that it understands that door is still open for Brazilian mediation and that Department feels best plan at present is to support fully Brazilian proposal and that Department will be glad to keep Drummond informed through Wilson of important developments. Brazilian Government may wish to try to get further cooperation of the other nations and of the League for the Brazilian proposal or for any modification thereof.

It is important that you keep Department fully and quickly informed of all developments in this matter. Conflict is momentarily expected and it is absolutely essential that Department be kept promptly advised exactly what Brazilian Government is doing and of any changes in its position or proposal.

STIMSON

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721.23/1013 : Telegram

*The Secretary of State to the Minister in Haiti (Armour)*

WASHINGTON, February 6, 1933—5 p. m.

3. Your 8, February 6, 9 a. m. Peru has not accepted Brazilian proposal. It accepted with modifications which have not been satisfactory either to Brazil or to Colombia. It would seem more appropriate therefore not to express satisfaction at Peruvian decision but to call their attention definitely to their obligations under Kellogg Pact.

STIMSON

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721.23/1033 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 6, 1933—10 p. m.

[Received February 6—7:32 p. m.]

12. Prior to the receipt of the Department's 20, February 6, 3 p. m., I had conveyed to the Minister for Foreign Affairs the substance of Secretary White's conversation with Thurston. He stated that Brazil has not abandoned mediation but will not accept the Peruvian proposal with respect to long tenure of Leticia.

MORGAN

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721.23/1153

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 7, 1933.

The German Ambassador telephoned and said that his Government had instructed the German Minister in Lima to call Peru's attention to her obligations under the Kellogg Pact in connection with the Leticia matter.

F[RANCIS] W[HITE]

721.23/1036 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 7, 1933—noon.

[Received February 7—11 a. m.]

13. Department's telegram No. 20, February 6, 3 p. m., and 21, February 6, 5 p. m. Colombian Minister informed Brazilian Foreign Office today that his information from Lima reports the Peruvian Government is in difficulties and may fall, a strong party having declared for revision of treaty by civil and not military means.

Peru's last reply to Brazil implied Brazil hold Leticia for 60 days and that should conference in Rio de Janeiro be futile arbitration might be final resort. Brazil, however, has not changed its attitude nor is it disposed to take the initiative in doing so and will only consent to hold Leticia for a short time.

MORGAN

721.23/1042 : Telegram

*The Minister in Venezuela (Summerlin) to the Secretary of State*

CARACAS, February 7, 1933—noon.

[Received 3:05 p. m.]

3. Department's telegram 1, February 6, 6 p. m.<sup>3</sup> Message to Peruvian Government delivered through Venezuelan Legation in Lima supported Brazilian proposal and American note. No instructions were given to mention Kellogg Pact.

SUMMERLIN

721.23/1046 : Telegram

*The Minister in Honduras (Lay) to the Secretary of State*

TEGUCIGALPA, February 7, 1933—2 p. m.

[Received 5:48 p. m.]

10. Department's telegram No. 7, February 6, 6 p. m.<sup>4</sup> As a result of my representations Honduran Government has today sent the following telegram to the Peruvian Government:

"The Honduran Government through me urges that of Your Excellency that it abide by the commitments subscribed to by Your Government in the Pact of Paris and the Declaration of last August 3rd and accept the mediation proposed by the Brazilian Government.

My Government would view with great pleasure the acceptance of that mediation in order to avoid thereby the imminent danger of a

<sup>3</sup> It read "Your No. 2, February 3, 5 p. m. Was Venezuelan telegram to Peru based on Kellogg Pact? This is important." (721.23/994)

<sup>4</sup> Asking whether Honduran Government had made representations to Peru based on the Kellogg Pact. (721.23/852a Supp.)

break between two sister countries. Antonio Bermúdez, Minister for Foreign Affairs.”

Delay due to the fact that the Foreign Minister took office only this morning and the Undersecretary would not take action.

LAY

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721.23/1045 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 7, 1933—3 p. m.

[Received 4:55 p. m.]

28. Department's 18, February 6, 5 p. m. Olaya agrees to renew acceptance (as in my telegram No. 24 [25?], February 4, 3 p. m.,) but insists that he must bring boats except *Mosquera* into Putumayo and Caquetá (troops aboard could be returned to Florencia and Neiva from there if health required it) with orders not to molest Peruvian garrisons. He said he would not last 48 hours if he left all boats in Brazil.

He added Vasquez is about to leave; therefore, he must have Peruvian reply by tomorrow night. On my suggesting Thursday he agreed.

I hope that the Department realizes grave responsibility Olaya is assuming by going counter to advice of his advisers and that he runs risk thereby. The two principal leaders of the liberal party and a conservative candidate for the presidency in 1930 are in agreement on insistence on original Brazilian formula. Their advice is not capricious going as it does against their personal interests (they stand to lose politically if Vasquez becomes military hero). I must emphasize my telegram No. 9, January 9, 6 p. m.

With reference to the second paragraph of Department's 18, Mello Franco<sup>5</sup> on February 3d informed Colombian Minister at Rio that he had instructed Brazilian Minister at Lima to inform Peruvian Government orally he had terminated efforts at mediation.

CAFFERY

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721.23/1043 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 7, 1933—5 p. m.

[Received February 7—4 p. m.]

14. After a conference between the Chief of the Provisional Government, the Foreign Minister and myself, which has just terminated,

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<sup>5</sup> Brazilian Minister for Foreign Affairs.



Brazil will accept the latest Peruvian proposition that Peru as the party in possession and Colombia as the sovereign power shall jointly cede Leticia territory temporarily to Brazil which will hold it during conferences in Rio de Janeiro. When the Foreign Minister proposed this today to the Colombian Minister the latter did not regard it favorably but the Colombian Government has not yet been heard from. It would be understood that the period during which Brazil would hold the territory would be approximately 60 days.

Brazil desires the American Government to continue to advise Colombia to accept these modifications of the plan previously presented.

MORGAN

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721.23/1041 : Telegram

*The Ambassador in France (Edge) to the Secretary of State*

PARIS, February 7, 1933—6 p. m.  
[Received February 7—2:20 p. m.]

54. Department's telegram No. 29, February 6, 5 p. m. As Boncour<sup>6</sup> and Massigli<sup>7</sup> are both in Geneva I repeated your telegram to the American Delegation at Geneva and Wilson will take matter up with Boncour this afternoon.

In addition Marriner<sup>8</sup> called on Leger<sup>9</sup> who said that there was no question of France's attitude on the subject and the necessary instruction went forward to Lima yesterday calling Peru's attention to her obligations under the Briand-Kellogg Pact. They did not specifically support the Brazilian proposal as it was felt that the method of solution was principally a question for the American continents. Word of this action has been sent to Claudel<sup>10</sup> today.

Repeated to Geneva.

EDGE

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721.23/1043 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 7, 1933—6 p. m.

22. Your 14, February 7, 5 p. m. Is it definitely understood that at the end of the 60 day period whatever the outcome of the negotiations Brazil will turn Leticia over to Colombia. This is the only

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<sup>6</sup> Joseph Paul-Boncour, French Minister for Foreign Affairs.

<sup>7</sup> René Massigli, Chief, League of Nations Section, French Foreign Office.

<sup>8</sup> James Theodore Marriner, Counselor of Embassy in France.

<sup>9</sup> Alexis Leger, Vice Political Director, French Foreign Office.

<sup>10</sup> Paul Claudel, French Ambassador in the United States.

basis on which Colombia could possibly accept and was the point emphasized in White's telephone conversation with Thurston yesterday.<sup>11</sup> Rush reply.

Was the word "cede" used by the Brazilian authorities? The use of this expression might cause difficulty in having Colombia accept proposal. Get in writing revised Brazilian formula and cable complete text.

STIMSON

721.23/1045 : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 7, 1933—7 p. m.

20. Following telegram just received from Rio:

[Here follows text of telegram No. 14, February 7, 5 p. m., from the Ambassador in Brazil, printed on page 463.]

Department replied as follows:

[Here follows text of telegram No. 22, February 7, 6 p. m., to the Ambassador in Brazil, printed *supra*.]

Your 28, February 7, 3 p. m. just received. Above will show you impossibility of having a reply from Peru by tomorrow night. Nothing has yet been said to Peru as it is first necessary to straighten matters out in Rio. Please endeavor to have advance of boats delayed as much as possible.

STIMSON

721.23/1047 : Telegram

*The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State*

SANTO DOMINGO, February 7, 1933—8 p. m.

[Received 10:33 p. m.]

4. Department's telegram No. 3, February 7, 6 p. m.<sup>12</sup> Minister of Foreign Affairs states he has made no further representations to Peru since his telegram of January 30 but that he will telegraph to Lima tomorrow specifically referring to Peru's obligations under the Kellogg Pact. The Minister says Dominican Government so far as he recalls without referring to his files never received request from Colombian Government to make representations to Peruvian Government based on Kellogg Pact. He surmises this may have been

<sup>11</sup> See memorandum by the Assistant Secretary of State, February 6, p. 453.

<sup>12</sup> It read: "Your telegram No. 3, February 4, noon. Have further representations been made based specifically on Kellogg Pact? This is important." (721.23/1005½)

due to confusion at Bogotá when Colombian Government made request to other signatories of that treaty. Dominican Government's representations to Peru thus far have been made at the instance of Brazilian Government as previously reported.

SCHOENFELD

721.23/1060 : Telegram

*The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State*

SANTO DOMINGO, February 8, 1933—1 p. m.

[Received 2:35 p. m.]

5. My telegram 4, February 7, 8 p. m. Minister of Foreign Affairs is sending telegraphic representation to Peru today specifically based on Kellogg Pact. Am sending copy to Department by the next pouch.<sup>13</sup> He confirms that Dominican Government has not received from Colombia, as other signatory Governments apparently received, request to make representations based on Pact for Renunciation of War.

SCHOENFELD

721.23/1053 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 8, 1933—2 p. m.

[Received February 8—12:35 p. m.]

16. Department's telegram 22, February 7, 6 p. m. Foreign Minister confirmed today that at the termination of the 60 days period Brazil definitively understands that she will turn over Leticia to Colombia.

"Transfer" can be substituted for "cede" in my 14, February 7, 5 p. m.

It has yet to be decided whether the period of 60 days shall begin with the signing at Rio de Janeiro of the agreement to transfer Leticia temporarily to Brazil's care or when Brazil begins to take charge of the territory transferred.

MORGAN

721.23/1053 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 8, 1933—5 p. m.

24. Your 16, February 8, 2 p. m., last paragraph. Department's No. 22, February 7, 6 p. m. will have shown you the urgency of the

<sup>13</sup> Transmitted in despatch No. 797, February 8, not printed.

situation. Colombian Government states it is impossible to delay sending forward its fleet much longer and if effective action is to be taken Brazilian Government should not delay any longer in formulating its proposal to Peru or to get Peru to modify her conditions in the sense that the Leticia territory now occupied by Peru will be turned over to Brazil to occupy for 60 days while negotiations proceed in Rio on the basis of the original Brazilian proposal and that upon the expiration of the 60 day period, whatever the result of the negotiations in Rio, Leticia will be restored by Brazil to Colombian jurisdiction. It is most important that we receive the actual text of the proposal. This is most important in view of recent misunderstandings regarding exact meaning of given proposals. This Government can not act in Lima or Bogotá until it has the actual text.

STIMSON

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721.23/1066 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 9, 1933—noon.

[Received February 9—11 a. m.]

17. The following memorandum of Brazil's position on February 9 was handed to me this morning by the Foreign Minister.

"We hold to our formula, inasmuch as it was adopted by all the American Governments and by the League of Nations. If, however, in order to obtain the consent of the two interested states it should be necessary for Brazil to extend a little longer the period of her temporary occupation of the territory, for instance to 60 days, Brazil will make the sacrifice of accepting that honorable task.

In such a case it would be desirable to establish the manner in which that period should be established: whether from the date of the convention, the date of the arrival of the two commissions at Rio de Janeiro, or the date the Brazilian delegate at Leticia should assume his duties."

Your 25 [24?], February 8, 5 p. m. I expect to send today the text of the latest Brazilian proposal.

MORGAN

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721.23/1265

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 9, 1933.

I telephoned Ambassador Morgan in Rio at 12:15 today and told him that we had received his telegram sent at noon today giving the memorandum of Brazil's position on February 9 as handed to him this morning. I pointed out that no mention is made in the memorandum of the action Brazil contemplates taking toward having this

formula accepted nor does it state that at the end of sixty days the territory will be turned back to Colombia. This, I said, is very important, as Colombia will never accept it unless there are definite assurances and agreement that, if after sixty days of negotiations no agreement is reached between Colombia and Peru, then Brazil will automatically turn over the territory to Colombia.

Ambassador Morgan said that as a way out Peru might ask Brazil to take possession of the territory—no mention being made by Peru that she was turning over anything more than possession; that Colombia, as sovereign of the territory, might ask Brazil to take possession of the territory from Peru and hold it for sixty days while negotiations were going on in Rio, and that both parties, Peru and Colombia, should agree to ask Brazil, if at the end of that sixty day period no other agreement had been reached, to turn over the territory to Colombia. I said that that might offer a way out but it should be definitely understood that if no agreement is reached in Rio within the sixty days the territory must be turned over to Colombia anyhow. Mr. Morgan said that was understood.

I told Mr. Morgan that the important thing now of course, and the point that the Secretary has laid most emphasis on in connection with this matter, is that it should be definitely remembered that sovereignty over Leticia has never changed; that Colombia still has sovereignty over Leticia, and that Peru is merely occupying it—is merely in possession of it, and that the same would be the case when Brazil takes it over. Mr. Morgan said that he understood this. He added that if Peru would agree to this proposal and the occupiers of Leticia still refused to get out Colombian forces, in putting them out, would be dealing with the situation merely as a police matter. This would help the situation greatly.

Ambassador Morgan said that the Brazilian Government is sending off a telegram to Peru today in the sense of our telegram No. 25 [24?] of February 8, 5 p. m., and that he would cable us the substance of Brazil's proposal to Peru as soon as he received it. I asked him to send us the actual text of the proposal rather than just the substance, and stressed again the importance of Brazil putting in writing, in clear and categorical terms, any proposal she submits to Peru . . . Mr. Morgan said the proposal would be in writing and he would cable it up as soon as he receives it from the Brazilian Government.

I inquired whether Brazil was also sending a telegram to Bogotá and said I thought an identic telegram or one making exactly the same proposal in writing should go to both countries to save time. Mr. Morgan said that he would take the matter up with the Foreign Office and would cable up the text of the proposal as soon as it is received.

721.23/1068 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 9, 1933—3 p. m.  
[Received February 9—1:20 p. m.]

18. Department's telegram 24, February 8, 5 p. m. Brazilian Government will formulate its proposals to Peru in a telegram to the Brazilian Legation, Lima, a copy of which I will telegraph you when received by Embassy. Proposals will be in accordance with your suggestions as contained in telegram 24, February 8, 5 p. m.

MORGAN

721.23/1085 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 9, 1933—9 p. m.  
[Received February 10—12:45 a. m.]

29. My 28, February 7, 3 p. m. Olaya today told me his position was more serious than he ever imagined it could be. Military have become restless; conservative operation [*opposition?*] potentially dangerous; he received yesterday violent telegram from Santos<sup>14</sup> attacking him for accepting 60 days suggestion.

He will nevertheless stand by his acceptance of suggestion but emphasized that it must be exactly as in my telegram No. 25, February 4, 3 p. m. He can not accept features such as joint temporary cession by Colombia and Peru (American Embassy at Rio's 14, February 7, 5 p. m.) or wording "in compensation". Olaya declares he puts himself "in the hands of the Department" but not in those of Brazil whose attitude he terms ambiguous and uncertain.

Pressure for advance of Amazon expedition has become overwhelming; he has held it at Tonantins for almost 2 weeks but can no longer do so: the main force is now proceeding very slowly up Putumayo.

I consider the question of the boats moving to be a critical one for Olaya. If he is overthrown no matter who comes into office our interests here will certainly suffer.

CAFFERY

721.23/1085 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 10, 1933—11 a. m.

25. Brazilian Government apparently does not realize urgency of situation. If it is going to take action in this matter it should not delay.

<sup>14</sup> Eduardo Santos, Colombian delegate to the League of Nations.

Following telegram from Bogotá shows difficulty of situation there. (Here quote No. 29, February 9, 9 p. m. from Bogotá).

The suggestion referred to in Caffery's No. 25 of February 4, 3 p. m. is as follows: "Peru would turn over Leticia at once to Brazil; conference would start at once Rio de Janeiro and no matter what result of conference Brazil would deliver Leticia to Colombia at expiration of 60 days."

STIMSON

721.23/1102 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 10, 1933—2 p. m.

[Received 5 : 19 p. m.]

32. Minister for Foreign Affairs called and asked me to emphasize second paragraph of my 29, February 9, 9 p. m. (although I assured him Department understood situation). He said he and the President were agreed acceptance wording "in compensation" would mean revolution here.

CAFFERY

721.23/1097 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 10, 1933—3 p. m.

[Received February 10—2 : 10 p. m.]

19. English translation of latest Foreign Office telegram to Peru and Colombia regarding Leticia received today 1 : 45 p. m. at the Embassy.

"Proposition for mediation offered by Brazil to the Governments of Colombia and Peru for the settlement of the incident of Leticia.

First, the Peruvian Government although alien to the causes of the movement of Leticia will exercise all its moral support and persuasive influence upon her co-nationals residents of that district so that the territory in question shall be confided to the guardianship of the Brazilian Army and shall be administered by delegate or delegates employing its confidence.

Second, in the shortest period possible the Brazilian authority shall replace in their positions the Colombian officials (functionaries) deposed by the insurrectionists.

Third, in satisfaction (Portuguese word is *compensação*) the Colombian Government shall agree that the delegates of the two Governments shall immediately after meet at Rio de Janeiro, together with the necessary specialists in order to consider the Salomon-Lozano treaty in a true spirit of conciliation in search of a formula which can be reciprocally accepted comprising economic, commercial and cultural measures which may constitute a closer bond through

a territorial status suitable to such purposes and peculiar to that region."

MORGAN

721.23/1103 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 10, 1933—3 p. m.

[Received 4:15 p. m.]

33. Third paragraph my 29, February 9, 9 p. m. Vasquez ordered not to reach Tarapacá until Sunday.

CAFFERY

721.23/1098 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 10, 1933—4 p. m.

[Received February 10—2:40 p. m.]

20. In amplification of the Brazilian note to Colombia and Peru, contained in telegram No. 19, February 10, 3 p. m. the Foreign Office wishes me to inform you:

1st. Brazil's occupation of Leticia territory will continue for 60 days which period will begin from one of the dates mentioned in the second paragraph of the memorandum quoted in my telegram 17, February 9, noon, during which 60 days it is presumed the conference will occur in Rio de Janeiro as proposed or that Colombia and Peru by some other process will reach an agreement.

Brazil recognizes Colombia's sovereignty over Leticia as an indisputable fact.

2nd. Although the subject matters of the Rio de Janeiro conference will necessarily be those with which the Salomon-Lozano treaty deals the third paragraph of the Brazilian note does not demand a revision of that treaty and intentionally does not do so in order not to antagonize Colombia. Brazil wishes to leave Colombia and Peru entirely at liberty to discuss in Rio de Janeiro such matters arising out of the treaty as they wish without the interference of a third party; and to supply a neutral ground for an amicable discussion.

MORGAN

721.23/1099 : Telegram

*The Ambassador in Chile (Culbertson) to the Secretary of State*

SANTIAGO, February 10, 1933—5 p. m.

[Received 6:40 p. m.]

30. My telegram No. 25, February 4, noon. Chile's reply to Colombia's note asking for action under the Kellogg Pact supports in general



terms peaceful settlement but argues that no basis for action under the Pact has arisen since Peru has not rejected the proposal of Brazil and therefore Peru may be considered still to be seeking a settlement by "peaceful means". Obviously the point is more clever than it is sound.

Chile's timid diplomacy in this matter is due to two things. In the first place the Chilean Government fears that if it assumes a firm policy toward Peru the result may be a serious check on the *rapprochement* which is developing between the two countries. In the second place the Minister for Foreign Affairs stated that Brazil did not wish Chile to take an active part in the discussions of frontier questions in the Amazonian region. This may be the Brazilian reaction to Cruchaga's suggestions at Lima with reference to a comprehensive settlement of all frontier questions in the Amazonian region.

The Foreign Office has instructed the Chilean Ambassador in Lima to give general support to peace efforts.

CULBERTSON

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721.23/1098 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 10, 1933—6 p. m.

26. Your 19 and 20 of February 10, 3 p. m. and 4 p. m. Department finds it difficult to understand why Brazilian note does not definitely state that if after 60 days negotiations there is no agreement between the parties Brazil will return Leticia to Colombia. Department's 22, February 7, 6 p. m. and 24, February 8, 5 p. m. as well as White's telephone conversation of February 9<sup>15</sup> made this point clear.

Department's 25, February 10, 11 a. m. quoted message from Legation at Bogotá explaining why words "in compensation" are not acceptable. Department learns today from Colombian Legation here that similar statement was made sometime ago by Colombian Minister in Rio to Minister for Foreign Affairs who stated that the word compensation was used as equivalent of "on the other hand". In view of these representations by Colombia it is not understood why the word compensation was again used in Brazilian proposal.

Until the new Brazilian proposal is straightened out in the sense of the above this Government will make no representations in support thereof.

Department learns that Vasquez Cobo has been ordered not to reach Tarapacá until Sunday. This is a considerable delay which Olaya has brought about at the earnest request of this Government. In view of the internal political situation in Colombia, as set forth in Depart-

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<sup>15</sup> See memorandum by the Assistant Secretary of State, February 9, p. 467.

ment's 23, February 7, 7 p. m.<sup>16</sup> and No. 25, February 10, 11 a. m., Department will not make any further representations to Olaya to hold up expedition.

There is therefore little over 24 hours for Brazil to clear this matter up and get an answer from Peru.

STIMSON

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721.23/1098 Supp. : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 10, 1933—6 p. m.

21. Your 29, February 9, 9 p. m. received this morning and transmitted at once to Embassy in Rio. Following telegram just sent to Embassy Rio: (Here quote attached telegram to Rio).<sup>17</sup>

Please say to Olaya that Department very much appreciates his forbearance and moderation in holding up expedition to Leticia. Department sincerely hopes that conditions will permit a further delay. Responsibility, however, is his and he must of course be the judge of just how long internal conditions will permit him to delay. Department of course has no information on which to hazard an opinion as to whether Brazilian proposal will be accepted by Peru or not. Department still feels that a peaceful settlement, if possible, would be greatly to Colombia's advantage. In this connection see last paragraph Department's 18, February 6, 5 p. m.

STIMSON

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721.23/1104 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO[, February 11, 1933—11 a. m.]

[Received February 11—9:50 a. m.]

21. Department's 26, February 10, 6 p. m. Foreign Office states that the substitution of "Por outro lado["] English translation "on the other hand" for "en compensaçã[o]" seems feasible. Will telegraph early this afternoon when I am informed that telegrams in this sense have been sent to Colombia and Peru.

MORGAN

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721.23/1104 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, February 11, 1933—noon.

29. Your 21, undated [*February 11, 11 a. m.*]. Department must emphasize again the urgent need for quick action if the Brazilian pro-

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<sup>16</sup> Quoting telegram No. 28, February 7, 3 p. m., from the Minister in Colombia, printed on p. 463.

<sup>17</sup> *Supra.*

posal is not to arrive too late. Substitution suggested in your 21 would seem to cover one of the objections. The inclusion of provision for return of Leticia to Colombia after 60 day period should also be included. Brazilian Ambassador left at Department today Brazilian proposal<sup>18</sup> in which return of Leticia to Colombia after 60 days is not mentioned and the word compensation is used.

Proposal ends with statement that on suggestion of American Government it is agreed to extend for 60 days the period of the provisional occupation of Leticia by Brazil. The 60 day period was taken from paragraph 6 of Peru's reply of January 30 to Brazilian proposal. It is therefore a Peruvian rather than American proposal. Important thing however is to have Brazilian Government clear up these points regarding its proposal and make the proposal promptly. There is no time to be lost and you should impress this clearly on Brazilian Government.

STIMSON

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721.23/1112 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 11, 1933—4 p. m.

[Received February 11—2:20 p. m.]

22. My 21, February 11, 11 a. m. Brazilian Foreign Office has telegraphed Brazilian Ambassador in Washington and Brazilian Legation in Bogotá that the words "en compensação" should be understood as equivalent to "por outro lado". Chile was so informed also in answer to inquiry. Foreign Minister considers it unnecessary to telegraph this to Lima where there appears to be no misunderstanding.

MORGAN

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721.23/1119 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 12, 1933—9 p. m.

[Received February 13—9:15 a. m.]

35. Department's 22, February 11, noon.<sup>19</sup> Brazilian Minister here delivered note yesterday afternoon to Colombian Minister for Foreign Affairs explaining what Portuguese phrase "in compensation" means. Colombian Government repeats it cannot accept the wording "in compensation".

CAFFERY

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<sup>18</sup> Not printed.

<sup>19</sup> Repeating telegram No. 21, February 11, 11 a. m., from the Ambassador in Brazil, p. 473.

721.23/1120 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 13, 1933—11 a. m.

[Received February 13—9:25 a. m.]

23. Department's telegram No. 29, February 11, noon. The Brazilian Minister for Foreign Affairs informs me in writing that he does not think there is a necessity to include a provision for the return of Leticia to Colombia after 60 days, because this is evident since he refused to accede to Peru's proposal that it should be returned to her. He believes it would make the situation more difficult for the Peruvian Government without corresponding advantage.

In regard to the word "compensação" he states that it cannot be altered in the official text as that text has been communicated to all the Governments of the continent. The Foreign Office, however, has already made it clear that "compensação" in Portuguese has not the same meaning as the English word "compensation" and that it should be interpreted as meaning such a phrase as "on the other hand", "in consequence of", et cetera.

The Brazilian Foreign Office sent a telegram on Saturday to Lima of which I will telegraph you the text when the Embassy receives it today.

MORGAN

721.23/1124 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 13, 1933—3 p. m.

[Received 5:51 p. m.]

36. Vasquez Cobo last night arrived Brazilian-Colombian boundary few miles from Tarapacá. He will not advance until ordered, which will probably be tomorrow morning.

CAFFERY

721.23/1201

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 13, 1933.

Mr. Rosso, the Italian Ambassador, telephoned and said that he had just received word that the Italian Minister in Lima has been definitely instructed to make representations to the Peruvian Government under the Kellogg Pact similar to those made by the British.

F[RANCIS] W[HITE]

721.23/1149 : Telegram

*The Colombian Minister for Foreign Affairs (Urdaneta Arbeláez)  
to the Secretary of State*

BOGOTÁ, February 14, 1933.

[Received 5:18 p. m.]

HIS EXCELLENCY, THE SECRETARY OF STATE: I have the honor to advise Your Excellency of the following occurrences. Today at 10 a. m., General Alfredo Vasquez Cobo, Commander of the Colombian Expedition which was sailing through the waters of the Putumayo River in the direction of Colombian territory with the sole purpose of reestablishing the authorities deposed there by an act of violence committed on the first of September last, transmitted to the commander of the forces which are improperly occupying our territory at the place called Tarapacá, the following communication:

"I inform you that I come in the name of Colombia to restore order in that territory which has always legally belonged to us and the boundaries of which are specified in a treaty. I therefore advise you that if delivery of the territory is peacefully effected all the inhabitants thereof will have guarantees as to their lives and interests and the natives will, as always, find in Colombia a positive aid for their moral and material prosperity. It would be a matter of great regret for me to be obliged to occupy Tarapacá by other than pacific means. It will not be my forces that will fire the first shot, so that the blame for the blood that may be shed in this fratricidal strife may fall upon those who are acting without justice or right, but I warn you that I and the forces under my command are determined to enforce respect for our right, and for promises made, and to hoist again on the hills of Tarapacá the glorious Colombian flag. A. Vasquez Cobo."

The reply to the foregoing communication was an air attack carried out by several planes of the Peruvian Army, which dropped bombs on our vessels, although they had not yet passed the boundary line between Brazil and Colombia, some of the bombs having fallen in Brazilian waters. Our boats continued to advance toward the zone of the river that is clearly Colombian on both banks and from there they replied with their artillery to the fire of the Peruvian airplanes and a duel began between the latter and our boats. At that moment a Colombian air flotilla coming from the base at La Pedrera on the Caqueta River reached the scene of combat and put the Peruvian airplanes to flight. In the name of my Government, I must call the attention of Your Excellency's Government to the very significant circumstances under which the attack on our expedition was made, while it was sailing through Brazilian waters toward the Putumayo River zone, included within the Tabatinga-Apaporis and Yaguas-Atacuari lines, where the waters and their two banks are clearly Colombian, and while it was 81 kilometers from the nearest point of the territory of Peru.

R. URDANETA ARBELÁEZ

721.23/1203

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] February 14, 1933.

The Colombian Minister and Doctor Guzmán<sup>20</sup> called and showed me a telegram from their Government stating that there had been an artillery duel between the *Cordoba* and Peruvian airplanes which had tried to bomb the Colombian flotilla while it was in Brazilian waters. The telegram added that Colombian scouting planes arrived in time to drive off the Peruvian airplanes.

The Minister said that he did not know whether any Brazilian boats were with the Colombian ships and hence could verify that the attack took place in Brazilian waters. The Minister had made the suggestion to his Government some time ago that they try to have a Brazilian squadron accompany the Colombian ships and when he came to the Department his Legation was deciphering a telegram on this subject from Bogotá inquiring whether this Government would back up any moves made by Colombia in this sense in Rio. I told the Minister that if Colombia had not already taken this step it would now appear to be pretty late to do so as hostilities had already commenced. Furthermore, I said I thought this was a matter which should be handled by the Colombians in Rio and I did not see any need, certainly at this time, for our coming into the matter.

The Minister then inquired whether we had any precedents in the Manchuria matter with respect to declaring our neutrality when there were hostilities but no declaration of war. I said that no neutrality proclamation had been issued by this Government in connection with the recent events in Manchuria<sup>21</sup> or in the Chaco.<sup>22</sup>

F[RANCIS] W[HITE]

721.23/1141 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 14, 1933—noon.

[Received 2 p. m.]

37. Vasquez Cobo reports he sent notification to Peruvians Tarapacá before crossing line. Reply was attack 10 a. m. this morning by Peruvian planes which were repulsed by Colombian planes. Vasquez states first Peruvian bomb fell in Brazilian waters.

CAFFERY

<sup>20</sup> Pomponio Guzmán, special representative of Colombia at Washington.

<sup>21</sup> See vol. III, pp. 1 ff.

<sup>22</sup> See *ante*, pp. 241 ff.

721.23/1140 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 14, 1933—4 p. m.

[Received February 14—2:20 p. m.]

25. Press telegrams indicate that hostilities have commenced near Leticia but it is uncertain which was the attacking party.

Brazilian Foreign Office tells me that under existing treaties the Amazon will be considered open to both parties even though hostilities have commenced. Brazil at present will confine her efforts to preserving inviolability of Brazilian territory.

MORGAN

721.23/1150 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 15, 1933—10 a. m.

[Received 11:50 a. m.]

38. Tarapacá occupied 9 this morning.

CAFFERY

721.23/1151 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 15, 1933—noon.

[Received 2:25 p. m.]

82. Leticia.

1. Acting under instructions from his Government Brazilian Minister this morning officially notified Manzanilla who called at Brazilian Legation at 10 that Brazil had withdrawn the Brazilian mediation, due to Colombia's formal notification that Colombia would discontinue negotiations and Peru's delay in and obstruction in meeting the terms of the Brazilian plan.

2. Manzanilla stated that if Brazil had sufficient elevation of character it could still use its mediation to stop hostilities and rather made a plea in this sense.

3. Manzanilla added that Colonel Ramos<sup>23</sup> had reported that Colombian vessels had fired from Brazilian waters upon Peruvian troops in Tarapacá and had retired to Brazilian waters after the engagement. Manzanilla stated that Peru expected Brazil to do what the situation requires.

4. Government's official communiqué this morning reports Colombia's discontinuance of negotiations and contains the Ramos statements about Brazilian waters.

<sup>23</sup> Victor Ramos, in command of the Fifth Division of the Peruvian Army.

5. *Comercio* editorials all almost certainly prepared by Manzanilla last night again present Peruvian thesis in all its wrongness, makes statement Peru still desires a peaceful settlement and set out various complaints made orally by Manzanilla to Brazilian Minister this morning.

6. Brazilian Minister cabling substance foregoing to Rio de Janeiro at once.

7. No confirmation obtainable of revolutionary movement. No marked reaction yet discernible in Peru. A number of officers reported leaving Loreto today to train and command conscripts. Manzanilla and Ugarteche<sup>24</sup> have quarreled seriously. Logically Manzanilla should resign but no such indication yet.

DEARING

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721.23/1155 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 15, 1933—2 p. m.

[Received 5 : 20 p. m.]

39. As a consequence of attack by Peruvian planes on Colombian vessels in Brazilian and Colombian waters Colombian Minister at Lima has been instructed to ask for passports and Peruvian Minister here was handed his this morning at 11.<sup>25</sup> Olaya does not intend to declare war.

CAFFERY

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721.23/1158a : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 15, 1933—6 p. m.

26. Guzmán came in this afternoon to say that after the Peruvian attack on the Colombian forces in Colombian and Brazilian waters yesterday the situation had now developed into actual warfare. He said that he wanted to explain, merely for the Department's information, the situation in which the Colombian forces find themselves and the "possibilities" that Colombia might have to attack and occupy the Peruvian posts along the Putumayo, such as Güepi and Puerto Arturo. He said that it was absolutely necessary to keep the lines of communication open between the Colombian advance base at Caucajá and the Colombian forces at Tarapacá as otherwise these

<sup>24</sup> Pedro Ugarteche, of the Peruvian Foreign Office.

<sup>25</sup> See section entitled "Assumption by the American Embassy in Peru of Colombian Interests in Peru; Sacking of the Colombian Legation", pp. 549 ff.



latter forces would be without supplies and could be isolated and destroyed by Peru.

He was told that, of course, the question was one for the Colombian Government to determine on its own responsibility. Mention was made of the Colombian note to the League of Nations dated January 24 in which it was stated that the Colombian flotilla "is, therefore, about to operate within Colombian territory. It is no way threatening any Peruvian territory nor does it propose to attack any foreign country or government" and also of the League's telegram of February 3 to the Peruvian Government which stated that the League "has received formal assurances from the Colombian Government that it has no intention to violate or to threaten any Peruvian territory". Guzmán said that the situation had totally changed since the Peruvian attack yesterday and that it was precisely because of this changed situation that he desired to inform the Department (and that Colombia was also informing the League) of the possibilities that Colombia in order to protect her own forces and to reestablish her authority in Colombian territory might now find it necessary to occupy the Peruvian positions mentioned. He stated that Colombia, of course, would not hold such positions but would turn them back to Peru once the question is finally settled.

The conversation brought out the possibilities of Colombia's position before world opinion being adversely affected in case she took the initiative in attacking these Peruvian positions and also that attacking the posts in question might extend the field of conflict and possibly render more difficult a settlement than if the conflict were localized in the Tarapacá-Leticia sector. However, Guzmán said that it was the Colombian point of view that if Colombia occupied these posts it might shorten the conflict and hasten a solution. As stated above, Guzmán was told that the responsibility in the matter was, of course, for Colombia to determine.

Guzmán did not make it clear whether he was acting under instructions in informing the Department of the foregoing, or whether on his own initiative he was anticipating probable developments.

STIMSON

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721.23/1166 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, February 16, 1933—5 p. m.

[Received 11:50 p. m.]

40. Last paragraph Department's 26, February 15, 6 p. m., Olaya says Guzmán was acting under instructions and that orders had been given to Colombian vessels on the Putumayo to attack Peruvian positions for the following reasons:

1. The Colombian Government is much concerned over the possibility of a change in Brazil's attitude toward the Colombian expedition especially that Brazil might prevent the purchase and transportation necessary supplies for the fleet (my despatches 5165, February 10 and 5176, February 11th<sup>26</sup>).

2. Peruvian garrisons at Yubineto, Inonas and Puerto Arturo do not permit passage Colombian vessels and fleet cannot now be supplied from this end.

3. The Military said that if vessels approached Peruvian garrisons directly and waited for Peruvian attack they would be sunk whereas if they attacked from a distance they could disperse garrisons.

4. Military believed they could hold part of Peruvian banks of Putumayo as pressure to compel Peruvians eventually to return Leticia.

5. Military said that if Colombian boats advanced past Ramón Castilla towards Leticia without firing they would be caught between the two Peruvian fires and sunk.

I told Olaya in my purely personal opinion this movement would involve some change of attitude on the part of the Department of State as well as the League of Nations to the Leticia controversy; it might nullify Santos' efforts in connection with article 16 of the League Pact. I observed in regard to point 1 that Brazil had not actually taken any steps to interfere with the Colombian supplies; I regarded point 4 as unsatisfactory and designed to delay real settlement possibly indefinitely.

Olaya telephoned to the Minister of War and instructed him to hold up advance of vessels. He said he would telegraph to Santos today to proceed under article 16. If Peruvian forces at Leticia oppose Colombian entry he will attack first by air before vessels approach. However, he very much desires to have present observers from Department of State, League of Nations, Brazilian Government. He asks if American official Canal Zone could be appointed and proceed by Colombian plane.

He would highly appreciate it if the Department of State could have Embassy at Rio de Janeiro discreetly ascertain if there is likelihood of change of Brazilian attitude toward Colombian expeditionary force.

CAFFERY

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721.23/1165 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 16, 1933—8 p. m.

[Received February 16—4:10 p. m.]

115. I have conveyed the information in your 68, February 15, 1 p. m.<sup>27</sup> to Drummond. He now informs me that he has just received

<sup>26</sup> Neither printed.

<sup>27</sup> Not printed.

the same information from the Colombian representative and that the Council Committee has sent a message this afternoon to Lima asking for immediate information as to hostilities which are taking place on Colombian territory.

WILSON

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721.23/1166 : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, February 17, 1933—5 p. m.

29. Your 40, February 16, 5 p. m., penultimate paragraph. It is not thought advisable for this Government to send an observer to the upper Amazon and Putumayo region from the Canal Zone using Colombian facilities. To send an official observer with Colombian forces might well be considered as a sign of partiality. Brazil has jurisdiction and responsibility in territory adjoining the scene of operations and quite properly has forces there to protect her own territory. The Department is endeavoring to arrange for the Military Attaché in Rio to join the Brazilian forces in that region in order to act as an observer and will advise you more fully later regarding this.

Last paragraph your 40, February 16, 5 p. m. Department does not feel that it can make the inquiry suggested. While this Government considers, as it has clearly shown in its communications to the Minister of Foreign Affairs of Peru, that Colombia is justified in this matter, nevertheless the dispute is not between this Government and Peru and this Government can not take action which might be considered as partial or unneutral as regards the prosecution of the conflict.

You should be careful not to let Olaya get the idea that this Government can perform services for Colombia which it is clearly the function of Colombian Government to perform for itself. Department does not want any misunderstanding or disappointment to develop later and hopes you will be able discreetly to see that Olaya fully appreciates our position and the necessary limitations on the services that this Government can perform for one of the parties to a conflict.

STIMSON

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721.23/1190a : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

[WASHINGTON,] February 17, 1933—5 p. m.

35. War Department, at my request, is instructing Major Sackville<sup>28</sup> to proceed to scene of operations on the Amazon and Putumayo Rivers.

<sup>28</sup> William Sackville, Military Attaché in Brazil.

Please take matter up at once with Brazilian Government; inquire whether it is agreeable to that Government for Sackville to go up to that area, and request them to give him all possible facilities to get there and to inquire regarding hostilities which occurred before his arrival and to observe those which may take place after his arrival. This Government would very much appreciate it should the Brazilian Government be so good as to permit Major Sackville to go on one of the Brazilian war vessels to Leticia and Tarapacá.

You will please tell Major Sackville that the object of sending him to the area of hostilities is to get accurate and impartial information regarding the situation there. The Department would like to know, for instance, whether recent attack near Tarapacá was started by Colombian or Peruvian forces and whether it originated in Brazilian territory or in Colombian. Information regarding feeling of Lorentanos concerning Colombia and Peru and state of mind of inhabitants of Leticia area as well as any information regarding causes which impelled Peruvians to seize Leticia last September will be most helpful. Department wants accurate and prompt information regarding all future developments.

You will impress on Major Sackville that this Government is absolutely neutral and impartial in this dispute and that he should accordingly be most careful not to take sides with either the Colombians or the Peruvians. He should not accept facilities from either of the combatants and should use only facilities provided by the Brazilian Government or such neutral commercial facilities as may be available.

Department assumes that Major Sackville will take a code with him so that he can cable information directly to Washington.

Department understands that Major Sackville can get to Pará by Pan American Airways. Any facilities, preferably by air, that Brazilian Government may give him from there to scene of action will be deeply appreciated by this Government.

Reply by cable when you have reply from Brazilian Government; keep matter actively before the Government and cable when Major Sackville will leave Rio and what facilities are being given to him to get quickly to the scene of operations.

STIMSON

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721.23/1288

*The Colombian Minister (Lozano) to the Secretary of State*

[Translation]

No. 67

WASHINGTON, February 17, 1933.

SIR: I have to inform Your Excellency, by order of my Government, that, in view of the occurrences which took place on Monday and

Tuesday of this week, concerning which I had the honor to inform Your Excellency in my Note No. 62, of the 14th instant,<sup>29</sup> my Government ordered our Minister at Lima to submit a formal protest against the aggression to which had been subjected the authority of Colombia and the fleet which was navigating the Putumayo River on the way to Tarapacá, in the territory of Colombia, to reestablish her authority in that place, and he was ordered to ask for his passport.

Likewise, on the 15th instant, the corresponding passports were delivered to His Excellency, the Minister of Peru at Bogotá and the other members of the Peruvian Legation at Bogotá.

At the same time the exequaturs of the Peruvian consuls were canceled by my Government.

I take [etc.]

FABIO LOZANO

721.23/1189 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, February 18, 1933—noon.

[Received February 18—8:25 a. m.]

52. To Council Committee's telegram (Wilson's 115, February 16, 8 p. m.) Peru replied under date of February 16 complaining of Colombian aggression in attacking Peruvian posts at Tarapacá.

To this the Committee replied on February 17 in substance as follows:

"Since Tarapacá is on Colombian territory can hardly understand how Peruvian military posts are there and would appreciate earliest information on point."

At urgent request of Colombia, Council meeting is contemplated for Monday.

It is understood that Colombia is invoking article 15.

GILBERT

721.23/1199 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 18, 1933—3 p. m.

[Received February 18—12:32 p. m.]

27. Department's 35, February 17, 5 p. m. Brazilian Government will be pleased to afford Major Sackville every opportunity for observation on Amazon and Putumayo Rivers.

MORGAN

<sup>29</sup> Not printed.

721.23/1206 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, February 20, 1933—noon.

[Received February 20—10:20 a. m.]

28. My telegram No. 27, February 18, 3 p. m. Major Sackville will leave by Pan Air February 25th reaching Pará 27th where Brazilian Government's facilities will begin. His cable address will be American Consul Pará.

MORGAN

721.23/1211 : Telegram

*The Peruvian Minister for Foreign Affairs (Manzanilla) to the Secretary of State*

[Translation]

LIMA, February 20, 1933.

[Received 10:20 a. m.]

EXCELLENCY: The singular gravity which the events on our eastern frontier are acquiring on account of the aggressive attitude of Colombia obliges me to occupy Your Excellency's attention in order to communicate to your Government some antecedents, which are still not sufficiently known, relative to the said events. On March 24, 1922, a treaty was signed between the Governments of Peru and Colombia to fix by direct agreement between the respective countries the boundary line which up to that time remained undetermined in spite of the century-old controversy which had not (*sic*) been carried on. In that treaty territories were adjudicated to Colombia which were inhabited by Peruvians, which it had never possessed, situated between the Putumayo and Amazon Rivers, and over which her lawful titles were absolutely unrecognized, and in exchange for them Peru was to receive a small portion of territory on the upper part of the Putumayo. By this delimitation the international status on the Amazon was changed, dominion over which was shared only between Peru and Brazil and for this reason the Brazilian Government presented some observations which were only withdrawn 3 years afterwards due to the intervention of the Government of the United States of America. The 1922 treaty was perfected only on March 19, 1928 and the work of demarcation terminated in August, 1930, on which date were transferred to Colombia the territories which belonged to Peru by ownership and possession between the Rivers Putumayo, Yaguas, Atacuari and Amazon and the imaginary line Tabatinga-Apaporis which since 1851 had constituted part of the boundary between Peru and Brazil. The Peruvian inhabitants of those territories, whose will had not

been consulted, protested against being separated from their country of origin and annexed to Colombia and the representatives of those compatriots in Congress, the senators and deputies for Loreto, voted unanimously against the treaty which without justification dismembered Peru in general and the Department of Loreto in particular. Furthermore the small portion of territory which Peru was to receive as petty compensation for what she ceded was never delivered by Colombia because in 1916 she had recognized it as Ecuadorean property in a formal treaty which she then signed with that country. From July 4, 1919, to August 22, 1930, Peru had lived under a political regime which prevented any manifestation of the popular will. Only the armed national movement which occurred on this latter date restored to Peruvians the exercise of their public liberties. After this event restoring the constitutionality of the country which had been eclipsed during 11 years there began to be manifested in Loreto and throughout the Republic the first symptoms of resistance to the Peruvian-Colombian treaty of 1922, which manifestations continued to grow in intensity until they took form in the popular movement of September 1, 1932, which resulted in the occupation of Leticia by a group of armed civilians without the participation and even without the knowledge of the Peruvian Government. There was no clash whatever and the authorities as well as the few policemen that were there, the only Colombian elements, were expelled peacefully and embarked for their country. To the Leticia occupation succeeded, under the same circumstances, that of Tarapacá, a small port on the right bank of the Putumayo near the mouth of the Río Coutuhe. Then arose for Peru the delicate problem which has brought us to the present grave situation due only to the intransigence of the Colombian Government and despite the extreme efforts that we have made to arrive at a friendly solution. The Government of Peru has not failed to recognize the validity of the treaty of March 24, 1922, notwithstanding the grave defects thereof and the causes of nullity which it contains (a garbled word follows) such as the failure to consult with the inhabitants whose territory was transferred and the non-delivery of the zone which was to be given in compensation. But neither had it been able to disregard the clamor of a numerous group of Peruvian settlers who demanded to be returned to their country of origin and demanded, for that purpose, the revision of the treaty which had sacrificed them so inconsiderately and so while Colombia was attempting to solve the difficulty by resorting solely to forcible measures, the Peruvian Government was actively making use of all the resources afforded by the treaties in effect in order to seek a peaceful and friendly solution. Its first step was to appeal to the Conciliation Commission which, in accordance with the convention signed at the American Fifth

International Conference at Santiago, Chile,<sup>30</sup> was supposed \* to function at Washington. Unfortunately the peace-making powers of that Commission were disregarded by Colombia, which completely negatived its beneficial action. A generous interest for concord on the continent then led the neighboring and friendly Government of Brazil to offer its mediation on the bases of immediate delivery of the territory of Leticia to the provisional administration of one or more Brazilian delegates, the restoration to their posts of the deposed Colombian functionaries and the assembling at Rio de Janeiro of a conference of plenipotentiaries of Peru and Colombia to contemplate the modification of the treaty of 1922. Peru accepted those bases, asking only that the territory of Leticia be administered by Brazil until the conclusion of the Rio de Janeiro negotiations, in order to avoid the dangerous situation that would undoubtedly be created by the return of the Colombian authorities to Leticia, where the wholly Peruvian population, as already stated, had manifested in fact its determination not to submit to such authorities. To soothe the *amour propre* of Colombia and even though an administration that was to last only a few weeks was concerned, we proposed that the entrustment to Brazil be made both by Peru and Colombia, so that in that way the will of the latter country might likewise concur in the creation of the transitory status that was to be established at Leticia and, to eliminate any suspicion on the duration of the entrustment, my Government declared itself disposed to reach an agreement on a peremptory period for the negotiations of not more than 60 days and to establish in advance recourse to general arbitration in case it should not be possible to arrive at a direct settlement so that the success of the Rio de Janeiro negotiations should thus be definitively assured and my Government persisted in its purpose of seeking peace at whatever † previous ‡. The Colombian Government showed itself intransigent in respect to its immediate occupation of Leticia and while my Government was making efforts to find a fraternal settlement, dedicated itself to inflaming the mind of its people against Peru and to equipping a numerous fleet which from the 16th of December of last year, and manned by adventurers of many nationalities, began

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<sup>30</sup> Treaty to Avoid or Prevent Conflicts Between the American States, signed May 3, 1923. For text, see *Foreign Relations*, 1923, vol. I, p. 308; for correspondence concerning the establishment of permanent commissions, see *ibid.*, 1928, vol. I, pp. 644 ff. This treaty was supplemented by the General Convention of Inter-American Conciliation, signed at Washington, January 5, 1929, *ibid.*, 1929, vol. I, p. 653.

\*Spanish *desia*, thought by the translators to be a garbling of the words '*se decia*'. [Translator's note.]

†Apparently a word has been dropped out here. [Translator's note.]

‡This does not make sense, probably because of the omission referred to. [Translator's note.]



to be concentrated at Belém on the Pará and which, going up the Amazon with warlike attitude against the Peruvian occupants of the Putumayo and of Leticia, constituted the beginning of pending aggression even (before) the reply to the last proposal which my Government made through the intermediary of the Brazilian Government for the settlement of the question and before the declarations of the Colombian Government were known bringing to an end mediation. A Colombian fluvial and aerial flotilla opened hostilities on the 25th of the present month from Brazilian waters against the port of Tarapacá which a group of Peruvians was occupying on the River Putumayo, at the edge of the boundary line Tabatinga–Apaporis, and on being repulsed, sought refuge in those same waters until the next day, on which, after being sufficiently reinforced, it returned to undertake a formal attack. The aggression thus committed by Colombia and compromising the neutrality so jealously guarded by Brazil opens a dangerous and menacing perspective in its relations with Peru and in order to decline all responsibility in it, my Government has believed it necessary to bring the foregoing to the knowledge of friendly governments, and I therefore have the honor to do so in the case of Your Excellency's Government, to which we are bound by such old ties of friendship. Please accept [etc.].

J. M. MANZANILLA

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721.23/1224 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, February 21, 1933—2 p. m.  
[Received February 21—11:55 a. m.]

53. Colombia invoked article 15 of the Covenant in letter to Council under date of February 17 and requested urgent meeting of Council<sup>51</sup> (Consulate's 53 [52?], February 18, noon). Council met this morning in response to this request. The Peruvian delegate did not attend.

Taking as a point of departure the telegram of the Committee of Three (second paragraph of Consulate's telegram under reference) and a Peruvian reply thereto, which except for pointing out that the preamble to the Covenant was intended to secure "the maintenance of justice" and insisting upon "the extreme injustice and immorality of the Salomon-Lozano Treaty", brought out nothing new, the Council listened to a lengthy review of the Colombian case by Santos concluding with an appeal for action by the League.

After a statement by the Secretary General to the effect that the communications to the Council and the statements made at the Coun-

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<sup>51</sup> See League of Nations, *Official Journal*, April 1933, p. 562.

cil on the part of Colombia and Peru constitutes their "statements" as provided in paragraph 2 of article 15 the President of the Council proposed that procedure for conciliation should be begun under paragraph 3 of article 15 and that this should be undertaken by the Council Committee of Three which had been previously charged with this affair. Colombia agreed and the Council approved.

A meeting is set for Committee of Three tomorrow and Matos (Guatemala) informs me that it is expected that the Peruvian representative will attend.

It appears to be understood that Calderón absented himself from the Council because he felt that the Peruvian case was too weak for him to defend in public debate.

GILBERT

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721.23/1238 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 23, 1933—7 p. m.  
[Received 11:45 p. m.]

100. Leticia.

1. Embassy trustworthily informed both Argentina and Chile on the point of presenting separate suggestions for settling Peruvian dispute with Colombia. Further report later.

2. Foreign Minister has informed Brazilian Minister Peru continues to desire a peaceful solution, desires an armistice and will accept a new mediation.

3. Brazilian Government has informed Peruvian Government its measures in the Amazon are for the protection of Brazilian sovereignty and has instructed Brazilian Minister he may at his discretion say Brazilian mediation as originally offered remains open to Peru.

4. Brazilian Minister disinclined to act for present feeling situation has not developed sufficiently to produce any real change in Peruvian ideas but contemplates seizing early opportunity of inquiring of Manzanilla what Peru will accept so that if his reply holds out any apparent favorable opening he can speak in the sense authorized by his Government.

5. My 92, February 20, 11 a. m.<sup>82</sup> Foreign Minister's circular telegraphed to all Foreign Offices in the world.

6. Colombian repatriates safely embarked today. Bogotá informed.

DEARING

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<sup>82</sup> *Post*, p. 551.

721.23/1237 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 23, 1933—10 p. m.

[Received February 23—9 : 15 p. m.]

124. Drummond has informed me concerning the negotiations carried on this afternoon between the Council Committee and the representatives of Peru and Colombia. The conversations can be divided into two parts: (1) when the Peruvian representative was present and (2) when the Colombian representative was present.

Part 1. The Committee urged the withdrawal of the Peruvian forces as a preliminary to the procedure of conciliation contemplated under paragraph 3 of article No. 15. At the request of the Peruvian representative the Committee handed him a memorandum reading as follows:

"The Peruvian Government has declared that it does not contest the fact that Leticia is in Colombian territory.

As a preliminary, therefore, to the procedure of conciliation contemplated under paragraph 3 of article No. 15 the Committee must be assured that the Peruvian Government agrees to withdraw all Peruvian military elements and material as rapidly as possible from Colombian territory and discourage all attacks thereupon. The Committee would consider the arrangements on the spot which such withdrawal might necessitate.

If and when the definite assurances are received by the Committee on this point the Committee will be ready to try to secure a settlement of the substance of the dispute.

The Committee would not necessarily insist on the immediate execution of such assurances before considering a program to the above end but it feels bound to ask for a clear statement that the withdrawal will take place subject to the requisite local arrangements and without political disturbances. The Committee feels that unless it can obtain the agreement of the Government of Peru to these proposals it cannot successfully undertake the procedure of conciliation provided for in paragraph 3 of article No. 15."

The Peruvian representative is cabling this immediately to his Government. Drummond would be grateful if we could take any steps in support of the suggestions.

Part 2. The Committee handed the Colombian representative a memorandum which in translation reads as follows:

"1. Previous resolutions remain intact.

2. Peru would evacuate the territory which would be occupied by a commission of the League of Nations.

3. Colombia would place her troops at the disposition of the commission of the League of Nations, these troops becoming, during the period of negotiations, international troops.

4. These troops would constitute the territorial garrison during the negotiations.

5. The method of execution of this program would be regulated by the commission mentioned in paragraph 2."

The Colombian representative will at once cable this to his Government but informed Drummond that he could practically accept it in advance.

Drummond states that neither of the two parties is aware of what conversation took place between the Committee and the other representative. He especially cautioned me that the suggestion to the Colombian representative was strictly confidential.

In the event that Peru replies favorably to the suggestions put to it the proposal made to Colombia will then be sent to Peru with a request for acquiescence. Drummond would highly appreciate hearing from you whether if the proposal is made to Peru the Council can expect that the American Ambassador at Lima will urge the acceptance of the proposal.

Drummond explained that since the Peruvians had refused the suggestion under which Brazilian authorities would take over the disputed area and then hand it to Colombia during the period of negotiation of a settlement, some procedure more satisfactory to Peru had to be sought. The Council Committee hoped it would be found in the suggestion offered Colombia today that the presence of the League commission and its command over the Colombian forces would guarantee the Peruvian inhabitants of the area against mistreatment during the period of negotiations. He added that they had not deliberated upon the personnel of the commission but that he, Drummond, thought that it might contain a citizen of the United States, a Brazilian and a representative from some other country. The important thing was that they should be as near as possible to the scene so as to arrive promptly if the two parties accepted.

WILSON

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721.23/1211 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, February 25, 1933—3 p. m.

76. Your 124, February 23, 10 p. m. On February 20th Minister of Foreign Affairs of Peru cabled long statement of Peruvian position to the Secretary of State. Department understands that a similar statement was cabled to other Foreign Offices throughout the world. This being the case a copy is probably available to you in Europe. The Secretary replied today as follows:

[Here follows text of telegram of February 25 to the Peruvian Minister for Foreign Affairs, printed *infra.*]

You will note that this supports the position the League has taken so far with the Peruvian Government.

If the Peruvian Government accepts this proposal and if the Colombian Government accepts the proposal likewise made to it on the 23d instant, this Government will be glad to study the further steps proposed with a view if possible of suggesting their acceptance by the contending powers.

STIMSON

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721.23/1211 : Telegram

*The Secretary of State to the Peruvian Minister for Foreign Affairs (Manzanilla)*

WASHINGTON, February 25, 1933.

Your Excellency's telegram of 20th instant has been received and carefully considered. I find nothing therein to change the views which I frankly and fully expressed to you in my cable of January 25th. On that date and on January 30th also I expressed the hope that in order to arrive at a peaceful settlement of this matter your Government would find it possible to accept without modification the very equitable proposal suggested by the Brazilian Government. I have regretted that your Government has apparently not been able to accept this proposal and I am sorry to note from your telegram under acknowledgment that your Government apparently has not felt it possible to change its position with respect thereto. I have now been informed of the proposal made in writing to the Peruvian representative before the League of Nations at Geneva on February 23d<sup>33</sup> and I sincerely hope that the Peruvian Government will be able to accept this proposal for a peaceful settlement of your Government's difficulty with Colombia.

HENRY L. STIMSON

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721.23/1270 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, February 25, 1933—9 p. m.  
[Received February 25—6:05 p. m.]

130. Supplementing my 124, February 23, 10 p. m., Drummond sends me following urgent message:

"The Peruvian representative gave the Committee satisfactory assurances as to acknowledging the legal rights of Colombia by treaty and consequential withdrawal of Peruvian forces.

<sup>33</sup> See telegram No. 124, February 23, 10 p. m., from the Minister in Switzerland, p. 490.

In view of these assurances the Committee gave both representatives attached *aide-mémoire* as their definite and final suggestions for a settlement and asked for an answer as soon as possible, indicating that the Committee expected to have a council on Monday evening.

The two representatives promised further to telegraph to their Governments to say that in view of the real hopes of a settlement they urged that everything should be done to avoid further clashes.

Anything that the United States Government feels disposed to do to help the Committee would be greatly appreciated."

With the exception of the changes mentioned below the *aide-mémoire* referred to in Drummond's message is, but for unimportant verbal changes, identical with the memorandum handed the Colombian delegation on February 23, as reported in my above mentioned telegram.

Add to paragraph 1: "However, the following proposals are formulated with a view to a settlement under paragraph 3 of article 15 of the Covenant."

Paragraph 3: strike out "her" before "troops". Add "the commission will have the right to attach to the international troops such other elements as it may deem necessary."

WILSON

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721.23/1270 : Telegram

*The Secretary of State to the Colombian Minister for Foreign Affairs (Urdaneta Arbeláez)*<sup>34</sup>

WASHINGTON, February 27, 1933.

I have just been advised of the proposal made to the Governments of Colombia and Peru on the 25th instant by the League of Nations.<sup>35</sup> That organization has stated that it would greatly appreciate any help which this Government might give to the proposal of the League.

It gives me great pleasure to advise Your Excellency that I find the proposal suggested by the League of Nations a most straightforward, helpful one, which, if accepted by both parties, should make possible a peaceful solution of the present controversy, honorable to both Governments. In giving my fullest support to this proposal I have the honor to express the hope that your Government will see its way clear to accepting it.

HENRY L. STIMSON

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<sup>34</sup> The same, *mutatis mutandis*, on the same date to the Peruvian Minister for Foreign Affairs; text quoted in telegram No. 79, February 27, 5 p. m., to the Minister in Switzerland, at Geneva.

<sup>35</sup> See telegram No. 130, February 25, 9 p. m., from the Minister in Switzerland, *supra*.

721.23/1287: Telegram

*The Colombian Minister for Foreign Affairs (Urdaneta Arbeláez)  
to the Secretary of State*

[Translation]

BOGOTÁ, February 27, 1933.

[Received 10:21 p. m.]

I have the honor to acknowledge receipt of Your Excellency's kind cablegram<sup>86</sup> in regard to the proposal made by the League of Nations to the Governments of Peru and Colombia on the 25th instant. Your Excellency finds that such proposal constitutes a measure of very helpful aid and that if accepted by the two parties it would afford the possibility of a peaceful solution of the present controversy in a manner honorable to both Governments. Your Excellency's valuable support is given to the proposal of the League and you express the hope that it will be accepted by the Government of Colombia. From the moment that the conflict was begun by the attack on the Colombian port of Leticia, my Government has shown the greatest desire to reach a peaceful and friendly solution which might, without bloodshed, restore the juridical order which was subverted. Inspired today by the same intentions, it has sent instructions to the Colombian delegate at Geneva directing him to state that my Government accepts without any modification the proposal of the League, and to point out, merely, that if Peru accepts it, it should be put into effect immediately, in order that its effectiveness in favor of peace may not be lost. The Government of Colombia considers Your Excellency's support of the proposal of the League as a new proof of the interest with which the Government of the United States of America favors peace on the American continent, and it increases the sympathy of my Government for such proposal.

R. URDANETA ARBELÁEZ

721.23/1363

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] March 2, 1933.

The Colombian Minister and Señor Guzmán came in to see me. They left with me a copy of Doctor Maúrtua's letter to Señor Varela as Chairman of the Permanent Commission of Washington. I told them that I would have copies made and return their copy to them as they said it was the only one they had. Copy is attached hereto.<sup>87</sup>

The Minister and Doctor Guzmán both said that they were very much alarmed by the delay of the Colombian Government in taking

<sup>86</sup> *Supra.*<sup>87</sup> Not printed.

the Putumayo ports of Peru. They thought that Peru was stalling for time in order to improve its military position and that if these ports should be taken by Colombia, which they said could be done very readily and quickly, Peru would then be brought to terms.

I told both gentlemen that this was a matter which would have to be determined by the Colombian Government itself—that neither I nor this Government would make any recommendation whatsoever in the premises. I said that I had seen a report from Geneva which indicated that the League would wait a certain time for Peru's answer and implied that if the answer did not come within a reasonable time the League would proceed to draw up its report on the situation. I said I presumed that the Colombian Government would take that phase of the matter into consideration in any decision which it might make.

F[RANCIS] W[HITE]

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721.23/1355 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 7, 1933—1 p. m.  
[Received March 7—9: 50 a. m.]

140. Peruvian-Colombian dispute. Drummond tells me that Peruvians are making a difficulty on the formula. They are insisting (1)—that the troops in the territory in dispute, during the period of negotiation, shall be “international” and not Colombian and (2)—they are urging arbitration. The members of the Council feel in regard to point (1) that the Peruvians have no right to insist that Colombia shall not occupy what is admittedly legally Colombian territory and regarding (2) that the Peruvians have no right to insist that Colombia should arbitrate a claim in which they have clear treaty right.

A Council meeting is summoned for tomorrow afternoon (Wednesday) at which authority will be requested by the Committee of Three to proceed to formulate a draft report under paragraph 4 of article number 15 of the Covenant. The report can not be ready before Tuesday or Wednesday of next week and in the meantime the offer to the two parties remains open although Drummond is sceptical as to Peru's coming to an agreement.

In strict confidence Drummond pointed out that he hoped that the matter would not stop merely with the adoption of a report under paragraph 4 of article 15. This is a clear-cut issue on which all states agree as to the violator. He is doubtful himself of the advisability of breaking diplomatic relations since he recognizes the danger and even disaster that this might bring to foreign interests in Peru. He does believe however, that an arms embargo could be applied against Peru followed perhaps by other forms of embargo.



Carrying out his confidential exposé Drummond said that in the report they were contemplating establishing another advisory committee on this problem somewhat similar to the one provided for in the Manchurian question which would comprise members of the Council to which they were anxious to invite representatives of Brazil and the United States. He raised the question of whether such an invitation would be an embarrassment to us in view of the fact that we had not yet accepted on the Manchurian question.<sup>38</sup> I stated that I thought an invitation at this moment to appoint an American a member of the committee might cause you embarrassment and raised the possibility of an invitation being issued to "cooperate in any manner in which the Government of the United States might see fit". This would obviously leave you free to take your choice as to the form of cooperation.

WILSON

721.23/1395 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 10, 1933—7 p. m.  
[Received March 10—3:20 p. m.]

144. My 140, March 7, 1 p. m. Drummond tells me that he has had a number of talks in the last few days with the Peruvian delegate and he, Drummond, has the impression now that the Peruvians are hesitant as to the course to pursue and are particularly apprehensive at the thought of sanctions. This leads him to express the opinion to me that it would be particularly useful if he could have any indication as to how we would view the possibility of an embargo on arms against Peru. He considers the mere possibility of such action would be sufficient to turn the tide with the Peruvian Government and make them accept the League's proposal. Further, any pressure that we could bring with the Peruvian Government while they are in this undecided attitude would be most timely.

WILSON

721.23/1402 : Telegram

*The Peruvian Minister for Foreign Affairs (Manzanilla) to the Secretary of State*

[Translation]

LIMA, March 11, 1933.  
[Received 8:40 p. m.]

In reply to the cablegram dated the 27th of February last<sup>39</sup> from Your Excellency's honorable predecessor,<sup>40</sup> I have the honor to state

<sup>38</sup> See telegram No. 86, March 11, 1933, 8 p. m., to the Minister in Switzerland, *Foreign Relations, Japan, 1931-1941*, vol. I, p. 117.

<sup>39</sup> See footnote 34, p. 493.

<sup>40</sup> Henry L. Stimson retired as Secretary of State March 4, 1933.

that my Government has given its acceptance to the proposal made by the League of Nations for the peaceful solution of the controversy between Peru and Colombia; and we have requested, in order to prevent the difficulties which might be caused by contact of Colombian forces with Peruvian inhabitants who repel them, that the police of the territory of Leticia be of any other nationality.

If Your Excellency should deign to support this prudent observation it would increase the gratitude of my Government for the friendly interest which the American Government has been displaying in this matter from the beginning. I offer to Your Excellency, together with my congratulations for having been deservedly called to the direction of the Department of State, the assurances of my highest consideration.

J. M. MANZANILLA

721.23/1409 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 13, 1933—8 p. m.  
[Received March 14—2:32 a. m.]

148. My 140, March 7, 1 p. m.

1. Drummond has just given me a copy of a draft report on the Peruvian-Colombian affair which has been approved by the Committee of Three although not yet considered by the various members of the Council. He also has furnished me a copy of a draft resolution drawn up by the Committee of Three but not yet seen by the Council. Both of these documents are therefore of most confidential character. In sending me them on his initiative Drummond stated that although he had not consulted even the Committee of Three on this action he felt sure that they would be "happy to think that the United States Government would consider what action if any is feasible if Peru, as I (Drummond) fear may be the case, does not accept the proposals for conciliation".

2. Part I of draft report contains a statement of the facts of the dispute as provided for in article 15, paragraph 4 of the Covenant<sup>41</sup> which I shall not summarize as you are familiar with them.

3. Part II of the report contains the recommendations as provided for in article 17 paragraph 4 of the Covenant "which are deemed just and proper in regard thereto (the dispute)" I summarize them as follows:

The Council recommends the complete evacuation of the territory contained in the Leticia trapezium by the Peruvian forces, and the withdrawal of all support from the Peruvians who have occupied that area.

<sup>41</sup> *Treaties, Conventions, etc.*, vol. III, p. 3336.

This recommendation is preceded by the statement that the Council views the presence of Peruvian forces in Colombian territory as incompatible with international law, the Covenant of the League and the Pact of Paris; and that it is not [*now?*] necessary to establish as speedily as possible a situation in harmony with those principles; and that the Government of Colombia has accepted the proposals made by the Council in its telegram of January 26, 1933, which lays down that there should be strictest precautions to avoid violation of Peruvian territory and requisite moderation in reestablishment of order.

The Council further recommends that the negotiations be begun and carried out in all expedition as soon as suitable measures shall have been taken to carry out the first recommendation.

The Council declares itself ready on request to lend its good offices in case of disagreement.

Each of the parties is requested to inform the Secretary General of the action it may take in compliance with the recommendations.

The Council then affirms its confidence that the members of the League of Nations will refrain from any act that might prejudice the execution or delay application of recommendations. The Council then recalled nonrecognition declaration of March 11, 1932,<sup>42</sup> as well as the provisions signed in Washington on August 3, 1932, by 19 American States.<sup>43</sup>

3. [4<sup>o</sup>] The draft resolution referred to above is substantially as follows:

Recital of Council's authority under article 4 paragraph 4 of the Covenant to deal with any question affecting the peace of the world. The Council therefore cannot withhold its attention from developments in the Colombian-Peruvian dispute.

Members of the League of Nations consequent upon part II of the report (described above) should refrain from prejudicial acts, et cetera.

Members of the League pursuant to declaration at meeting of March 11, 1932, should not recognize any situation, et cetera.

Reference to the provisions signed at Washington on August 3, 1932, by 19 American States (as set forth in the report above described).

Council decides to appoint an advisory committee to watch the situation, assist the Council in performance of its duties under article 4 paragraph 4 and help the members of the League for the purpose of concerting their action and their attitude among themselves and non-member states. The make-up of the committee to be as follows:

Germany, United States, China, Spain, France, Guatemala, Irish Free State, Italy, Mexico, Norway, Panama, Poland, Czechoslovakia. The committee to invite the Governments of the United States and Brazil to collaborate in its work in the manner they shall consider most appropriate.

The committee to report progress within 3 months of adoption of report.

WILSON

<sup>42</sup> *Foreign Relations*, Japan, 1931-1941, vol. 1, p. 210.

<sup>43</sup> *Foreign Relations*, 1932, vol. v, p. 159.

721.23/1420 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, March 15, 1933—9 a. m.  
[Received March 15—7:34 a. m.]

80. I am reliably informed that the Committee of Three following the Colombian-Peruvian dispute, met in private session yesterday afternoon with the other members of the Council and secured unanimous approval of the draft report to be presented under paragraph 4 of article 15, as well as the draft resolution in connection therewith. The texts of the report and of the resolution are the same as described in Wilson's March 13, 8 p. m., with minor verbal changes. The report which is a document of over 30 pages with annexes has not yet been circulated. The question is now being considered as to when it will be released to the press and also whether it should be sent out by wireless station following the precedent of the Sino-Japanese report.

The Council empowered the Committee of Three to fix the date of the Council meeting when the report will be brought up for final adoption. It is now planned to hold this meeting on Friday.

The debate reflected the importance which the Council members attach to the precedent to be established in implementing article 15, their preoccupation being evidently concerned with possible future action in cases involving their own interests.

GILBERT

721.23/1409 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, March 15, 1933—6 p. m.

88. Your 140, March 7, 1 p. m. and 148, March 13, 8 p. m. If and when Council invites the United States to collaborate with the Advisory Committee set up to watch the Leticia situation, you may reply in the same terms as the note quoted in Department's 86 of March 11, 8 p. m.<sup>44</sup> regarding the Far Eastern situation. You will also be guided in your action by paragraph 2 of that instruction.

HULL

721.23/1462

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] March 16, 1933.

The Colombian Minister, accompanied by Doctor Guzmán, called and said that he understood that the League would publish its report

<sup>44</sup> *Foreign Relations, Japan, 1931-1941, vol. 1, p. 117.*

on the Leticia matter today. He pointed out that this Government had taken action on January 25<sup>45</sup> just before the League took action before [*sic*] and he wondered whether the League was following our action or whether we were following the League's action—in other words, whether the initiative came from here or from Geneva.

I told the Minister that there was no connection between the two matters he had referred to. When this Government had been appealed to by Colombia, as a signatory of the Kellogg Pact, Secretary Stimson had taken action by means of a telegram to the Minister of Foreign Affairs of Peru of January 25, to which the Minister had referred. The Secretary had consulted with representatives of certain of the countries which were original signatories of the Pact but we had not consulted the League prior to taking the action. We took the action as a signatory of the Kellogg Pact and then advised the League of the action we had taken. The League, on its part, took action on a dispute between two of its members without any consultation with us whatsoever and, after taking this action, had advised us thereof. These two independent sets of action had shown that this Government and the League looked at the matter very much in the same light.

Later on, the League presented a definite plan to Colombia and Peru. This plan was drawn up without any consultation with us and without our prior knowledge. We were asked to support the plan and we did so because we felt that the plan offered a satisfactory solution of the matter.

The Minister asked what action we would take on this report of the League and I told him that it would all depend upon the circumstances. I said that I presumed when the report is published we will be advised regarding it. We do not know whether it will require action or not or whether we will be asked to take action. If we are asked to take action, we will naturally study the report with the greatest care, and what action we will take will depend upon the nature of the report and whether we are in accord therewith or not.

The Minister said that if the report was one with which we agreed he presumed that we would make representations to the Peruvian Government. I told the Minister that while we had done so in the past this was a question which was rather a hypothetical one and I did not feel that I was in a position to indicate in advance what action we would take; it would all depend upon the circumstances.

F[RANCIS] W[HITE]

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<sup>45</sup> See telegram of January 25 to the Peruvian Minister for Foreign Affairs, p. 423.

721.23/1530

*The Peruvian Embassy to the Department of State*

## MEMORANDUM

The Peruvian Government, replying to the dispatch from H. E. the Secretary of State, dated February 27,<sup>46</sup> wherein he urged the Peruvian Government to accept the proposals of the League of Nations in the Leticia conflict between Peru and Colombia, has stated that the said proposals had been accepted, but that it had been found necessary to demand the substitution of Colombian forces, as proposed by the League for the occupation of the territory pending negotiations, by troops of another nationality.

A very brief survey of the situation may serve to explain the Peruvian Government's contention.

The main difficulty the Peruvian Government has had to face in this question has been its desire to respect the validity of the treaty with Colombia, whatever its original defects, and its equally firm purpose to respect the right of self-determination invoked by Peruvian Nationals.

The Treaty of 1922 between Peru and Colombia, source of the present trouble, was negotiated secretly; and when made public encountered strong opposition, not only among the inhabitants of the territory affected by the treaty, but also in the country at large.

By the treaty Peru transferred to Colombia a vast tract of land between the rivers Caquetá and Putumayo, as well as a small trapezoid of land on the Brazilian frontier between the Putumayo and the Amazon rivers, which for brevity sake will be called Leticia. Colombia agreed to transfer to Peru a small tract of land on the Ecuadorean frontier, referred to hereafter as Sucumbios.

The population, thus affected in their feelings and interests by the transfer, declared, upon knowing the terms of the treaty, that it was Peruvian and that it did not wish to change its nationality; that all that region had been Peruvian for over a century, ever since its first development, and that ethnical, geographical, historical and commercial ties had bound and should continue to bind this their homeland to Peru. The country at large could not understand why Colombia had been given much more than she had lately claimed, nor could it admit that Peruvians should be forced to become Colombians against their will.

The Peruvian Government of those days, the very same one that had signed the treaty, confronted by these signs of discontent, hesitated and approached the Colombian Government in a late effort to have the treaty modified, so as to ensure its approval by the re-

<sup>46</sup> See footnote 34, p. 493.

calcitrant Peruvian Congress. Brazil protested, when she became acquainted with the treaty, and so did Ecuador. In fact, in a Memorandum to the Peruvian Government, the Brazilian Government said: "Brazil never would have supposed that Peruvian frontiers would be discontinued at this point and that Peru would cede to Colombia such a territory inhabited secularly by Peruvians". Nor had Colombia had [*sic*] ever expected before to secure this same territory, and once having signed the treaty, she refused to accede to the Peruvian Government's request for modifications, preferring to compose her difficulties with Brazil and even to sever her diplomatic relations with Ecuador. Finally, with the assistance of Secretary of State Mr. Hughes, whose efforts were greatly instrumental in bringing the matter to a conclusion, Colombia succeeded in overcoming the tardy scruples of the then Government of Peru, and the treaty was literally forced through the Peruvian Congress, approved and executed in August, 1930.

On September 1st, 1932, Peruvian citizens spontaneously, without any knowledge of and much less assistance from the present Government of Peru, rose and peacefully expelled from the town of Leticia the few Colombian officials who represented the sole vestige of Colombia's occupation and possession of the territory she had obtained from Peru.

Although well aware of the discontent of the inhabitants of that territory, the news of the rebellion took the Peruvian Government by surprise. At first it disowned the movement, attributing this revolt to discontented elements who wished to make trouble for the Government. But later, when it realized the true nature of the uprising and found that all the surrounding districts supported the Peruvians at Leticia, the Government did not hesitate to intervene with the desire of composing the difficulty amicably, giving due weight, on one hand, to Colombia's treaty rights and, on the other, to the just claims of Peruvian nationals.

The Peruvian Government called upon Colombia to submit the whole incident to the Commission on Conciliation established by a previous Convention. This Colombia refused to do, alleging a technical irregularity, the non-deposit of the ratification. Colombia moreover insisted that the matter was one of internal police and had no international significance. Despite this very academic view-point, Colombia launched a national loan with the name of "Victory Loan" and began preparing an armed expedition wholly out of proportion with her own resources and with the alleged purpose of re-establishing order in that small territory and subduing the insurgents. In reality Colombia understood that behind these so-called rebels stood Peru, desirous, nay anxious, of settling peacefully the controversy.

When it became evident that Colombia wished to evade the Commission on Conciliation, the Brazilian Government offered its mediation on the following bases. Occupation of the disputed zone by Brazil for a fixed term pending negotiations; and delivery to Colombia of the zone, should the negotiations fail before the end of the term. Peru accepted the mediation, with the modification that, should the negotiations fail, the controversy be submitted to arbitration.

In so doing Peru was guided by the wish to settle definitively, in fair and lasting conditions, the territorial dispute with Colombia which the treaty of 1922 had so conspicuously been unsuccessful in doing. Should Peru have accepted the proposal of Brazil to deliver Leticia to Colombia if the negotiations did not reach a satisfactory result within a given time, Colombia would have needed only to prolong the negotiations beyond that period in order to enter for good in possession of the disputed zone. The local population would not have consented thus to be delivered again to the country whose yoke they had overthrown, and the problem would have subsisted, more complicated probably than ever and further away from a solution.

The Brazilian mediation was still in existence when the General in command of the Colombian military expedition issued an order to the Peruvian population at Leticia to surrender. Skirmishes ensued, tending thereby to prove that the Peruvian population was decided to resist the forcible efforts of Colombia to reestablish her sovereignty over a land the inhabitants considered to be their own and therefore Peruvian and which had never been willingly ceded to Colombia.

One reaches thus the latest stage of this unfortunate episode. Colombia appeals to the League of Nations at Geneva, to obtain its support in maintaining her treaty rights in Leticia.

The League proposes the withdrawal of Peruvian forces from the disputed zone, which would be occupied by a Commission of the League, and Colombia would place troops at the disposal of the Commission, these troops becoming, during the period of negotiations, international troops. Peru has accepted this proposal with the demurrer that the international troops be composed of any other nationality except Colombian.

Here again it is not difficult to understand Peru's suggested modification.

The consent of the Peruvian population in the disputed territory is evidently a requisite to reach a satisfactory solution. If this consent were not forthcoming, force would have to be used, and it is precisely to avoid the use of Peruvian forces against Peruvian citizens for the purpose of obliging them to become Colombian residents, as well as the use of Colombian forces against Peruvian citizens to impose upon them a rule they repudiate, that the internationalization of the zone,



pending negotiations, had been conceived. The Peruvian population would reject a fictitious internationalization, by which Colombian troops, under the guise of international troops, would occupy again their home-land. No stress of imagination is needed to visualize how in practice, with the animosity now smouldering between both countries, clashes would easily occur, were Colombian forces, even under foreign command, to police a territory where the inhabitants had risen against Colombia's authority and freed themselves from Colombian control.

An international force should be truly international and not merely so in name. If the principle of internationalization is admitted as a fair means of neutralizing a zone, of which the ultimate fate is under discussion, then the internationalization should be genuine.

Reviewing the situation in its entirety one clearly perceives that Colombia's claim is purely legalistic. She bases her rights to Leticia on a treaty, which the people of Leticia never approved, and today, as before, reject. Had Peru proceeded likewise in a spirit of formalism she could have alleged the nullity of the 1922 treaty on the ground that Colombia has failed to deliver to Peru the small tract of land named Sucumbios, which the treaty adjudicated to Peru. But Peru has preferred to place the problem on a broader basis.

If the boundary controversy between Peru and Colombia is to be settled satisfactorily, it must establish in the disputed region a regime lasting and peaceful. This can only be obtained through the consent of the inhabitants. Coercion is useless; it breeds reaction. Even were Colombia able to overcome the resistance of the local population, the problem would not be solved. Leticia would be for Colombia a remote outpost, where she would have to maintain her authority by sheer weight of force, surrounded as she would be by an hostile population. For Peru Leticia would become a source of continuous friction with Colombia; and a new center of international trouble would arise in South America.

The native population, Peruvian in every sense and deeply rooted to the soil, is by no means composed of filibusters intent on raiding foreign lands. It defends its own nationality, its home, its property. Duly consulted and given proper participation in any negotiation, it is bound to be reasonable. Coerced, it would revolt.

The Peruvian Government, therefore, has all along demanded that the controversy be the subject of negotiations. The Peruvian Government does not pretend to impose its own views or interests. It hopes by mutual concessions to reach an understanding. Should these negotiations fail, it would submit the whole dispute to arbitration, disposed as ever to abide by the decision of an impartial judge. And while the negotiations proceed ordinary prudence advises that

the subject of the dispute be held in trust, so as to facilitate and not envenom the discussion. Internationalization true and effective would accomplish this end.

For this reason Peru proposes an internationalization with international forces not pertaining to either of the contending parties; and the Peruvian Government ventures to hope that friendly powers, interested only in the maintenance of peace, will see fit to support Peru's demand, recalling that the rights of the Peruvian population at Leticia, the right of self-determination, should be given due consideration and not discarded, only to lay stress on the treaty rights of Colombia, which flow from a treaty lacking the essential requisite of having obtained the approval of those whom the treaty so closely concerns.

Among these friendly powers Peru wishes to count the United States, whose moral influence in all matters on this continent is so great, and to whom peoples fighting for their liberty have always instinctively looked.

WASHINGTON, March 16, 1933.

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721.23/1446 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, March 18, 1933—4 [1<sup>9</sup>] p. m.  
[Received March 18—9:30 a. m.]

81. Wilson's No. 153, March 18, 2 p. m. [9 a. m.<sup>9</sup>] <sup>47</sup> Report and Council resolution in Colombia-Peruvian dispute adopted unanimously by the Council at meeting just terminated. Accepted by Colombia. Not accepted by Peru. Details of the meeting follow.

GILBERT

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721.23/1447 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, March 18, 1933—3 p. m.  
[Received March 18—11:55 a. m.]

82. Consulate's 81, March 18, 1 a. m. [p. m.<sup>9</sup>] The chief points in the procedure were as follows: <sup>48</sup>

1. The Colombian representative stated that Colombia accepted the report without reservations and expressed appreciation of the impartiality of the League action.

<sup>47</sup> Not printed.

<sup>48</sup> See League of Nations, *Official Journal*, April 1933, p. 516.

2. Peruvian representative declared the Salomon-Lozano treaty was at the root of the present dispute and reviewing the historical antecedents of the treaty asserted it to be unjust. He advanced thesis of the disturbing results of inequitable treaties and appealed to the "unwritten law" in international affairs which places justice above "mere conventions". While not disputing the legality of the treaty he characterized the report as overlooking the psychological and moral aspects of the question. He urged a delay in Council action in order to permit of further inquiry.

3. In response to inquiry by the President the chairman of the Committee of Three stated that nothing had been adduced by the Peruvian representative which would suggest a modification of the report, that the Committee of Three felt that no further inquiry was necessary and that the responsibility for the present situation must rest on the Government which has occupied the territory of a friendly state.

4. A vote on the report was taken by roll call under the provisions of article 15, paragraphs 4, 5, 6 and 7. On casting their affirmative votes all of the members of the Council made statements approving the report except members of Committee and representatives Germany and Mexico, the French representative stressing the upholding of treaties and the great importance of the present action, and the British representative warning Peru of her grave responsibility in not acting in accord with the provisions of the Covenant and the Pact of Paris, and admonishing Colombia to continue in her present wise course of self-restraint.

5. The representative of Peru left the Council table following outwardly the precedent of the withdrawal of the Japanese delegation from the Assembly but of course Peru not being a member of the Council this action does not imply all of the technical concomitants [*concomitants?*] of Japan's withdrawal.

6. In a private meeting of the Advisory Committee which immediately followed it was voted to extend invitations to the United States Government and Brazil in accordance with the terms of the Council resolution.

GILBERT

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721.23/1448 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 18, 1933—5 p. m.  
[Received March 18—3:50 p. m.]

154. Gilbert's 81, March 18, 2 [1?] p. m. The following letter dated March 18, addressed to the Secretary of State by Drummond, has just been received.

"I have the honor to inform you that on March 18 the Council of the League of Nations adopted a report concerning the dispute between Colombia and Peru and the appeal of Colombia under article 15 of the Covenant of the League of Nations.<sup>49</sup>

In accordance with the directions of the Council, I beg to enclose a copy of this report (see my telegram 148, March 13, 8 p. m.).<sup>50</sup>

On the same day the Council adopted a resolution in virtue of article No. 4, paragraph 4 of the Covenant—copy of which I have the honor to enclose (see concluding clause, final paragraph my 153, March 18, 9 a. m.<sup>51</sup> I assume you have copy of resolution by this time) by which it decided to appoint an Advisory Committee to watch the situation, assist the Council in the performance of its duties under that article, and help the members of the League for the same purpose to concert their action and their attitude among themselves and the nonmember states.

The Committee was to consist of the representatives of the members of the Council. This Committee held first meeting on March 18. In accordance with the resolution of the Council it decided to invite the Governments of the United States of America and the United States of Brazil to collaborate in its work in the manner they should consider the most appropriate.

I now have the honor to convey to you this invitation.

I need not say that the Committee attaches great importance to the cooperation of your Government and earnestly hopes that it will be able to accept this invitation."

Pursuant to your 88, March 15, 6 p. m., I have written a letter to Drummond over the signature of the Secretary of State dated March 18 as follows:

"I have the honor to acknowledge receipt of your letter of March 18, 1933 enclosing the text of a resolution adopted on the same day by the Council of the League of Nations providing for the appointment of an Advisory Committee. You inform me that the Advisory Committee set up under the terms of this resolution held a meeting on March 18 and requested, in accordance with instructions of the Council, that you convey to the Government of the United States an invitation to cooperate in its work."

(Second paragraph identical with that quoted in Department's 86, March 11, 8 p. m.<sup>52</sup>).

I am delivering the foregoing letter on Sunday, March 19th, and will suggest that it be released for Monday's papers.

WILSON

<sup>49</sup> See League of Nations, *Official Journal*, April 1933, pp. 516, 526, and 614.

<sup>50</sup> The parenthetical remarks were inserted by Minister Wilson.

<sup>51</sup> Not printed.

<sup>52</sup> *Foreign Relations*, Japan, 1931-1941, vol. I, p. 117.

721.23/1456 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, March 20, 1933—5 p. m.

[Received March 20—2:35 p. m.]

34. Although in courtesy to the League of Nations the Brazilian Government has stated that it would be pleased to cooperate with the United States in carrying out the League's last proposal regarding Leticia, the Foreign Office asks me to inform you that it doubts whether such an effort will lead to success. Brazil's first effort having failed she is disinclined to associate herself with a second unless success is assured before the effort is made.

MORGAN

721.23/1465 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 22, 1933—3 p. m.

[Received March 22—11:35 a. m.]

155. The Advisory Committee on the Leticia dispute met this morning. I had previously received a letter from Drummond (forwarded by mail) requesting me in the name of the President of the Commission to be present under the conditions set forth in the letter of March 18.

The Chairman, Lester, suggested that the representatives discuss the matter of whether they are willing to apply an embargo on arms against Peru in the event that Peru did not accept the report and continued its hostile acts. As it seemed well on this occasion to make clear American Government's attitude I did so along the lines of your 85, March 11, 7 p. m.,<sup>53</sup> without expressing any opinion as to what action my Government would take in the event that legislation was adopted.

After some discussion the Chairman suggested that the representatives inquire from their Governments whether they are willing to accept the principle of an embargo on arms to Peru and if so on similar action by what states they predicated their acceptance. He requested that replies be given within a week if possible.

Obviously in view of the statement which I made a reply from us will not be necessary unless legislation is meanwhile adopted.

A discussion in which I took no part followed on the possible scope of any embargo. Wellington Koo<sup>54</sup> raised the point of whether it should not include certain raw materials capable of being converted into munitions of war. It was decided that all the details should be

<sup>53</sup> Vol. III, p. 231.<sup>54</sup> Representative of China on the Council of the League of Nations.

left until after a decision in principle depending on the replies from the various states. As the replies of the various states are circulated I shall keep you apprised of the attitude of the different Governments.

The reply of Brazil has not yet been received.

WILSON

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721.23/1469 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 22, 1933—7 p. m.

[Received March 22—5:47 p. m.]

156. Supplementing my 155, March 22, 3 p. m., it has occurred to me that certain thoughts on the situation here might be of interest to you in considering the larger aspect of the embargo matter.

It is obvious that League members, especially the more ardent protagonists of the integral application of the Covenant, including article 16, are anxious to establish a precedent based on the case of Leticia, which can be invoked in considering the much more serious Manchurian matter or future eventualities elsewhere. The case against Peru is so clear-cut that to the doctrinaire mind it is almost welcomed in order to put into motion the machinery established by the Covenant and create a precedent for the further and more important use of this machinery.

Furthermore, I believe that the thought uppermost in the minds of these League members is the punitive aspect of an embargo and their desire to take action against an aggressor. This idea, as the underlying basis of an embargo, differs radically, if I am correct, from the object with which we have hitherto established embargoes, namely, on general grounds of humanity with special reference to diminishing the extent of civil strife in unstable regions of the world, and a desire to do our part in rendering armed conflict difficult. Thus our action in relation to Peru should be considered from the point of view of the precedent it establishes both in relation to Japan and to possible eventualities on the European continent. In this connection I am thinking of the sound reasons hinted at in the second paragraph of your 85, March 11, 7 p. m.<sup>55</sup>

WILSON

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<sup>55</sup> Vol. III, p. 233.

721.23/1470 : Telegram

*The Ambassador in Brazil (Morgan) to the Secretary of State*

RIO DE JANEIRO, March 23, 1933—noon.

[Received March 23—10:50 a. m.]

35. Following from Sackville received today:

“Manãos, March 18th. Leaving for front on Brazilian naval dispatch boat March 17th arriving 25th. Ship has wireless apparatus. My cable address American Embassy Rio de Janeiro. Cables will reach me via Brazilian Army and Navy wireless stations.

Request that permission be obtained for me to enter Peruvian and Colombian territory for purpose of observation and information.”

No Brazilian planes have reached the front nearer than Para.

MORGAN

721.23/1487 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, March 24, 1933—5 p. m.

[Received March 24—12:20 p. m.]

157. Secretariat has received telegram stating that Brazil is accepting participation in the Advisory Committee set up under the resolution of the Council on March 18 and that the acceptance is made under the same conditions as that of the American Government. An official letter is expected tomorrow and until then Drummond prefers to regard the matter confidential.

WILSON

721.23/1470 : Telegram

*The Secretary of State to the Ambassador in Brazil (Morgan)*

WASHINGTON, March 24, 1933—7 p. m.

44. Your No. 35, March 23, noon. Following for Sackville.

“The situation has greatly changed since you were instructed to undertake your present mission and the Department feels that in view thereof it would be inadvisable for you to enter Peruvian or Colombian territory. The Department, therefore, suggests that you remain for a few days on the Brazilian side of the frontier and collect such information as is available to you there concerning the situation along the lines indicated in the Department’s telegram No. 35 of February 17 to the Embassy at Rio de Janeiro. You should then return to Rio de Janeiro transmitting to the Department by air mail from Para while en route if practicable a full report with respect to your observations.”

HULL

721.23/1510 : Telegram

*The Minister in Panama (Davis) to the Secretary of State*

PANAMA, March 29, 1933—3 p. m.

[Received 4 p. m.]

44. Following is translation of telegram from Panaman Legation in France to Secretary of State for Foreign Affairs:

“Consultative Committee has asked me whether Panama would find it convenient to join in prohibiting the re-exportation and transit of arms destined for Peru and, in the affirmative case, to stipulate as to the adherence of what governments Panama would subordinate its adherence.”

Secretary of State for Foreign Affairs has inquired informally as to action that has been or will be taken by the Department, stating he is inclined to follow United States in this matter. He called attention to last part of telegram which appears to suggest that League may desire affirmative reply based on condition that certain other governments adhere.

Please cable instructions for my guidance in making informal reply.

DAVIS

721.23/1510 : Telegram

*The Secretary of State to the Minister in Panama (Davis)*

WASHINGTON, March 31, 1933—6 p. m.

38. Your 44, March 29, 3 p. m. This Government has not taken action in this connection and does not expect to take any position with regard to embargoes pending arrival by the League of Nations at its own decision with regard to the course which should be followed by its members in relation to that subject. Department does not wish to intrude in the League's discussion of this matter.

HULL

721.23/1535 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, April 5, 1933—8 p. m.

[Received April 5—4:12 p. m.]

163. The Advisory Committee on Leticia was convened this afternoon to consider a communication from the representative of Peru addressed to the President of the Advisory Committee under date of March 30.

This communication informed the Committee under instructions from the Peruvian Government of the capture on March 27 by Colom-



bian forces of the outer Putumayo Peruvian post Güepi. After several paragraphs of attack on Colombia the Peruvian note concluded with expressing the hope that the Committee would proceed to an examination of the new situation which the Colombian aggression had created and would establish that all advance by Colombian forces on Peruvian territory, that all attempts to reestablish Colombian authority in Leticia, henceforth constitute an act of war against Peru.

There was a long, rambling and rather inconclusive discussion, during which the Peruvian and Colombian representatives were questioned regarding details of the Güepi incident and co-related matters. The Committee then adjourned to permit the Secretariat to draft a reply to Peru which will be considered at a meeting tomorrow afternoon.

We took no part in the discussion.

WILSON

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721.23/1540 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, April 6, 1933—8 p. m.

[Received April 6—6 p. m.]

164. My 163, April 5, 8 p. m. At meeting of Advisory Committee on Leticia this afternoon, the British and Italian representatives informed the Commission that Calderón, Peruvian representative, had spoken to them today with regard to new instructions which he had just received from his Government; that these permitted him to say to them that while his Government was in no position to make formal proposals he was able to indicate privately and confidentially that perhaps his Government might be able to enter into discussions for a settlement of the Leticia affair on the basis of the recommendations of the Committee of Three of February 25 (see page 8 of League Document C 194 M 91, 1933, VII March 16). According to the British and Italian representatives Calderón gave them to understand that his Government was quite willing to evacuate Leticia in connection with any settlement along the above lines.

Lester explained privately later that as a matter of fact the Peruvian Government had also approached the British and Italian representatives at Lima with the idea of a settlement based upon the proposals of February 25.

An extended discussion followed of the best method of handling this new situation and fitting it in with the question before the Committee of a reply to the letter of the Peruvian representative of March 30 (see my 163, April 5, 8 p. m.). On the one hand the president of the Committee was empowered to follow the further development of

the matter raised by the communication of the Peruvian representative to the British and Italian representatives. On the other hand a reply to Calderón was drafted and approved which took this new situation into account, comment upon certain recent statements by the Peruvian and Colombian Governments regarding the free passage of the Putumayo and the present possession of Güepi by the Colombian forces and at the same time confirmed the mandate which the Committee was giving to its President to follow the further development of the question of a settlement of the dispute in general.

It seemed to be the sense of the Committee, as the phraseology of the resolution and the letter indicated, that it should be made clear to the Peruvians that any consideration of a settlement must be based upon the execution of the recommendations of the Council of the League of March 18.

Neither Brazilian nor American representatives took part in the discussion.

Although it seemed perfectly understood that the United States were not to be considered as participating in the resolution or the letter mentioned above I took the precaution of speaking privately about the matter with the president of the Committee at the end of the session. He entirely confirmed the above impression of our nonparticipation. I also made this point clear to the newspaper men in the course of a press conference after the meeting.

Translations of resolution and letter will be telegraphed as soon as available.

WILSON

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721.23/1556 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, April 7, 1933—4 p. m.  
[Received April 7—1:35 p. m.]

165. My 164, April 6, 8 p. m., last paragraph. In accordance with the decision reached yesterday by the Advisory Committee on Leticia affair Lester, chairman of the Committee, has addressed following letter dated April 6 to the Peruvian representative.

"In a letter dated March 30th you were good enough to inform me under instructions from your Government that on March 27th the Colombian military forces had attacked and taken Güepi a Peruvian post on the upper Putumayo at a distance of about 1,000 kilometers from Leticia. You asked that the Advisory Committee set up by the Council's resolution of March 18, 1933 to follow the dispute between Colombia and Peru should examine this situation. The Advisory Committee met on April 5th and 6th and examined your communication. It heard your oral explanations and those of the representative of Colombia. It appears from your explana-

tions that the Peruvian Government intends, in conformity with article 8 of the treaty of 1922 between Colombia and Peru, to respect the free passage of Colombian vessels military or otherwise on the River Putumayo. The representative of Colombia on his part declared that the Colombian Government had no designs on Peruvian territory and would evacuate Güepi as soon as the Leticia trapezium had been evacuated by the Peruvian forces.

After discussing the matter the Committee thought it saw some possibility of making further efforts to secure with the cooperation of the two parties the speedy execution of the Council's recommendation dated March 18, 1933.

In these circumstances the Committee has thought it expedient to defer its reply to your letter of March 30 and has instructed me to follow the further development of this affair, keeping in contact with the parties and with the members of the Committee, who will be able to supply me with information that may contribute to the desired result.

The Committee has also empowered me to convene it when I think fit and in any case before the Council's next session in May."

WILSON

721.23/1560 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, April 7, 1933—9 p. m.

[Received April 7—8:30 p. m.]

167. My 164, April 6, 8 p. m. I have just received the following document from Lester, chairman of the Advisory Committee on Leticia (office translation) :

"The representatives of Colombia and Peru, duly authorized by their Governments, desirous of facilitating the settlement of the dispute which arose between Colombia and Peru as a result of the Leticia incident, have met in the presence of the chairman of the Advisory Committee of the Council and have concluded the following arrangement :

1. The recommendations approved by the Council of the League of Nations at its meeting of March 18, 1933,<sup>56</sup> under paragraph 4 of article 15 of the Covenant, remain intact and the Governments of Colombia and Peru declare that they will conform thereto;
2. Consequently the two Governments will issue the necessary instructions in order that every act of hostility shall cease on both sides;
3. The following provisions for the execution of the recommendations of the Council are laid down :

(a) The Council is invited to set up a commission which will proceed to the spot as soon as it shall have been constituted and which will take charge of the territory on which the incident occurred.

<sup>56</sup> See telegram No. 154, March 18, 5 p. m., from the Minister in Switzerland, p. 506.

Immediately upon its arrival it will take charge of the administration of the territory and the Peruvian forces shall withdraw at once.

The commission shall continue to function during the course of the negotiations envisaged in the resolutions of the Council of March 18, 1933.

(b) It may call upon military forces of its choice, and it may enlist the services of such other elements as may be necessary.

(c) The forces and elements in question will be used to maintain order on the territory.

(d) The commission shall have the right to decide any question concerning the execution of its mandate.

4. The parties shall inform the Advisory Committee of the Council of the League of Nations of the method according to which they intend to proceed with the negotiations envisaged in number 2 of the recommendations of March 18th, 1933, and the Committee will report thereon to the Council;

5. The parties recall that the Council of the League of Nations has declared itself disposed to lend its good offices upon the request of one or the other of the parties, in case of disagreement, either with regard to the procedure to be followed or with regard to any question of substance which may arise and that the Council has considered that it should not cease to follow developments in the dispute;

6. The parties undertake to accept and to comply with every decision that the Council of the League of Nations might take with regard to the allocation of expenses which the creation and the functioning of the commission may entail."

Lester informs me that the Peruvian representative here states that his Government accepts this arrangement. The Colombian representative is transmitting it to his Government for approval.

With reference subparagraph (b) of paragraph 3 I understand from Lester that the Peruvian representative has stated privately that Peru does not object to the Commission's employment of Colombian forces but that it does not wish this declaration specifically in the document.

Lester expresses the hope that the Department cable the American representative at Bogotá to urge acceptance by Colombia of the proposed arrangement believing that such action would be very helpful.

WILSON

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721.23/1560 : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, April 8, 1933—3 p. m.

40. The following telegram has just been received from Geneva:  
[Here follows text of telegram No. 167, April 7, 9 p. m., from the Minister in Switzerland, printed *supra*.]

As this appears to offer a reasonable solution of the difficulty, you are authorized to discuss it with President Olaya and to say that the Department very much hopes that he will find it possible to accept.

HULL

721.23/1567 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

Bogotá, April 11, 1933—2 p. m.

[Received 11:25 p. m.]

44. Department's telegram No. 40, April 8, 3 p. m. Olaya much upset at Lester's modifications to March 18th recommendations (modifications he says previously stipulated by Peru and rejected by League). He reminds me of the many times he has supported unpopular proposals in the face of a hostile public opinion when he believed in the justice of the cause (my despatch No. 5311, March 7, 1933<sup>57</sup> for Leticia formula) but this time he says he can not fight the public; he emphasizes again that no government here can possibly enter into any agreement that does not provide first for the recovery of Leticia (as March 18th recommendations did); negotiations can follow once Leticia is back under the Colombian flag but the recovery of Leticia cannot be made contingent upon them: Santos at Geneva is strongly opposed to Lester's modifications as are all political leaders here.

British Minister who is virtually spokesman for League here sends this morning following telegram to his Government:

"I saw American Minister Saturday night. He had received telegram from State Department on same lines as your number 36 but fuller. He saw Minister for Foreign Affairs same night and found him highly suspicious of proposals and therefore uneasy and opposed to any question of acceptance in the form proposed. American Minister was with President in latter's country estate yesterday and found him even more suspicious and opposed than Minister for Foreign Affairs.

Suspicious allegedly based on following reasons: that Peru is insincere and is endeavoring to play off ABC countries with League. She has approached Argentine Government on plea that this is a Latin American and not a League matter and endeavored through Argentine Government individually or as member of ABC group to enlist support for proposals identical to those now submitted through League.

The objections of the Colombian Government, which would appear to be shared by press and public, can be summarized as follows:

The proposals start with point 1 which the Colombian Government have been and are willing to accept but this is followed by point 3

<sup>57</sup> Not printed.

which is so subtly worded as to befog the issue. Colombian Government points out that in the new proposals there is tendency to treat Leticia zone as 'territory in dispute' whereas the sovereignty of Colombia has never been questioned. President and Colombian Government are convinced that point 1 has been set forward as a trap to make Colombian Government act on point 2 and that when all Colombian forces have been withdrawn Peru would twist interpretation of point 3 to their advantage, that is, that territory was 'in dispute', that Colombian forces should not be designated and that ultimate ownership of zone should be dependent on result of negotiations, et cetera, and that Peru would have her own forces ready to advance further on undefended Colombian territory as soon as or even before negotiations broke down.

At the present critical stage it is most important that position and proposals be clearly and unequivocally defined. I have therefore throughout day been in touch with Minister for Foreign Affairs and American Minister. I feel sure that a formula embodying following will be acceptable:

'Colombian Government accepts point 1 and will act on point 2 but only if it be clearly laid down that the interpretation is as follows:

(a) Peru will evacuate Leticia zone, the Colombian sovereignty over which has never been in dispute since ratification of treaty of 1922, immediately on arrival of a commission to be appointed by Council. The commission will call upon Colombian Government to provide military forces to maintain order and will hoist the Colombian flag in Leticia and wherever else desired within zone temporarily handed over to them.

(b) Colombia accepts the presence of the commission as a pledge both to her from the League and from her to the League: to her as a guarantee that her sovereignty has the recognition and protection of the League: from her that she is willing now as she would have been before the incident occurred to discuss with Peru as with any government matters of mutual concern and interest.

(c) That the terms of (a) having been complied with and of (b) recognized hostilities to cease on both sides and negotiations to ensue forthwith between the two countries.'

With reference to second paragraph of telegram of the British Minister, Minister for Foreign Affairs showed me the last note from Argentine Minister here demonstrating that Peruvian Government had endeavored to have Argentine Government sponsor modifications now proposed by Lester.

CAFFERY

721.23/1567 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson),  
at Geneva*

WASHINGTON, April 12, 1933—6 p. m.

94. Your telegram No. 167, April 7, 9 p. m. was repeated to Bogotá. The following reply from Mr. Caffery is repeated to you for your information:

(Here follows Telegram No. 44, April 11, 2 p. m. from Bogotá.)

HULL

721.23/1610

*Memorandum by the Under Secretary of State (Phillips)*

[WASHINGTON,] April 13, 1933.

The Peruvian Ambassador left with me the accompanying memorandum<sup>58</sup> and referred in particular to the last paragraph thereof to the effect that "any friendly suggestion to the Colombian Government would be appreciated." He indicated that that language means the desire of the Peruvian Government that this Government should intimate to Colombia the hope that the Government of Colombia would accept the League plan. The Ambassador described the difficulties of the situation in the Amazon region, the dangers of having a Colombian force occupy that region on behalf of the League because of the fact that the population, which was largely Peruvian, could not understand the presence of Colombian soldiers, even though they were there under orders of the League, etc., etc.; he felt that President Olaya would need some friendly council, in order to overcome the political drive which might be made against him if he should decide to accept the League proposal. The Ambassador expressed the thought that, in the circumstances, probably the League would invite Brazil to send 50 soldiers into the Leticia region and he thought that, in view of the scarcity of the population, this handful of soldiers would be ample to keep the peace.

The Ambassador admitted that a backward step had been taken in this whole dispute and said that his Government was prepared now to take a forward step; he referred to the President's use of the term "good neighbor,"<sup>59</sup> the Secretary's reference to "good neighbor" yesterday, and said that he hoped the United States would now use its influence as a good neighbor in an appeal to Colombia.

WILLIAM PHILLIPS

<sup>58</sup> *Infra.*

<sup>59</sup> Address by President Roosevelt before the special session of the Governing Board of the Pan American Union at Washington, on Pan American Day, April 12, 1933, Department of State, *Press Releases*, April 15, 1933, p. 243.

721.23/1610

*The Peruvian Embassy to the Department of State*

## MEMORANDUM

The League of Nations, mediating at the request of Colombia in the controversy between Peru and Colombia over territories situated in the Amazon region, proposes, according to information transmitted to the Embassy by the Peruvian Government, that hostilities should cease immediately; that the territory in dispute be placed under the administration of a Commission appointed by the League, until negotiations between Peru and Colombia reach a satisfactory end; that an international force be organized by the League to maintain order in the territory during the negotiations; that the Commission appointed by the League be authorized to choose, according to its best judgment, the forces it may require for that purpose; and that negotiations be started at once to examine the legitimate interests of Peru with regard to boundary rectifications.

The Peruvian Government, in their sincere desire peacefully to settle their present controversy with Colombia, are willing to accept these proposals. Any friendly suggestion to the Colombian Government, tending to advise them also to accept these proposals, would be appreciated, since the terms seem fair and negotiations undertaken in these conditions offer good prospects of a successful agreement.

WASHINGTON, 13 April, 1933.

721.23/1599 : Telegram

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*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, April 20, 1933—2 p. m.

[Received April 20—12:35 p. m.]

168. Your 94, April 12, 6 p. m. In a further talk with Lester this morning he explained that whereas Colombia had been willing on February 25th to accept the suggested method of conciliation and negotiation the suggestion had been turned down by Peru. In the meantime the Council had taken a clear-cut decision on March 18th and had recommended Peruvian evacuation of the Leticia territory unconditionally. Thus Colombia is in a much stronger legal and moral position now than before the Council's action. I am also inclined to believe after the conversation with Lester that the former bilateral agreement in which the suggestion was offered is distasteful to Colombia.

. . . . .

WILSON



721.23/1614 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, April 21, 1933—5 p. m.

[Received 10:15 p. m.]

46. Colombian Government has telegraphed to Santos at Geneva formula together with two separate notes to be addressed to the League as proposed settlement of the Leticia controversy.

The President of the Advisory Committee of the League of Nations with a view to carrying out the recommendations approved by that body at its meeting of March 18 last in such a way as to preclude any incident tending to aggravate relations between the Republic of Colombia and Peru has submitted to the delegates of the two countries the following proposals which those delegates duly authorized by their respective Governments have accepted:

1st. As in Lester formula.<sup>60</sup>

2d. The Council shall proceed to the formation of a commission which should be in Leticia within a period of not more than 30 days. Upon its arrival the Peruvian forces now there shall immediately withdraw and the commission in the name and representation of the Government of Colombia shall take over the administration of the territory evacuated by those forces.

The commission shall use military forces of its own choosing to maintain order in the territory and may add such other elements as it may deem necessary;

3d. The commission shall have the right to decide any question concerning the execution of its mandate. The maximum period for the duration of the commission shall be one year;

4th. As in Lester formula;

5th. The Council of the League of Nations reminds the parties that it has declared its willingness to lend its good offices upon the request of one or the other of the parties in case of disagreement, either with regard to the procedure to be followed or with regard to any question of substance which may arise, and that the Council considers that it can not cease to concern itself with developments in the case;

6th. The Government of the Republic of Colombia will pay the expenses required in the operation of the commission and the administration of the territory referred to in the mandate conferred by it upon said commission;

7th. Consequent upon their acceptance of the foregoing proposals, the Governments of Colombia and Peru will issue the necessary instructions in order that every act of hostility shall cease on both sides.

Note 1.

The approval by the Government of Colombia of the foregoing formula requires as a basis the assurance which the Committee will

<sup>60</sup> See telegram No. 167, April 7, 9 p. m., from the Minister in Switzerland, p. 514.

give it that the military forces mentioned in clause 2 shall be Colombian forces only. This assurance shall not be made public for the time being.

Note 2.

In furtherance of clause 4, Colombia declares that it is disposed to enter with utmost diligence and the highest spirit of equity upon the discussions concerning problems now pending and the best way of finding a just, lasting and satisfactory solution for them on the basis of respect for treaties now in effect. Likewise it is disposed to examine all the legitimate interests of Peru and to consider with entire liberty the proposals which Peru may wish to make to it.

CAFFERY

721.23/1614 : Telegram

*The Secretary of State to the Chargé in Great Britain (Atherton)*

WASHINGTON, April 27, 1933—11 a. m.

80. Our Minister at Bogotá telegraphed the following:

(Here quote Telegram No. 46, April 21, 5 p. m., from Bogotá)

The "Lester Formula" referred to therein was proposed by the League Advisory Committee on Leticia and proved unacceptable to Colombia partly because it was not so worded as explicitly to confirm Colombian sovereignty over Leticia and partly because it did not specifically provide that the "international forces" to be employed by the League Commission should be Colombian forces.

The Department considers that this new Colombian proposal modifying the Lester Formula offers an eminently fair and reasonable solution and desires that you so inform the Foreign Office expressing the hope that the British Government will urge its acceptance at Geneva.

HULL

721.23/1614 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, April 27, 1933—11 a. m.

96. Department's No. 94, April 12, 6 p. m. The following telegram has been received from Bogotá:

(Here quote telegram No. 46, April 21, 5 p. m., from Bogotá.)

This formula seems to provide an eminently fair and reasonable settlement of the Leticia affair and you may informally so inform Lester.

HULL

721.23/1644 : Telegram

*The Secretary of State to the Minister in Colombia (Caffery)*

WASHINGTON, May 3, 1933—5 p. m.

42. Your telegram No. 46, April 21, 5 p. m., was repeated to London and Geneva. The Embassy at London was instructed to inform the Foreign Office that the Department considers that this proposal offers "an eminently satisfactory and reasonable solution" and to express the hope that the British Government would urge its acceptance at Geneva.

The Embassy at London telegraphed on April 29<sup>61</sup> that the Foreign Office "deplored these Colombian proposals" since in its opinion Colombia was amply protected under the Lester formula. The British agreed to support the Colombian proposal, however, with the exception of the stipulation in Article 2 that the League Commission should take over the Administration of the Leticia territory in the name and representation of the Government of Colombia: the Foreign Office considered that the territory should be taken over "in the name of the League of Nations".

On May 2 the Department instructed the Embassy<sup>62</sup> to point out at the Foreign Office that Colombian sovereignty over the Leticia area has never been disputed even by Peru, and to cite the conclusions of the unanimous report of the League Council of March 18<sup>63</sup> to the effect that both parties agree that the treaty is in force and that the Leticia area "forms part of the territory of the Republic of Colombia". The Department added: "It is obviously important from the point of view of Colombian public opinion that this fact be specifically recognized in any formula, and this Government feels that the statement that the Commission should take over the administration of the territory in the name and representation of the Government of Colombia is entirely fair and reasonable. In fact, since the League's recommendation called for the unconditional evacuation of the Leticia trapezium by Peru, it would seem that Colombia's acceptance of the administration of that territory by a League Commission is extremely conciliatory. The Department very much hopes, therefore, that the British Government will support this latest proposal in its original form and urge its acceptance at Geneva".

The foregoing is for your information.

HULL

<sup>61</sup> Telegram No. 90, April 29, 1 p. m., not printed.

<sup>62</sup> Telegram No. 86, May 2, 5 p. m., not printed.

<sup>63</sup> See telegram No. 154, March 18, 5 p. m., from the Minister in Switzerland, p. 506.

721.23/1668 : Telegram

*The Chargé in Great Britain (Atherton) to the Secretary of State*

LONDON, May 3, 1933—7 p. m.

[Received May 3—4 p. m.]

96. In an informal and friendly conversation I have just discussed Department's 86, May 2, 5 p. m.,<sup>64</sup> with Craigie,<sup>65</sup> who in turn for the last 2 days has been discussing this question with Santos, Colombian representative at Geneva. Craigie informed me that the British Government was not prepared to support the Colombian formula in its present form, but upon consideration of three points which he discussed with Santos and which I set forth below, British would be prepared to urge acceptance not only at Geneva but also at Lima:

1. As regards the major objection set forth in my telegram 90, April 29, 1 p. m.,<sup>66</sup> Craigie had suggested to Santos that Colombia should, by exchange of letters with the League outside the agreement with Peru, delegate authority over the territory to the League for a definite period and purpose. This would save Peruvian *amour propre* and would permit the Commission to take over the administration of the territory in the name of the League, Santos felt personally his Government would accept this if it were previously accepted by Peru.

2. An oral agreement should be reached between Santos and the President of the League Commission whereby the latter would express his intention only to employ Colombian troops in the territory (with a reservation for neutral officers if desired). Santos personally felt this provision would probably be acceptable to his Government if the announcement of the employment of Colombian troops were made almost simultaneously with the publication of the Colombia-Peru agreement.

3. Craigie pointed out to Santos that arbitration provided the most lasting method of settlement of the dispute if both sides would agree beforehand to stand by the decision. The alternative to this would be a further statement of League opinion in favor of Colombia, which perhaps might not be accepted by Peru, but nevertheless at that time Colombian troops would be in occupation of the territory and it would then be incumbent upon Colombia to keep sufficient force to repulse any aggression by Peru whose nearest forces were some 200 kilometres distant.

Craigie was entirely cognizant of the Department's point of view as set forth in previous telegrams, but expressed as the British view-

<sup>64</sup> For gist of telegram No. 86, see third paragraph of telegram No. 42, May 3, 5 p. m., to the Minister in Colombia, *supra*.

<sup>65</sup> Robert Leslie Craigie, Counselor in the British Foreign Office.

<sup>66</sup> For gist of telegram No. 90, see second paragraph of telegram No. 42, May 3, 5 p. m., *supra*.

point that if an attempt were made to settle the dispute on purely academic and legal viewpoints it might lead to no settlement at all but rather a resort to force. This he felt should be avoided and could be avoided if some way were sought for the Peruvians to withdraw without loss of too much *amour propre*.

. . . . .  
ATHERTON

721.23/1714

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] May 5, 1933.

Mr. George Rublee, Special Financial Adviser to the Colombian Government, came in. Mr. Matthews<sup>67</sup> was also present. Mr. Rublee showed me two telegrams he had received from President Olaya, the gist of which was that Olaya felt the United States Government should make some supreme effort to end the conflict between Colombia and Peru, and that if such an effort were made at this time it would succeed. I asked Mr. Rublee if he knew exactly what President Olaya had in mind, or if he had any suggestions himself. Mr. Rublee said no, he did not know whether Olaya had anything definite in the way of a plan in mind; he was unable himself to think of anything which this Government could do at this time to help along a settlement.

I said that Santos was now discussing at Geneva the new Lester formula, together with Olaya's counter proposal. We felt the counter proposal was reasonable, and had so advised our representative at Geneva as well as our Embassy in London. There was nothing further we could do for the moment on these points. I did not see any action we could take in Lima at this time which would be helpful. Benavides<sup>68</sup> had just come into office after Sanchez Cerro's assassination, his position appeared none too stable, and any reiteration of our pleas made to Peru in the past to accept the Brazilian proposal or the League's recommendations would doubtless do more harm than good. Mr. Rublee said he agreed and saw nothing which we could do at the present time, but in view of Olaya's telegrams he had simply wished to come in and discuss the matter.

This seems simply another instance of Olaya's almost pathetic conviction that this Government is omnipotent and can settle anything if it so desires.

EDWIN C. WILSON

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<sup>67</sup> H. Freeman Matthews, Assistant Chief of the Division of Latin American Affairs.

<sup>68</sup> Oscar R. Benavides, President of Peru.

721.23/1677: Telegram

*The Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, May 9, 1933—noon.

99. Your 172, May 5, noon.<sup>69</sup> This Government has followed the policy that in the case of possible armed conflict between two American states it would refrain from facilitating in any way the preparations of either party and that consequently no facilities of any nature belonging to this Government would be placed at the disposal of either party which would assist them in their preparation for possible hostilities. This policy has been applied with scrupulous impartiality to both Colombia and Peru. When the Peruvian ships recently arrived in the Canal Zone and requested certain supplies which would have amounted to fitting out through utilization of the facilities of this Government, this request was refused. They were informed, however, that fuel from private tanks and water from the only available source would be allowed, and that provisions in normal quantity could be secured from Panama.

Reference first paragraph your 174, May 6, 1 p. m.<sup>70</sup> You will observe from the foregoing that Massigli's statement that the Peruvian ships' "request for revictualing was refused by the Canal authorities on the ground that they were belligerents" is not correct.

It is believed that paragraphs 3 and 5 of Article III of the Hay-Pauncefote Treaty<sup>71</sup> are not applicable to this situation in view of the fact that there has been no recognition of a state of war as between Colombia and Peru.

You may make such discreet use of the foregoing as you judge advisable, but please continue to take no part in the discussions. Keep Department fully informed by cable.

HULL

721.23/1700: Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 10, 1933—9 p. m.

[Received 9:20 p. m.]

178. My 168, April 20, 2 p. m. The Advisory Committee on Colombia and Peru met this afternoon to consider the text of a document which would constitute the settlement provided for in the Council's

<sup>69</sup> This and other correspondence, not printed, referred to discussions as to facilities to be granted or denied to three Peruvian warships which had passed through the Panama Canal en route to the upper reaches of the Amazon in Peru.

<sup>70</sup> Not printed.

<sup>71</sup> *Foreign Relations*, 1902, p. 517.

recommendations of March 18.<sup>72</sup> This document was accepted and, along with it, the President's suggestion that it should be presented as the final views of the Committee and not open to amendment. The President requested that those Governments with Legations in Peru and Colombia should support the document through their diplomatic representatives. Please advise me if our representatives will take such action.

At the same time a confidential letter from the President of the Council would be forwarded to Colombia with respect to the use of Colombian troops. Peru would be confidentially apprised thereof. I give below office translations of those two documents.

1. "Recommendations of the Advisory Committee to Colombia and Peru.

The Advisory Committee recommends to the Governments of Colombia and Peru the adoption of the following measures for putting into execution the solutions contained in the report adopted on March 18th by the Council of the League of Nations for the purpose of avoiding any incident susceptible of aggravating the relations between the two countries.

(1) The Governments of the Republic of Colombia and the Republic of Peru accept the recommendations approved by the Council of the League of Nations at the meeting of March 18, 1933 in accordance with the provisions of paragraph 4 of article number 15 of the Covenant and declare their willingness to conform thereto.

(2) The Council will appoint a commission which must reach Leticia within a maximum period of 30 days. On the arrival of this commission the Peruvian forces present in this territory shall withdraw at once and the commission, in the name of the Government of Colombia, will take charge of the administration of the territory evacuated by the said forces.

(3) The commission, to maintain order in the territory which it shall administer, shall call upon the military forces of its choice and may enlist the services of such other elements as it may deem necessary.

(4) The commission shall have the right to decide any questions concerning the execution of its mandate. The maximum duration of the functions of the commission shall be one year.

(5) The parties shall inform the Advisory Committee of the Council of the League of Nations of the method according to which they intend to proceed with the negotiations provided for in number 2 of the recommendations of March 18, 1933, and the Committee will report thereon to the Council.

(6) The Council of the League of Nations recalls to the parties that it has declared that it is disposed to lend its good offices upon the request of one or the other of the parties in case of disagreement either with regard to the procedure to be followed or with regard to any question of substance which may arise. The Council has considered that it should not cease to follow developments in the dispute.

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<sup>72</sup> See telegram No. 154, March 18, 5 p. m., from the Minister in Switzerland, p. 506.

(7) The Government of the Republic of Colombia will bear the expenses occasioned by the functioning of the commission and the administration of the territory concerning which a mandate is conferred upon the said commission.

(8) In consequence of the acceptance of the above proposals the Governments of Colombia and Peru shall give the necessary orders so that any act of hostility may cease on the part of the one or the other and so that the military forces of each country may remain strictly within their respective boundaries."<sup>73</sup>

2. "Private and confidential communication to Colombia.

The President of the Advisory Committee, duly authorized by it, has the honor to inform the representative of Colombia that the Council will be requested to give instructions to the effect that for the purpose of carrying out clause 3 of the agreement approved by the Council and adopted by the Governments of Colombia and of Peru, the commission, which will be named to take charge of the administration of the territory evacuated by the Peruvian forces, will call solely on Colombian military and police forces, which the Republic of Colombia agrees to put at the disposal of the commission. This does not prevent the commission having the right of enlisting the services of military or other experts of non-Colombian nationality which the commission shall have at its disposal for the better execution of its duties."

The representative of the Netherlands made a further statement with regard to the Peruvian vessels which called at Curaçao. After reciting the facts of the arrival of the vessels and the limited permission for revictualment accorded them, it appeared that the commander of the vessels left without revealing his destination and after a protest against the insufficiency of supplies which he was permitted to take on board. The Peruvian Government has protested to the Dutch Government with regard to the time limit and the limited amount of supplies permitted its ships and for the refusal to permit one of them to be dry docked.

Lester announced that the Colombian representative had notified him that Colombia was withdrawing its request for facilities for hydroplanes, since the Peruvian squadron had left the vicinity of the Colombian coast.

WILSON

721.23/1710a : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*<sup>74</sup>

WASHINGTON, May 11, 1933—5 p. m.

59. Please address following note to the Minister for Foreign Affairs:

"I am instructed by my Government to state that it has been advised of the text of the document adopted on May 10 by the League of

<sup>73</sup> League of Nations, *Official Journal*, July 1933, p. 944.

<sup>74</sup> Sent also to the Minister in Colombia as telegram No. 45.



Nations Advisory Committee on the controversy between Colombia and Peru, which would constitute the settlement provided for in the Council's recommendations of March 18. The Government of the United States is happy to inform the Government of Peru that in its judgment the recommendations of the Advisory Committee offer a peaceful and honorable means of terminating this unfortunate controversy and it earnestly hopes that the Government of Peru will see its way clear to accepting them".<sup>75</sup>

For your own information an office translation of the recommendations reads as follows:

[Here follows text of section numbered 1, contained in telegram No. 178, May 10, 9 p. m., from the Minister in Switzerland, printed *supra*.]

At the same time a confidential letter from the President of the Council would be forwarded to Colombia with respect to the use of Colombian troops. Peru would be confidentially apprised thereof. This document reads in translation as follows:

[Here follows text of section numbered 2 (except first line) contained in telegram No. 178, May 10, 9 p. m., from the Minister in Switzerland, printed *supra*.]

HULL

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721.23/1710 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*<sup>76</sup>

GENEVA, May 12, 1933—11 a. m.

[Received May 12—7 a. m.]

179. Your 100, May 11, 5 p. m.<sup>77</sup> Substance communicated through Secretary General and through Lester, President of the Advisory Committee on Colombia and Peru. Latter wishes to express the Committee's appreciation for the prompt and helpful support given by our Government.

Lester informs me that he has just been advised by the Peruvian representative that the leader of the Liberal Party in Colombia is being sent at once to Lima with the idea of settling the dispute by direct negotiations there. In the circumstances an early reply from either Colombia or Peru with regard to the Advisory Committee's recommendations of March 18 (see my 178, May 10, 9 p. m.) is not anticipated.

Lester also tells me that the Peruvian squadron entered Port of Spain, Trinidad, yesterday evening. He has no information with

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<sup>75</sup> Above paragraph transmitted to the Minister in Switzerland as telegram No. 100, May 11, 5 p. m.

<sup>76</sup> Second paragraph repeated to the Minister in Colombia in Department's telegram No. 46, May 12, 6 p. m.

<sup>77</sup> See footnote 75 above.

regard to steps which British authorities may be taking in this situation.

WILSON

721.23/1711 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, undated.

[Received May 12, 1933—12:31 p. m.]

49. Department's 45, May 11, 5 p. m.<sup>78</sup> Note being delivered today. Santos has been instructed to accept formula on behalf of the Colombian Government.

CAFFERY

721.23/1713 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 12, 1933—2 p. m.

[Received 5:30 p. m.]

141. 1. President this morning published an exchange of telegrams beginning May 6th between himself and Alfonso Lopez of Colombia,<sup>79</sup> arranging, with Olaya's approval, direct negotiations between Benavides and Lopez for settlement of the Colombian-Peruvian dispute. Lopez is expected in Lima Sunday. Please instruct if Department wishes text of telegrams exchanged cabled.

2. Manzanilla has just informed me it is confidently expected bases for peaceful settlement will be laid within a week as a result of the Benavides-Lopez conversations and that Peruvian representative near the League has been instructed accordingly to suspend all negotiations.

You will recognize Peru has not accepted League's last proposals, of May 10th, and is not favorable to them and expects to do better in the direct conversations.

3. In view of the foregoing I suggest that developments be awaited, and that note quoted in Department's 59, May 11, 5 p. m., be withheld for the present as direct settlement would be preferable to one under League auspices and at outside suggestion. Manzanilla indicated, however, that direct settlement might include some use of League's recommendation.

Further report by mail. Please cable what Department would prefer to have done.

DEARING

<sup>78</sup> See footnote 74, p. 527.

<sup>79</sup> Colombian Minister to Great Britain and the Netherlands.

721.23/1713 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, May 13, 1933—1 p. m.

61. Your 141, May 12, 2 p. m. Department desires you to present note immediately.

HULL

721.23/1716 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 13, 1933—4 p. m.

[Received 5:25 p. m.]

144. Department's telegram No. 61, May 13, 3 [1] p. m. Note presented.

DEARING

721.23/1715 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 13, 1933—7 p. m.

[Received 9 p. m.]

180. Our 179, May 12, 11 a. m.

1. The Advisory Committee on Colombia-Peru met this morning and discussed the matter from two angles: (a) Regarding the settlement of the dispute. The President informed the Committee of the circumstances of the Lopez mission to Lima which he understood from the Colombian representative was of a purely informal character and that the Colombian Government considers the only official negotiations to be those now going forward in Geneva and the only terms for settlement those which the Committee has brought to the attention of the parties; (b) Regarding the Peruvian warships Lester opened the discussion by observing that on May 8th the Committee had taken a decision that no facilities should be accorded to the Peruvian ships to continue their voyage. He then called upon the British representative (at whose instance the meeting had been called). The latter introduced his statement by objecting to Lester's describing the action taken at the recent meeting of the Committee as a "decision" declaring it was rather a recommendation by the Committee for the consideration of the various Governments concerned. The British representative then described the fueling of the ships at Trinidad as follows: That the Foreign Office had received a request from Peru that the usual facilities be accorded their ships which were to arrive at Trinidad on the 12th

or 13th of May; that the British Government considered the matter carefully, the issues being complicated and embarrassing; that the British Government postponed its decision to the latest moment possible in view of the difficulties involved; that in these circumstances the ships arrived at Trinidad were fueled and given facilities and even departed (he understood) before instructions were received by the authorities at Trinidad from the British Government to afford no facilities.

2. Carr calculated that the cruiser can reach the Amazon without refueling although it may be necessary for the submarines to refuel en route. This means that in all probability they may touch before reaching the Amazon and the Brazilian ports at British, French or Dutch Guiana.

3. The British representative then read a formal declaration which will be subsequently circulated to the effect that the British Government views with misgivings the taking of any step not in accord with international law; that it had some hesitation therefore in complying with the Committee's recommendations regarding not giving facilities to the Peruvian ships; if in every particular the Committee were unanimous on this subject the British Government would enter into an undertaking under certain conditions; namely if the refusal of facilities would not include prohibition of entrance into ports the usual courtesies of the port, et cetera, the supplying of food and water in case of distress; and that it should not constitute a precedent.

4. After discussion the British declared their willingness not to press for unanimity at this juncture and to adopt such a position now in view of the similar attitude already manifested by the French and Dutch who were the other parties really concerned but added that the position needed more general support and that therefore the British Government would be very interested if the representatives of all the states seated at this table would adopt a similar position. The Venezuelan delegate replied that he could not speak for his Government without cabling for instructions. The Brazilian delegate made the same declaration. In view of the fact that the phraseology of the British representative expressly including all states represented at this table I stated that if the Committee took a decision in this connection I would report this decision as I had previous decisions of the Committee to my Government.

5. The Committee then decided unanimously to adopt the position summed up by the chairman as follows:

6. That supplies and other active assistance (such as repairs) would be refused the Peruvian ships but that this refusal does not imply refusal of permission to Peruvian ships to entail ports or receive cour-

tesies. Further, this refusal does not extend to such supplies of food and water as may be judged necessary on the ground of humanity by the local authorities of any ports entered. Finally, that this should not constitute a precedent. Lester added that of course the British declaration or the adoption of it as the attitude of the other Governments concerned could not be taken as defining or in any way limiting the recommendations of the Council.

7. In reaching the conclusion embodied in the foregoing paragraph the debate brought out two points of particular interest. The Mexican delegate made repeated endeavors to dilute the vigor of the action taken. Drummond speaking directly after the British declaration said that in his opinion Peru was playing for time until the squadron could arrive in the Upper Amazon; that giving of facilities to the warships was playing Peru's game; that withholding of facilities and delaying the arrival of the Peruvian fleet was the best support possible for the Committee's proposals of settlement recently made to the two parties.

WILSON

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721.23/1717: Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*

BOGOTÁ, May 14, 1933—6 p. m.  
[Received May 15—9:10 a. m.]

51. Department's telegram No. 46, May 13 [12] 10 a. m. [6 p. m.].<sup>79a</sup> Lopez is going to Lima in personal not official capacity (reported fully air mail).

Colombian Government has accepted formula (my telegram No. 49<sup>80</sup>).

CAFFERY

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721.23/1726: Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 16, 1933—1 p. m.  
[Received 3:05 p. m.]

145. Lopez and party cordially received on arrival at 6 yesterday afternoon. Press and public most evidently earnestly desire a settlement.

DEARING

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<sup>79a</sup> See footnote 76, p. 528.

<sup>80</sup> *Ante*, p. 529.

721.23/1730 : Telegram

*The Minister in Colombia (Caffery) to the Secretary of State*<sup>81</sup>

BOGOTÁ, May 17, 1933—noon.

[Received 2 p. m.]

53. Olaya says Lopez Lima negotiations appear to have been unsuccessful; in his opinion May 10th formula "is the only hope".

CAFFERY

721.23/1747 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 19, 1933—11 p. m.

[Received May 20—12:48 a. m.]

148. 1. Polo at Foreign Office has just informed me Benavides and Lopez have practically agreed to accept League proposals. Only a few details remain to be settled he says and publication of settlement is expected possibly by Sunday. The news is being noised about and an atmosphere of satisfaction is prevalent.

2. From another source Embassy hears agreement also providing for payment an indemnity by Peru to Colombia and that Benavides has requested that the amount of the indemnity be settled by the United States Commission.

3. Rumored that plan will be put up to both Cabinets tonight and be published tomorrow if approved. Lopez reporting to Olaya by telephone as [at?] 10 o'clock tonight. Details will be telegraphed as soon as possible.

DEARING

721.23/1750 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 19, 1933—11 p. m.

[Received May 20—5:22 a. m.]

149. My 148. Lopez conferred with Olaya by radio telephone tonight saying he was entirely satisfied with excellent atmosphere here, that last League proposal was accepted today by Benavides with Cabinet concurring but Benavides proposed requesting approval Congress at special session afternoon 20th. That question of indemnity and supervision of cessation of hostilities will be handled but [by?] League Commission.

Lopez leaves by air 21st if Congress approves, otherwise 22nd, proceeding at once Buenaventura for Telephone Conference Olaya, thence direct New York and London for Economic Conference.<sup>82</sup>

DEARING

<sup>81</sup> Repeated to the Minister in Switzerland, May 18, 2 p. m., as telegram No. 102.

<sup>82</sup> For correspondence concerning the Economic Conference, see vol. I, pp. 452 ff.

721.23/1764 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, May 20, 1933—3 p. m.

104. The Colombian Minister has here received the following telegram, dated May 20, from President Olaya which is repeated for your confidential information :

“Although the United Press from Lima announces settlement Leticia question, no official notice has been received from Geneva but on the contrary it has been announced that García Calderón wishes to present new modifications to the League formula, which are unacceptable.”

HULL

721.23/1753 : Telegram

*The Consul at Geneva (Gilbert) to the Secretary of State*

GENEVA, May 20, 1933—4 p. m.  
[Received May 20—1:10 p. m.]

130. Secretary General has received following telegram from Peruvian Government dated May 17 :

“My Government understands that evacuation by Peru Amazon trapezium of Leticia is to be simultaneous with evacuation by Colombia of Güepi and all possessions she has occupied in the Peruvian Putumayo. I should be grateful for reply, to enable Peru to reach decision on bases proposed by Committee.”

Reply of Secretary General dated May 18 is as follows :

“Reply your telegram I have the honor to confirm that article 8 of the arrangement proposed by the Committee must be interpreted to mean simultaneous evacuation by Peru of Leticia trapezium and by Colombia of Güepi and any other part of Peruvian territory. Interpretation given in your telegram is therefore correct. It is accepted by the Colombian Government.”

I learn that the Peruvian delegate has suggested an amendment to the Committee's report (Wilson's 178, May 10, 9 p. m.) which would charge the proposed commission to take over the whole Leticia trapezium instead of only that portion occupied by Peruvian troops. Lester is understood to have declined to consider this amendment or to propose it to the Colombian Government. In an apparent attempt to forestall the Peruvian proposal of which he seems to have had knowledge from other sources the Colombian delegate soon afterwards informed Lester that his Government accepted the arrangement in its present form without modification. I learn that Lester has telegraphed the Peruvian Government notifying it of Colombia's acceptance and requesting an indication of its decision for reference to the Council Monday.

GILBERT

721.23/1755 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 20, 1933—6 p. m.

[Received May 21—2: 15 a. m.]

150. 1. My 149.<sup>83</sup> Embassy learns on apparently trustworthy authority that only one change has been made in the League's proposals with reference to the Benavides-Lopez agreement and that Olaya has agreed that the League commission to administer Leticia shall take over that territory not as if receiving it from the Colombian Government, thus establishing publicly Colombian sovereignty over the place, but in accord with the declarations which Peru has made from time to time regarding the Salomon-Lozano Treaty.

2. It is explained to the Embassy that this vague statement refers to Peru's declarations that it regards the Salomon-Lozano Treaty as valid and binding and that thus Colombian sovereignty over Leticia is fully recognized without Colombia being mentioned.

3. It is further explained that Peru desires this in order to save face and that Benavides' solution will prevent any trickery such as referred to in recent Embassy despatches.

4. This change represents the only concession to the Cerrista policy as maintained by Sanchez Cerro, Manzanilla and the *Comercio*.

5. The Congress is in session since 5 this afternoon for the purpose of approving of the Benavides-Lopez agreement. Embassy is informed Benavides counts upon receiving a majority vote and has informed Lopez he would not have submitted the matter to Congress unless he were sure he could get approval.

6. Embassy also informed Lopez and Benavides have agreed upon the withdrawal of military forces to their respective homelands as soon as possible.

DEARING

721.23/1761 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 22, 1933—8 p. m.

[Received May 22—5: 10 p. m.]

185. My 180, May 13, 7 p. m. (paragraph 1, section A); Department's 104, May 20, 3 p. m.

1. Drummond informs me confidentially that Calderón has just advised him of instructions the latter has received from his Government with regard to settlement of the Peruvian-Colombian dispute in substance as follows:

<sup>83</sup> May 19, 11 p. m., p. 533.



2. The Peruvian Government accepts the Committee's proposal subject to certain small alterations which it wishes introduced and already had been discussed with Lopez at Lima. Following are the four alterations desired and Drummond's comment to Calderón thereon:

Point 1. That the Commissariat would choose only minimum number of troops necessary to maintain order. Drummond replied that ideas of Council Committee and of Colombian Government certainly coincided with the Peruvian view on this point. Always been the intention that troops should be limited to number sufficient to maintain order. Drummond, however, hoped that Peruvian Government would not insist adding that to the formula. He suggested statement to the Council by the President of the Committee and exchange of letters on this point. Calderón thought this would be satisfactory;

Point 2. Calderón very anxious that letters to be exchanged with Colombian representative with regard to choice of Colombian troops should not for the time being at any rate be made public nor communicated officially to the Peruvian Government. Drummond stated that he thought question of non-communication to Peru could be easily arranged. As regards non-publication of letters which would be solely between Colombia and President of Committee, Drummond thought it reasonable to ask that these should be kept confidential until commission appointed and Colombia forces chosen. Santos would have to be consulted in this respect. Calderón replied that his Government attached great importance to this point because of Peruvian public opinion. Drummond observed that probably Colombian public opinion also attached equal importance to this point;

Point 3. The insertion in the formula of the statement that Leticia and Güepi should be evacuated simultaneously. Drummond suggested this could also be effected by exchange of letters. Calderón said, however, that his Government attached great importance to this statement appearing in the formula itself because the mention of Güepi would counterbalance that of Leticia. Drummond stated that as far as he was concerned he could not foresee any serious difficulty on this point;

Point 4. Peruvian Government was most anxious that the words "legitimate interests of Peru" should appear in the formula. Drummond again proposed that this might be done by letter. Calderón replied that on this point his Government would not be able to give way. Drummond stated that personally he hoped no objection would be raised to insertion of these words as he could not believe that the Colombian Government would allow the whole agreement to fail on such a matter.

3. Calderón then said that there was one point on which his telegraphic instructions were not very clear. He was not certain whether his Government wished the formula to state that the commission would administer the territory for a period of not exceeding in any case 12 months or until the end of the negotiations. He had asked for instructions on the subject. Drummond replied that this was a matter to which Colombia attached the greatest importance and hoped that

the first alternative would be adopted. Otherwise the gravest difficulties might result.

4. Calderón explained to Drummond that the above changes had as a matter of fact been accepted by Lopez at Lima. Calderón feared that there might be some rivalry between Santos and Lopez and asked for fullest support from President of Committee and Drummond in order to persuade Santos not to raise objections to the small modifications proposed. Calderón promised as soon as he heard from his Government on the point as to which he was still in doubt to send to the President of the Committee a letter giving the text of the amended formula but making no mention of point 2 above mentioned.

WILSON

721.23/1770 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 25, 1933—1 p. m.  
[Received May 25—11:25 a. m.]

187. My 178, May 10, 9 p. m.; and 185, May 22, 8 p. m.

1. Colombia-Peru Advisory Committee met this morning. The President announced the acceptance by Peru of the Committee's proposed procedure for putting into effect the Council's recommendations of March 18th. The procedure is the same as that quoted in my 178 with unimportant differences in translation and two concluding paragraphs as follows:

"The undersigned, representatives of the Governments of Colombia and Peru, accept on behalf of their Governments the procedure for putting into effect the recommendations proposed by the Council in the report which it adopted on March 18, 1933, in the form proposed by the Advisory Committee and approved by the Council at its meeting of May 25, 1933. They recognize that the meaning of certain points in this procedure is defined in the annexed letters dated May 25, 1933, addressed by the President of the Advisory Committee with the approval of the Council to the two above-mentioned Governments.

In faith whereof the present instrument has been drawn up in three copies, one for the Government of Colombia, another for the Government of Peru and the third to be deposited with the Secretariat of the League of Nations."

2. The document is to be signed by the Colombian and Peruvian delegates as well as by the President of the Council.

3. The identic letter mentioned in the above quotation takes care of three of the minor alterations to the Committee's proposal desired by the Peruvian Government (see my 185, May 22, 8 p. m.). As regards remaining point, namely, non-publication of correspondence with respect to choice by commission of Colombian troops, Lester this morning requested that all information on this subject be kept

strictly confidential until the arrival of the commission at Leticia.

4. The Council is meeting this afternoon at 6 o'clock for the formal procedure involved including approval of the Committee's procedure now agreed to by the two parties, arrangement for the appointment of the members of the commission to go to Leticia, approval of work of the Advisory Committee, invitation to continue its work in accordance with the terms of the accord, and signature of accord.

5. Lester stated further that he had yesterday telegraphed Peru and Colombia regarding cessation of hostilities to which both Governments replied that orders have been issued to the respective commanders in this sense.

6. I suggest that I be instructed to convey to the Secretary General of the League and to the President of the Advisory Committee appropriate expressions of your gratification on the successful conclusion of the efforts of the League in regard to the Colombia-Peru dispute.

WILSON

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721.23/1770 : Telegram

*The Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, May 25, 1933—5 p. m.

110. Your No. 187, May 25, 1 p. m., paragraph 6. You are instructed to convey to the Secretary General of the League and to the President of the Advisory Committee on Leticia appropriate expressions of this Government's gratification upon the reaching of an agreement between Colombia and Peru looking toward a solution of the difficulties arising out of the Leticia incident.<sup>84</sup>

HULL

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721.23/1796

*The Chargé in Colombia (Dawson) to the Secretary of State*

No. 5602

BOGOTÁ, May 26, 1933.

[Received May 31.]

SIR: I have the honor to report that I am informed by Señor Alfredo Lozano, private secretary to President Olaya, that Dr. Eduardo Santos, Colombian delegate to the League of Nations, has reported that the Commission to be appointed to administer the Leticia territory will be composed of an American army officer, a Brazilian naval officer and a Spanish diplomat, the first two to have the rank of colonel or lieutenant colonel and equivalent naval rank.

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<sup>84</sup> See League of Nations, *Official Journal*, July 1933, p. 975.

Dr. Santos reports that there was never any question as to the appointment of an American and a Brazilian but that both the British and Italians evinced interest in having a person of their respective nationalities appointed to the third place. The Colombian authorities were opposed to the appointment of a Britisher because of their suspicions regarding the attitude of the British Government during the latter stages of the negotiations for a settlement of the Leticia incident (the subject of a number of despatches from the Legation<sup>85</sup>) or to the appointment of an Italian because of their fear that the Italian Government might be influenced by the British Government or by the Italian Minister at Lima, who is alleged to be affected by the ideas of the pro-Peruvian manager of the Lima branch of the Banque Française et Italienne pour l'Amérique du Sud (page two of despatch No. 2753 of April 7, 1933, from the Embassy at Lima).<sup>85</sup> Dr. Santos further reports that he suggested that a Swiss citizen be given the third position but that he feels a Spaniard will be entirely satisfactory.

Respectfully yours,

ALLAN DAWSON

721.23/1783 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, May 26, 1933—11 a. m.

[Received 11:35 a. m.]

157. Geneva agreement, signed yesterday, was published in Peru today with eight points substantially in accord with those quoted in the Department's telegram 59, May 11, 5 p. m., except for point 2 which as published here reads translated:

"The Council will appoint a commission to proceed to Leticia within 30 days. The Peruvian forces will immediately retire and the commission assume charge of the administration of the territory."

DEARING

721.23/1784 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, May 26, 1933—6 p. m.

[Received May 26—2:50 p. m.]

190. My 187, May 25, 1 p. m.

1. The Advisory Committee meeting this afternoon took up the question of appointment of members of Leticia commission.

2. Lester suggested that there should be three members, one to be supplied by the Brazilian Government, one by the United States and

<sup>85</sup> Not printed.

one by Spain. Furthermore, he suggested that the American should be an army officer perhaps from the Panama zone, with administrative ability, speaking Spanish and with the rank of major or colonel; that the Brazil member should be a naval officer and the Spanish member a diplomat. There was unanimous approval by the Committee to these suggestions.

3. I expressed appreciation at the desire to have an American army officer on the commission and said that I would refer the matter immediately to my Government for its decision.

4. Inquiry of Lester after the meeting elicited the information that each member of the commission would receive approximately a salary of from \$200 to \$300 a month; a clerical allowance of \$200 a month, a subsistence allowance of \$100 a month, an outfit allowance of \$200 and an insurance policy for life, sickness, et cetera. As a matter of fact these sums of money should be practically in addition to living expenses since I understand from Lester that the Colombian Government is planning to supply living quarters and certain extras. Payment of salary and allowances will be by the Colombian Government through the League of Nations.

5. The League is sending Mencía, a Cuban member of League Secretariat, as Secretary to the commission. However, the League is not furnishing him with clerical assistance and does not intend to provide clerical or secretarial assistance to the members of the commission. According to present plans Mencía and the Spanish member of the commission will sail on June 3d.

6. The chairmanship of the commission will probably be by monthly rotation alphabetically in which case the American member, if you agree to his participation, would be chairman for the first period.

7. I should appreciate instructions at as early a date as possible since the League wishes very much to constitute the commission at once.

WILSON

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721.23/1770: Telegram

*The Secretary of State to the Chargé in Colombia (Dawson)*<sup>87</sup>

WASHINGTON, May 27, 1933—11 a. m.

52. You are instructed to express to the Colombian Minister for Foreign Affairs the great gratification with which this Government has learned that Colombia and Peru have reached an agreement at Geneva looking toward a solution of the difficulties arising out of the Leticia incident.

HULL

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<sup>87</sup> The same, *mutatis mutandis*, on the same date to the Ambassador in Peru as telegram No. 65.

721.23/1794 : Telegram

*The Minister in Switzerland (Wilson) to the Secretary of State*

GENEVA, June 1, 1933—10 a. m.

[Received June 1—4:38 a. m.]

194. My 190, May 26, 6 p. m. League Secretariat would appreciate as early a decision as possible with regard to an American member on the commission.

WILSON

721.23/1794 : Telegram

*The Acting Secretary of State to the Minister in Switzerland (Wilson), at Geneva*

WASHINGTON, June 1, 1933—1 p. m.

111. Your 194, June 1, 10 a. m. Colonel Arthur W. Brown, Judge Advocate General's Department, will report in Washington tomorrow. He will be made available immediately for duty on League Commission. Department presumes he will be appointed by the League as was General McCoy.

Colombian Minister today advised that Spanish member of Commission will arrive at Puerto Colombia June 15, and was anxious that American member arrive on the same date. As soon as Brown is appointed by the League wire at once full particulars regarding their desires for his movements.

PHILLIPS

721.23/1889

*The Chargé in Colombia (Dawson) to the Secretary of State*

No. 5679

BOGOTÁ, June 23, 1933.

[Received July 6.]

SIR: With reference to my despatch No. 5665 of June 20, 1933,<sup>88</sup> concerning the arrival in Colombia of members of the League of Nations Commission for the administration of the Leticia territory, I have the honor to enclose copies and translations of a note from the Minister for Foreign Affairs transmitting copies of the agreement of May 25, 1933, between Colombia and Peru and of a communication received from the Commission reporting that it began to function on June 19, 1933. Copies and translations of the telegram from the Commission are also enclosed, but not of the agree-

<sup>88</sup> Not printed.

ment, since copies of the original French text and translations of the latter have already been transmitted to the Department (despatch No. 5563 of May 11, 1933<sup>89</sup>).

Respectfully yours,

ALLAN DAWSON

[Enclosure—Translation]

*The Colombian Minister for Foreign Affairs (Urdaneta Arbeláez)  
to the American Chargé (Dawson)*

BOGOTÁ, June 21, 1933.

MR. CHARGÉ D'AFFAIRES: For your information I have the honor to transmit herewith a copy of the agreement entered into under the auspices of the League of Nations by the Governments of Colombia and Peru on the 25th of last May, by which the conflict arising from the occupation of Leticia on September 1, 1932, has been peacefully terminated.

The agreement in question has been entered into with the object of facilitating the application of the recommendations (which were) adopted by the Council of the League of Nations at its session of the 18th of last March and accepted by Colombia and Peru. The Commission which will administer the territory of Leticia will do so in the name of the Government of Colombia and by virtue of the mandate which the latter entrusted to the League of Nations and which that body accepted. As for the subsequent negotiations provided for in the agreement, it should be remarked that they will have as their object the consideration, on the basis of treaties in effect, of all problems pending between Colombia and Peru.

Likewise, I am pleased to inform you that the Commission referred to in the attached agreement has already begun to function, according to an official communication from the Commission which was sent the day before yesterday to the Governments of Colombia and Peru and of which I am also sending you a copy herewith.

I have waited until the provisions of the agreement of May 25 began actually to be carried out before informing you thereof; this took place upon the constitution of the Administrative Commission appointed by the League of Nations.

I avail myself [etc.]

R. URDANETA ARBELÁEZ

<sup>89</sup> Not printed.

[Subenclosure—Translation]

*The President of the Commission (Brown) to the Colombian Minister for Foreign Affairs (Urdaneta Arbeláez)*

S. S. "MOSQUERA", June 19, 1933.

1. The Commission for the administration of the Leticia territory appointed by the League of Nations and consisting of Colonel Arthur Brown, Captain Alberto de Lemos Bastos, (and) Captain Francisco Iglesias, (as) Commissioners, (and) Dr. Armando Mencía<sup>90</sup> (as) Secretary General, was constituted on the nineteenth of June, 1933, upon holding its first plenary meeting at Teffé, Brazil, all members being present aboard the Colombian S. S. *Mosquera*.

2. During its first month of operation the Commission will be presided over by Colonel Arthur Brown of the United States of America.

3. The Commission has adopted a flag which it will use as a distinctive mark.

4. The characteristics of that flag are: rectangular, white, with the following inscription in dark blue: "League of Nations Leticia Commission."

5. Upon the evacuation of the Leticia territory that flag will be hoisted along with the flag of Colombia.

6. The Commission has agreed to arrive at Leticia on the morning of the twenty-third of June in accordance with Article 2 of the agreement of May 25, 1933, and with this end in view the Governments of Colombia and Peru are informed and requested to take the necessary measures in this connection.

ARTHUR W. BROWN

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721.23/1874 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, June 27, 1933—11 a. m.

[Received 1:10 p. m.]

168. President yesterday informed me Leticia delivered to League commissioners without adverse incident and that situation satisfactory.<sup>91</sup>

DEARING

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<sup>90</sup> In telegram No. 251, October 13, 1 p. m., the Consul at Geneva informed the Secretary that García Palacios (Chilean) was replacing Mencía as Secretary of the Commission (721.23/2004).

<sup>91</sup> See League of Nations, *Official Journal*, July 1933, pp. 977-979.



721.23/1891

*The Chargé in Colombia (Dawson) to the Secretary of State*

No. 5685

BOGOTÁ, June 27, 1933.

[Received July 6.]

SIR: Referring to the Legation's despatch No. 5683 of June 26, 1933,<sup>22</sup> reporting that Leticia had been delivered to the Commission of the League of Nations for the administration thereof on June 25, 1933, I have the honor to report that the only Peruvian officials present when Leticia was turned over to the Commission were Mr. Velarde Más, Prefect of the Department of Loreto, and two legal advisers. The Peruvian forces occupying Leticia had previously been transferred to Ramón Castilla, on the Peruvian bank of the Amazon River, opposite Leticia.

Güepí, the principal Peruvian position held by Colombian troops, was delivered by Lieutenant Colonel Angel María Diago of the Colombian army to Major Hipólito Paredes of the Peruvian army on the afternoon of June 23, 1933. The Colombian troops previously occupying the Peruvian post of Güepí were withdrawn for the most part to Caucayá, although some were left to garrison Chavaco and the Colombian post of Güepí, on the north bank of the Putumayo River. It is understood that Colombian troops have also been withdrawn from the positions occupied by them in Peruvian territory at Yabuyanós, the mouth of the Algodón River, et cetera, although no formal act of delivery was effected at the latter positions.

Respectfully yours,

ALLAN DAWSON

721.23/1878: Telegram

*The Chargé in Colombia (Dawson) to the Secretary of State*

BOGOTÁ, June 29, 1933—5 p. m.

[Received 7:30 p. m.]

59. Sometime ago Panama suggested orally to Colombia and Peru that Panama City be site of negotiations envisaged in the second of the League recommendations. Panaman Minister now tells Olaya Peru is willing to accept suggestion but prefers Lima.

Olaya thinks Bogotá would be best meeting place as he could be in personal contact with delegates. The Department is aware, of course, of his conciliatory spirit. Furthermore, Lopez (whose ideas Benavides knows) could be Colombian delegate; if conference is held elsewhere latter could not attend because of internal politics (Congress in which he is liberal leader meets July 20th).

Olaya hopes the Department will see its way clear to suggest to Peruvian Government through Freyre or Dearing that meeting be in Bogotá in view of these factors.

<sup>22</sup> Not printed.

If his suggestion is not practicable Olaya is willing to accept Panama but prefers Washington; he will not accept Lima.

He expresses gratification with new Peruvian Cabinet (especially Polo) which he terms liberal, *civilista* and conciliatory.

DAWSON

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721.23/1878: Telegram

*The Acting Secretary of State to the Chargé in Colombia*  
(Dawson)

WASHINGTON, June 30, 1933—7 p. m.

59. Your 59, June 29, 5 p. m. We would like to be helpful to both Peru and Colombia by assisting them to reach an agreement as to the site of the negotiations, but since this matter appears to lie within the purview of League endeavors, we do not deem it appropriate to take the suggested initiative.

PHILLIPS

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721.23/1903

*The Ambassador in Peru (Dearing) to the Secretary of State*

No. 2905

LIMA, July 7, 1933.

[Received July 13.]

SIR: I have the honor to transmit herewith enclosed a newspaper report of the turning over of Leticia by the Peruvian authorities to the League Commission. The clipping is taken from *El Comercio*, Lima, of July 5, 1933.<sup>93</sup>

The Peruvians have derived considerable satisfaction over the way in which the Peruvian flag was removed from Leticia. A great deal had been made in the country over promises never to haul down the Peruvian flag at that port. It appears from the attached clipping that the flag was not hauled down but that the flag pole with the flag attached was taken up and carried across the river to Peruvian territory, where it was replaced in the ground with the flag still flying.

There has not been the slightest sign of disappointment in Peru over the evacuation of Leticia, and everyone is heartily glad to have the conflict finished and is fast forgetting about it.

The mutiny which took place in Iquitos just after the evacuation of Leticia was, it appears, caused by alleged mistreatment of some of the military forces. A Court Martial is being held to try the ring-leaders. It is understood that most of the civic bodies of Loreto have requested clemency for the accused.

Respectfully yours,

For the Ambassador:  
WILLIAM C. BURDETT

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<sup>93</sup> Not reprinted.

721.23/1913 : Telegram

*The Chargé in Colombia (Dawson) to the Secretary of State*

BOGOTÁ, July 24, 1933—2 p. m.

[Received 7: 15 p. m.]

68. The following telegram has been sent by the Colombian Minister for Foreign Affairs to the American Ambassador at Lima through this Legation:

"12. July 24, 2 p. m. I take the liberty of giving you the following information so that you may bring it to the attention of the Peruvian Government if you see no objection:

In compliance with the recommendations of the Council of the League of Nations to the Governments of Colombia and Peru and as the Commission for the administration of Leticia has given notification that that territory has been evacuated by the Peruvian forces which occupied it, the Government of Colombia has instructed its delegate to the League to inform the Committee charged with the study of the Leticia question that Colombia is ready to begin the negotiations provided for in the aforesaid recommendations. The Colombian Government suggests Geneva as the site of the negotiations since it is the residence of the Council whose recommendations are to be fulfilled. If Geneva is not desired as a site the Colombian Government is ready to accept the suggestion of the Government of Panama that the negotiators meet in that city. It would be equally agreeable to the Colombian Government to have the negotiations take place in Washington which for many reasons offers facilities and conveniences for the international contacts arising from a meeting of this sort. I should be grateful if you could acknowledge the receipt of this cable."

Minister for Foreign Affairs states that Geneva conversations between Santos and García Calderón to decide on site for negotiations have been fruitless through failure of latter to receive instructions. He consequently desires to present matter direct to the Peruvian Government.

DAWSON

721.23/1915 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, July 25, 1933—11 a. m.

[Received 12: 45 p. m.]

176. Please instruct Embassy regarding Bogotá's 68, July 24, 2 p.m., regarding initiation Colombian-Peruvian negotiations settlement Leticia dispute.

DEARING

721.23/1915 : Telegram

*The Acting Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, July 26, 1933—1 p. m.

75. Your 176, July 25, 11 a. m. You may transmit message. Make it clear that Colombian suggestion of Washington as possible site for negotiations does not emanate from this Government.

PHILLIPS

721.23/1923 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, August 1, 1933—3 p. m.

[Received 7 : 52 p. m.]

177. Department's telegram No. 75, July 26, 1 p. m., Embassy's despatch 2947 July 29,<sup>94</sup> site and initiation Leticia negotiations.

1. Foreign Minister after a consultation with President informs me Peru is anxious to begin negotiations as soon as possible and only awaits Colombia's reply to Peruvian suggestion made about a fortnight ago via Peruvian representative at Geneva Lester and Santos site should be Santiago, Buenos Aires or Rio de Janeiro. Following is translation of a memorandum delivered to Embassy late yesterday.

2. Please cable whether Department will transmit this to the Colombian Government via our Legation at Bogotá or desires me transmit Spanish text Bogotá directly from here.<sup>95</sup>

3. "Memorandum. The Government of Peru in consonance with its own wishes and in conformity with the recommendations of the Council of the League of Nations is prepared to initiate the negotiations for a settlement of the Leticia question. It is consequently in perfect understanding in this respect with the Colombian Government as set forth in the information from the Ministry of Foreign Affairs of Colombia which the Embassy of the United States of America has transmitted in its *aide-mémoire* of the 27th of the present month.

4. The suggestion of the Government of Colombia that Geneva might be the seat of the negotiations is open only to the objection that it would be inconvenient to place the settlement of a matter which from its nature is essentially American in a distant city in another continent. The offer of its capital for the meeting of the negotiators which has been made by the Government of Panama calls for the gratefulness and appreciation of the Peruvian Government which feels, however, that reasons of a climatic character might render Panama unsuitable at the present season. As for Washington, D. C., although all desirable conditions are present there the designation of that capital would place too great a burden on the hospitality of the Government of the United States which has so often and so courteously

<sup>94</sup> Latter not printed.<sup>95</sup> The Department replied in telegram No. 76, August 2, 4 p. m.: "Transmit text directly."

given hospitality to diplomatic negotiators of the various countries of America.

5. With the purpose of harmonizing all considerations and advantages the Peruvian Government suggests on its part the designation of one of the South American capitals such as Santiago, Buenos Aires, Rio de Janeiro, or Montevideo but begs to point out with respect to the last that since the Seventh International Conference of American States<sup>96</sup> is to meet there in November of this year the designation of Montevideo might place too great a burden upon the hospitality of the Uruguayan Government.

Lima, July 31, 1933."

DEARING

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721.23/1932 : Telegram

*The Chargé in Colombia (Dawson) to the Secretary of State*

BOGOTÁ, August 11, 1933—1 p. m.

[Received 3:55 p. m.]

70. Legation's 68, July 24, 2 p. m. Colombian Government is requesting American Embassy at Lima to express to the Peruvian Government its acceptance of Rio de Janeiro, one of the sites suggested by Peru, for Leticia negotiations and to suggest on its behalf that negotiations begin October 1st.

DAWSON

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721.23/1935 : Telegram

*The Chargé in Colombia (Dawson) to the Secretary of State*

BOGOTÁ, August 14, 1933—10 a. m.

[Received 11:30 a. m.]

71. Legation's 70, August 11, 1 p. m. Rio de Janeiro definitely agreed upon and Brazilian Government informed. Peru suggests that negotiations begin before October 1st if possible.

DAWSON

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<sup>96</sup> See pp. 1 ff.

ASSUMPTION BY THE AMERICAN EMBASSY IN PERU OF  
COLOMBIAN INTERESTS IN PERU; SACKING OF THE  
COLOMBIAN LEGATION

704.2123/1 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 16, 1933—1 p. m.

32. In view of severance of diplomatic relations between Colombia and Peru<sup>1</sup> the Colombian Government has requested that the United States Government assume charge of Colombian interests in Peru, specifically of the archives of the Colombian Legation. The Colombian Government has been advised that this Government will comply with this request if agreeable to the Peruvian Government.

Please advise Peruvian Government of foregoing and cable reply.

STIMSON

704.2123/2 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 16, 1933—7 p. m.

[Received 8:22 p. m.]

87. Referring to Department's telegram No. 32, February 16, 1 p. m., Manzanilla<sup>2</sup> cordially acquiesces. I will arrange details with Lozano.<sup>3</sup>

DEARING

704.2123/5 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 18, 1933—1 p. m.

[Received 2:20 p. m.]

89. On account of complications arising here due to delay departure Colombian Minister because no boat available until 23rd, please instruct Embassy from what moment custodianship Colombian archives and interests begins. Peruvian Government indicated acquiescence February 16th but no actual transfer archives has yet taken place. Conferring Lozano today.

DEARING

<sup>1</sup> See telegram No. 39, February 15, 2 p. m., from the Minister in Colombia, p. 479.

<sup>2</sup> José Matías Manzanilla, Peruvian Minister for Foreign Affairs.

<sup>3</sup> Fabio Lozano y Lozano, Colombian Minister in Peru.

701.2123/17 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 19, 1933—11 a. m.

[Received 2:40 p. m.]

90. My telegram No. 87, February 16, 7 p. m., and 89, February 18, 1 p. m. Arrangements were made yesterday with Lozano for delivery archives to Embassy 20th. About 10 last night following radio address by President, and notwithstanding previous explicit notification to the Foreign Office and police authorities by the Nuncio, Dean of the Diplomatic Corps, a mob of probably 500, after a political manifestation and with no apparent restraint, assaulted, sacked and attempted to burn former Colombian Legation in Barranco during 5 hours last night. Minister barely escaped with his life and was taken by Minister of Gobernación and other officials, who arrived apparently about 3 a. m., to Chilean Embassy where he now is. His wife and child escaped earlier to the nearby house of friends.

Personal inspection this morning confirms Lozano's report to me at 8 o'clock this morning. Bystanders threaten a repetition of assault. Only about six or eight police present. As soon as possible I am conferring with Minister of Gobernación, who is asleep after being up all night, and Minister for Foreign Affairs and demanding prompt and adequate protection to prevent any new mob attack on former Colombian Legation or this Embassy. Publication yesterday of news we had taken over Colombian interests lends a sinister significance to mob's attack and Government's dilatoriness and inaction and the Department should distinctly realize this and take measures accordingly.

I leave to Department matter of informing Colombian Government. Embassy will endeavor to arrange immediate departure Lozano by special plane. Further report later.

Chilean Ambassador informed his Government at 4 a. m. Venezuelan and Brazilian representatives indignant and informing their Governments. Meeting of Diplomatic Corps for tomorrow likely.

DEARING

701.2123/18 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 19, 1933—12 midnight.

[Received February 20—1:41 a. m.]

91. Leticia. Sacking of Colombian Legation. My 90, February 19, 11 a. m.

(1) On account of possible unfortunate effect here if anything happens to retiring Peruvian Minister en route Buenaventura, ur-

gently suggest Colombia take all possible measures safeguard him until he has embarked.

(2) Minister of Gobernación and Foreign Office give every assurance prompt and adequate protection and promise investigation report and punishment. I have formerly [*formally*] requested in a communication full protection for Colombian interests and archives and for this Embassy as custodian, stating Embassy confides absolutely in Government's willingness; and,

(3) Lozano, wife, daughter, nurse, Colombian Consul, Callão, wife, two children, and Mrs. Teresa Handley, Colombian, born in the United States but naturalized widow former American Consul General here, departing special plane direct Guayaquil 7 morning 20th.

(4) Foreign representatives thoroughly aroused and fearful for their safety.

(5) In view Government's failure or disinclination to give protection last night, the large number of Americans here, the Government's direct enmity to us, its threat to force foreign companies to contribute to war funds, and the general uncertainties, I feel without wishing to alarm the Department unduly that it is merely foresight to ask Department to consider most seriously whether a war vessel should not be despatched to Callão immediately from the nearest point possible on a declared friendly visit but to remain here during period of uncertainty. Vessel and equipment should be adequate for dealing with hostile mobs of considerable size. Please inform and instruct fully.

DEARING

701.2123/19 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 20, 1933—11 a. m.

[Received 1:45 p. m.]

92. Leticia.

1. My 91, February 19, midnight, paragraph 3, plane left 7:30 this morning all on board.

2. Monster patriotic demonstration scheduled for this afternoon is causing apprehension. All possible precautions have been taken. Government informed adequate protection necessary.

3. In speaking of assault on Colombian Legation Minister of Gobernación stated mob appeared to number 3000 or more and was uncontrollable, that any effort to control it would have caused a massacre and burning of the Legation while Lozano was inside.

4. Foreign Minister has circularized Foreign Ministers of friendly nations in extensive telegram justifying Peruvian action.



5. Colombian Consulate, Callão, assaulted last night but little damage done. Further report later.

6. Manzanilla called upon Lozano yesterday to apologize and is endeavoring reassure other foreign representatives. There are hints of his resignation and friction with Minister of Gobernación. President so far silent.

7. Nuncio calling meeting Diplomatic Corps for 11:30, 21st.

DEARING

701.2123/18 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 20, 1933—1 p. m.

36. Your 90, February 19, 11 a. m., and 91, February 19, midnight. Department has noted that the Peruvian Government has given every assurance of prompt and adequate protection, and promises an investigation and report of the attack on the Colombian Legation and punishment of those found to be guilty. In view of this, and as it does not appear from your reports that American lives are at present in any actual danger, the Department, as at present advised, believes that the despatch of a war vessel to Peruvian waters would not be warranted. Please follow situation closely and keep Department promptly advised of developments. It is assumed that you are in touch with American consular agents in Peru as to the safety of Americans.

STIMSON

721.23 Repatriates/1 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 20, 1933—5 p. m.

[Received 5:55 p. m.]

93. Between 10 and 20 Colombians seeking repatriation have applied to Embassy, expense of which Embassy understands from Lozano Colombian Government is willing to defray. Since the Grace Line vessel leaving on the 23rd can carry practically all, please request the Colombian Government to authorize payment passages and indicate whether the Embassy may continue thus to repatriate Colombians able to prove nationality.

DEARING

704.2123/10: Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 20, 1933—6 p. m.

37. Your 89, February 18, 1 p. m. Your responsibility for taking all available measures for the exercise of good offices with the Peruvian Government began as soon as the latter agreed to your assuming charge of Colombian interests. The time when your actual custodianship of the archives of the Colombian Legation began seems to be a question of fact depending upon your arrangement with Lozano.

The action reported in your No. 91 in asking for adequate police protection for the American Embassy and the Colombian Legation is fully approved.

For your information and guidance regarding your duties while in charge of the interests of Colombia, you are referred to the Supplement to *Foreign Relations*, 1914, page 731 and following especially page 740. See also Hyde's *International Law*, Volume 1, page 769, and Moore's *Digest*, Volume 4, pages 599 and following. While the cases mentioned in these citations have to do with a condition of actual warfare, nevertheless it is felt that the general principles therein laid down would apply to the present situation.

STIMSON

721.23 Repatriates/1: Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 21, 1933—noon.

38. Your 93, February 20, 5 p. m., repeated to Legation at Bogotá with instructions to take matter up with the Colombian Government and advise you directly.<sup>4</sup> You may communicate directly with Legation at Bogotá regarding arrangements for repatriation of Colombians.

STIMSON

721.23 Repatriates/2

*The Minister in Colombia (Caffery) to the Secretary of State*

No. 5241

BOGOTÁ, February 21, 1933.

[Received February 25.]

SIR: Referring to the Department's telegram No. 33 of February 21, 11 a. m. in regard to the possible repatriation of Colombians in

<sup>4</sup>Telegram No. 33, February 21, 11 a. m., to the Minister in Colombia, not printed.

Peru,<sup>5</sup> I have the honor to transmit herewith copies of a telegram sent by the Legation to the American Embassy at Lima at the request of the Colombian Foreign Office.<sup>6</sup>

The Foreign Office in a note to the Legation expresses "fears that its communications with the Embassy of the United States at Lima may be delayed or interrupted" and remarks that "it has no code with which to communicate with said Embassy." It wishes this Legation to act as transmitting agent for cables between it and the American Embassy at Lima sent in code. The Foreign Office asks that all such telegrams be charged to the account of the Colombian Government.

Respectfully yours,

JEFFERSON CAFFERY

701.2123/22 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 21, 1933—1 p. m.

[Received February 23—2: 50 p. m.]

95. Leticia.

1. My telegram No. 92, February 20, 11 a. m., paragraph 2. Save for slight trouble with some manifestants shouting too insistently for general amnesty for political prisoners, political demonstration passed without unfortunate event. *Comercio* estimates 100,000 participants, which is possibly an exaggeration. People seemingly took occasion as a holiday. Enthusiasm shown due chiefly to fostering by the Government and *Comercio's* campaign and can be regarded as spontaneous only to a moderate degree. Nevertheless Government for the moment has a certain moral advantage and mandate making its task easier.

2. Proper precautions having been taken in time no molestation of Colombians or this Embassy as custodian Colombian interests took place and with departure of Lozano situation is easier.

DEARING

704.2123/11 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 21, 1933—midnight.

[Received February 22—2: 03 a. m.]

96. 1. The Peruvian Government apparently has not yet elected who shall take custody of Peruvian interests and archives in Colombia. Polo<sup>7</sup> stated 19th matter was left for Peruvian Minister's decision. Apparently he has left it open, and arrives here 24th.

<sup>5</sup> Not printed; see telegram No. 38 to the Ambassador in Peru, *supra*.

<sup>6</sup> Not printed.

<sup>7</sup> Solón Polo, Chief Permanent Secretary, Peruvian Foreign Office.

2. Embassy suggests for Department's consideration our Embassy here be instructed to say to Peruvian Government our Government will be glad to act for Peru, if requested.

3. Embassy assumes this action will not be misunderstood in Colombia and believes that even though suggestion refused, effect of making it will be highly beneficial.

4. Confiding of Peruvian interests in Colombia to our custody will greatly assist our efforts here to care for Colombians and Colombian interests, will aid effectively in protecting American interests, will create a generally better atmosphere and in the future give us a much greater opportunity to take helpful action.

DEARING

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701.2123/20 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 22, 1933—1 a. m.

[Received 8:38 a. m.]

97. My 90, February 19, 11 a. m., last sentence, sacking of Colombian Legation. Diplomatic Corps today<sup>8</sup> decided that Dean, speaking for the Corps, shall state politely but firmly to the Minister for Foreign Affairs sacking of Colombian Legation has caused a most painful impression, that result of investigation is awaited with greatest interest, and that Government, in the case of any new threat, must of its own initiative take prompt and abundant precautions to make impossible incident similar to that of the night of February 18-19.<sup>9</sup> I concurred with my colleagues and trust Department will approve. Nuncio expects to see Foreign Minister 22nd or 23rd and to call further meeting about 27th.

DEARING

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721.23 Repatriates/4 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, February 23, 1933—10 a. m.

[Received 11:55 a. m.]

99. Colombian Minister for Foreign Affairs reports no one in charge of Peruvian interests in Colombia and that Peruvians there may be hostilized as a result of recent occurrences and that measures for their repatriation should be taken at once.

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<sup>8</sup> February 21.

<sup>9</sup> On February 23, the Nuncio presented the views of the Diplomatic Corps to the Peruvian Minister for Foreign Affairs, omitting the third point regarding future precautions (701.2123/33).

I respectfully urge earliest action possible on suggestion in my telegram 96, February 21, midnight, either through this Embassy or Peruvian Embassy Washington.

DEARING

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721.23 Repatriates/4 : Telegram

*The Secretary of State to the Ambassador in Peru (Dearing)*

WASHINGTON, February 24, 1933—11 a. m.

40. Your 96, February 21, midnight, and 99 February 23, 10 a. m. Department believes it inadvisable for you or the Department to take any initiative in this matter.

STIMSON

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701.2123/24

*The Secretary of State to the Ambassador in Peru (Dearing)*

No. 490

WASHINGTON, March 9, 1933.

SIR: The Department acknowledges the receipt of your strictly confidential despatch No. 2625, dated February 20, 1933,<sup>10</sup> reporting the circumstances surrounding the sacking of the Colombian Legation in Lima by an organized mob on the morning of February 19th last, and asking for instructions not only with regard to the disposition of certain property of the Colombian Government which was saved from the wreck of the Legation, but also requesting guidance in relation to the discharge of the good offices which this Government has assumed in relation to Colombian affairs in Peru.

The Department has found your detailed report of the sacking of the Colombian Legation of interest and takes this opportunity to express its appreciation for your conscientious activity in behalf of Colombian interests.

With reference to the last paragraph of page 7 of your despatch under acknowledgement, the Department has already answered your query as to when the Embassy's responsibility for Colombian interests began, in its telegraphic instruction No. 37, February 20, 1933, 6:00 p. m. It has also instructed you telegraphically (Telegram No. 33, February 16, 1933, 3:00 p. m.<sup>11</sup>) regarding the request contained in the last paragraph of your despatch for further instructions concerning the Embassy's custodianship of Colombian affairs. Moreover, in its telegraphic instruction No. 37, above referred to, the Department made specific reference, for your information and guidance in

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<sup>10</sup> Not printed.

<sup>11</sup> Reference to telegram 33, February 16 (not printed) is apparently erroneous, it concerns protection of American interests, not Colombian.

regard to the general nature of your duties while in charge of Colombian interests, to pertinent sections of *Foreign Relations*, Hyde's *International Law*, and Moore's *Digest*.

In general, as you will have perceived from a study of the references above mentioned, the duties of the Embassy on behalf of Colombia in the present contingency must be of an informal nature, and you are not under any circumstances to act as the medium for diplomatic interchange between the Colombian Foreign Office and the Peruvian Government. Should the Peruvian Government request you to perform such diplomatic functions, you will, of course, inform the Department promptly so that it can decide upon the propriety of informing the Colombian Government. With regard to the disposition of the archives of the Colombian Legation and to the matter of seeking reimbursement for the passage by air of the Colombian Minister and his suite, however, on both of which points you requested instructions in your despatch, you may communicate with the Legation at Bogotá with a view to coming to an informal understanding with the Colombian Government as to its wishes in the premises.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

701.2123/38

*The Ambassador in Peru (Dearing) to the Secretary of State*

No. 2733

LIMA, March 31, 1933.

[Received April 10.]

SIR: I have the honor to refer to the Department's Instructions No. 490 of March 9, 1933, pertaining to the relation which should exist between the Embassy and the Colombian Government in the discharge by the Embassy of its duties with regard to Colombian affairs in Peru. The Embassy has observed the Department's caution that the duties of the Embassy on behalf of Colombia in the present contingency must be of an informal nature, and that we should not, under any circumstances, act as the medium for diplomatic interchange between the Colombian Foreign Office and the Peruvian Government.

I have the honor to inform the Department that, with one or two exceptions, the activities of the Embassy in this regard have been limited to the repatriation of Colombians. As specifically authorized in the Department's cable No. 37, February 20, 6 p. m., this matter has been dealt with with the Colombian Foreign Office through our Legation in Bogotá.

The Embassy did receive, from the Colombian Foreign Office through our Legation in Bogotá, a request that the Peruvian Government make arrangements for the repatriation of its subjects in Colombia. This

request was forwarded to us in that manner because the Peruvian Minister had already left Bogotá and at that time there was no representative of Peruvian interests in Colombia. This request was immediately transmitted by me to the Peruvian Foreign Office, acting purely on a humanitarian basis, in the hope that thereby any untoward incident which might occur through the prolonged stay of Peruvians in Colombia might be avoided. It was also realized that to do this would react to the benefit of the Colombians still remaining in Peru as it would obviate any retaliation which would undoubtedly be motivated by attacks on Peruvians in Colombia. This suggestion was very favorably received by the Peruvian Foreign Office, and shortly thereafter the Italian representative in Bogotá was placed in charge of Peruvian affairs. The Peruvian Foreign Office assured me that measures would be taken to provide for the repatriation of its subjects in Colombia.

The other matters which have been dealt with in the correspondence from this Embassy to the Colombian Foreign Office are matters pertaining chiefly to the disposition of the archives of the Colombian Consulate in Lima and the arrangement of Señor Lozano's personal affairs which Señor Lozano was unable to arrange because of his hurried departure from Lima. It is assumed that these are proper matters for direct negotiations with the Colombian Government, and the Embassy will be very careful in the future, as it has in the past, to follow the Department's instructions with regard to not acting as a medium for diplomatic interchange between the two governments.

There has been received from our Legation in Bogotá an air-mail letter dated March 17, 1933, of which I enclose a copy.<sup>12</sup> I also enclose a copy of Mr. Caffery's enclosure from the Colombian Foreign Office,<sup>12</sup> which is a request that this Embassy make a report regarding the sacking of the Colombian Legation in Barranco. I am inclined to believe that the Department would not wish to have a report of this kind made. If it were made, it would of course be forwarded to the Department so that the Department might approve or disapprove it before being forwarded to Bogotá.

As I have already reported fully to the Department regarding the sacking of the Legation and have also sent copies of the report made by the Peruvian Government, (see my despatch No. 2651 of February 27, 1933<sup>12</sup>) and a copy of the Nuncio's strictly confidential report, (see my despatch No. 2676, March 6, 1933,<sup>12</sup>) it has occurred to me that the Department might prefer to select from this material whatever it thinks proper to be forwarded to the Colombian Government, and thus make the report in this manner. I would re-

<sup>12</sup> Not printed.

spectfully, request, however, that the Nuncio's report be not used for this purpose until this Embassy has been instructed to request permission and permission has been received from the Nuncio so to use it.

If it is desired that the Embassy should make the report to the Foreign Office at Bogotá, the Department's specific instructions are requested, and in order to save time and labor, it is suggested that the Department give some sort of general instructions as to what kind of material should be included in such a report.

Respectfully yours,

For the Ambassador:  
GARRET G. ACKERSON, JR.  
*Secretary of Embassy*

701.2123/38

*The Secretary of State to the Ambassador in Peru (Dearing)*

No. 511

WASHINGTON, April 20, 1933.

SIR: The Department acknowledges the receipt of your despatch No. 2733 of March 31, 1933, in which reference is made to the request of the Colombian Foreign Office for a report regarding the sacking of the Colombian Legation at Lima on February 16.

The Department concurs in your belief that it would be inadvisable for the Embassy to make such a report and has addressed an appropriate instruction to the Legation at Bogotá concerning this matter, a copy of which instruction is transmitted herewith for your information.<sup>13</sup>

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

701.2123/38

*The Secretary of State to the Minister in Colombia (Caffery)*

No. 549

WASHINGTON, April 20, 1933.

SIR: The Department refers to your air mail communication to the Ambassador at Lima under date of March 17, transmitting a request from the Colombian Minister for Foreign Affairs that the Embassy at Lima make a report for the Colombian Government concerning the circumstances surrounding the sacking of the Colombian Legation in that capital on February 16, last. Copies of your communication and of that of the Colombian Foreign Minister were transmitted to the Department by Ambassador Dearing with a request for instructions in the premises.

<sup>13</sup> *Infra.*



The Department desires you to take an early opportunity to discuss this matter informally with the Minister for Foreign Affairs and point out to him that while in the exercise of good offices this Government is glad of course to take all appropriate action on behalf of Colombian interests and nationals in Peru, it would seem improper for our Embassy to make a report concerning the sacking of the Colombian Legation prior to its assumption of good offices and during the time when a Colombian Minister duly accredited was still in Peru and a witness to all the circumstances of the attack on the Legation.

You may also suggest to the Foreign Minister that should he desire to take up the alternative contained in his request under reference, namely, that the Apostolic Nunciature at Lima be requested to make such a report, it would seem more appropriate for him to take up the matter through the representative of the Holy See at Bogotá.

Very truly yours,

For the Secretary of State:

FRANCIS WHITE

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[The American Embassy in Peru continued to represent Colombian interests in Peru until the arrival of the new Colombian Minister at Lima on August 3, 1934, and the consequent resumption of diplomatic relations between the two countries.]

## BOUNDARY DISPUTE BETWEEN ECUADOR AND PERU <sup>1</sup>

721.23/839

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 4, 1933.

The Ecuadoran Minister <sup>2</sup> called and told me that the Colombian Minister in Quito had opened negotiations with the Ecuadoran Government for permission for Colombian troops to go down the Napo River by way of the Aguarico River. He said that when this matter was taken up the Minister of Foreign Affairs <sup>3</sup> inquired of the Colombian Minister whether he was acting under instructions and was told that he was not; the Minister had taken the matter up on his own responsibility. The Colombian Minister was told, in reply, that under those circumstances there was really nothing for the Ecuadoran Government to discuss.

The Minister said that this shows the great interest that Ecuador has in the Leticia matter <sup>4</sup> and how involved Ecuador is in the whole matter. He said that it now seemed inevitable that there would be an armed clash and that he hoped the United States would use its moral suasion with both countries so that third parties would not be affected. He wanted the fighting localized between Peru and Colombia. I told him that of course this was desirable and we are hoping that fighting will be avoided altogether; if it is not, then the next best thing of course would be to localize it.

The Minister went on to say that negotiations are proceeding between Ecuador and Peru on the basis of the Ponce-Castro Oyanguren Agreement.<sup>5</sup> He said that under the terms of this Agreement, if the two parties can not settle their boundary dispute by direct negotiations, the matter will be brought to Washington. This, the Minister thought, was another reason why this Government should take an interest in the matter.

I again inquired whether Colombia was informed of these negotiations. The Minister said he thought they were not but that I could be assured there was nothing in the negotiations hostile to Colombia.

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<sup>1</sup> Continued from *Foreign Relations*, 1932, vol. v, pp. 350-372.

<sup>2</sup> Gonzalo Zaldumbide.

<sup>3</sup> A. J. Quevedo.

<sup>4</sup> See pp. 384 ff.

<sup>5</sup> Signed June 21, 1924, *Foreign Relations*, 1924, vol. I, p. 305.

Ecuador and Colombia have settled their boundary matters. There is nothing in the present negotiations tending to line up Ecuador with Peru against Colombia; it is merely a straightforward out and out negotiation to settle the Ecuador-Peru boundary dispute.

I told the Minister that I understood his Government's position and had already explained to him clearly what our limitations may be but that I would continue to bear the matter in mind and do anything that was proper.

F[RANCIS] W[HITE]

722.2315/728 : Telegram

*The Minister in Ecuador (Dawson) to the Secretary of State*

QUITO, January 9, 1933—3 p. m.

[Received January 10—4:30 p. m.]

1. The Minister of Foreign Affairs informs me that Ecuador is very desirous of being afforded an opportunity to participate in the negotiations to be held in Rio de Janeiro<sup>6</sup> in order to protect its interests and settle once for all pending boundary questions in the Amazon region. To this end he desires that Brazil invite Ecuador and Peru to conduct their boundary negotiations in Rio de Janeiro simultaneously with but separately from the negotiations for the settlement of the Leticia conflict unless of course the interested countries prefer that Ecuador participate in round table negotiations. In this connection the Minister informed me that when Ecuador recently proposed to Peru the resumption of boundary negotiations, Peru at first suggested tripartite conversations with Colombia but that Ecuador did not feel that it could make such a proposal to Colombia in view of the latter's stand that the Leticia incident was a purely domestic question. He believes therefore that Peru will not oppose an invitation to Ecuador. The Minister for Foreign Affairs has taken the matter up with the Brazilian Government through the Brazilian Minister and has instructed the Ecuadorean Minister in Washington to request the good offices of the Department in obtaining for Ecuador an invitation to the Rio de Janeiro negotiations. He asked me to cable the Department along the same lines and stated that he had reason to believe that a word from the Department in Rio de Janeiro, Lima and Bogotá would prove most effective. He stated that if admitted to the negotiations it would be Ecuador's aim to contribute in every way to a successful issue and to a lasting settlement in the Amazon region. It seems to me that Ecuador's participation might offer a favorable opportunity for an integral settlement of the Amazon situation and that Ecuador and

<sup>6</sup> Negotiations between Colombia and Peru regarding Leticia.

Peru would be more likely to reach an agreement under the eyes of other interested countries than if left wholly to themselves. Aside from our general interest in boundary settlements the Department would no doubt welcome an agreement between Ecuador and Peru which would make unnecessary the eventual reference of their dispute to our Government. Recent experience indicates that any Amazon settlement reached without Ecuador may contain the seeds of future discord.

DAWSON

721.23/765

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 11, 1933.

The Ecuadoran Minister called and I told him of the telegram we had sent to Lima yesterday<sup>7</sup> instructing the Ambassador to present a note to the Peruvian Government backing up the Brazilian proposal and stating that we understood the proposal to include the possibility of Ecuador's being invited to participate in the conversations to take place in Rio after Leticia has been restored to Colombia. The Minister said that that was what he wanted to come in about; that I had done in advance what he wanted to ask me to do, and he was very pleased.

He then said the next point, in case hostilities should break out between Colombia and Peru, is that influence should be exerted on the two countries to localize the conflict and to respect Ecuador's neutrality. He said that Brazil is able to protect its neutrality but that for Ecuador it would be very costly and would involve the sending of troops a long way just as it involves the sending of troops a long way for Colombia to retake Leticia. I asked the Minister what civilian populations there were anywhere near the probable scene of activity. He said there were none but that there were some frontier garrisons on the Aguarico and Napo Rivers. I pointed out to him that Colombian forces would go down the Putumayo which would bring them into the Amazon basin below Leticia and that other troops coming up the Amazon would come into conflict with Peruvian troops, if at all, very much to the east of any Ecuadoran garrisons. I said I did not see how there was much likelihood of a conflict taking place in Ecuadoran territory. The Minister mentioned again the inquiry which he said the Colombian Minister in Quito had made on his own initiative some time ago—whether Ecuador would permit Colombian forces to go down the Aguarico and Napo Rivers. The Minister said that of course this was out of the question. I told him that I did not think that the

<sup>7</sup> Telegram No. 5, January 10, 5 p. m., to the Ambassador in Peru, p. 400.

Colombian Government would send troops through there without Ecuador's permission and, as Ecuador, he said, was not going to give the permission, I thought that any possibility of a conflict in Ecuadoran territory was remote. I said that we are now bending all efforts to find a peaceful solution and that I would suggest that we leave this in abeyance until we see how that works out.

F[RANCIS] W[HITE]

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721.23/695 : Telegram

*The Acting Secretary of State to the Minister in Ecuador (Dawson)*

WASHINGTON, January 11, 1933—5 p. m.

1. Your 1, January 9, 3 p. m. In a note presented to the Minister of Foreign Affairs of Peru yesterday<sup>a</sup> this Government, at request of Brazilian Government, supported Brazil's proposal that Peru turn over to Brazil Leticia territory which after a short period will be restored by Brazil to Colombia on the understanding that both countries will then endeavor to settle their differences through conversations at the Brazilian Foreign Office, in which Ecuador might also be invited to participate. This Government therefore in writing supported Brazil's proposal covering possibility of Ecuador being invited to participate. Department understands that Colombia has accepted the Brazilian proposal, including the participation of Ecuador. Ecuadoran Minister was this morning advised of above.

CASTLE

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721.23/809

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 14, 1933.

I telephoned Mr. Zaldumbide and told him that as he had asked me to keep him informed I would say, with reference to our conversation the other day when I told him that we had supported in writing the Brazilian proposal which envisaged the possibility of including Ecuador in the conversations to take place in Rio, after Leticia is returned to Colombia, that while we had no written reply as yet to our note to the Peruvian Government, nevertheless our Ambassador had been advised in Lima<sup>b</sup> that the Brazilian, Colombian and Peruvian Governments had agreed not to include Ecuador in these negotiations. I told the Minister that it was my understanding that Brazil stands by her proposal which does envisage the inclusion

<sup>a</sup> See telegram No. 5, January 10, 5 p. m., to the Ambassador in Peru, p. 400.

<sup>b</sup> Information reported in telegram No. 10, January 11, 10 p. m., from the Ambassador in Peru, not printed (721.23/707).

of Ecuador in the conversations and that it had been repeated to me that Colombia is glad to have Ecuador included. I said that I was passing this information on to him in order that his Government might be advised and could endeavor to have the Peruvian Government accept also. The Minister thanked me very much for this information and seemed very appreciative that I had informed him thereof.

F[RANCIS] W[HITE]

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721.23/756 : Telegram

*The Minister in Ecuador (Dawson) to the Secretary of State*

QUITTO, January 16, 1933—3 p. m.  
[Received January 17—12:24 a. m.]

2. The Department's 1, January 11, 5 p. m. The Minister for Foreign Affairs is advised that Brazil has withdrawn its suggestion that Ecuador be invited to participate in the Rio de Janeiro conference leaving the question of Ecuadorean participation solely to the decision of Colombia and Peru and that such withdrawal is attributed to difficulties which arose subsequently to Colombia's acceptance. He informs me that the Ecuadorian Minister at Lima has been advised by the Peruvian Minister for Foreign Affairs that Peru accepts the participation of Ecuador. Quevedo states that he has so informed the Brazilian Minister for Foreign Affairs. Since it appears that both Colombia and Peru are willing Quevedo requests that if practicable the Department use its good offices with Brazil in order that Ecuador be invited. In spite of assurances given Ecuadorian Minister by the Peruvian Minister for Foreign Affairs Quevedo fears that difficulties may have arisen in conciliation and would greatly appreciate any further assistance which the Department can render as respects the Peruvian Government.

DAWSON

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721.23/804

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] January 19, 1933.

The Ecuadoran Minister called on me and said that his Government had instructed him to take up again the question of Ecuador's participation in the conference at Rio between Colombia and Peru. He said that the Ecuadoran Government had taken this matter up with Peru and had twice received the definite answer that Peru would welcome Ecuador's presence. The matter was taken up with Colombia and Colombia also assured Ecuador that Ecuador would be welcomed by her in the conference. The Brazilian Government then, in

view of this, was asked to include Ecuador in the conference when it made the proposal to both Governments. Since then there has been difficulty over this matter in Lima; the Peruvian Government, for some reason which is not yet clear to Ecuador, apparently now does not want to include Ecuador in the conference. Ecuador, the Minister said, feels that it is important to have it understood that if there is to be a conference Ecuador should be invited; otherwise, the question of a conference would be agreed on in principle without making any provision for Ecuador and, when the conference was held, Ecuador would be told that there had been no agreement among the parties regarding the inclusion of Ecuador and that therefore Ecuador could not participate. The Minister said that his Government would like our help in this matter.

I told the Minister that I thought the important thing at the moment is that there should be an acceptance by Peru of the Brazilian proposal to turn over the territory first to Brazil and then have Brazil return it to Colombia in order that there may be a conference in Rio. When war is avoided and a conference assured, then would be the time to take up the matter of whether Ecuador shall be a participant or not.

The Minister said that he understood our point of view perfectly but repeated what he said before—that his Government thought it important that Ecuador's presence at the conference should be definitely agreed upon now, and he hoped that we would take the matter up with Peru on behalf of Ecuador in the sense that we hope that if there is to be a conference Ecuador will be included.

I told the Minister quite frankly that we could not do so. I said that I felt it was necessary for us to reserve all the weight of our influence in trying to bring about peace and avoid war and that to take up any other matters before that important question is determined might only complicate the situation.

I told the Minister that after war is averted and a conference is to be held, then we will examine the situation to see if there is anything we can do along the lines that Ecuador requests. I told the Minister that I could not make any promise as to what we can do because I can not foresee what the situation will be. I said that the Peruvian Government might accept the Brazilian proposal with reluctance, only through the force of world public opinion, and might harbor resentment against this country for joining with the others in bringing about Peru's acceptance, so that anything we might say, on behalf of Ecuador, would have a distinctly harmful effect and produce just the contrary to what we both wanted. I said that I felt that Ecuador should be represented in this conference in order that the question of the upper Amazon might be settled once and for

all and that if there is anything we can properly do to bring this about when the time comes we shall be glad to do so but I did not want to promise definite action because, as I said, the situation at that time might show that that would be the very worst thing we could do on behalf of Ecuador. I said that we will examine the situation when the time comes and do what we properly can.

The Minister also stated that the territory given to Peru by the 1922 Treaty<sup>10</sup> along the Sucumbios River was not really wanted by Peru. Peru had taken it merely to be able to give it to Ecuador later in order to help Peru in her boundary dispute with Ecuador. He said that Ecuador was not seeking either to get or to refrain from getting this territory; that its attitude regarding it would be determined entirely by the course and progress of the negotiations.

F[RANCIS] W[HITE]

721.23/1757

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] May 18, 1933.

The Ecuadoran Minister, Mr. Zaldumbide, called and said that he had received a further telegram from his Government along the lines of the ones which he had recently discussed with me, indicating that his Government felt that now was the time, in view of the negotiations going on in Lima between President Benavides and Señor Lopez of Colombia,<sup>11</sup> for this Government to indicate to the Peruvian Government that it felt that Ecuador should be included in the discussions.

I told the Minister that we were disposed, as I have repeatedly told him in the past, to support in any proper way the Ecuadoran aspiration in this matter as soon as the time seems to be appropriate. I told him that I still did not feel that that time had arrived.

I told him that we know nothing of the conversations in Lima nor have we been consulted regarding them. I said that therefore, while we had no intimation officially or otherwise as to what was being discussed in Lima, I presumed that the first thing to be settled by Colombia and Peru would be the means of bringing about the evacuation by Peru of the Leticia territory. There is the question of *amour propre* and political sensibilities in both countries to be taken into account. This point has been the stumbling block up to now. Once this question is solved, then I presumed arrangements would be made for further negotiations after Peru has evacuated Leticia and this

<sup>10</sup> The Salomon-Lozano treaty, signed March 24, 1922, League of Nations Treaty Series, vol. LXXIV, p. 9; see also *Foreign Relations*, 1923, vol. I, pp. 351 ff., and *ibid.*, 1925, vol. I, pp. 461 ff.

<sup>11</sup> See telegram No. 141, May 12, 2 p. m., from the Ambassador in Peru, p. 529.



territory has been taken over either by Colombia or by a commission of the League of Nations. When these further negotiations are entered into, then I thought would be the time for Ecuador to come into the picture. Ecuador does not enter the matter of the evacuation of Leticia and it would only complicate the issue for Ecuador to try to get into the negotiations before that matter is solved, and I thought any attempt to do so would only meet with a rebuff.

When that point, however, is settled and the further negotiations are entered into or agreed upon, I thought it would then be possible for this Government informally to advise both Peru and Colombia that we had been apprised by Ecuador of her desire to be heard and to say that the two Governments might wish to include Ecuador in any negotiations for a settlement so that all questions connected with the territory in the upper Amazon and its tributaries might be settled once and for all.

The Minister said that he agreed with me and that he would advise his Government in this sense.

F[RANCIS] W[HITE]

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722.2315/738

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] June 2, 1933.

The Minister of Ecuador called to discuss more fully than he had done with me by telephone on Wednesday the desire of Ecuador to be admitted to the negotiations regarding the Leticia matter. He said that while Colombia alleges that there will be no boundary questions discussed in these negotiations he thought that this matter was bound to be discussed and Ecuador would like to be in on those discussions. I showed the Minister a memorandum giving the text of a telegram which the Department was prepared to send to our Embassy in Lima and our Legation in Bogotá instructing them to present the matter to the Peruvian and Colombian Governments, with a statement at the end that this was all this Government could do in the matter. The Minister read over the memorandum and said that he agreed fully with the text of the communications to Peru and Colombia,<sup>22</sup> and also agreed that in doing this this Government had done all it could do. I gave him a copy of the memorandum and then signed the telegrams to our Missions in Colombia, Peru, and Ecuador regarding the matter.

F[RANCIS] W[HITE]

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<sup>22</sup> See telegram No. 53, *infra*.

722.2315/737b : Telegram

*The Acting Secretary of State to the Chargé in Colombia (Dawson)*<sup>13</sup>

WASHINGTON, June 2, 1933—3 p. m.

53. Please present following as an *aide-mémoire* to the Minister of Foreign Affairs:

"The Government of Ecuador has advised the United States Government of its very ardent hope that its boundary question with Peru may now be promptly settled and of its conviction that this can best be done in conjunction with the negotiation to take place between Colombia and Peru in settlement of the Leticia controversy. It was the thought of the Ecuadoran Government that a general settlement of all interests in the Upper Amazon at this time would be conducive to the best interests of all the parties concerned.

The Ecuadoran Government has asked the Government of the United States to make known to the Governments of Colombia and Peru the desire of the Ecuadoran Government to be admitted to the conversations between the two Governments.

The United States Government is glad to comply with this request of the Ecuadoran Government by bringing the desires of that Government to the friendly consideration of the Governments of Colombia and Peru feeling sure that they will want to hear and examine fully the point of view of the Ecuadoran Government".

For your information only, in advising the Legation in Quito of the above action it was instructed as follows:

"Please advise the Minister for Foreign Affairs of the action taken by this Government, adding that the United States Government feels that in bringing in this way Ecuador's views to the attention of the Colombian and Peruvian Governments the American Government has done all that it can do in the matter and that any further representations concerning the matter in either Bogotá or Lima must be carried on by the Ecuadoran Government itself. The American Government can do nothing further in the matter. A similar statement has been made to the Ecuadoran Minister in Washington".

PHILLIPS

722.2315/739

*The Chargé in Colombia (Dawson) to the Secretary of State*

No. 5634

BOGOTÁ, June 6, 1933.

[Received June 10.]

SIR: With reference to the Department's telegram No. 53 of June 2, 3 p. m., concerning the desire of the Government of Ecuador to participate in the negotiations to take place between Colombia and Peru concerning the Leticia controversy, with a view to settling its

<sup>13</sup> The same telegram was sent, June 2, 3 p. m., to the Ambassador in Peru as No. 67.

boundary question with Peru, I have the honor to report that I presented the *aide-mémoire* quoted in the telegram to the Colombian Minister for Foreign Affairs on June 3, 1933.

Dr. Urdaneta informed me that he would take the question up with the Advisory Committee on Foreign Affairs at the earliest opportunity and with President Olaya at a cabinet meeting to take place at Fusagasugá on June 5. He said that he would endeavor to have a reply ready by June 7. Dr. Urdaneta indicated that, while Colombia had accepted a suggestion by Brazil that Ecuador participate in the negotiations to follow the evacuation of Leticia under the Brazilian suggestion for the settlement of the Leticia question, he felt that the present situation might necessitate a change in the Colombian Government's attitude. He referred specifically to the fact that the March 18, 1933 recommendations of the League of Nations<sup>14</sup> did not indicate the scope of the negotiations which are to take place between Colombia and Peru and that the acceptance of an Ecuadoran request to be admitted to them to discuss boundary questions might be used by Peru as a precedent for insisting that revision of the Colombian-Peruvian boundary established by the Salomon-Lozano Treaty be considered thereat.

Dr. Urdaneta stated that Dr. Carlos M. Larrea, the Ecuadoran Minister to Colombia, had called on him several days ago to express orally Ecuador's interest in being admitted to the Leticia negotiations but that Dr. Larrea had presented no formal request. He stated that he had answered Dr. Larrea in "the vaguest and most noncommittal terms" he could find, not having discussed the question with either the President or the Advisory Committee on Foreign Affairs.

On June 4, 1933, President Olaya discussed the entire question with me in some detail. He stated that he thought that the consideration of the Ecuadoran request would at this time be premature; he felt that the first stage of the League recommendations of March 18, namely, the evacuation of Leticia, should be completed before the second stage, i. e., the negotiations, should be taken up. He remarked that the best time to consider Ecuador's request would appear to be when the question of deciding as to the scope of the negotiations arose. He stated that he would be glad personally to have Ecuador participate in the negotiations but felt that the question was one primarily for Peru to decide. Colombia, he said, was principally interested, of course, in settling its dispute with Peru and he did not wish to antagonize the Peruvian Government by supporting Ecuador's desire to participate in the negotiations if Peru should be opposed to such participation.

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<sup>14</sup> See telegram No. 154, March 18, 5 p. m., from the Minister in Switzerland, p. 506.

In this connection, President Olaya informed me that Dr. Alfonso Lopez, during his conversations with President Oscar Benavides of Peru in Lima, had suggested to the latter that the Peruvian-Ecuadoran boundary question might be settled at the same time as the Leticia controversy by a general conference, and that General Benavides had replied that it would be better to keep Ecuador out of it. Dr. Olaya suggested that General Benavides probably considered that Peru might be at a disadvantage in tripartite negotiations, whereas its superior strength would give it an advantage in direct bilateral negotiations with Ecuador should it eventually decide on these; he said that all indications were that the present line of occupation in the portion of the Amazon territory disputed by Ecuador and Peru was quite satisfactory to the latter.

Respectfully yours,

ALLAN DAWSON

722.2315/742

*The Chargé in Colombia (Dawson) to the Acting Secretary of State*

No. 5657

BOGOTÁ, June 13, 1933.

[Received June 17.]

SIR: With reference to the Department's telegram No. 53 of June 2, 3 p. m., concerning the desire of Ecuador to participate, with a view to settling its boundary question with Peru, in the negotiations to take place between Colombia and Peru concerning the Leticia controversy, and to the Legation's despatch No. 5634 of June 6, 1933, in reply thereto, I have the honor to transmit herewith copies and translations of a memorandum dated June 12, 1933, from the Colombian Minister for Foreign Affairs, in reply to the *aide-mémoire* presented in compliance with the Department's instructions.

President Olaya informed me on June 10, 1933, that he had on June 5 instructed his Minister for Foreign Affairs to prepare and deliver the memorandum to me. He expressed surprise that I had not already received it. . . .

Respectfully yours,

ALLAN DAWSON

[Enclosure—Translation]

*The Colombian Minister for Foreign Affairs (Urdaneta Arbeláez) to the American Chargé (Dawson)*

MEMORANDUM

The Government of Ecuador has made known to the Government of the United States its hope that the pending differences regarding boundaries between Ecuador and Peru may be settled in conjunction with the negotiations to take place between the latter country and

Colombia in fulfillment of the second of the recommendations made by the Council of the League of Nations on March 18 last.

The Government of Ecuador has asked the Government of the United States to make known to the Governments of Colombia and Peru its desire to take part in the conversations between them.

Up to the present the points which are to be the subject of the conversations between the Governments of Colombia and Peru had not been completely defined, since the preliminary exchange of ideas to determine the points to be considered has not yet taken place.

It would consequently be premature to give an opinion at the present time as to the opportunity that the Government of Ecuador take part in the negotiations mentioned.

When the Brazilian mediation in the Leticia conflict began, the Government of Colombia received a suggestion that a conference, at which Ecuador would be represented, take place once the conflict was terminated; the Government of Colombia accepted the idea with pleasure, but, for other reasons, it did not succeed.

The Government of Colombia has the greatest desire that the pending territorial differences between Ecuador and Peru receive a prompt and just solution and is disposed to cooperate as far as it may in this sense.

BOGOTÁ, June 12, 1933.

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722.2315/747

*The Ambassador in Peru (Dearing) to the Acting Secretary of State*

No. 2891

LIMA, June 27, 1933.

[Received July 8.]

SIR: I have the honor to refer to the Department's telegraphic instructions No. 67, June 2nd, 3 p. m.,<sup>15</sup> directing me to present to the Peruvian Government an *aide-mémoire* on the subject of the desire of the Ecuadorean Government to take part in the negotiations for the settlement of the dispute between Peru and Colombia. I refer the Department to my despatches Nos. 2848 of May 26th, 2788 of April 27th, 2859 of June 5th, 2875 of June 16th, and 2877 of June 18th on this subject.<sup>16</sup>

The Embassy has just received from the Foreign Office a memorandum commenting upon our *aide-mémoire*, in which the Peruvian Government states that the circumstances do not permit of a tripartite negotiation but that it is prepared to negotiate directly with Ecuador regarding the boundary between the two countries.

<sup>15</sup> See footnote 13, p. 569.

<sup>16</sup> None printed.

The memorandum of the Peruvian Government in original and in translation is enclosed herewith.

Respectfully yours,

FRED MORRIS DEARING

[Enclosure—Translation]

*The Peruvian Ministry for Foreign Affairs to the American Embassy*

MEMORANDUM

The Government of Peru has given careful consideration to the exposition made by the Embassy of the United States of America in Lima, in a memorandum dated the 3rd instant, of the desires of the Ecuadorean Government that its boundary question with Peru may be quickly settled by taking part in the negotiations which are to take place between Colombia and Peru for the settlement of the Leticia question.

The Peruvian Government animated by feelings toward Ecuador which are invariably friendly would have been disposed as it was in 1894 to participate in a tripartite negotiation with Colombia and Ecuador for the arrangement of differences as to boundaries which were then pending between the three countries.<sup>17</sup>

But since the situation which existed in 1894 has changed fundamentally on account of the fact that Colombia and Ecuador in 1916 settled their boundary differences by a treaty<sup>18</sup> which has been carried out in all its parts and Peru and Colombia also have reached similar agreement under the Treaty of March 24, 1922, it would not now be juridically possible to seek a joint solution of the question which has been partially solved by arrangements both special and direct on the part of some of the interested parties.

Notwithstanding this the Peruvian Government is glad to confirm the declarations which it has made to the Government of Ecuador in the sense that it is disposed to proceed at once to the negotiation of a direct arrangement which in friendly and equitable form shall terminate definitely the agelong dispute about boundaries which continues pending.

The Government of Peru desires to add that it appreciates in all its friendly significance the attitude of the Government of the United States in making the recommendation contained in the memorandum of the American Embassy of the 3rd of the present month.

LIMA, June 24, 1933.

<sup>17</sup> See *Foreign Relations*, 1895, pt. I, p. 250.

<sup>18</sup> Signed July 15, 1916, *British and Foreign State Papers*, vol. cx, p. 826.

721.23/1879½

*Memorandum by the Assistant Secretary of State (White)*

[WASHINGTON,] June 28, 1933.

The Ecuadoran Minister told me that he had been instructed by his Government to tell me how much it appreciated the action of the Department in bringing Ecuador's desire to take part in the territorial settlement of the Upper Amazon to the attention of the Governments of Colombia and Peru. He added that his Government also directed him to express to me personally its thanks for the action taken.

F[RANCIS] W[HITE]

722.2315/749 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, August 24, 1933—11 a. m.

[Received 8:32 p. m.]

183. Foreign Minister informs me it has been agreed he shall endeavor to negotiate boundary settlement with Ecuador with Ecuadorian Minister here simultaneously with Leticia negotiations at Rio de Janeiro.

DEARING

722.2315/751

*The Ecuadoran Minister (Zaldumbide) to the Secretary of State*

[Memorandum—Translation]

WASHINGTON, August 29, 1933.

The Minister of Ecuador at Washington had the honor in several interviews to express to the Honorable Mr. Francis White, then Assistant Secretary of State, the legitimate desire manifested by Ecuador to participate in the conversations or negotiations whereby the Governments of Colombia and Peru might attempt to arrive at a settlement of the conflict which originated at Leticia on September 1, 1932.

The reason for and the basis of the participation sought lies in the evident interest and the basic right which Ecuador has in closely scrutinizing everything connected with the region, the definitive international position of which will be the subject of the negotiations that the two countries which are neighbors and friends of Ecuador have fortunately undertaken. Ecuador's own rights and interests, pending in the zone contiguous to the said region must in fact resolve themselves in their turn into a function of what may be decided in the contemplated negotiations for the adjustment of the

Colombo-Peruvian controversy. The right of Ecuador to be present at these negotiations or to participate therein as a third party in a manner and spirit equally friendly toward both countries, is so much the more patent, as one of the points expressly mentioned by Peru in the present circumstances is the limited access of Ecuador to the Putumayo. And the desire being cherished as it is by America that all the territorial problems susceptible of disturbing relations between American states should come to an end for the sake of the peace and tranquillity of the Continent, this occasion seems the most propitious, for the common welfare, for also solving the already old boundary problem of Ecuador.

It appears natural, therefore, to desire that the latter Amazon problem should now be solved in reasonable harmony and concord and in the manner that all the interested parties may consider the most suitable, in discussing the matter.

On June 2 last,<sup>19</sup> the Honorable Assistant Secretary of State, Mr. White, was good enough to advise the Legation of Ecuador of the cabled instructions that had been given on that same day to the diplomatic representatives of the United States at Lima and Bogotá, to submit to the consideration of the two friendly chancelleries this peaceful desire on the part of Ecuador to participate. The Chancellery of Ecuador, having been informed by the Minister at Quito, His Excellency Mr. Dawson, by means of a copy of the memorandum drawn up to that effect, duly appreciated it and expressed its official thanks.

As it has been decided by the Governments of Colombia and Peru that the negotiations are to be carried on at Rio, the moment appears to have arrived for putting into effect the recommendation contained in the said memorandum, reference to which, on this occasion, is doubly grateful to the Minister of Ecuador.

Although that memorandum stated that the friendly recommendation made therein was the most that the Department of State could do, it is perhaps not too much to hope that that high recommendation be now recalled to mind in order that on this first occasion it may be duly taken into account.

The interest which the Department of State is showing in continental harmony would induce it to take this step now, [even]<sup>20</sup> if it had not already kindly consented to do so.

The Department of State will no doubt see its way clear to recall to mind on this occasion its former friendly recommendation to the parties directly interested, before which, moreover Ecuador is continuing very hopefully its efforts directed entirely toward seeking harmony through the solution of all the problems pending in that important region of common interest.

<sup>19</sup> See memorandum by the Assistant Secretary of State, June 2, p. 568.

<sup>20</sup> Brackets appear in file translation.



722.2315/750

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] September 7, 1933.

When Dr. Zaldumbide called yesterday in connection with Cuba,<sup>21</sup> I took the opportunity of informing him that the Department, while desiring to be helpful, did not feel itself in a position to take any further steps towards securing the inclusion of Ecuador in the boundary discussions between Colombia and Peru. I reminded Dr. Zaldumbide that at the time Mr. White called to the attention of the Colombian and Peruvian Governments Ecuador's desire to be a party to the boundary discussions, he had given the Minister a memorandum which stated that the Department had now done all that it could and that any further representations must be carried on by the Ecuadoran Government itself. I also recalled to him that he had expressed his complete agreement with our views. I said that I believed that the action which the Ecuadoran Government desired us to take might not be well received; in fact, this action, if taken, might be detrimental to the Ecuadoran interests by proving to be "contraproducente".

J[EFFERSON] C[AFFERY]

721.23/1987

*The Minister in Ecuador (Dawson) to the Secretary of State*

No. 1133

QUITO, September 15, 1933.

[Received September 28.]

SIR: I have the honor to report as follows concerning eventual Ecuadoran participation in the negotiations to be held at Rio de Janeiro for the settlement of the Leticia incident, reference being made in this connection to my despatch No. 1132 of September 13<sup>22</sup> and earlier despatches dealing with the same subject.

As noted in my despatch No. 1107 of August 28,<sup>22</sup> I was informed at that time by the Undersecretary for Foreign Affairs that, while Peru had opposed Ecuador's direct participation in the negotiations with Colombia, former Foreign Minister Manzanilla had expressed himself as being willing that Ecuador be represented by an observer with the eventual right to make suggestions. From information furnished me by a member of the Advisory Board for Foreign Relations, it appears that Ecuador is now seeking admission as an "interested observer" and that recent conversations with Peru have revolved largely around this point as well as the scope of the activities of any

<sup>21</sup> See section entitled "Revolution in Cuba", vol. v, pp. 270 ff.

<sup>22</sup> Not printed.

Ecuadoran representative who might be admitted in such a capacity. The Ecuadoran viewpoint seems to be that an "interested observer" should not only be kept advised as to the course of the negotiations but also have the right to make suggestions and lodge protests.

The foregoing information was confirmed by statements made to me this morning by the Chief of the Diplomatic Section of the Ecuadoran Foreign Office who expressed the personal and informal opinion that participation at Rio de Janeiro would hardly be worth while if it were to consist solely in the right to watch proceedings. Incidentally, Dr. Arroyo Delgado expressed the likewise personal opinion that the Peruvian Government is taking advantage of the perturbed domestic situation in Ecuador.

In this same connection, Sr. José Gabriel Navarro (the member of the Advisory Board referred to above) informed me that Ecuador continues to be disposed to negotiate with Peru for a settlement of the boundary dispute between the two countries. It is apparently contemplated that Ecuadoran-Peruvian boundary negotiations shall be "simultaneous and parallel" with the approaching Colombian-Peruvian negotiations but that they shall not be conducted at Rio de Janeiro. Dr. Navarro tells me that, while it has been suggested and is expected in many quarters that the Ecuadoran-Peruvian negotiations will be held in Lima, he himself holds the view that Washington should be selected as their seat. I infer that he has made a recommendation to this effect to the Advisory Board. Dr. Navarro states that, aside from the advisability of adhering to the Ponce-Castro Protocol,<sup>23</sup> he believes that the two countries would be more likely to reach an agreement at Washington than at Lima. He informs me that he was a close friend of Dr. N. Clemente Ponce, the Ecuadoran signer of the Protocol, and that from personal conversations he knows that Dr. Ponce felt that Peru would as in the past use dilatory tactics to postpone any agreement and that the best means of reaching a solution would be through negotiations in Washington under the auspices of a high-minded and impartial Government. According to Sr. Navarro, it was Dr. Ponce's opinion that negotiations in Lima would lead to no result and that on the other hand negotiators meeting in Washington and removed from the vicissitudes of domestic political disturbances and changes would not separate without having reached a settlement.

Respectfully yours,

WILLIAM DAWSON

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<sup>23</sup> *Foreign Relations*, 1924, vol. I, p. 305.

721.23/1984

*The Ambassador in Peru (Dearing) to the Secretary of State*

No. 3042

LIMA, September 20, 1933.

[Received September 28.]

SIR: With reference to the Leticia Conference at Rio de Janeiro and the unsettled boundary questions with Ecuador, I have the honor to enclose to the Department herewith copy of a memorandum of a conversation I had with the Foreign Minister yesterday afternoon.

Respectfully yours,

FRED MORRIS DEARING

[Enclosure]

*Memorandum by the Ambassador in Peru (Dearing)*

LIMA, September 19, 1933.

I spoke to Dr. Polo<sup>25</sup> about the Leticia negotiations in Rio de Janeiro this afternoon, remarking that I had noticed with interest the character of the speeches made by the departing Peruvian delegates (See Embassy's despatches Nos. 3037 of September 19th<sup>26</sup> and 3042 of September 20th), and saying that all the information I had from Colombia was to the effect that the Colombian delegates were inspired with an equal desire to find a friendly and satisfactory solution for the difficulties. Dr. Polo said he was glad to hear that. I asked whether he would take up the boundary negotiations with Ecuador on October 20th, the date the Conference convenes, to which he replied that he had told the Ecuadorian Minister that he was ready to take up the boundary negotiations whenever Ecuador desired, thus leaving the initiative with Ecuador. He noted the fact, however, that Ecuador's action might be somewhat paralysed by the present situation in Quito between the President and the Congress.

Dr. Polo said the Ecuadorian Minister had requested that an Ecuadorian observer should sit in at the real conference but that he had found this a very awkward and embarrassing matter and had frankly said so to the Minister. He said he had told the Minister he could well understand Ecuador's interest and that it was immediate and direct but that he felt it would make matters difficult and be a cause of misunderstanding for an Ecuadorian observer to sit in. He wished, however, he said to reassure Ecuador in any way possible and stated he was prepared, if the Ecuadorian Government wished, to give Ecuador a written statement that Ecuadorian interests would not be touched on at all during the conference which would concern itself solely with the Salomon-Lozano Treaty and the Leticia Trapeze. I reminded Dr. Polo that a great deal had been made in the Peruvian arguments

<sup>25</sup> Solón Polo, Peruvian Minister for Foreign Affairs.

<sup>26</sup> Not printed.

regarding Colombia's alleged failure to comply with the terms of the Treaty and to turn over the Sucumbios or San Miguel territory. Dr. Polo replied at once that if Ecuador had any concern on that account, Peru would be willing to turn the whole district back to Colombia so that Colombia could arrange the question with Ecuador as if in the first place implying that thereafter Peru and Colombia would settle all other questions directly between themselves and that it was the intention not to involve Ecuador in any way, but to leave all Ecuadorian matters for settlement in the direct negotiations with Ecuador in case Ecuador acts and initiates the negotiations here in Lima.

I asked Dr. Polo whether he thought the Leticia negotiations would extend through the time of the Seventh Pan American Conference at Montevideo.<sup>27</sup> Dr. Polo said he imagined the Leticia Conference at Rio de Janeiro would require some six months at least to reach final agreements, and I judge both from what he has told me and from a brief conversation I have just had with Dr. Belaunde, that Peru intends to make an exhaustive effort to secure a revision of the Salomon-Lozano Treaty and some change of the boundary lines in the vicinity of the Leticia Trapeze, with the idea of again incorporating the northern bank of the Amazon in Peruvian territory. This aspiration and the certainty that Colombia will not be favorable to it as well as the certainty that Colombia will demand an indemnity which Peru will be unwilling to pay, make me feel that we should not be too optimistic regarding the Rio de Janeiro conference, and that the political situations in Colombia and Peru will have to be carefully watched in the meantime, as they will also contain somewhat disturbing implications for the future relations between the two countries. The best reliance for success is the evident fair-mindedness of the Presidents in both countries and the repugnance of the two peoples to go to war, now that they have some direct realization of what it really means, in addition to the terrible object lesson of the Chaco.

F[RED] M. D[EARING]

721.23/1997

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] October 4, 1933.

Captain Alfaro, Minister of Ecuador, came in. He had just returned from New York, where he had gone to see Señor Urdaneta, Colombia's Foreign Minister, who is an old friend of his. Captain Alfaro showed me the text of a cable he had just sent his Government

<sup>27</sup> See pp. 1 ff.

reporting his conversation with Urdaneta and stating that the latter had said that Colombia would welcome Ecuador's participation in the Rio discussions with Peru and that, so far as Colombia was concerned, it was simply a question of Ecuador deciding upon the right moment and circumstances in which to raise the question formally.

Captain Alfaro also showed me a cable received from his Government requesting that he advise us that the Ecuadoran Congress had voted a resolution calling upon the Congresses of all the countries of the world to recognize Ecuador's right to participate in any territorial settlement in the Amazon Basin.

EDWIN C. WILSON

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722.2315/756

*The Peruvian Ambassador (Freyre) to the Secretary of State*

WASHINGTON, October 18, 1933.

YOUR EXCELLENCY: I am instructed by my Government to inform Your Excellency, as I hereby have the honour to do, that the Minister for Foreign Affairs of Peru offered the Government of Ecuador a written assurance to the effect that the forthcoming Conference at Rio de Janeiro between Peru and Colombia would not overstep the terms of the Salomon-Lozano treaty and consequently would not affect territories belonging to, or claimed by Ecuador. As no reply has thus far been received to this offer from the Government of Ecuador, due probably to the internal situation of the country, the Minister for Foreign Affairs of Peru, wishing to prove the sincerity of our purpose on the eve of the said Conference at Rio de Janeiro, has addressed under this date a note to the Minister of Ecuador at Lima, ratifying his former assurance and formally inviting the Government of Ecuador to initiate at once direct negotiations, in conformity with the Ponce-Castro Protocol.

The Embassy of the United States at Lima presented, on June 3rd, 1933, a Memorandum to my Government transmitting the wishes of the Government of Ecuador to participate in the Conference at Rio de Janeiro. On the 24th of June my Government replied, stating the reasons wherefor they did not deem it juridically possible to seek a common agreement on a question which had been already partially settled by special and direct understandings, between Ecuador and Colombia, in 1916, and between Peru and Colombia, in 1922.

In view of the friendly concern thus shown by the Government of Your Excellency in the matter, my Government hasten to make Your Excellency acquainted with the step they have just taken to insure an amicable adjustment of the boundary question pending between Peru and Ecuador.

I have [etc.]

M. DE FREYRE Y S.

722.2315/755 : Telegram

*The Ambassador in Peru (Dearing) to the Secretary of State*

LIMA, October 19, 1933—11 a. m.

[Received 12: 15 p. m.]

199. 1. Foreign Minister has made public a note to Ecuadorean Minister inviting Ecuador to take up negotiations with Peru immediately in Lima for settlement of the boundary between the two countries in accordance with Quito protocol of June 21, 1924.

2. Foreign Minister declares Rio de Janeiro conference will be confined to Salomon-Lozano treaty and will not "affect territories which Ecuador possesses or to which it alleges rights". Forwarding text of note by airmail.

3. Ecuadorian Minister somewhat regretfully feels Ecuador will be compelled by political situation in Ecuador to accept this proposal in lieu of participation in Rio de Janeiro conference.

DEARING

722.2315/762 : Telegram

*The Chargé in Ecuador (Chapin) to the Acting Secretary of State*

QUITO, November 8, 1933—10 a. m.

[Received November 9—9: 55 a. m.]

54. Referring to the Legation's despatch No. 1181, October 22nd.<sup>28</sup> Instructions were issued yesterday to Ecuadoran Minister at Lima to reply to Peruvian note of October 18th inviting Ecuador to enter into negotiations in Lima for settlement of the boundary question. Although the nature of the instructions has not been made public Undersecretary for Foreign Affairs told me unofficially last night that the Ecuadoran reply would state that negotiations should be held in Washington in accordance with Ponce-Castro agreement of 1924 and would suggest that meeting take place there during the last half of December. Ecuadoran Minister Washington has been informed to this effect.

CHAPIN

722.2315/767

*Memorandum by the Chief of the Division of Latin American Affairs (Wilson)*

[WASHINGTON,] November 9, 1933.

The Ecuadoran Minister, Captain Alfaro, called on the Secretary this morning to advise him, under instructions from the Ecuadoran

<sup>28</sup> Not printed.

Government, of the reply made by Ecuador to Peru in relation to the boundary dispute between the two countries.

Captain Alfaro said that Peru, in a note to Ecuador on October 18, had invited Ecuador to negotiate on the basis of the Ponce-Castro Protocol of 1924, but to hold the negotiations in Lima and not in Washington as provided in the Protocol. He said that Ecuador had replied in the last few days, stating that she was prepared to appoint her delegation to negotiate in Washington and to ask the permission of the United States to that end, in accordance with the terms of the Protocol. Captain Alfaro said that his Government would appreciate anything which our Government could do, through our Ambassador in Lima, to support Ecuador in an effort to have the negotiations take place in Washington.

The Secretary thanked Captain Alfaro for the information and said that he sincerely hoped the two countries would be able to reach a satisfactory settlement of their difficulty. While he would be glad to see that our Ambassador in Lima was informed of the present conversation he felt it would be a very delicate matter for this Government to suggest to Peru that it should come to Washington for the negotiations and he did not feel that this Government could appropriately take such action. He reiterated, however, his hope that the two Governments would be able to work out some mutually satisfactory solution.

EDWIN C. WILSON

NORTH AND CENTRAL AMERICAN REGIONAL RADIO  
CONFERENCE, MEXICO, JULY 10–AUGUST 9, 1933

576.E 1/36

*The Secretary of State to the Ambassador in Mexico (Clark)*<sup>1</sup>

No. 730

WASHINGTON, July 20, 1932.

SIR: The International Radio Conference, which is to convene at Madrid September 3, 1932,<sup>2</sup> will probably revise the International Radio Convention and Regulations signed in 1927<sup>3</sup> and give them a form which will remain unchanged for a number of years. Within the framework of the International Radio Convention it may be desirable for the interested Governments of North America to enter into regional agreements respecting the use to be made of certain frequencies.

Since radio experts of the several Governments will probably be in attendance at the Madrid Conference, it would appear to be convenient for them, at that time, to discuss the bases of a possible North American regional agreement on radio. The steps which it might be necessary to take after the Conference in order to conclude such an agreement could be determined after the results of the conversations at Madrid are made known to the respective Governments.

It is believed that representatives of the United States, Mexico, Cuba, Canada, and Newfoundland could profitably carry on conversations at Madrid which would include the use of broadcast frequencies and such other frequencies which, because of their transmission characteristics, may cause interference in North America but not in other parts of the world. An arrangement similar to that suggested but relating only to high frequencies was entered into in 1929 between the United States, Cuba, Canada, and Newfoundland. A copy of Treaty Series No. 777A containing the text of that arrangement is enclosed.<sup>4</sup>

<sup>1</sup>The same, *mutatis mutandis*, July 20, to the Minister in Canada, the Ambassador in Cuba, and the Consul General at St. John's, Newfoundland.

<sup>2</sup>See *Foreign Relations*, 1932, vol. I, pp. 865 ff.

<sup>3</sup>For text of this convention, signed at Washington, November 25, 1927, see *ibid.*, 1927, vol. I, p. 288. For text of the general regulations and appendixes to the convention, and for text of supplementary regulations (not signed by the United States), see Executive Document B, 70th Cong., 1st sess., pp. 11–75; or Department of State Treaty Series No. 767; or 45 Stat. 2760.

<sup>4</sup>Except for appendixes and a chart, the text of the arrangement, effected by exchange of notes signed February 26 and 28, 1929, is printed in *Foreign Relations*, 1929, vol. I, pp. 693–697.



While the United States believes that the conversations should be confined to those countries which will be likely to create or to suffer from interference occasioned by frequencies of the type mentioned, it has no desire to limit participation to the United States, Mexico, Cuba, Canada, and Newfoundland if any of those countries believe that others should be included.

Please present the matter to the Government of Mexico, requesting its views as to the desirability of holding such conversations, and as to the Governments whose representatives should participate in them. State that similar inquiries are being made of the other Governments mentioned.

Should the Government of Mexico favor the holding of such conversations, it is suggested that the names of its representatives be sent to the Department as soon as convenient. The Department will inform you of the replies of the other interested Governments as soon as they are received and will send you the names of the American representatives when it is apparent that the holding of the suggested conversations is favored by the Governments to which the matter has been broached.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

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[EDITOR'S NOTE. A despatch of August 9, from the Consul General at St. John's reported that Newfoundland was "interested in the matter" but, because the Dominion possessed "no official expert in radio matters", the Government was "not in a position to cooperate in a practical manner" (576.E 1/46). The Canadian Secretary of State for External Affairs, in a note of August 17, advised the Minister in Canada that "the Canadian competent authorities also believe that representatives of the countries concerned could profitably carry on conversations at Madrid as proposed" (576.E1/49). Mexico's willingness to participate in such a conference was reported by the Ambassador in Mexico in his despatch No. 1776 of August 19 576.E 1/51). The Cuban Foreign Office advised the American Embassy in Habana that a Cuban delegate had "been authorized to take part in conversations at Radio Conference" (576.E 1/63).

At the Madrid Radiotelegraph Conference, the American, Canadian, Cuban and Mexican delegates agreed that regional arrangements under the new convention should be considered at a North American Radio Conference to be held at Habana in April, 1933 (576.E 1/86). Subsequently, for "reasons not stated" the Cuban Government intimated that it did not favor the holding of a Conference at Habana

(576.E 1/95). Prior to adjournment of the Conference at Madrid, the Mexican delegation, upon instructions from the Ministry of Communications and Public Works, suggested the holding of the Conference in Mexico City (576.E 1/103, 104). This proposal was acceptable to the interested Governments.]

576.E1/228

*The Mexican Minister for Foreign Affairs (Puig) to the American Ambassador in Mexico (Daniels)*<sup>5</sup>

[Translation]

No. 9775

MEXICO, May 23, 1933.

MR. AMBASSADOR: With reference to the antecedents of the case, and requesting Your Excellency to be good enough to transmit it to Your Government, I take pleasure in conveying the invitation of the Government of Mexico to the Government of the United States to attend a North American and Central American Regional Conference to find a concrete solution of the various problems which the development of radio broadcasting has created, particularly between adjacent and neighboring countries.

The invitation contained in this note is also being extended to Canada, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Newfoundland.<sup>6</sup>

The Conference will deal with technical, legal, and political matters relating to radio which have or may have an international character, the program of the Conference being subject to the decision of the members.

The representatives of the various countries will merely recommend, at the conclusion of their labors, to their respective Governments, the concrete points on which agreement may have been reached, or the suggestions of each delegation on those points on which no agreement may have been possible.

Such recommendations shall be examined by the respective Governments, and, in case they are approved, may be embodied in international agreements by the procedure which may appear most expeditious.

The Conference will be held beginning July 10th in the City of Mexico, and each country shall determine the number and character of its representatives.

I avail myself [etc.]

PUIG

<sup>5</sup> Copy transmitted to the Department by the Ambassador in his despatch No. 118, May 24; received May 31.

<sup>6</sup> The Governments of Newfoundland and Panama declined the invitation (576.E1/291, 292).

576.E1/237: Telegram

*The Acting Secretary of State to the Ambassador in Mexico (Daniels)*

WASHINGTON, June 7, 1933—11 a. m.

67. Your despatch No. 118 of May 24<sup>7</sup> and Department's telegram No. 66 of June 4.<sup>8</sup>

You may address a formal communication to the Minister for Foreign Affairs stating that you have been instructed to inform the Mexican Government that the Government of the United States accepts with great pleasure the courteous invitation extended by the Mexican Government in Dr. Puig's note to you dated May 23, 1933.

At the same time you may state that the delegates whom this country will send to the Conference are as follows:

- The Honorable Eugene O. Sykes, Chairman, Federal Radio Commission, *Chairman*;
- The Honorable Schuyler Otis Bland, Representative in Congress from Virginia;
- The Honorable Roy T. Davis, Minister to Panama.

These delegates will be accompanied by a small staff whose names will be announced later.

PHILLIPS

576.E1/272

*The Acting Secretary of State to the Ambassador in Mexico (Daniels)*

No. 62

WASHINGTON, June 21, 1933.

SIR: With reference to previous correspondence relating to the North and Central American Radio Conference, the Department desires the Embassy to ascertain the intention of the Mexican Government with reference to the admission of representatives of private organizations and companies to the meetings of the Conference and of its committees.

The European Broadcasting Conference which met at Lucerne beginning May 15, 1933,<sup>9</sup> admitted representatives of only five specifically designated international organizations whose admission had been approved five months in advance of the Conference, by all the countries involved. No national organizations or companies were admitted. The Department believes that the precedent set by the European conference is a good one for the North and Central American Conference.

A number of organizations and companies in the United States have

<sup>7</sup> See footnote 5, p. 585.

<sup>8</sup> Not printed.

<sup>9</sup> Held at Lucerne, May 15–June 19, 1933. For text of the Convention signed at this Conference, and texts of other documents, see *Documents de la Conférence européenne des radiocommunications, Lucerne, mai-juin 1933* (Berne, Bureau de l'Union internationale des Télécommunications, 1933); or League of Nations Treaty Series, vol. CLIV, p. 133.

indicated their desire to send representatives to the Conference. The Department does not support these requests as it is convinced that the problems to be settled at the Conference are solely for the determination of the governments concerned. It would therefore be prepared to support a decision by the Mexican Government to exclude from the Conference all persons not members of the official delegations. If, however, the Mexican Government decides upon a different course, the Department would like to be advised in order that it may indicate what organizations and companies it wishes to have invited to the Conference.

The Department believes strongly that it is inadvisable to admit representatives of private organizations and companies to the conference, and it desires the Embassy to use its discretion in determining how to secure the adoption of the same views by the Mexican Government.

Please telegraph the decision of the Mexican Government on the point.

Very truly yours,

WILLIAM PHILLIPS

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576.E1/309

*The Acting Secretary of State to the American Delegation to the North and Central American Radio Conference*<sup>10</sup>

WASHINGTON, June 29, 1933.

SIRS: The North and Central American Radio Conference, to which you have been appointed as delegates on the part of the United States of America by the President, by commissions already delivered to you, has as its primary purpose the solution of existing problems of interference between radio stations in territories of different participating governments and the determination of methods to prevent such interference in the future.

The most pressing problem at this time is in connection with interference to broadcasting stations in the United States by broadcasting stations in Mexico and Cuba. This problem will prove difficult of adjustment. There has been general agreement on the part of all interests concerned in the United States that some surrender of frequencies in the present broadcast band must be made. Broadcasting interests in this country wish this surrender to be compensated for by the widening of the broadcast band below 550 kilocycles. Such extension of broadcasting below 550 kilocycles has been strongly opposed by the services already occupying those bands.

Following the hearings in the preparatory committee on this proposed extension, the chairman of the delegation informed the De-

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<sup>10</sup>Eugene O. Sykes, Chairman; Schuyler Otis Bland; Roy T. Davis.

partment in his letter of June 13, 1933,<sup>11</sup> that the hearings had shown that the bands below 550 kilocycles are at present so used by the Army, Navy and other government services and marine interests that it would not be advisable to extend the broadcast band below 550 kilocycles (except that the right of Canada to use 540 kilocycles for a broadcasting station in Saskatchewan as provided in the exchange of notes of May 5, 1932,<sup>12</sup> between the United States and Canada be recognized). The chairman of the delegation recommended that the delegation be authorized within its discretion to agree to the extension of broadcasting to 1600 kilocycles without limitation of power and from 1600 to 1640 kilocycles with a limitation of power to about 100 watts. The recommendation with respect to the extension of the broadcast band is approved by the Department and the delegation is instructed to act accordingly. In connection with the extension of the broadcast band above 1500 kilocycles, however, it should be borne in mind that such extension is to be agreed to only as compensation to broadcasting for frequencies given up in the authorized broadcast band and is not to be used solely for an increase of the facilities available for broadcasting in the United States.

The decision not to extend the broadcast band below 500 kilocycles has not been concurred in by the broadcasters of the United States. Since the decision was made after full hearings, however, the delegation should not ask for authority to agree to permit broadcasting in North America otherwise than as indicated in these instructions, unless it has reason to believe that such extension can be made in a manner acceptable to the services now occupying the band which is desired for broadcasting.

The Department understands that the preparatory committee was in unanimous agreement with respect to frequencies above 1500 kilocycles. The Delegation will be guided by that agreement, a copy of which has been furnished to each of you. In particular the delegation should endeavor to have the bands assigned to amateurs under the present agreement respecting high frequencies in North America signed at Ottawa in 1929 continued as exclusive amateur bands. Any effort to diminish these bands should be opposed by the delegation and should not be agreed to unless after specific authorization by the Department.

There are a number of frequencies above 1640 kilocycles assigned to various government departments by executive orders of the President. The interested departments desire the fullest protection for these frequencies, a protection which the Department understands

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<sup>11</sup> Not printed.

<sup>12</sup> *Foreign Relations*, 1932, vol. II, pp. 92 ff.

is afforded by the proposals of the preparatory committee, on frequencies above 1500 kilocycles. In the event that the delegation is unable to obtain the adoption of that proposal, the frequencies assigned by the executive orders should be protected in any understandings which may be reached. This protection is essential. In reply to requests by the interested departments that members of their respective staffs be designated as advisers to the delegation, the Department has indicated that such appointments would be unnecessary as the frequencies involved would be fully protected by the delegation.

Within recent years several American citizens and others have constructed high power broadcasting stations in Mexico immediately across the border from the United States. In some instances these persons had been denied renewal of licenses by the Federal Radio Commission; in all cases it is believed that the stations are designed primarily to reach American audiences. The Department sympathizes with the desire of other countries to have available frequencies which will enable them to establish adequate national broadcasting services. It does not believe, however, that any government should license facilities which are obviously intended to serve an audience in another country. Likewise the Department considers that it is unfortunate that American citizens can evade the effects of the operation of American laws governing broadcasting by obtaining facilities in other countries which enable them to evade such effects. The delegation, therefore, should endeavor to reach an agreement with the other delegations that broadcasting facilities should be used only for national services. This agreement should make it impossible for American citizens to evade American laws as they have done in the case of certain of the broadcasting stations now on the Mexican border.

The invitation extended by the Mexican Government apparently does not contemplate that the conference will conclude its labors by the signing of a treaty. Full powers, therefore, have not been issued to the delegates. If the conference deliberations do lead to a substantial measure of agreement, however, the Department believes it advisable to make such agreement as definite as the circumstances permit. It may develop that it will be possible for the conference to draft a treaty. In that event, the Department will send full powers to the delegates; but before signing a treaty the delegation should inform the Department that a satisfactory convention has been agreed upon or is in sight and should request specific authorization to sign.

In view of the fact that most of the frequencies involved are within the jurisdiction of the Federal Radio Commission, and that the Commission is represented on the delegation, the Department does not feel it necessary to give more elaborate instructions to the delegation.

The delegation should endeavor to obtain the elimination of interference to American stations with a minimum of sacrifice to the interests of this country and to do this in a manner to forestall the creation of additional interference in the future. The Department is confident that the delegation will exert every effort to accomplish this purpose.

Very truly yours,

WILLIAM PHILLIPS

576.E1/307 : Telegram

*The Ambassador in Mexico (Daniels) to the Acting Secretary of State*

MEXICO, June 30, 1933—1 p. m.  
[Received July 1—12:26 a. m.]

139. Department's instruction 62, June 21. Foreign Office informed the Embassy today that it is in agreement with views expressed by the Department and has suggested to Ministry of Communications that it concur. No reply yet received from communications.

Foreign Office likewise reported further regarding countries invited as follows:

"Canada and Cuba apparently intend to accept. Nicaragua to be represented by Chargé d'Affaires here.["]

Mexican Legation in Honduras reports that Honduras will be represented by William E. Beakes now in New York of Tropical Radio Telegraphic Company which is associated with United Fruit Company. Foreign Office stated that although Beakes apparently is connected with private radio interests no objection can be made as each Government has obviously a right to appoint delegates it desires.

Department may wish to make suitable representations to Government of Honduras in accordance with views contained in Department's instruction 62.<sup>14</sup>

DANIELS

576.E1/345

*The Chairman of the American Delegation to the North and Central American Radio Conference (Sykes) to the Secretary of State*

WASHINGTON, August 29, 1933.

SIR: I herewith have the honor of transmitting my report as Chairman of our Delegation to the North and Central American Radio Conference held in Mexico City.

<sup>14</sup> In reply to this last paragraph, telegram No. 95, July 5, stated: "The Department does not believe that it can justifiably interfere in this selection particularly if the nomination of Mr. Beakes by Honduras is agreeable to the Mexican Government."

I wish to say that the delegates and technical advisers worked most harmoniously and were in unanimous accord on all propositions presented.

The Ambassador of the United States to Mexico and his assistants ably assisted us in all of our endeavors.

Respectfully submitted,

EUGENE O. SYKES

[Enclosure]

*The Chairman of the American Delegation to the North and Central American Radio Conference (Sykes) to the Secretary of State*

WASHINGTON, August 28, 1933.

SIR: I have the honor to submit herewith the following report of the work of the North and Central American Regional Radio Conference which met at Mexico City from July 10, 1933, to August 9, 1933.

#### I. PERSONNEL OF DELEGATION

The Delegation of the United States consisted of:

##### *Delegates:*

- Hon. Eugene O. Sykes, Chairman, Federal Radio Commission, *Chairman of the Delegation*
- Hon. Schuyler Otis Bland, Representative in Congress from Virginia
- Hon. Roy Tasco Davis, Minister to Panama

##### *Technical Advisers:*

- Dr. Charles B. Jolliffe, Chief Engineer, Federal Radio Commission
- Dr. Irvin Stewart, Treaty Division, Department of State
- Mr. E. K. Jett, Chief Engineer, Communications Section of the Engineering Division, Federal Radio Commission
- Mr. Andrew D. Ring, Assistant Chief, Broadcast Section, Federal Radio Commission
- Mr. Gerald C. Gross, Chief, International Relations Section, Federal Radio Commission

##### *Secretary:*

- Mr. Joseph C. Satterthwaite, Third Secretary of the American Embassy, Mexico City.

The American Delegation, with the exception of Mr. Gross, who arrived on July 4, and Mr. Satterthwaite, arrived at Mexico City on July 8, 1933.

#### FIRST PLENARY SESSION

The first plenary session was held at 11:00, July 10, 1933, in Pan-American Hall of the Ministry of Finance.



The following countries were represented, Canada, Costa Rica, Cuba, El Salvador, United States of America, Guatemala, Honduras, Mexico and Nicaragua:

Canada:

Lawrent Beaudry

C. P. Edwards

Costa Rica:

L. Greñas Gooding

Ing. Ricardo Bravo

Cuba:

Ramón de Castro Palomino

El Salvador:

Carlos Espinosa Herrera

United States of North America:

Eugene O. Sykes

Schuyler Otis Bland

Roy T. Davis

*Technical advisers:*

Charles B. Jolliffe

Irvin Stewart

E. K. Jett

Andrew D. Ring

Gerald C. Gross

Guatemala:

Manuel Echeverría y Vidaurre

Honduras:

William E. Beakes

Mexico:

Lic. Fernando G. Coronada

Ing. Ignacio Avilez

Ing. Enrique Vaca

*Technical advisers:*

Julio Prieto

Francisco Castro Herrera

Javier Stávoli

Alfredo Alvarez

Anselmo Mena

Fernando Zubiría

Manuel Sánchez Cuén

Juan Buchanan

Nicaragua:

Salvador Calderón Ramírez

The Secretary of Communications and Public Works, Miguel M. Acosta, delivered an address of welcome. Fernando G. Coronada, Chairman of the Mexican Delegation, also greeted the delegates.

These addresses were replied to by the Chairman of the Delegation of the United States. The Chairman of the American Delegation moved that Mr. Coronada be elected Chairman of the Conference. (Unanimously carried.)

The Chairman of the Delegation of the United States was unanimously elected as First Vice President and Mr. Manuel Echeverría y Vidaurre, delegate of the Republic of Guatemala, was elected as Second Vice President.

The credentials committee was then selected, Mr. Gooding, delegate for Costa Rica, and Mr. Roy T. Davis, delegate of the United States, were the two members of this committee.

Whereupon at 12:10 the meeting was adjourned.

### SECOND PLENARY SESSION

The second plenary session was held at 10:00 a. m., July 11. All delegates and technical advisers of the various countries were present. The rules for the internal regulations of the Conference, which had been presented by the Mexican Delegation were then adopted. (Copy of these rules is hereto attached as Exhibit A).<sup>15</sup>

A committee was then appointed to report at the next plenary assembly what committees should be appointed for the Conference. The members of this committee were Dr. C. B. Jolliffe of the United States, Mr. Avilez of Mexico and Mr. Carlos Espinosa Herrera of El Salvador. This committee was allowed a maximum of three days for presenting its report to the plenary assembly.

### THIRD PLENARY SESSION

On July 13, at 5:00 p. m. the third plenary session was held and the following committees were established:

1. Committee on General Matters.  
(All those of a nature other than technical)  
Chairman—Eugene O. Sykes, U. S. A.  
Vice Chairman—Luis Greñas Gooding, Costa Rica.
2. Technical Committee on Broadcasting.  
Chairman—Ignacio Avilez, Mexico.  
Vice Chairman—C. B. Jolliffe, U. S. A.
3. Technical Committee on Services Other Than Broadcasting.  
Chairman—C. P. Edwards, Canada.  
Vice Chairman—E. K. Jett, U. S. A.
4. Drafting Committee.  
Chairman—Salvador Calderón Ramírez  
Vice Chairman—Ramón de Castro Palomino

The real work of the conference was then begun in the meetings of these three committees, detailed reports of which are now set out.

### REPORT OF COMMITTEE NO. 1 ON GENERAL MATTERS

Committee No. 1 was organized to consider general matters not falling within the competence of the technical committees. The

<sup>15</sup> Not printed.

Chairman of the American Delegation was chosen as Chairman of the Committee and Mr. L. Greñas Gooding, delegate from Costa Rica as Vice Chairman.

The committee held its first meeting after the other committees had begun their labors. The Chairman submitted the following list of suggested topics for the consideration of the committee:

#### *General*

1. Each Government is entitled to adequate facilities so far as they are available.
2. Frequency assignments shall be made so as to avoid interference.
3. The International Telecommunication Convention and Radio Regulations shall be applicable except as to matters covered by regional agreement.
4. Installations of national defense services shall be exempted as under Madrid Convention.<sup>16</sup> (Art. 39 of Madrid)
5. Provision for duration and denunciation of regional agreement.

#### *Broadcasting*

1. Broadcasting is a national service.
2. No Government shall grant facilities to be used primarily to reach an audience in another country.
3. No Government shall grant facilities to a person refused facilities by his own Government when the service sought to be established is substantially the same.
4. It is contrary to good international relations for a Government to permit a broadcasting station within its territories whose service area extends to the territories of another contracting government to broadcast for a national of such other Government a program which would not be permitted by such other Government.
5. No Government shall authorize the construction or operation of a broadcasting station on board ship.

At the request of the other delegations the American Delegation presented proposals for each topic, which proposals are contained in the minutes of the closing plenary session attached to the present report.<sup>17</sup> Committee sessions were then suspended to permit the other delegations to study the American proposals and also to permit the holding of informal discussions. It became apparent early that the Mexican delegation, in particular, intended to insist that broadcasting is an international service. The American position that broadcasting is a national service logically followed from Article 7, Section 6, of the General Radio Regulations annexed to the International Telecommunications Convention of Madrid which had been signed on behalf of all of the countries represented at the Mexico City Conference with

<sup>16</sup> For text of the Telecommunication Convention, signed at Madrid, December 9, 1932, see *Foreign Relations*, 1932, vol. I, p. 873; for analysis of the Convention, see *Report to the Secretary of State by the Chairman of the American Delegation*, pp. 11-17.

<sup>17</sup> *Post*, p. 602.

the exception of Mexico. Unfortunately, however, with the exception of those of Canada and the United States, the delegations were unwilling to accept the position assumed by their several governments in signing the Madrid regulations.

After informal discussions had disclosed the inability of the Mexican and American Delegations to agree on the fundamental question of broadcasting as a national service, and the use of exclusive frequencies for border stations, the Committee again met to permit the several delegations to present written proposals on matters within the competence of the committee. It was the impression of your Delegation that these proposals would be submitted without supporting argument in order that agreement at a later date might not be made more difficult. Apparently there was a misunderstanding, for the Mexican Delegation presented a lengthy argument for inclusion in the record. Your Delegation then indicated its intention to file a counter argument whereupon the Mexican Delegation agreed that its argument should be expunged from the record. As the record is issued by the Mexican Government it should, therefore, contain no arguments in support of the various proposals presented to Committee No. 1. The Mexican proposals<sup>18</sup> are also contained in the minutes of the closing plenary session attached hereto.

The Delegations of Cuba, Costa Rica, El Salvador, Guatemala and Nicaragua submitted a written statement<sup>18</sup> accepting the Mexican proposals without reservation. It is our understanding that these delegations had been in consultation with the Mexican Delegation and that the statement was written with the assistance of the Mexican Delegation. Honduras was not represented at the session at which the statement was filed.

The Canadian Delegation took the position<sup>19</sup> that in view of the difference of opinion between Mexico and the United States, agreement was clearly impossible. That delegation therefore took no stand with respect to the various proposals.

Inasmuch as it was impossible for the committee to agree upon the proposals presented to it, those proposals were incorporated in the records of the Conference but were not made the basis of recommendation by the Conference.

#### BORDER STATIONS

When it became apparent that agreement upon the allocation of exclusive broadcasting frequencies to countries was contingent upon an agreement between Mexico and the United States, formal committee sessions were suspended and informal conversations between the

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<sup>18</sup> *Post*, p. 605.

<sup>19</sup> *Post*, p. 606.

two Delegations were held. Your Delegation took the position that an understanding with respect to border stations was a necessary preliminary to the assignment of frequencies. In our opinion the facts were clear that border stations were being operated to serve audiences in the United States rather than in Mexico.

The Mexican Delegation first took the position that each Government should determine for itself what frequencies it should use for broadcasting and where it would locate the stations using such frequencies. Their basic contention was that there was an analogy between the high seas and the air and that occupancy of broadcasting channels by stations authorized by one government could not affect the right of another government to use those channels. Your Delegation pointed to the provisions of the Washington and Madrid radio conventions and regulations as protecting prior established American stations from interference by Mexican stations. The respective positions were not argued at length as the delegations sought to reach agreement upon a basis of compromise.

Throughout, the Mexican position was that it was of no concern to the United States where broadcasting stations were located in Mexico. In the later stages of the informal conversations the Mexican Delegation intimated that the enforcement of the recently issued Mexican radio regulations<sup>21</sup> would automatically lead to a change in the character of the programs broadcast from border stations. If those stations could not exist under the new regulations, they would disappear and with their disappearance the problem would be eliminated. The Mexicans, however, indicated that they could give no written assurance that their regulations would be enforced.

They further stated that it would be impossible for them to eliminate border stations. When demanding twelve exclusive frequencies, they indicated that such frequencies were necessary to provide for stations authorized or operating. There were six such stations on the American border and the Mexicans insisted that an exclusive frequency must be provided for each of these stations. Your Delegation felt that it could not possibly justify a surrender of six frequencies for border stations even if an agreement upon other matters were satisfactorily arranged. As the Mexicans were adamant on the point, the informal discussion proved fruitless and formal meetings were resumed.

#### REPORT OF COMMITTEE No. 2 ON BROADCASTING

The Committee on Broadcasting was organized as follows:

Mr. Ignacio Avilez, Mexico, Chairman.

Dr. C. B. Jolliffe, United States, Vice-Chairman.

<sup>21</sup> Mexico, Dirección general de correos y telégrafos, *Reglamento para el establecimiento y operación de estaciones radio fisoras y radio experimentales* (México, D. F., 1933).

Mr. Carlos Espinosa Herrera, El Salvador, Secretary.  
 Mr. G. C. Gross, United States, Secretary.  
 Mr. A. D. Ring, United States.  
 Mr. Ricardo Bravo, Costa Rica, Cuba and Nicaragua.  
 Mr. W. E. Beakes, Honduras and Guatemala.

At the request of the Chairman, each nation presented a list of the broadcast stations in operation and those contemplated in the immediate future. These lists are attached as Annex I.<sup>22</sup> In all lists except that of the United States, Canada and Mexico, the high power stations are only plans. The list of the United States stations gives the number of stations operating simultaneously at night, all stations being in operation. The list of Canadian stations includes only those now in operation with no reference to their national plan. The Mexican list includes stations in operation and certain high power stations which have been authorized as well as two stations for which requests have been made but no authorization granted.

The representative of each nation except the United States stated the number of exclusive frequencies required for his nation assuming that a station of 5 kw or more required an exclusive channel. These requirements were as follows:

|             |   |
|-------------|---|
| Canada      | 8 (estimated, representative not present) |
| Cuba        | 8   |
| Guatemala   | 3   |
| Costa Rica  | 5   |
| El Salvador | 3   |
| Honduras    | 2   |
| Mexico      | 20  |
| Nicaragua   | 2   |
|             | —   |
|             | 51  |

Attempts were made to reduce this number without much success. On the basis that 5 kw stations could be duplicated in North America, Mexico reduced their needs from 20 to approximately 15 channels. Canada submitted the national plan for radio of that country which is familiar to the United States and which includes six exclusive channels. Canada informally offered to permit the sharing of any of these channels provided protection was given up to the 1mv/meter contour.

The needs of Costa Rica, Nicaragua, and El Salvador for very high power stations were based on a desire for international broadcasting and the dissemination in the United States and Europe of national propaganda and advertising of their products, principally coffee.

<sup>22</sup> Not printed.

The characteristics of the propagation and service rendered by high power broadcasting stations were discussed at length. Technically it was explained that broadcasting in the frequency band 550 to 1500 kc is suitable only for a national service and that it is impossible to accomplish effective advertising with a high power station at 1500 miles or more from the listening public which it is desired to reach. The needs or hopes of these nations in obtaining international broadcast service by means of high power stations were not based apparently on scientific facts but only upon the representatives' ideas of what they would like to have and what would be ideal if it could be accomplished. The discussion also revealed a grave doubt as to the ability of these nations to build such stations if the frequencies were available. Informally it was learned that attempts have been made to interest outside capital in such a project.

The question of border stations was discussed briefly in this Committee but the arguments used were similar to those used in other committees which are given in more detail elsewhere in this report.

The Committee was unable to make any progress on the assignment of frequencies so concurrently Mr. Avilez and Dr. Jolliffe attempted to work out an agreement informally which would meet the needs of Mexico and the United States. In these informal discussions it developed that the national needs of Mexico had not been well developed. Mr. Avilez has a very vague plan for giving service to all the population of Mexico but it could not be developed as to the number of frequencies required or the method of use. It was clear, however, that the Mexican Government intended to protect the stations located on the United States-Mexico border.

In order to be definite, the United States offered to clear three channels in the band 550-1500 for the exclusive use of Mexico and to arrange for the shared use of six channels for stations of 5 kw, two of these channels to be shared with Canada. In addition it was pointed out that a large number of stations of 1 kw could be established in Mexico on the channels now used as regional channels in the United States.

It was shown that this number of channels would give a primary service to all of the populous centers of Mexico and a secondary service to the sparsely populated districts. The populous centers could also be provided with alternate program service by stations on shared channels. This service would be approximately as good as that given in sections of the United States which have corresponding distributions of population.

This proposal of the United States was flatly refused and the Mexican delegation stated that their needs could only be met by twelve exclusive channels for the use of Mexico. All attempts to

determine what was behind this demand were futile and there was no basis for agreement. Consequently, the informal negotiations were a failure and no agreement could be reached.

Since it was impossible to reach an agreement between the United States and Mexico, it was considered useless to attempt to go further into the needs of the other nations.

It was decided in the Committee to agree on those things which could be agreed upon and leave pending the assignment of broadcast frequencies to nations.

The matters on which there was agreement are given under broadcasting in the final report of the Conference. Those points are of special interest to the United States.

(1) The assignment of frequencies to broadcast stations on the basis of multiples of 10.

(2) The maintenance of the operating frequency within plus or minus 50 cycles per sec. of the assigned frequency.

(3) Exchange of information concerning the assignment of frequencies and power.

These recommendations if put into effect will probably reduce the interference to stations of the United States. The exchange of information between nations will make it possible to get the information in advance and give opportunity for protest or suggestions for change in advance of construction.

Probably the most important accomplishment of the work of this committee was the exchange of technical information. The United States made explanation of the engineering principles of assignment of frequencies to broadcast stations. It is believed that if these explanations are followed up by informative material from time to time that the technical men of the various countries may be given information which will be useful to them in making assignments without causing interference to stations of the United States.

The present lack of technical information on broadcasting of the representatives of Mexico, Cuba and Central America made technical discussions difficult and of little use. Sound technical reasons given by the representatives of the United States were either misinterpreted or ignored. It is believed that a thorough understanding of the problem by all the countries is necessary before final and satisfactory agreements can be reached.

#### REPORT OF COMMITTEE No. 3

Technical Committee on Services other than Broadcasting.

##### 1. Personnel of the Committee.



Committee No. 3 consisted of:

Commander C. P. Edwards, Chairman, Canada.  
 Mr. E. K. Jett, Vice-Chairman, United States.  
 Mr. G. C. Gross, Secretary, United States.  
 Mr. W. E. Beakes, Guatemala and Honduras.  
 Mr. Enrique Vaca, Secretary, Mexico.  
 Mr. Julio Prieto, Mexico.

Dr. C. B. Jolliffe (United States) and Colonel Arthur Steel (Canada), members of Committee No. 2, also attended meetings of Committee No. 3 and assisted with the formulation of the report of the Committee.

2. This Committee was assigned the following subjects on the agenda, viz:

Subject 1. Technical Matters

Frequencies to be assigned to the various services between  
 100-550 kc and 1500-6000 kc.

Kinds of channels

Width of channels

Tolerance

Power

Subject 2. Needs of the various countries.

Subject 3. Assignment of frequencies to the various countries.

The results of these studies are given in Section A<sup>28</sup> of the recommendations adopted by the Conference.

Inasmuch as the United States was the only country represented that had prepared proposals to offer under the foregoing topics, it was decided to accept them as a basis for the work of the Committee.

It was also decided that the Technical Committee on Broadcasting should advise this Committee of the frequencies outside the present broadcast band 550-1500 kc which might be required for broadcasting. In answer to this request the Chairman of Committee No. 2 advised that for the present it was not possible to give a categorical reply, but he would be glad to advise Committee No. 3 on this point as soon as the matter had been discussed. Since no further reply was received, and in view of the United States' proposals to allocate frequencies above 1500 kc to broadcasting, it was decided "that the band of frequencies between 1500 and 1600 kc should be left unassigned pending a decision of Committee No. 2 (Broadcasting)." However, Committee No. 2 failed to take any action on this matter, whereupon it was the sense of this Committee that the band 1500-1600 kc should be left unassigned but would be available for use in accordance with the provisions of existing international regulations.

Inasmuch as Mexico did not sign the General Radio Regulations annexed to the Telecommunication Convention of Madrid, 1932, the

<sup>28</sup> Not printed.

Committee agreed to omit specific reference to these regulations and in lieu thereof to attach to the report an exact copy of Articles 7 and 19 of the Madrid Regulations. These are given as Appendices Nos. 1 and 2,<sup>24</sup> respectively, of the Conference Report.

There was considerable discussion as to whether frequency bands should be assigned to countries. The Canadian Delegation was of the opinion that the procedure followed in the Ottawa agreement of 1929 in setting aside certain bands of frequencies for the exclusive use of Nations should be adopted by this Conference. However, the United States and Mexican Delegations stood squarely for the view that frequency bands should be allocated to specific services on the basis of shared use of all frequencies between the countries provided undue interference does not result to the service of another country. The Canadian Delegation later agreed to this proposition with the understanding that in certain bands to be specified, both the United States and Canada would exercise careful judgment before making frequency assignments to stations.

The Committee made several minor changes in the allocation of frequency bands to services between 1600 and 3500 kilocycles proposed by the United States after it was shown by the Canadian representative that the proposals were too restrictive to provide for the continued operation of certain Canadian stations. For example, it was shown that Canada is using the band 1500-1600 kc for the maritime mobile service, and the stations now operating could not continue to operate their present equipment on frequencies above 1715 kc. As a result it was agreed to designate the band 1600-1650 kc for the maritime mobile service.

After considerable discussion in the consideration of the Tolerance Table the Canadian representative moved to change the proposals of the United States so as to specify a tolerance of 0.03 per cent for new stations in the fixed service. The United States Delegation agreed to this after it was stated that Canada could not meet the more stringent requirements of 0.02 per cent.

The report of the Committee is entirely satisfactory to the United States.

In addition to our informal discussions with the Mexican Delegation in trying to reach some agreement with reference to border stations of high power and also the number of exclusive channels to be used by Mexico, we were in constant communication with Ambassador Daniels and he discussed the matter fully with Dr. Puig, the Minister of Foreign Affairs, all with an effort to try to reach some agreement. In other words, your Delegation exhausted every possible means within

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<sup>24</sup> Not printed.

its power to reach a fair agreement with the Delegation from Mexico about these matters. When we were satisfied that no such agreement could be reached, then we suggested that the committees report upon those matters upon which agreements had been reached, and that the records show no arguments but merely the various proposals upon which agreements had not been reached, that this was desirable because of possible further negotiations. We are glad to say that these suggestions were followed as is reflected by the last meeting of the plenary session wherein the reports of the various committees were adopted.

Copies of the report of this meeting are herewith attached.

It is also to be noted that in our informal conversations with the Mexican Delegation we were repeatedly told by them that it was their intention to strictly enforce their radio regulations. After the final plenary session and before the delegations had actually signed the minutes thereof, your writer was again assured by Mr. Avilez of the Mexican Delegation that these regulations would be strictly enforced and that Mexico would as soon as possible put into effect the agreements reached by the Conference. If this is done it may result in a gradual elimination of the border stations.

The final plenary session was held on August 9, 1933 (copies of the minutes in both Spanish and English are hereto attached). These minutes were finally signed by the delegations on Friday, August 11, 1933. Our Delegation left Mexico City by train the night of August 11 and arrived in Washington on the morning of August 15, 1933.

Respectfully submitted,

EUGENE O. SYKES

[Subenclosure—Extract]

*Minutes of the Closing Plenary Session of the North and Central American Regional Radio Conference Held August the 9th, 1933*

In the City of Mexico, at 11:35 a. m., August the 9th, 1933, the following Delegates and Advisors of the North and Central American Regional Radio Conference met at the Panamerican Room of the Department of Finance and Public Credit:

. . . . .

I.—The United States Delegation submitted the following proposals:

1.—The following provisions are agreed upon in conformity with the terms of Article 13 of the International Telecommunications Convention signed at Madrid, December 9th, 1932.

Except as to matters specifically covered by this Agreement, the provisions of that Convention and of the General Radio Regulations annexed thereto shall be applicable to the region of North and Central America.

2.—The contracting governments retain their full freedom in regard to radio installations not covered by Art. 9 of the Telecommunication Convention signed at Madrid, December 9th, 1932, and particularly the military stations of land, maritime or air forces.

However, these installations and stations must so far as possible, comply with the regulatory provisions concerning aid to be rendered in case of distress and measures to be taken to avoid interference. They must also, so far as possible, comply with the regulatory provisions concerning the types of waves and the frequencies to be used, according to the nature of the service which the said stations carry on.

Moreover, when these installations and stations exchange public correspondence or engage in the special services governed by the regulations annexed to the Telecommunication Convention, they must, in general, comply with the regulatory provisions for the conduct of such services.

3.—The assignment of frequencies to radio stations shall be made in such a way as to avoid interference between the radio stations and services of the North and Central American region.

4.—It is the object of the present agreement to insure to each of the contracting governments radio facilities adequate to meet its needs, so far as such facilities are available.

5.—With a view to making the most efficient use of the limited number of frequencies available for broadcasting, the contracting governments agree that broadcasting stations shall be licensed only to provide a national service within the territories of the licensing government. Each government, therefore, agrees not to issue a license nor to continue in effect an existing license for any broadcasting station within its territories when it appears that such station is designed primarily to reach an audience within the territories of another contracting government. In determining the audience a station is primarily designed to reach, the following factors among others shall be considered: the location and power of the station, the places from which the programs originate, the type of programs transmitted (including the language or languages used in connection with announcements and other spoken parts of the program), the nationality of the audience within the service area of the station, and the ownership and control of the station and of its programs (including indirect ownership and control).

6.—When a person whose application for a license for a broadcasting station or for a renewal of such license has been denied by any of the contracting governments because the granting of such application would not be in the public interest, applied either directly or indirectly to another contracting government for the use of broadcasting frequencies covered by the present agreement, the government to which the application is made shall receive from the government which has denied the prior application evidence of such denial. If the latter government notifies the former that in its opinion the effect of the granting of the application would be to permit the applicant to carry on within the territories of the government which has denied the earlier application the service for which facilities have been denied, the application shall be denied.

The term "person" as used in the preceding paragraph shall include any person, firm, partnership, association or corporation filing an application for broadcasting frequencies, as well as any person having or who had an interest in the person, firm, partnership, association or corporation filing such application, and any firm, partnership, association or corporation in which one or more such persons are interested.

The term "either directly or indirectly" as used in the first paragraph shall include all cases where a person, as previously defined, is an applicant or is interested in a firm, partnership, association or corporation which is an applicant for facilities.

Where a government has already granted or hereafter shall grant facilities which would have been denied under paragraph 1 had it possessed information as to the prior denial of facilities by another contracting government, it shall revoke the license for such facilities as soon as possible under its laws and regulations upon receipt from such other government of information concerning such denial.

7.—Each government agrees that, in the absence of the written consent of the government of which the person concerned is a national, it will not permit a national of another contracting government to manage, operate, or control any broadcasting station within its territories, when such national of the other government has, for any reason, been denied by the government of which he is a national, an application for the erection of a broadcasting station or an application for a license to operate a broadcasting station, or for the renewal of an existing license. The foregoing provision shall apply equally when the denial was of an application made by a firm, partnership, association or corporation in which such person was interested.

8.—It is hereby declared to be contrary to good international relations for a contracting government, in the absence of the written consent of the government of which the person concerned is a national, to permit a national of another contracting government to broadcast over any broadcasting station within its territories when such national of the other government has, for any reason, been denied by the Government of which he is a national, an application for the erection of a broadcasting station or an application for a license to operate a broadcasting station, or for the renewal of an existing license. The foregoing provision shall apply equally when the denial was of an application made by a firm, partnership, association or corporation in which such person was interested.

The provisions of the preceding paragraph include broadcasting from station studios, broadcasting from other places when the broadcast is carried to the station either by radio or wire lines of any character, and the use of electrical transcriptions, phonograph records, or other devices by which programs may be recorded and later broadcast.

9.—It is hereby declared to be contrary to good international relations for a contracting government to permit the broadcasting over any station within its territories, by or on behalf of persons, firms, partnerships, associations or corporations which are nationals of another contracting government, of programs of a type which have caused the administrative authorities of such other contracting government to deny an application for a station license or for a renewal thereof.

10.—It is hereby declared to be contrary to good international relations for a contracting government to permit broadcasting stations within its jurisdiction to broadcast programs advocating the sending of money or correspondence to or the purchase of commodities or services at a place within the territories of another contracting government when such other contracting government has indicated that it objects to the broadcasting of such programs.

11.—Each of the contracting Governments agrees that it will not permit the construction or operation of a broadcasting station upon any vessel under its jurisdiction.

12.—The present agreement shall go into effect July 1, 1934. It shall remain in effect until January 1, 1939, and thereafter until the expiration of one year from the day upon which it shall be denounced by any of the contracting governments. Such denunciation shall affect only the government in whose name it shall have been made.

II.—The Mexican Delegation submitted the following proposals:

1.—Each State has the right to use and utilize such broadcasting elements as are offered both by natural resources and technical development, without any limitations other than those established by international agreement or treaties.

2.—Each State maintains full liberty in connection with radio installations used for such services as are of a military character or for national defense.

3.—Each State is free to use and avail itself of such frequencies as are assigned to it, through stations installed at any point of its territory.

4.—The assignment of frequencies should be made with a view to eliminating interferences.

5.—Any provision made covering radio communication, should be fully stated, without referring to the General Radio Communication Regulations derived from the International Telecommunications Convention of Madrid.

6.—No government may permit the broadcasting of programs offending public order, morals, good habits, institutions or officers of any other country.

7.—No government may permit within its territory any broadcasting activities by any physical or moral persons, or by their dependents, to whom another government has denied permission to carry on such activities, provided that, in the opinion of the first government, such denial is justified or in accordance with its laws.

8.—International agreements covering radio communication will be of limited duration, and they should contain such provisions as may be required for their denouncement.

III.—The Delegations from Cuba, Costa Rica, El Salvador, Guatemala and Nicaragua submitted the following statements:

“The Delegates from Cuba, Costa Rica, El Salvador, Guatemala and Nicaragua have carefully examined the proposals drawn up by the Delegations of the United States and of Mexico, and regret to state that they do not agree with those submitted by the former, as they

differ from their requirements and from the principles on which their institutions and laws are based.

"They stated at the same time that the proposals made by Mexico are perfectly in accord with the requirements of their respective countries and their fundamental principles. Therefore, they unanimously adhere to the proposals formulated by the Delegation of the United States of Mexico."

The Delegations from Mexico and the United States of America could not come to an agreement as to their respective points of view.

The Canadian Delegation reserved judgment on the proposals submitted by Mexico and by the United States of America.

INTERPRETATION OF ARTICLE IV OF HABANA CONVENTION ON COMMERCIAL AVIATION ADOPTED FEBRUARY 20, 1928<sup>1</sup>

COSTA RICA

711.1827/2

*The Chargé in Costa Rica (Trueblood) to the Secretary of State*

No. 1663

SAN JOSÉ, October 13, 1933.

[Received October 18.]

SIR: I have the honor to transmit herewith copies of the Legation's notes to the Foreign Office Nos. 85 and 94, of August 14 and September 14, 1933, together with copies and translations of the Foreign Office's replies thereto, Notes Nos. 420-B and 461-B of September 8 and October 6, 1933,<sup>2</sup> which appear to establish on the part of the Costa Rican Government complete agreement with the interpretation of the Convention on Commercial Aviation which the Government of the United States desires to reach and which was outlined in the Department's Instruction No. 291 of August 1, 1933.<sup>3</sup>

In Note No. 420-B, the Foreign Minister stated that there was no objection on the part of the Costa Rican Government to granting permission, without recourse to the usual diplomatic procedure, for the entry into Costa Rica of private aircraft of United States registry, subject to the laws and regulations which apply to the matter, and in compliance with the stipulations of the Convention on Commercial Aviation adopted by the delegates to the Sixth International Conference of American States, held at Habana, from January 16 to February 20, 1928.

The Legation thereupon addressed Note No. 94 to the Foreign Office to establish with exactitude the regulations to which American private aircraft would be subject on entering Costa Rica and also to suggest that Costa Rican authorities might be appropriately advised of the procedure agreed upon. Foreign Office Note No. 461-B then confirmed the regulations for Costa Rica as they appear on page 563 of the *Air Commerce Bulletin*, Volume 3, Number 22, of May 16, 1932, and stated that the respective Costa Rican authorities had been in-

<sup>1</sup> For text of the convention, see *Foreign Relations*, 1928, vol. I, p. 585.

<sup>2</sup> Enclosures not printed.

<sup>3</sup> Not printed; this instruction was similar to instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609. The Habana Convention of February 20, 1928, did not become effective for Costa Rica until July 26, 1933.



structed to observe scrupulously such regulations when the need therefor should arise in connection with the entry into this country of American private aircraft in the same way as the authorities of the United States are to be instructed in cases involving Costa Rican private aircraft.

It consequently appears that the Costa Rican Government acquiesces *in toto* with the interpretation of the Habana Convention outlined in the Department's Instruction No. 291 of August 1, 1933; that Costa Rican regulations governing entry and departure of foreign civil aircraft are as given in the *Air Commerce Bulletin*, cited above; and that the appropriate Costa Rican authorities have been duly advised of the procedure agreed upon.

At such time as the Legation is authorized to inform the Costa Rican Government that the appropriate American authorities have been given similar instructions with respect to the entry and clearance of private aircraft of Costa Rican registry, it would appear that the matter can be officially closed and the mutual operation of the interpretation outlined in Instruction No. 291 can thereby be definitely established.

Respectfully yours,

EDWARD G. TRUEBLOOD

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711.1827/2

*The Acting Secretary of State to the Minister in Costa Rica (Sack)*

No. 9

WASHINGTON, January 3, 1934.

SIR: In compliance with the request of Mr. Trueblood contained in the last paragraph of despatch No. 1663 of October 13, 1933, to be advised as soon as the appropriate American authorities have been instructed that no special authorization from the Government of the United States is necessary for the entry into the United States of civil aircraft of Costa Rican registry, you are informed that the appropriate authorities of this Government have been so instructed.

In this connection there is enclosed, for transmission to the Government of Costa Rica, a copy of Aeronautics Bulletin No. 7-C of the United States Department of Commerce, entitled "Department of Commerce Regulations Governing Entry and Clearance of Aircraft, Effective as Amended April 7, 1931, and United States Airport of Entry Regulations, Effective November 1, 1931 ["]].

Very truly yours,

For the Acting Secretary of State:  
R. WALTON MOORE

711.1827/4

*The Minister in Costa Rica (Sack) to the Secretary of State*

No. 92

SAN JOSÉ, January 16, 1934.

[Received January 24.]

SIR: Adverting to Instruction No. 9 of January 3, 1934 (File No. 711.1827/2), I have the honor to transmit herewith a copy of my Note No. 7 dated January 15, 1934 to the Minister for Foreign Affairs of Costa Rica,<sup>4</sup> in which I informed Minister Pacheco that the appropriate authorities of the United States have been instructed that no special authorization from the Government of the United States is necessary for the entry into the United States of civil aircraft of Costa Rican registry.

With my Note No. 7, I transmitted to the Foreign Minister, for the information of the appropriate Costa Rican authorities, a copy of Aeronautics Bulletin No. 7-C of the United States Department of Commerce, entitled "Department of Commerce Regulations Governing Entry and Clearance of Aircraft, Effective as Amended April 7, 1931, and United States Airport of Entry Regulations, Effective November 1, 1931".

It would appear that this matter can now be considered officially closed and that the mutual operation of the interpretation, outlined in the Department's Instruction No. 291 of August 1, 1933, of the Convention on Commercial Aviation adopted by the delegates to the Sixth International Conference of American States, held at Habana from January 16 to February 20, 1928, is now definitely established.

Respectfully yours,

LEO R. SACK

## DOMINICAN REPUBLIC

711.3927/A

*The Secretary of State to the Minister in the Dominican Republic (Schoenfeld)*

No. 150

WASHINGTON, January 27, 1933.

SIR: The Department has found that aviators desiring to make special or touring flights in American aircraft to countries which are parties to the Habana Convention on Commercial Aviation, adopted at Habana on February 20, 1928, have been in a number of instances uncertain as to the procedure which should be followed by them in entering these countries. They have in some instances approached the representatives of countries parties to the Habana Convention with a

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<sup>4</sup> Not printed.

view to having them take up directly with their governments the matter of obtaining permission for American aircraft to be flown to these countries. This procedure is not required under the convention.

The Department has refrained from taking up these cases through diplomatic channels for the reason that under the terms of the Habana Convention it is not required that the government of a contracting state shall make a request through diplomatic channels for permission for such flights to be made over the territory of another contracting state.

The Department desires to reach an agreement with the governments of countries parties to the Habana Convention on Commercial Aviation by which it will be recognized that, in accordance with the clear intention of the Convention, private American aircraft may enter these countries and that private aircraft of these countries may enter the United States under the general authorization contained in this Convention, subject to compliance with technical requirements regarding entry and with the regulations in force in the country to be visited, but without the necessity of requesting for a flight formal permission through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited.

It will be recalled that Article 4 of the Convention referred to contemplates that each contracting state shall in time of peace accord freedom of innocent passage above its territory to the private aircraft of another contracting state. It has been the general practice to incorporate a similar provision in all multilateral or bilateral air navigation treaties or agreements. Such a provision obviates the necessity for obtaining for aircraft of a country which is a party to such treaty or agreement special authorization for flights to be made over the territory of another country also a party to the treaty or agreement.

In view of the fact that the United States and the Dominican Republic are parties to the Habana Convention on Commercial Aviation the Department will be glad to have you endeavor to reach an understanding with the Dominican authorities to the effect that private aircraft of United States registry shall under the general authorization contained in the Habana Convention on Commercial Aviation be permitted to enter the Dominican Republic subject to compliance with the technical requirements of the Government of the Dominican Republic regarding entry and clearance and the laws and regulations in force in that country, and that private aircraft of Dominican registry shall, under the general authorization contained in the Habana Convention on Commercial Aviation, be permitted to enter the United States subject to compliance with similar requirements of the Government of the United States and the laws and regulations in force in this country, without the necessity in either case of requesting through diplomatic channels

that the flights be authorized. If this course is found to be agreeable to the Dominican Government, the Department will be glad to have you obtain from the Dominican authorities for communication to the Department a statement as to the requirements of the Government of the Dominican Republic concerning the entry and clearance of aircraft, and to request that the appropriate Dominican authorities be notified of the procedure agreed upon.

In connection with flights made in accordance with the provisions of the Habana Convention on Commercial Aviation, the Department encloses copies in duplicate of Aeronautics Bulletin No. 7-C in regard to requirements of different agencies of this Government concerning the entry and clearance of aircraft. You may furnish a copy of the bulletin to the Dominican authorities.

Aliens desiring to enter the United States should consult an American consular officer in regard to the visa requirements for entry of aliens into this country. Under the regulations of the Internal Revenue Bureau aliens are required to show before departing from this country that they have paid any income taxes due this Government. These matters are not mentioned in the enclosed bulletin but should be called to the attention of the Dominican authorities when the bulletin is delivered to them.

The Department hopes that any requirements that may be imposed by the Dominican authorities on the entry and clearance of aircraft will be as simple as possible, in order that international flights between the United States and the Dominican Republic may not be impeded any more than is necessary. Should you see no objection you may make such discreet use of this statement as may appear advisable.

As you are aware, an air navigation arrangement has been in force between the United States and Canada since 1929.<sup>5</sup> Under this arrangement the aircraft of each country are, subject to compliance with the terms of the arrangement, permitted to enter the other country without the necessity of obtaining formal permission from the government of the country to be visited. In this respect the arrangement is like the Habana Convention on Commercial Aviation. The Department understands that the arrangement with Canada has been very satisfactory in its operation. An arrangement similar to the one with Canada has been concluded by this Government with the governments of several European countries.

A similar instruction has been sent to the American diplomatic missions in Mexico, Nicaragua, Panama and Guatemala<sup>6</sup> in view of

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<sup>5</sup> *Foreign Relations*, 1929, vol. II, p. 111.

<sup>6</sup> Not printed. For correspondence following the instructions to these missions see: Mexico, pp. 628 ff.; Nicaragua, pp. 634 ff.; Panama, pp. 635 ff.; Guatemala, pp. 614 ff.

the fact that these countries are also parties to the Habana Convention on Commercial Aviation.

Very truly yours,

For the Secretary of State:  
[File copy not signed]

711.3927/2

*The Minister in the Dominican Republic (Schoenfeld) to the Secretary of State*

No. 971

SANTO DOMINGO, May 11, 1933.

[Received May 15.]

SIR: I have the honor to refer to the Department's instruction No. 150 of January 27, 1933, (without file number); to the Legation's despatch No. 801 of February 10, 1933;<sup>7</sup> and to the Department's instruction No. 163 of March 4, 1933, (File No. 711.3927/1),<sup>7</sup> in regard to the Department's instruction to this Legation to endeavor to reach an understanding with the Dominican authorities to the effect that private aircraft of United States registry shall, under the general authorization contained in the Habana Convention on Commercial Aviation, be permitted to enter the Dominican Republic and that private aircraft of Dominican registry shall likewise be permitted to enter the United States, subject to compliance with laws and regulations in force in each country. The Department also instructed the Legation to obtain from the Dominican authorities a statement as to the requirements of the Dominican Government concerning the entry and clearance of aircraft, and to request that the appropriate Dominican authorities be informed of the procedure agreed upon.

I beg leave to enclose copies of the Legation's notes No. 104 of February 10, 1933 and No. 113 of March 23, 1933,<sup>8</sup> respectively, to the Dominican Minister of Foreign Affairs, and a copy with translation of the reply, to both those notes, note No. 272 of May 8, 1933, from the Acting Minister of Foreign Affairs.

Also enclosed are the following:<sup>9</sup>

*Gaceta Oficial* No. 4434 of January 30, 1932, containing Decree No. 297 of January 27, 1932, in regard to the creation of the Aviation branch of the Dominican Army. No translation of this decree is enclosed since it was repealed by Law No. 283 and since the provisions of that law are identical with the provisions of the decree.

*Gaceta Oficial* No. 4441 of February 24, 1932, containing Law No. 283 of February 13, 1932, in regard to the creation of the aviation

<sup>7</sup> Not printed.

<sup>8</sup> Neither printed.

<sup>9</sup> None printed.

branch of the Dominican Army and containing also Law No. 294 of February 13, 1932, in regard to flights within the Dominican Republic and the hours for arrival and departure at airports, with translations of these laws.

*Gaceta Oficial* No. 4441 of February 24, 1932, containing Law No. 295 of February 13, 1932, in regard to entry and clearance of aircraft, with translation of this law.

*Gaceta Oficial* No. 4458 of April 20, 1932, containing Resolution 314 of the Dominican National Congress dated April 7, 1932, approving the Habana Convention on Commercial Aviation. No translation of this Resolution is enclosed since a translation of the Convention is given in the Report of the American Delegates to the Sixth International Conference of American States at Habana in 1928.

In response to specific inquiry, the Acting Minister of Foreign Affairs stated orally to Minister Schoenfeld on May 10, that his note of May 8, 1933, was intended to mean that private aircraft of United States registry would not have to obtain a permit through diplomatic channels in order to enter the Dominican Republic. He stated also to Minister Schoenfeld that Law No. 295 of February 13, 1932 is applicable to any private aircraft entering or clearing from the Dominican Republic.

While Law No. 295 of February 13, 1932 contains the Dominican requirements for the entry and clearance of private aircraft, it will be noted that Law No. 295 also contains requirements which should be complied with by aircraft flying over or entering this country. It is understood that there are no Dominican laws or regulations concerning aviation other than those enclosed in this despatch.

Respectfully yours,

For the Minister:  
JAMES E. BROWN, JR.  
*Secretary of Legation*

[Enclosure—Translation]

*The Dominican Secretary of State for Foreign Affairs (Logroño) to the American Minister (Schoenfeld)*

No. 272

SANTO DOMINGO, May 8, 1933.

MR. MINISTER: I have the honor to refer to your courteous notes dated February 10 last under the number 104, and March 23 last under the number 113.

I am pleased to inform Your Excellency that the Dominican Republic being, like the United States of America, a signatory of the Habana Convention on Commercial Aviation of February 15[20], 1928, my Government is disposed to fulfill all the obligations which the international instrument referred to places in its charge.

Consequently, and in accordance with what is established by Art. 4 of the Convention mentioned, my Government will grant, in times of

peace, full liberty of entry into the Republic and of inoffensive passage through its aerial dominion to the private aircraft of the United States, provided that they submit themselves to the fulfillment of the technical requirements established by my Government for the entry and clearance of the same and to the laws and regulations in effect in the Republic.

I am pleased to enclose for the Minister a list of the laws and regulations on aviation now in effect in the Dominican Republic.

I take [etc.]

ARTURO LOGROÑO

711.3927/2

*The Acting Secretary of State to the Minister in the Dominican Republic (Schoenfeld)*

No. 187

WASHINGTON, June 7, 1933.

SIR: The Department has received your despatch No. 971 of May 11, 1933, in further relation to the Department's instruction No. 150 of January 27, 1933, in which the question was raised whether the Dominican Government concurs in the interpretation that, under the terms of the Habana Convention on Commercial Aviation, private aircraft of a country which is a party to the Convention are, subject to compliance with technical requirements as to entry and clearance and with the laws and regulations in force, entitled to enter the territory of another contracting party without the necessity of obtaining special authorization for the flight from the Government of the country to which the flight is to be made.

The Department notes from your despatch that the Dominican Government concurs in this interpretation. A statement to this effect has been sent to the Department of Commerce in order that it will be in a position to communicate the information to interested aviators.

Very truly yours,

For the Acting Secretary of State:

FRANCIS WHITE

#### GUATEMALA

711.1427/1

*The Minister in Guatemala (Whitehouse) to the Secretary of State*

No. 909

GUATEMALA, March 29, 1933.

[Received April 8.]

SIR: In accordance with your instruction No. 260 of January 27th last,<sup>10</sup> the Legation wrote to the Guatemalan Foreign Office with reference to reaching an agreement on commercial aviation with the

<sup>10</sup>The same, *mutatis mutandis*, as instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609.

parties to the Habana Convention, and I have the honor to report that I am now in receipt of a reply from the Guatemalan Government, dated March 27th, a copy and translation of which are enclosed. The substance of this reply is that in time of peace duly licensed airships have free passage over Guatemalan territory provided they observe the rules laid down in the present regulations and, if the nationality of the airship is that of a country which has a treaty with Guatemala on aerial navigation, it will receive its clearance papers from the Guatemalan Consulate before departure.

Respectfully yours,

SHELDON WHITEHOUSE

[Enclosure—Translation]

*The Guatemalan Minister for Foreign Affairs (Skinner Klée) to  
the American Minister (Whitehouse)*

No. 2809

GUATEMALA, March 27, 1933.

369.4 (73-0)

MR. MINISTER: Referring to your Legation's courteous note, dated February 14 last, in regard to the Convention on Commercial Aviation which was entered into at Habana, Cuba, I have the honor to transcribe to Your Excellency the report given on the 24th of this month by the General Bureau of Aeronautics:

Mr. Secretary: In compliance with your recent inquiry which resulted from the request made to the Ministry of Foreign Affairs by the Legation of the United States of America in this capital with the object of obtaining from the aeronautic officials a statement with respect to the requisitions which the Government of Guatemala demands for the entry and departure of airships, I have the honor to inform you that: in accordance with Article 13 of the Civil Aviation Regulations of Guatemala,—“In time of peace, airships of any nationality which are duly licensed shall have free passage above national territory, provided that they observe the rules laid down in the present Regulation”; and, based on that law, this Bureau states that one of the necessary formalities or requirements is, as stated in Article 55 of the above mentioned regulation, which literally says, “If the nationality of the civil airship which desires to fly over Guatemalan territory is that of a country which has a treaty with Guatemala on the subject of aerial navigation, it shall be cleared by the Guatemalan Consul at the point of departure, in accordance with the fixed agreement, it being specified that it is not an apparatus which is going to serve on a regular international aerial line in Guatemala and the purpose of the journey stated. Airships of companies which serve on regular lines duly controlled by the General Bureau of Aeronautics do not need to comply with the foregoing requirement”.

I express my high consideration. (s) J. Victor Mejía.

I avail myself [etc.]

A. SKINNER KLÉE



711.1427/1

*The Secretary of State to the Chargé in Guatemala (Lawton)*

No. 276

WASHINGTON, May 2, 1933.

SIR: The Department has received the Legation's despatch No. 909 of March 29, 1933, in regard to the right granted by the Habana Convention on Commercial Aviation for aircraft of a contracting state to enter territory of another contracting state.

In instruction No. 260, of January 27, 1933, the Department interpreted the Habana Convention on Commercial Aviation to mean that in accordance with the clear intention of the convention, private aircraft of a contracting state may enter territory of another contracting state without the necessity of requesting that the Government in whose territory the flight is to be made grant permission for the flight. It would of course be necessary to comply with technical requirements as to entry and clearance and laws and regulations not inconsistent with the rights granted under the convention. Although the Ministry of Foreign Affairs of Guatemala makes no specific reference to this interpretation, in its note of March 27, 1933, to the Legation, it calls attention to the fact that Article 55 of the Guatemalan air regulations provides that if the nationality of the civil aircraft to be flown over Guatemalan territory is that of a country which has a treaty with Guatemala on the subject of air navigation, the aircraft shall be cleared by the Guatemalan Consul at the point of departure, except that this provision in regard to clearance does not apply to aircraft employed on a regular international air line.

It is requested that you ascertain and report whether it is to be understood that the Guatemalan Government concurs in the Department's interpretation of the Habana Convention. If it does concur it is requested that you state that your Government would appreciate it if the Guatemalan authorities concerned with the entrance of aircraft could be informed of the interpretation.

It may be remarked, in this connection, that the American Legation in Managua has recently reported that this interpretation has been accepted by the Government of Nicaragua<sup>11</sup> which is also a party to the Habana Convention on Commercial Aviation. The matter has also been brought by the Department to the attention of other countries which are parties to the convention, in connection with a request for information in regard to requirements as to entry and clearance.

The Department would be glad to be informed in more detail as to what is contemplated by the provision in regard to clearance by Guatemalan consuls in Article 55 of the Guatemalan aviation regula-

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<sup>11</sup> See pp. 634 ff.

tions, in view of the fact that "clearance" is a technical term usually applied to a function performed by customs officials.

In connection with the foregoing it may be stated that this Government considers that it is desirable to determine as soon as possible the status of special or touring flights by American aircraft with respect to entrance into countries which are parties to the Habana Convention on Commercial Aviation.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

711.1427/2

*The Minister in Guatemala (Whitehouse) to the Secretary of State*

No. 971

GUATEMALA, June 22, 1933.

[Received June 30.]

SIR: With reference to your instruction No. 276 of May 2, 1933, I have the honor to transmit herewith copy and translation of Note No. 5771 from the Guatemalan Foreign Office containing the report of the General Bureau of Civil Aeronautics on the points raised in the Department's note.

The Department will see that the replies to its questions are not at all clear and the reason for it was explained to me by the Minister of Foreign Affairs as follows: Regardless of what may be the intention of the Habana Convention, the Guatemalan Government with four neighbors cannot allow planes to enter their country without being notified beforehand and, therefore, any airship, except those of regularly established lines like the Pan American, cannot enter Guatemala without permission having been previously obtained from the Ministry of Foreign Affairs since neither the Legation in Washington nor the Guatemalan Consulates in the United States have authority to grant this permission. . . .

Respectfully yours,

SHELDON WHITEHOUSE

[Enclosure—Translation]

*The Guatemalan Minister for Foreign Affairs (Skinner Klée) to the American Minister (Whitehouse)*

GUATEMALA, June 12, 1933.

MR. MINISTER: For your information and other uses I have the honor to transcribe for Your Excellency the opinion which was rendered to the Minister of Fomento by the General Bureau of Civil Aviation and the decision pronounced by that Ministry. These are as follows:

"General Bureau of Civil Aviation, Guatemala, eighth of June of Nineteen hundred and thirty-three.

Mr. Secretary:

In compliance with the foregoing decision I have the honor to report as follows:

With reference to the data requested by the Legation of the United States of America and in order to decide with respect to them this Bureau considers it pertinent to give certain explanations based on the Habana Convention on Commercial Aviation and on the Aviation Regulations of Guatemala.

The above inserted note contains three points to be decided.

1. The Government of the United States of America wishes to ascertain specifically whether the Government of Guatemala concurs in the interpretation which the American Government gives to the Habana Convention, to the effect that private aircraft of a contracting state may make flights over any territory they may desire without the necessity of requesting of the Government concerned its official permission to make them.

2. In accordance with the provisions of Article 55 of the Aviation Regulations of Guatemala, the Government of the United States of America desires to be informed in greater detail as to the formalities which must be fulfilled in order to comply properly with that article.

3. The above information is desired in order to regulate the conditions to which must be subjected special or tourist flights undertaken by American aircraft with respect to their entry into countries which are contracting parties to the Habana Convention on Commercial Aviation.

Referring to each one of the above three points, I have to state the following.

First point: The Habana Convention on Commercial Aviation establishes, in its Article XII, that the states affirm the principle that the aircraft of each one of the contracting states are free to carry on aerial commerce among themselves without being subject to the special licensing system of the state with which they are carrying on such commerce . . . ;<sup>12</sup> but, this, as is fixed by the article in question, is for aerial commerce, and not for private and tourist aircraft on special flights; this is the judgment of this Bureau.

Compliance with the system of special permits applies to aircraft already authorized to take part in aerial commerce; but these always and in every case must comply, as they are required to do by the aviation regulations of many countries including those of the United States of America, with notification by the pilot sufficiently in advance and before departing from whatever point in a foreign country for another country to the customs authority of the port of entry, specifying the type of aircraft, its special marks or signs, the name of the pilot or owner and the approximate hour of its arrival; and there are states which require in addition the purposes for which the flight is made.

Second point: Article 55 of the Aviation Regulations of Guatemala supposes two categories or cases: the first for any civilian aircraft de-

<sup>12</sup> Omission indicated in the original.

siring to fly over Guatemalan territory, without specifying whether it is tourist or commercial; and the second for aircraft of companies that are in service on regular lines which are duly supervised.

The first category or case supposes an agreement established between the Guatemalan Consul or the competent authority in Guatemala and the pilot of the aircraft which is undertaking the flight or the person who is in charge of any civilian aircraft as its owner or for any other reason.

This agreement to which Article 55 refers, and which is to be presumed made ahead of time, gives the right to undertake any flight in the form prescribed in the article, and in no other manner. And such procedure is thereby justified for each case by the right held by every country, including Guatemala to grant or deny authorization to fly over its territory, to land or descend on waters within its jurisdictional limits to private aircraft, whether of Guatemalan or foreign nationality. Such a right is guaranteed to her and sanctioned by Article I of the Habana Convention, when it states that: "The High Contracting Parties recognize that every state has complete and exclusive sovereignty over the air space above its territory and territorial waters." The agreement to which I refer may give the necessary authorization to fly, land, or descend on water within the territory subject to the agreement itself and to the Regulations on Civil Aviation, in a general manner, to the aircraft of any particular nation or, especially, to one or more aircraft.

Such is the interpretation which this Bureau gives to the above-mentioned Article 55, and that, based on it, it is impossible to lose sight of that which it itself provides, until such time as the law in question is reformed, or at least the article under reference modified, amplified or added to, in the sense of providing for or setting forth in more detail other formalities designed to give due effect to Article 55 in the manner requested.

Third Point: In order to carry out practically the desire to regulate the conditions to which must be subjected special or tourist flights undertaken by American aircraft, it is the opinion of this Bureau that, for the Guatemalan Government to cooperate with that of the United States in the desired regulation, it is possible to add to Article 55 in accordance with the suggestions which this Bureau makes in its reference to points one and two or in the form which is considered most convenient.

I assure you of my high consideration and respect.

(signed) Victor M. Mejía"

Ministry of Fomento: Guatemala, June eight of nineteen hundred and thirty-three.

The preceding opinion of the General Bureau of Civil Aeronautics, with which this office is in accord, is to be returned to the Ministry of Foreign Affairs for whatever may be necessary.

(signed) H. Aparicio I  
(signed) Avelino Mariscal

I take [etc.]

A. SKINNER KLÉE

711.1427/2

*The Secretary of State to the Chargé in Guatemala (Lawton)*

No. 296

WASHINGTON, August 25, 1933.

SIR: The Department has received your Legation's despatch No. 971 of June 22, 1933, in further relation to the right of entry of aircraft under Article IV of the Habana Convention on Commercial Aviation. Your Legation reports that the Guatemalan authorities do not agree with the interpretation of this Government to the effect that Article IV accords to aircraft of a contracting state the right to enter territory of other contracting states, subject to the conditions laid down in the Convention, without the necessity of obtaining an authorization for each flight.

The Department desires to have you assure the Government of Guatemala that this Government has no intention of insisting upon any procedure that would render it difficult for the Government of Guatemala to maintain a check upon the entry of foreign aircraft. It would seem that the requirements as to entry and clearance would afford an opportunity to maintain a check on the movements of foreign aircraft within its territory. You may add that it is hoped that the two Governments will be able to agree upon a solution of this matter that will be satisfactory to both Governments.

With reference to the points raised by the Guatemalan Government, the Department makes the following observations:

In support of their position the Guatemalan authorities make reference to Article I of the Habana Convention which states that the high contracting parties recognize that every state has complete and exclusive sovereignty over the air space above its territory and territorial waters. This principle is now well recognized whether it appears in international conventions or is omitted therefrom. It is found in the International Convention for the Regulation of Aerial Navigation, signed at Paris on October 13, 1919.<sup>13</sup> However, under the terms of that Convention, the parties thereto consent to a limited derogation of sovereignty and accord liberty of innocent passage over their territories to aircraft of other contracting states. In Article IV of the Habana Convention the parties to the Convention mutually consent to a limited derogation of sovereignty by providing that each contracting state shall undertake in time of peace to accord freedom of innocent passage above its territory to the private aircraft of other contracting states.

A declaration that the Government of the United States of America has complete sovereignty over the air space above its territory is con-

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<sup>13</sup> *Treaties, Conventions, etc., Between the United States of America and Other Powers, 1910-1923* (Washington, Government Printing Office, 1923), vol. III, p. 3763.

tained in Section 6 of the Air Commerce Act of the United States.<sup>14</sup> Nevertheless, this Government has taken the position that as soon as the United States enters into an air navigation agreement with a foreign country the aircraft of the foreign country concerned may enter the United States subject to compliance with the regulations in force in this country without the necessity of obtaining authorization for each flight. This Government has such agreements with Canada and several European countries.

The Guatemalan Bureau of Civil Aviation, in its report to the Ministry of Fomento, approved by that Ministry, states that the provision of Article XII of the Convention which affirms the principle that the aircraft of each contracting state shall have the liberty of engaging in air commerce with the other contracting states without being subjected to their licensing system refers to aircraft engaged in "aerial commerce" and not to private or tourist aircraft on special flights.

All international air navigation agreements of which the Department is aware provide that aircraft duly licensed in a contracting state shall be permitted to enter the territory of another contracting state without being subjected to the licensing system of the state entered and the Habana Convention constitutes no exception, except to the very limited extent hereinafter mentioned. It is not seen why such a provision is not just as applicable to non-commercial civil aircraft as it would be to aircraft engaged in aerial commerce. It would appear that one of the main purposes of such agreements is to facilitate international air navigation by exempting the aircraft of each party from the licensing requirements of the other party. On the other hand, if the aircraft of one country may not enter another on this basis, the carrying on of international air navigation would seemingly be greatly hampered.

As the Department reads it, the Habana Convention does not require that aircraft of one of the parties entering territory of another party shall be subjected to the licensing system of the latter, except to the very limited extent provided for in exceptional circumstances in the fifth paragraph of Article XII. That paragraph accords to a contracting state the right to refuse to recognize as valid certificates of airworthiness of a foreign aircraft, if inspection by a duly authorized commission of such state shows that the foreign aircraft is not at the time of inspection reasonably airworthy in accordance with the normal requirements of the state making the inspection. Such airworthiness requirements would presumably be part of the licensing system of the state making the inspection.

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<sup>14</sup> 44 Stat. (pt. 2), 572.

Under Article IV of the Convention, each contracting state accords freedom of innocent passage over its territory to the private aircraft of other contracting states, subject to the conditions laid down in the Convention. This, of course, means aircraft having the nationality of any one of the other contracting states.

Article VII provides that aircraft shall have the nationality of the state in which they are registered.

Article VIII provides that the registration of aircraft referred to in Article VII shall be made in accordance with the laws and special provisions of each contracting state. In connection with Article VIII, attention is invited to Section 7 of the Air Commerce Regulations of the United States, effective as amended January 1, 1932, which defines the meaning of the term "registration". Section 7 reads:

"Registration means entry of licensed aircraft in an official license registry of the Secretary of Commerce as aircraft of the United States. Unlicensed aircraft, though entered of record for purposes of identification as required by law, are not registered aircraft within the meaning of these regulations."

Licenses, as referred to in Section 7 of the Air Commerce Regulations of this Government, are issued by the Department of Commerce not only for aircraft engaged in air commerce but for aircraft operating for non-commercial purposes, such as pleasure aircraft.

Article X of the Habana Convention provides in part that every aircraft engaged in international navigation shall carry with it in the custody of the aircraft commander a certificate of registration, duly certified to according to the laws of the state in which the aircraft is registered.

Considering Article IV of the Convention, in connection with the other articles referred to above, it seems clear to the Department that the framers of the Convention intended that a contracting state should permit the entry of both commercial and non-commercial aircraft of the other contracting states, subject to the right of inspection provided for in the fifth paragraph of Article XII, without subjecting the aircraft to the licensing requirements of the state entered.

With reference to Article XII of the Convention, it may be stated that in construing the words "air commerce" appearing in the fifth paragraph of the article, the meaning intended by the entire article should be taken into consideration. The entire article relates to airworthiness requirements in connection with aircraft engaged in "international navigation" as the term is used in the first paragraph of this article. It seems clear that the term "air commerce" appearing in the fifth paragraph was intended to have the same meaning as "international navigation" which appears in the first paragraph and covers both commercial and non-commercial aircraft. The fifth para-

graph of Article XII relates to a possible situation where aircraft of a contracting state engaged in international navigation are found not to be reasonably airworthy.

The fact that Article XII is the only article of the Convention that deals specifically with airworthiness requirements and that it is the general practice in the adoption of air navigation agreements to provide that all classes of aircraft covered by the agreement must carry certificates of airworthiness would appear to be a further indication that the term "air commerce" in the fifth paragraph of Article XII was intended to be used in the sense of "international navigation".

It is of interest to note in this connection that airworthiness requirements and licenses are dealt with in Article 20 of the Guatemalan Air Navigation Regulations and that no distinction is made in the article between commercial and non-commercial civil aircraft. The article reads:

"Certificates of airworthiness and licenses, issued or approved in the country of origin of the aircraft or crew, shall be recognized as valid, as well as the same documents issued or approved in Guatemala but as to the certificates and the licenses of the crew, they shall be only for the service of aircraft registered in their own country. In order to make exceptions to this general rule, an authorization from the Bureau of Aeronautics shall be necessary."

Article 13 of the Civil Aviation Regulations of Guatemala contains a declaration of principle in favor of the freedom of air navigation similar to Article IV of the Habana Convention, since Article 13 of the Regulations provides that in time of peace airships of any nationality that are duly licensed shall have free passage above national territory, provided that they observe the rules laid down in the Regulations.

However, Article 55 of the Regulations apparently contemplates that, with respect to entry into Guatemalan territory, a distinction shall be made between aircraft of a country that has a treaty with Guatemala and aircraft of a country that does not have such a treaty. If, under the Guatemalan regulations, the aircraft is of a country that has a treaty with Guatemala on the subject of air navigation, the aviator must obtain a clearance from a Guatemalan consular officer while such clearance would not be necessary if the aircraft should be of a country that does not have such a treaty and in the latter case the aircraft would merely have to comply with the requirements as to entry on entering Guatemalan territory. It would seem that the practical effect of Article 55 would be to discriminate against aircraft of countries parties to the Convention, notwithstanding the fact that the purpose of the Convention is to facilitate and encourage the development of civil aviation among the countries which are parties thereto.



If, in the case of aircraft of countries parties to the Habana Convention, authorization must be obtained in advance from the Guatemalan Government before the aircraft can enter Guatemalan territory, there would seem to be little advantage in entering into the Convention so far as flights over Guatemala are concerned and possibly a disadvantage, since the Convention imposes upon the countries parties thereto a number of duties and obligations which would not be applicable to countries not parties whose aircraft enter Guatemalan territory. This disadvantage would be emphasized if there should be imposed upon aircraft of the parties requirements as to entry more onerous than those imposed upon aircraft of countries that are not parties. The Convention was designed to permit international air navigation between the countries parties thereto, subject to the regulations in force in these countries not inconsistent with the terms of the Convention, without the necessity of seeking special authorization for each flight.

If, under the Guatemalan regulations, the operators of aircraft must, within a reasonable period before entering Guatemala, notify the appropriate customs authority in that country of the intended arrival, this Government would not be disposed to raise any question concerning the matter. However, it is considered that the giving of a notice should not imply that the aviator should be subject to the delay and uncertainty of being required to have the entry of the aircraft depend upon the receipt of the formal authorization from the Guatemalan Government.

If the requirements of Article 26 of the Guatemalan Regulations in regard to entering at customs airports have to be complied with by all aircraft entering the country, it is not clear why there should, in addition to this custom requirement, be the additional requirement that the operator of the foreign aircraft must obtain "clearance" from a Guatemalan consular officer before proceeding to Guatemala if the aircraft is of a country that has a treaty with Guatemala on the subject of air navigation. This Government would not be disposed to raise any question with respect to a requirement of Guatemala that in the case of all civil aircraft entering Guatemala the aviator must obtain clearance from a Guatemalan consular officer in the country from which the aircraft starts. However, it is believed that in the case of aircraft of a country that is a party to the Habana Convention such clearance should be limited to the observance of such formalities not inconsistent with the terms of the Convention as would be intended to facilitate entry, and that the aviator should not be required to obtain through the Consul a special authorization from the Government of Guatemala for American registered aircraft to enter Guatemalan territory.

A considerable burden is placed upon the Department of Commerce, the Department of State and American diplomatic missions abroad on account of the necessity of handling correspondence in obtaining special authorizations for flights abroad by American aircraft. It is the desire of this Government to eliminate this procedure which is considered to be unnecessary in cases where the United States has an air navigation agreement with a foreign country establishing the general right of aircraft of each country to enter territory of the other. Taking Canada as an illustration, it may be noted that numerous flights are being made by Canadian aircraft into the United States and by American aircraft into Canada in accordance with the terms of the air navigation agreement in force between the two countries.<sup>15</sup> If a special authorization had to be obtained for each flight a very heavy burden would be imposed upon this Government and the Canadian Government.

Very truly yours,

For the Secretary of State:  
HARRY F. PAYER

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711.1427/2

*The Acting Secretary of State to the Chargé in Guatemala (Lawton)*

No. 8

WASHINGTON, January 3, 1934.

The Acting Secretary of State refers to instruction No. 296 of August 25, 1933, and informs the Legation that according to a despatch from the American Chargé d'Affaires in Tegucigalpa, the Government of Honduras is in accord with the interpretation given to Article 4 of the Habana Convention by the United States, namely, that private aircraft of a contracting party may, subject to the technical requirements regarding entry and clearance and the laws and regulations in force, enter territory of another contracting party without the necessity of requesting formal permission for the flight through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited.

The following countries parties to the Habana Convention have agreed to the above procedure with respect to the entry and clearance of foreign civil aircraft: the United States, Costa Rica, Dominican Republic, Honduras, Nicaragua and Panama.

Should the Chargé d'Affaires deem it advisable in his discussions with the Guatemalan authorities to make use of the above information, he may do so.

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<sup>15</sup> *Foreign Relations*, 1929, vol. II, p. 111.

## HAITI

711.3827/1

*The Acting Secretary of State to the Minister in Haiti (Armour)*<sup>16</sup>

No. 61

WASHINGTON, June 7, 1933.

SIR:

The Governments of Nicaragua and the Dominican Republic have concurred in the interpretation of the Habana Convention on Commercial Aviation given in this instruction. The governments of other countries parties to this Convention have not yet made definite replies.

For your information, it may be stated that this Government does not contemplate entering into formal agreements with the countries parties to the Habana Convention supplementing the Convention itself. This Government merely desires to reach an understanding with these countries in regard to the interpretation of the Convention so far as concerns the right of private aircraft of one of the parties to enter territory of the other parties without the necessity of obtaining an authorization for the flight from the government of the country in which the flight is to be made.

Very truly yours,

For the Acting Secretary of State:  
FRANCIS WHITE

711.3827/1 Supplemental

*The Acting Secretary of State to the Minister in Haiti (Armour)*

No. 106

WASHINGTON, November 27, 1933.

The Acting Secretary of State refers to instruction No. 61 of June 7, 1933, and informs the Legation that according to despatches from the American Chargé d'Affaires ad interim in San José and the American Minister in Panama City the Governments of Costa Rica and Panama are in accord with the interpretation given to Article 4 of the Habana Convention by the United States, namely, that private aircraft of a contracting party may, subject to the technical requirements regarding entry and clearance and the laws and regulations in force, enter territory of another contracting party without the necessity of requesting formal permission for the flight through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited.

<sup>16</sup> The omitted paragraphs at the beginning of this instruction are the same, *mutatis mutandis*, as instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609.

The following countries, parties to the Habana Convention, have now agreed to the above procedure with respect to the entry and clearance of foreign civil aircraft: the United States, Costa Rica, Dominican Republic, Nicaragua, and Panama.

Should the Minister deem it advisable in his discussions with the Haitian authorities to make use of the above information, he may do so.

## HONDURAS

711.1527/2

*The Chargé in Honduras (Higgins) to the Secretary of State*

No. 960

TEGUCIGALPA, December 1, 1933.

[Received December 6.]

SIR: I have the honor to refer to the Department's instruction No. 481 of September 9, 1933,<sup>17</sup> and to report that the Honduran Government has stated that it is in agreement with the proposition of the Government of the United States regarding the interpretation to be given to Article IV of the Habana Convention on Commercial Aviation, to which Honduras is a party. Accordingly it has agreed that henceforth private (not Government owned) aircraft of United States registry shall, under the general authorization contained in the Habana Convention, be permitted to enter Honduras subject to compliance with the technical requirements of the Government of Honduras regarding entry and clearance and the laws and regulations in force in this country, without the necessity of requesting through diplomatic channels that the flights be authorized.

Moreover it has, at the suggestion of this Legation, decided, to the end of facilitating air travel and commerce to and from Honduras, to dispense altogether with the requirement, heretofore in force, that permission be obtained from the Honduran Government for each flight of American private aircraft to Honduras, and has stated that hereafter it will be necessary for the American pilot before taking off from a foreign place for Honduras only to comply with a requirement similar to that prescribed for entry of foreign aircraft into the United States as stated in "Chapter II—Entry" of the Department of Commerce Regulations, effective as amended April 7, 1931 (Aeronautics Bulletin No. 7-C), viz. to advise the Chief of the airport (*Jefe del Aeropuerto*) at the place of first landing, which must be an airport of entry unless permission for landing elsewhere is secured in advance, of the intended flight, stating the type of aircraft, the markings thereon,

<sup>17</sup> Not printed. This instruction was similar to instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609. The Habana Convention of February 20, 1928, did not become effective for Honduras until August 22, 1933.

the name of the pilot, and the approximate time of arrival: and that such advice must be given sufficiently in advance and by such means of communication as to insure the chief of the airport having adequate time to assemble the appropriate authorities (immigration, customs, etc.) at the field prior to arrival.

It is gratifying that the Honduran Government has come to this decision which should materially simplify and facilitate international travel for American private aircraft.

With reference to the second paragraph of page 3 of the Department's instruction, the Ministry of Aviation states that there are no laws or regulations in force regarding civil aviation other than Decree No. 217 of April 8, 1930,—the Law of Aviation (which was forwarded with translation under cover of the Legation's despatch No. 366 of December 9, 1931),<sup>18</sup> but that regulations are being prepared for submission to Congress for approval, and that they will not be issued for six or seven months to come.

Respectfully yours,

LAWRENCE HIGGINS

#### MEXICO

711.1227/28

*The Ambassador in Mexico (Clark) to the Secretary of State*

No. 2270

México, February 9, 1933.

[Received February 15.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction number 912 of January 27, 1933<sup>19</sup> (no file number), requesting me to obtain from the Mexican authorities for communication to the Department a statement as to the requirements of the Mexican Government covering the entry and flights of aircraft, and to request that the appropriate Mexican authorities be notified of the procedure agreed upon, this being in connection with the Habana Convention of February 20, 1928, Article 4 of which, according to the Department, contemplates that each contracting State shall in time of peace accord freedom of innocent passage above its territory to the private aircraft of another contracting State.

This matter was taken up informally yesterday by the Counselor of this Embassy with the Chief of the Diplomatic Department of the Foreign Office, and a copy of the bulletin enclosed with the Department's instruction (Department of Commerce, Aeronautics Branch: Aeronautics Bulletin No. 7-C: *Department of Commerce Regulations Governing Entry and Clearance of Aircraft Effective as Amended*

<sup>18</sup> Not printed.

<sup>19</sup> Not printed; it was similar to instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609.

April 7, 1931, and *United States Airport of Entry Regulations Effective November 1, 1931*: Washington, 1931) was handed to Mr. Sierra.

Mr. Sierra stated that it was his understanding that it is the intention of the Habana Convention that American private aircraft may enter Mexico and Mexican private aircraft may enter the United States subject to compliance with the technical requirements and regulations in force in the respective countries, but without it being necessary to request permission through diplomatic channels. He added, further, that at the present time it is not necessary to obtain permission through diplomatic channels for the flights of private American aircraft to Mexico, but that it is only necessary for the interested party to obtain permission by applying direct to the Department of Communications in Mexico City.

Mr. Lane said that, as he understood the situation, such procedure would not seem to be required by the Habana Convention.

Mr. Sierra then stated that he would look the matter up and let us know in due course. In the meantime, he said, he would have the abovementioned bulletin translated and referred to the Department of Communications for its information.

The Embassy will follow this case and will report further to the Department in due course.

Respectfully yours,

J. REUBEN CLARK, JR.

711.1227/30

*The Ambassador in Mexico (Daniels) to the Secretary of State*

No. 44

MÉXICO, May 12, 1933.

[Received May 17.]

SIR: I have the honor to refer to the Department's instruction number 956 of March 14, 1933<sup>20</sup> and to previous correspondence in regard to the procedure which should be followed by aviators who desire to make special or touring flights in American civil aircraft to countries which are parties to the Habana Convention on Commercial Aviation and to enclose herewith a copy and translation of a letter number 08022 of April 25, 1933<sup>20</sup> from Licenciado Manuel J. Sierra, Chief of the Diplomatic Bureau of the Foreign Office in which it is stated that Chapters 2, 4 and 5 of Book Four of the Law of General Lines of Communication of August 29, 1932 (published in the *Diario Oficial* No. 22, vol. LXXIV, of September 28, 1932) contain everything referring to the entrance of airplanes into the country, and also stating that all the crews and passengers, as well as the airplane itself, are subject to the prescriptions established by the laws of Customs,

<sup>20</sup> Not printed.

Migration and Transportation of Fruits, issued respectively by the Ministries of Finance, Gobernación and Agriculture.

While Licenciado Sierra does not state in this letter that Article 4 of the Habana Convention on Commercial Aviation is applicable, and that, therefore, it is not necessary for flights of private American aircraft to Mexico to obtain permission by applying direct to the Department of Communications in Mexico City, it is assumed that this is the case, since Article 418, Chapter II, Book Four, of the Law of General Lines of Communication states:

“Aircraft belonging to countries which have or which may make special aviation agreements with Mexico are excepted from the provisions of the preceding Articles, and shall be governed by the conventions now in force.”

However, in order that this point may be definitely cleared up, the Embassy is again addressing the Foreign Office requesting a definite decision on this point.

There is also transmitted herewith a translation of the Law of General Lines of Communication referred to above.<sup>22</sup>

Respectfully yours,

JOSEPHUS DANIELS

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711.1227/30

*The Acting Secretary of State to the Ambassador in Mexico (Daniels)*

No. 51

WASHINGTON, June 9, 1933.

SIR: The Department has received your despatch No. 44 of May 12, 1933, in further relation to the desire of this Government to have it understood that in accordance with the clear intention of the Habana Convention on Commercial Aviation the private aircraft of a party to the Convention are entitled to enter territory of other parties to the Convention, subject to compliance with technical requirements as to entry and clearance and to the laws and regulations in force in such territory not inconsistent with the terms of the Convention, without the necessity of obtaining an authorization for the flight from the government of the country in which the flight is to be made.

The Department notes that the Embassy has received a communication from the Chief of the Diplomatic Bureau of the Foreign Office in which reference is made to provisions relating to aviation in the Law of General Lines of Communication of August 29, 1932, but that the Mexican Government has not replied to the specific inquiry as to whether it concurs in the interpretation concerning the right of entry under the Habana Convention given above, and that the Embassy has

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<sup>22</sup> Not printed.

again addressed the Foreign Office requesting a definite decision on this point. The Embassy's action in this matter is approved.

Operators of American registered aircraft desiring to make special or touring flights to countries which are parties to the Habana Convention on Commercial Aviation are at present subjected to delays and inconvenience because of being uncertain whether the Convention gives them a general right to enter these countries without seeking an authorization for the flight in each case or whether they should request the government of the country in which the flight is to be made to grant a specific authorization for the flight. Even in cases where operators of American registered aircraft have decided to request authorization for a flight they have, in a number of instances, been uncertain as to what procedure should be followed in obtaining action on the request for an authorization by the government of the country in which the flight is to be made.

This Department is not taking up through diplomatic channels the matter of obtaining authorization for such flights by American registered aircraft to countries which are parties to the Habana Convention on Commercial Aviation for the reason that it does not consider that such procedure is required under the Convention. As stated in the Department's instruction No. 912 of January 27, 1933,<sup>23</sup> Article 4 of the Habana Convention contemplates that each contracting state shall, in time of peace, accord freedom of innocent passage above its territory to the private aircraft of another contracting state. It has been the general practice to incorporate a similar provision in all multilateral or bilateral air navigation treaties or agreements. As also stated in the Department's instruction of January 27 last, such a provision obviates the necessity of obtaining aircraft of a country which is a party to such treaty or agreement special authorization for flights to be made over the territory of another country also a party to the treaty or agreement.

In connection with the principle of the right of entry of aircraft under international treaties and agreements, attention is invited to the air navigation agreement which has been in force between the United States and Canada since 1929.<sup>24</sup> This agreement has greatly facilitated flights by Canadian registered aircraft to the United States and United States registered aircraft to Canada. The agreement with Canada has rendered it possible for each country to permit the entrance of civil aircraft of the other country without the necessity of requiring that special authorization be obtained for each flight, and it has been possible at the same time to require proper observance of the pertinent laws and regulations governing the entrance of aircraft.

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<sup>23</sup> Not printed.

<sup>24</sup> *Foreign Relations*, 1929, vol. II, p. 111.



A requirement by which operators of American aircraft would have to obtain special authorization in each case for flights to Canada and operators of Canadian aircraft would have to obtain a like authorization for flights to the United States would greatly hamper the development of international air navigation, the promotion of which is the main object of international air navigation treaties and agreements. Such a requirement would also impose a heavy burden upon the administrative authorities of the United States and Canada. The Habana Convention on Commercial Aviation was, like the air navigation agreement between the United States and Canada, intended to facilitate air navigation between the countries parties to the Convention.

The governments of two of the countries which are parties to the Habana Convention on Commercial Aviation have indicated to this Government that they concur in the interpretation of this Convention concerning the right of entry under the Convention given in instructions to the American diplomatic missions in these countries which were the same as the Department's instruction No. 912 of January 27 last to the Embassy. The governments of other countries parties to the Convention, with which this matter was taken up, have not yet made definite replies.

Should you find it necessary to take up this question again with the Mexican Government, you may make use of the observations in the present instruction to such extent as you may consider advisable.

Very truly yours,

For the Acting Secretary of State:

FRANCIS WHITE

711.1227/39

*The Secretary of State to the Ambassador in Mexico (Daniels)*

No. 184

WASHINGTON, November 8, 1933.

The receipt is acknowledged of your despatch No. 737 of October 27, 1933,<sup>25</sup> in which you report that the Mexican authorities are still giving consideration to the request of this Government for an interpretation of Article 4 of the Habana Convention on Commercial Aviation with respect to the right of entry.

The Department has been informed by officials of the Department of Commerce that a number of Mexican aviators have recently requested authorizations to fly Mexican aircraft in this country. While the officials of the Department of Commerce are disposed to permit such flights under the terms of the Habana Convention on Commercial Aviation without the necessity of requiring the Mexican aviators to obtain formal authorizations for the flights, they do not feel that they should take such action unless the Mexican Government is dis-

<sup>25</sup> Not printed.

posed to permit American aircraft to enter Mexico without the necessity of obtaining from the Mexican Government formal authorizations for the flights.

The Department encloses a copy of despatch No. 1663 of October 13, 1933, from the American Legation at San José, Costa Rica,<sup>26</sup> reporting that the Government of Costa Rica, which is a party to the Habana Convention referred to, has agreed to the interpretation that, subject to compliance with the conditions stipulated in the convention and with the technical requirements as to entry and clearance, private aircraft of a country that is a party to the convention may enter territory of another country also a party without the necessity of obtaining special authorization from the government of the latter country. In your discussions with the Foreign Office you may in your discretion refer to the despatch from San José and add that the Governments of Nicaragua and the Dominican Republic, which are parties to the Habana Convention have also agreed to the interpretation mentioned above.

Very truly yours,

For the Secretary of State:

JEFFERSON CAFFERY

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711.1227/42

*The Secretary of State to the Ambassador in Mexico (Daniels)*

No. 208

WASHINGTON, December 2, 1933.

With reference to instruction No. 184 of November 8, 1933, there is enclosed a copy of despatch No. 16 of October 27, 1933, from the American Legation at Panama City,<sup>27</sup> in which the Minister states that he has been informed by the Panamanian Minister of Foreign Affairs that the Government of Panama is in accord with the interpretation given to Article 4 of the Habana convention by the United States, namely, that private aircraft of a contracting party may, subject to the technical requirements regarding entry and clearance and the laws and regulations in force, enter territory of another contracting party without the necessity of requesting formal permission for the flight through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited.

The following countries parties to the Habana convention have agreed to the above procedure with respect to the entry and clearance of foreign civil aircraft: the United States, Costa Rica, Dominican Republic, Nicaragua and Panama.

Should the Ambassador deem it advisable in his discussions with the Mexican authorities to make use of the above information, he may do so.

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<sup>26</sup> *Ante*, p. 607.

<sup>27</sup> *Post*, p. 639.

## NICARAGUA

711.1727/1

*The Minister in Nicaragua (Hanna) to the Secretary of State*

No. 1164

MANAGUA, March 1, 1933.

[Received March 15.]

SIR: I have the honor to acknowledge the receipt of the Department's instruction No. 513 of January 27, 1933,<sup>28</sup> requesting that the Legation reach an understanding with the Nicaraguan Government to the effect that private aircraft of United States registry shall under the general authorization contained in the Habana Convention on Commercial Aviation be permitted to enter Nicaragua subject to compliance with the technical requirements of the Government of Nicaragua regarding entry and clearance and the laws and regulation in force in this country, and that private aircraft of Nicaraguan registry shall, under the general authorization contained in the Habana Convention on Commercial Aviation, be permitted to enter the United States subject to compliance with similar requirements of the Government of the United States and the laws and regulations in force in that country, without the necessity in either case of requesting through diplomatic channels that the flights be authorized.

On February 13, 1933, I handed the Nicaraguan Minister for Foreign Affairs a memorandum containing the substance of the Department's instruction, and in reply received a pro-memorandum dated February 20, 1933, stating that the Government of Nicaragua finds the Department's suggestion acceptable, and transmitting a copy of the Nicaraguan Commercial Aviation Regulations of August 31, 1929. A copy and translation of this pro-memorandum, and a pamphlet containing the Nicaraguan regulations, are enclosed.<sup>29</sup> There is also enclosed a copy of the Legation's memorandum of March 1, 1933, to the Minister for Foreign Affairs, in reply to his pro-memorandum of February 20.<sup>29</sup>

It would appear that this Government is now prepared to make an agreement in the sense desired by the Department. I will postpone further action awaiting the Department's instructions in the matter.

Respectfully yours,

MATTHEW E. HANNA

<sup>28</sup> The same, *mutatis mutandis*, as instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609.

<sup>29</sup> Not printed.

711.1727/1

*The Secretary of State to the Minister in Nicaragua (Hanna)*

No. 560

WASHINGTON, May 2, 1933.

SIR: The Department has received your despatch No. 1164 of March 1, 1933, in regard to the right granted by the Habana Convention on Commercial Aviation for private aircraft of a contracting state to enter territory of another contracting state.

It is understood from your despatch that the Nicaraguan Government concurs in the interpretation in instruction No. 513 of January 27, 1933, to the effect that in accordance with the clear intention of the Habana Convention on Commercial Aviation private aircraft of a contracting state may enter territory of another contracting state without the necessity of requesting that the Government in whose territory the flight is to be made grant permission for the flight. It would of course be necessary to comply with the technical requirements as to entry and clearance and laws and regulations not inconsistent with the rights granted under the convention. There is no necessity for entering into any further agreement in regard to the matter.

It is requested that you inform the appropriate authorities that the Government of the United States would appreciate it if the Nicaraguan authorities concerned with the entrance of aircraft could be informed of the interpretation agreed upon by the two governments with respect to the right of entry under the Habana Convention on Commercial Aviation.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

## PANAMA

711.1927/5a

*The Secretary of State to the Minister in Panama (Davis)*<sup>30</sup>

No. 480

WASHINGTON, February 6, 1933.

SIR:

A similar instruction has been sent to the American diplomatic missions in Mexico, Nicaragua, Guatemala and the Dominican Republic in view of the fact that these countries are also parties to the Habana Convention on Commercial Aviation. The Department has expressed the hope that any requirements that may be imposed by

<sup>30</sup> The omitted paragraphs at the beginning of this instruction are similar to instruction No. 150, January 27, to the Minister in the Dominican Republic, p. 609.

the authorities of those countries on the entry and clearance of private aircraft, under the general authorization contained in the Habana Convention on Commercial Aviation, will be as simple as possible in order that international flights by such aircraft between the United States and those countries may not be impeded any more than is necessary. For your information and guidance it may be stated that while the Department would also like to see this principle applied, so far as practicable, to special or touring flights by private aircraft between the United States and the Republic of Panama, it should, nevertheless, be understood that the Department is not advocating any relaxation of the restrictive regulations in force in the territory of the Republic of Panama governing the operations of civil aircraft in that territory put into force on the recommendation of the Joint Aviation Board having control of private aviation in the Republic of Panama. The Department is merely seeking a recognition of the right of American registered aircraft to make flights in the Republic of Panama on a reciprocal basis, under the conditions stipulated in the Habana Convention on Commercial Aviation.

In this connection the Legation's attention is invited to Article 31 of Decree No. 147 of August 23, 1932,<sup>32</sup> concerning aviation in the Republic of Panama, issued by the President of Panama, a copy and translation of which were enclosed with the Legation's despatch No. 1234 of September 14, 1932.<sup>32</sup> Article 31 appears to have reference to flights such as those made under the authority of the Habana Convention on Commercial Aviation, and provides that when civil aircraft of the Republic of Panama obtain permission to fly over a foreign country without registration, et cetera, the registered civil aircraft of that country may operate over territory of the Republic of Panama without registration, et cetera, subject to compliance with certain requirements of the Republic of Panama.

Very truly yours,

For the Secretary of State:  
FRANCIS WHITE

711.1927/6

*The Minister in Panama (Davis) to the Secretary of State*

No. 1520

PANAMA, May 11, 1933.

[Received May 22.]

SIR: I have the honor to refer to the Department's instruction No. 480, dated February 6, 1933, with reference to the desire of the Department to reach an agreement with the Panamanian Government, as a

<sup>32</sup> Not printed.

party to the Habana Convention of Commercial Aviation, with respect to the conditions under which the aircraft of each country may enter the territory of the other, within the terms of the Convention and without recourse to diplomatic channels, and to report that, since this question is one which concerns the Joint Aviation Board of Panama, a copy of the Instruction under reference was sent to the Governor of the Panama Canal on February 20, 1933.

On March 17, 1933, the Governor recommended that, in endeavoring to reach an agreement with Panama on this subject, the matter be referred to the Panamanian Government with the request that it be presented to the Commercial Aviation Commission for consideration.

Accordingly, on April 5, 1933, I handed the Secretary for Foreign Affairs a Memorandum, dated April 3, 1933. A copy of this Memorandum is enclosed for the Department's information.<sup>33</sup>

The matter of reaching the desired agreement will be pursued following the receipt of information as to the action taken by the Commercial Aviation Commission.

Respectfully yours,

ROY T. DAVIS

711.1927/8

*The Chargé in Panama (Finley) to the Secretary of State*

No. 1559

PANAMA, June 21, 1933.

[Received June 26.]

SIR: I have the honor to refer to the Department's instruction No. 480 dated February 6, 1933, concerning the desire of the United States to enter into an agreement with Panama respecting the entry into each country of the private aircraft of the other, and to report that I am informed by the Governor of the Panama Canal that the American members of the Commercial Aviation Commission have recommended to the President of the Commission (the Secretary of Government and Justice of Panama) that the United States and Panama enter into the proposed agreement. I have no doubt that the Panamanian members of the Commission will concur and that the Legation will be notified in the near future of the willingness of Panama to conclude the proposed agreement.

Respectfully yours,

H. D. FINLEY

711.1927/8

*The Secretary of State to the Chargé in Panama (Finley)*

No. 564

WASHINGTON, August 23, 1933.

SIR: The Department has received the Legation's despatch No. 1559 of June 21, 1933, in further relation to the Department's instruction

<sup>33</sup> Not printed.

No. 480 of February 6, 1933, concerning the right of civil aircraft of a country which is a party to the Habana Convention on Commercial Aviation to enter territory of another contracting state on special or touring flights, without the necessity of obtaining formal permission for the flight from the government of the country in which the flight is to be made.

The Legation reports that the Governor of the Panama Canal has stated that the American members of the Commercial Aviation Commission have recommended to the President of the Commission (the Secretary of Government and Justice of Panama) that the United States and Panama enter into an agreement in regard to the entry of aircraft under the terms of the Habana Convention.

In taking up this matter with the governments of countries which are parties to the Habana Convention on Commercial Aviation, the Department did not contemplate entering into special agreements supplementing the Habana Convention, since such procedure would seem to be unnecessary. The Department merely desired to reach an agreement with respect to the interpretation of the Habana Convention to the effect that the aircraft of a contracting state may enter territory of another contracting state, subject to technical requirements as to entry and clearance and compliance with the regulations in force in the country to be visited, without resorting to the formality of having each flight made the subject of a special request that the government of the country in whose territory the flight is to be made grant special authorization for the flight. The Governments of Nicaragua and the Dominican Republic, which are parties to the Convention, have informed the Department that they agree to this interpretation. If it is also agreed to by the Panamanian Government, all that will be necessary will be for the Foreign Office to inform the Legation that it agrees to the same interpretation.

As the Legation is aware, a burden is placed upon the Department of Commerce, the Department of State, and American diplomatic missions in the matter of obtaining permission for American aviators to make flights in foreign countries. An American aviator desiring to make a flight in a foreign country is required to submit the matter to the Department of Commerce and furnish certain data for the consideration of that Department. When the request is acted upon by that Department and referred to the Department of State, it must communicate with American diplomatic missions in the countries over which the flight is to be made in order that they may, in turn, submit the matter to the foreign governments concerned. When the requests for authorizations for flights abroad are handled by telegrams, which is very often the case, the aviators must make a deposit with the Department of State to guarantee the cost of telegrams ex-

changed between the Department of State and the American diplomatic missions concerned. This procedure not only involves expense and delays to the aviator, but, as stated, imposes a burden upon agencies of this Government in the matter of handling the necessary correspondence required in obtaining permission for the flight. One of the main purposes of air navigation agreements is to do away with this cumbersome procedure.

The Department will be very glad to have the Legation confer again with the Canal Zone authorities and, if they perceive no objection, to submit this matter to the Panamanian Government in order to see whether it agrees to the interpretation of the Habana Convention referred to above.

If the Panamanian Government should care to furnish information as to entry and clearance requirements, and as to any restrictive regulations governing air navigation within the Republic of Panama, the Department would be very glad to receive such data for transmission to the Department of Commerce, and to recommend to that Department that the data be published in the semi-monthly *Air Commerce Bulletin* issued by the Aeronautics Branch. However, if the data should be lengthy, it seems doubtful if it would be practicable for the Department of Commerce to publish it unless it should be submitted in the form of a summary. The Department of Commerce now publishes summaries of air navigation requirements of foreign countries governing the entrance of American civil aircraft. If a summary of the Panamanian regulations should be furnished, there would be no objection to calling attention to the fact that the data with regard to the entrance of aircraft into Panamanian territory is furnished only in summarized form and that aviators desiring to enter the Republic of Panama are cautioned to comply with all the regulations in force therein pertaining to the navigation of civil aircraft.

Very truly yours,

For the Secretary of State:  
HARRY F. PAYER

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711.1927/9

*The Minister in Panama (Gonzalez) to the Secretary of State*

No. 16

PANAMA, October 27, 1933.

[Received November 6.]

SIR: Referring to the Department's Instruction No. 480 dated February 6, 1933, and to subsequent correspondence concerning the desire of the Department to reach an agreement with the Panamanian Government with respect to the interpretation to be applied by both Governments to the Convention on Commercial Aviation, adopted at Habana on February 20, 1928, I have the honor to enclose copies of



this Legation's Note No. 817, dated September 19, 1933, as well as copies and translations of Foreign Office Note D. D. No. 1788, dated October 23, 1933 concerning this subject.

The Legation will assume, in the absence of contrary instructions, that this exchange of notes covers the desired agreement on the interpretation of the Habana Convention. The summary of the aviation regulations of the Republic were not received and the Department has already received copies and translation of Decree No. 150 of August 23, 1932,<sup>34</sup> to which the Foreign Office Note refers (see Despatch No. 1234 dated September 14, 1932<sup>34</sup>).

Respectfully yours,

ANTONIO C. GONZALEZ

[Enclosure 1]

*The American Chargé (Burdett) to the Panamanian Secretary of State for Foreign Affairs (Arosemena)*

No. 817

PANAMA, September 19, 1933.

**EXCELLENCY:** With reference to Your Excellency's Note D. D. No. 1598 dated September 15, 1933, and to previous correspondence regarding the interpretation given by the United States and Panama to the Habana Convention on Commercial Aviation, adopted at Habana on February 20, 1928, I have the honor to inform Your Excellency that my Government considers that, in accordance with the clear intention of the Convention under reference, private American aircraft may enter the Republic of Panama and that private aircraft of Panama may enter the United States, both under the general authorization contained in that Convention, subject to technical requirements regarding entry and clearance and the laws and regulations in force in the country to be visited, but without the necessity of requesting formal permission for a flight through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited.

If the Government of Your Excellency agrees with the interpretation of the Habana Convention stated above, it is assumed that no special agreement supplementing the Convention will be necessary. I shall be pleased, notwithstanding, if Your Excellency will state whether the above interpretation of the Habana Convention is in accordance with the interpretation placed thereon by the Panamanian Government.

In this connection I may state that, should Your Excellency's Government desire with its reply to furnish this Legation with a brief summary of the air navigation requirements of the Republic, the

<sup>34</sup> Not printed.

Department of State of my Government would recommend to the Department of Commerce that such summary be published in the semi-monthly *Air Commerce Bulletin* for the information of aviators who may contemplate flights over the territory of the Republic, together with a statement that this data is published in summarized form only and that aviators desiring to enter the Republic of Panama are cautioned to comply with all the regulations in force therein pertaining to the navigation of civil aircraft.

Accept [etc.]

WILLIAM C. BURDETT

[Enclosure 2—Translation]

*The Panamanian Secretary of State for Foreign Affairs (Arosemena)  
to the American Minister (Gonzalez)*

D. D. No. 1788

PANAMA, October 23, 1933.

MR. MINISTER: I have the honor to refer to the courteous note of your Legation No. 817 dated September 19, last, relative to the interpretation given by the United States and the Republic of Panama to the Habana Convention on Commercial Aviation adopted February 20, 1928.

Annexed I permit myself to send you Decree No. 150 of August 23, 1932, and to transcribe the contents of Note No. 1381-A of the Secretary of Government and Justice concerning this subject:

"I refer to your courteous communication D. D. No. 1740 dated the 13th instant, in order to manifest to you that the Government of the Republic of Panama is in accordance with the interpretation given by the Government of the United States of America to the Convention on Commercial Aviation, signed in Habana February 20, 1928, in the sense that 'private American aircraft may enter the Republic of Panama, and private Panamanian aircraft may enter the United States, ['] both under the general authorization contained in that Convention, subject to the technical requirements regarding entry and clearance and the laws in force in the country to be visited, but without the necessity of requesting formal permission for a flight through the diplomatic mission of the country whose nationality the aircraft possesses or through the diplomatic mission of the country to be visited."

Accept [etc.]

J. D. AROSEMENA

## ARGENTINA

### PRELIMINARY DISCUSSIONS RESPECTING A TRADE AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA

611.3531/128

*Memorandum by the Secretary of State*

[WASHINGTON,] March 16, 1933.

The Argentine Ambassador<sup>1</sup> came in and propounded three or four inquiries, one of which related generally to the matter of steps looking towards the improvement of commercial relations between his country and mine. A second inquiry related to the question of whether this Government would undertake to negotiate individual reciprocity treaties very soon, to which I replied that it would probably be found a wiser policy for all countries to join in making the forthcoming World Economic Conference<sup>2</sup> a real success, and that with a program of economic policies thus agreed upon, it would be all the easier for individual nations to agree upon reciprocity arrangements.

I expressed the view that our country would, at least for some years, need a substantial amount of flaxseed, hides and possibly wool, and certain other commodities produced by his country, to supply the deficiency of our domestic production, or to supplement the qualities of our production with the different qualities of the Argentine production.

Another inquiry related to the time when a new Ambassador would probably be appointed to Argentina, to which I replied that the matter had not yet been taken up.

C[ORDELL] H[ULL]

611.003/2744

*Memorandum by the Secretary of State*

[WASHINGTON,] March 23, 1933.

The Argentine Ambassador came in and indicated a special interest in the matter of reciprocal commercial agreements based on mutual tariff concessions. I told him I wished to correct a possibly erroneous statement recently made to him to the effect that this Government

<sup>1</sup> Felipe A. Espil.

<sup>2</sup> For correspondence concerning the World Monetary and Economic Conference, see vol. I, pp. 452 ff.

would be ready to consider such commercial treaties after the World Economic Conference, whereas I had intended to say that it would be ready thus to proceed after the enactment of certain proposed legislation authorizing the President to negotiate such treaties.

The Ambassador then offered the suggestion that if by some arrangement the Argentine could export 2% of its meat production to the United States, that that would solve their domestic meat problem.

He indicated that his Government was specially interested in the coming Economic Conference.

C[ORDELL] H[ULL]

611.3531/137

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2093

BUENOS AIRES, June 2, 1933.

[Received June 12.]

SIR: I have the honor to report that in conversation today with the Minister for Foreign Affairs on another matter, he asked me whether during my period in charge of the Embassy I could not begin with him negotiations for a commercial agreement. I told him that my understanding was that the President of the United States was seeking authority from Congress to make a new type of commercial treaty and also that I presumed our Government, before embarking upon any fresh commercial negotiations, would await the issue of the World Economic Conference, which is to start in a few days.

The Minister said he thought it would be quicker to negotiate such an agreement as he mentioned by ordinary diplomatic channels than to send a commission to the United States. He said that there was talk of sending the Chief Justice of Argentina to the United States on a mission, and the name of the Minister of Agriculture is still prominently mentioned in this connection.

I merely mention the above to demonstrate the extreme anxiety of the Argentine Government to gain greater access to the American market.

Respectfully yours,

J. C. WHITE

611.3531/143

*Memorandum by the Acting Secretary of State*

[WASHINGTON,] June 22, 1933.

The Argentine Ambassador came in to discuss the prospects of a reciprocal trade agreement between the Argentine and the United States. He supposed that, now that any such agreement had to go

to the Senate for confirmation, there is very little chance of accomplishment. I said that, under the present conditions, it was of course necessary to confine any such negotiations to those countries which could reciprocate without upsetting the American production, which, in other words, would meet with no hostility from the Senate. I thought that we should probably find two or three countries with which we could negotiate along these lines during the summer. I said that so far as the Argentine was concerned, it seemed unlikely that we could undertake negotiations this summer at least.

WILLIAM PHILLIPS

611.3531/145

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] July 1, 1933.

The Argentine Ambassador called and showed me a telegram he had received from his Government pointing out that the Argentine Government was awaiting a reply from him as to what progress he had been able to make in regard to beginning negotiations for a reciprocal commercial treaty, and inviting attention to his previous reports concerning President Roosevelt's declarations that he was desirous of entering into a reciprocal commercial treaty with Argentina.

The Argentine Ambassador stated that, up to very recently, he had assumed that the State Department was in favor of beginning these negotiations at an early date. However, he had gathered the impression from a recent conversation with the Under Secretary that perhaps there had been a change of opinion in that regard. The Under Secretary had spoken of early negotiations of a Cuban treaty "and perhaps two or three others", but implied that it would not be possible to begin negotiations for a reciprocal commercial treaty with the Argentine Government at an early date. Señor Espil said that he had not communicated anything in regard to these remarks of the Under Secretary to his Government, hoping that the impression he received from the conversation with Mr. Phillips was unwarranted. Now, in view of the telegram he has received from his Government, he is anxious to know exactly what the present situation is. He would like to have a brief conversation with the President as soon as possible (in view of the President's early declarations that he was desirous of proceeding with these negotiations).

In the telegram above mentioned, the Argentine Minister of Foreign Affairs stated that the British Government had proposed that the method of computing tariff rates on automobiles be changed to a method basing rates on cylinder capacity. (Señor Espil said that

he believed that the present method of computing those rates is favorable to the United States, and that the method proposed by the British would be unfavorable.)

The Minister of Foreign Affairs commented on the fact that during the first five months of this year, United States purchases in the Argentine have reached 16.6 million pesos, while the United States has received foreign exchange in the amount of 107.4 million.

611.3531/161

*Memorandum by the Acting Secretary of State*

[WASHINGTON,] July 6, 1933.

The Argentine Ambassador showed me a lengthy telegram which he had recently received from his Government asking him to ascertain the view point here with respect to a commercial agreement between Argentina and the United States. The message referred to the concessions which were being given to the British Government<sup>3</sup> and to negotiations with one or two other European Governments looking towards mutual reciprocal trade benefits and said that it was important for the Argentine Government soon to make up its mind the attitude it would have to assume towards the United States in the future.

I gathered that there was a veiled threat, although the Ambassador did not convey it as such, that if there were no prospects of trade negotiations with the United States, the United States would suffer in consequence. The Ambassador mentioned in particular the proposed deal with the British in respect to automobiles which would seriously affect the export of American automobiles to the Argentine; Mr. Espil said that he had already discussed this matter with officials in the Department of Commerce, who admitted that American automobile trade would suffer.

The Ambassador assured me that he had, at various times, explained to his Government that they must not overlook the movement here to raise prices which carried with it, of course, a continuation of the high tariff and that the recent rise of prices in the Argentine might be explained, in part at least, by the rise in prices in the United States; he said he did not want his Government to overlook the fact that the Argentine was already receiving benefits from the renewal of prosperity in this country.

I replied that I did not wish the Ambassador to carry away the impression in anything which I might say or left unsaid that we were not desirous of negotiating a commercial treaty with the Argentine. He understood, however, the position in which the Executive was now

<sup>3</sup> For correspondence regarding the Anglo-Argentine (Roca) Agreement, see pp. 722 ff.

placed and that a three-fourths [*two-thirds?*] vote in the Senate was still necessary to carry into effect any commercial treaty, that in these circumstances the Executive must necessarily proceed cautiously in initiating reciprocal trade agreements so as not to arouse the fears, especially of the agricultural districts; that we were, therefore, proposing to start our negotiations with a few countries where there would be almost no danger of competition and that once these treaties were effected, we could much more easily approach other countries where the problems to be overcome were more difficult. The Ambassador said he fully understood; however, he felt that he would like to have a definite reply to convey to his Government and had, therefore, asked to be received by the President at the latter's convenience. He said there was no hurry in this connection.

The Ambassador seemed to think that a very limited reciprocal treaty, that is, limited in its scope of reciprocal changes in tariff, might be feasible.

WILLIAM PHILLIPS

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611.3531/152

*Memorandum by the Acting Secretary of State*

[WASHINGTON,] July 12, 1933.

The Argentine Ambassador called upon me this morning and reported to me his conversation with the President yesterday.

(The President had already told me of his conversation with the Ambassador; he had said to Espil that we were ready to sit around a table and explore the possibilities of reaching some sort of a trade agreement with the Argentine; that he had mentioned Paraguayan tea as something that might well be imported into the United States, but that with reference to Patagonian meats he felt that there might be Senatorial difficulties.)

The Ambassador seemed a little doubtful as to how he was to proceed; he suggested that it would be wise for him to send a telegram to his Government which would be on all fours with the telegram which we sent to our Embassy in Buenos Aires; it was necessary, he said, to make sure that his Government understood the conversations to be purely exploratory. I agreed entirely and asked him to draw up the telegram he proposed to send to his Government and I would go over it with him and see that our instructions were along similar lines.

WILLIAM PHILLIPS

611.3531/146a : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

[WASHINGTON,] July 12, 1933—6 p. m.

52. The President yesterday informed the Argentine Ambassador that he would authorize the Department of State to begin an exploratory study of the possibilities of our negotiating a trade agreement with the Argentine Government, and also to undertake preliminary conversations with the Argentine Ambassador here in that connection. I desire to emphasize that the studies and discussions would be purely informal and of an exploratory character, and that it is not contemplated to undertake formal negotiations unless both governments are convinced that beneficial trade agreements can in fact be reached. The Ambassador has informed me that, if his Government is sympathetic to this plan, he may ask to have someone sent to Washington from Buenos Aires to cooperate with him in the conversations. You may bring this informally and orally to the attention of the Minister for Foreign Affairs and report promptly his comments.

PHILLIPS

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611.3531/147 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, July 13, 1933—5 p. m.

[Received 5 : 50 p. m.]

67. Your 52, July 12, 6 p. m., communicated to Minister for Foreign Affairs who read me message from Espil couched in similar terms. Minister for Foreign Affairs replied that he welcomed the initiative with the greatest cordiality.

As for collaborator for Argentine Ambassador in Washington the most appropriate person would be Le Breton<sup>4</sup> but inasmuch as his designation would attract attention greater than President Roosevelt might at the present time desire, he would authorize Espil to begin conversations alone together with any technical experts whom the latter may desire sent. Should conversations reach stage where concrete results might appear hopeful Le Breton could then be summoned.

WHITE

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<sup>4</sup>Tomás A. Le Breton, Head of the Argentine Delegation to the London Monetary and Economic Conference; Argentine Ambassador in France.



611.3531/154

*Memorandum by the Acting Secretary of State*

[WASHINGTON,] July 14, 1933.

The Argentine Ambassador called me on the telephone to say that he was in receipt of a telegram from his Government expressing satisfaction at the desire of the United States to explore the possibilities of a new trade agreement between the two countries. His telegram coincided with the telegram which we have received this morning from our Embassy in Buenos Aires, No. 67.

Mr. Espil said, however, that he was going to ask his Government to send one or two experts to assist him in the preliminary conversations. These experts are now in London with Le Breton and could easily be here in the course of three or four weeks. The Ambassador did not wish to begin his conversations until the arrival of these experts. He referred to them as men without any particular rank but as having the information which he would require.

WILLIAM PHILLIPS

611.3531/172

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] August 10, 1933.

Ambassador Espil came in and asked when we would be prepared to open our conversations with him regarding a commercial treaty. I said that we had been waiting to hear from him as to the date of arrival of his experts. He said that it was precisely in order to know when to advise his Government to send experts that he wanted to inquire when we would be ready to begin the conversations. I said that I did not know the exact status of our preparation of data for the Argentine conversations, but would inquire of those who had it in charge and advise him. I said that, as he doubtless knew, the Portuguese representatives were arriving in a few days and would be the first to begin negotiations with us.<sup>5</sup> The Colombians were arriving a few days later,<sup>6</sup> and we were also expecting the Brazilians at an early date.<sup>7</sup> Since we had been advised by these Governments of the early arrival of their representatives in Washington for conversations, we had of course concentrated our efforts in preparation for the talks with these countries. I said, however, that we would do everything we could to meet the views of the Argentine Government regarding the date for

<sup>5</sup> See vol. II, pp. 640 ff.

<sup>6</sup> See vol. V, pp. 217 ff.

<sup>7</sup> See *ibid.*, pp. 13 ff.

beginning our conversations with Argentina, although of course it would be appreciated that if the Argentine experts should arrive shortly after we had opened discussions with the other countries we would have our hands very full and there might be some delay.

After talking with Mr. Caffery, Dr. McClure<sup>8</sup> and Mr. Donnelly of the Commerce Department, I 'phoned to Ambassador Espil and said that the situation was just as I mentioned it to him earlier. The other countries had, as it were, gotten under the wire first by sending their delegations here at an early date, and we had concentrated on our work to get ready for them. However, whenever the Argentine experts could come here we would do our best to be prepared to enter on discussions with them, although, as I had explained, there might be a little delay in view of the fact that our discussions would have already begun with others. Dr. Espil said that he thought he would suggest that his experts arrive here by the middle of September. He said there would, of course, be no hurry in beginning the discussions, as he would want a little time to go over matters with the experts. He also mentioned that he was looking around to find an American expert to assist him who was thoroughly familiar with our tariff matters.

EDWIN C. WILSON

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611 3531/169

*Memorandum by the Secretary of State*

[WASHINGTON,] August 10, 1933.

The Argentine Ambassador called merely to pay his respects and to speak kindly and approvingly of my course and activities at the London Conference.

We both indicated our mutual interest in the coming reciprocity negotiations between our two Governments. I suggested to him that we should not expect to go too fast or too far at the outset; that we were not to take the serious risk of bringing on a reaction among the political elements. I suggested that these complicated economic conditions have been growing worse for twelve years and more, and that they could not be disentangled over night but that it is necessary to proceed gradually with a certain number of commodities and then contemplate enlarging the list from time to time. I added that this course would prevent opposition elements from organizing farmers and other groups against the whole policy of commercial reciprocity.

C[ORDELL] H[ULL]

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<sup>8</sup> Wallace McClure, Assistant Chief of the Treaty Division, Department of State.

611.3531/175

*The Chargé in Argentina (White) to the Secretary of State*

No. 2194

BUENOS AIRES, August 16, 1933.

[Received August 28.]

SIR: I have the honor to refer to the memorandum of the conversation between the Acting Secretary of State and the Argentine Ambassador, as reported in the memorandum of July 6<sup>9</sup> attached to Confidential Instruction No. 729 of July 27.<sup>10</sup>

In this there occurs the following passage:

"I gathered that there was a veiled threat, although the Ambassador did not convey it as such, that if there were no prospects of trade negotiations with the United States, the United States would suffer the consequences."

Ever since I have been in this country I have noticed the almost instinctive tendency of Argentines—not necessarily of officials—to endeavor to play the United States off against Great Britain, and vice versa, as such a competitive spirit leads to the comforting sensation that foreign countries are falling over each other in their endeavor to secure Argentine trade. Possibly deriving from this tendency is a sentiment that the present balance of trade in favor of the United States can be used as a club to extort favors for Argentine exports. Presumably Dr. Espil is too well aware of the imperviousness of agricultural interests in the United States to arguments of this nature to have made any threat on his own initiative. But I can quite imagine that Dr. Saavedra Lamas<sup>11</sup> might have sent instructions along such lines, with a view to obtaining reactions from Washington that might be of service in his negotiations with Great Britain or Italy.

When the idea of clubbing the United States into reciprocity arises, measures against the American automobile trade are the first to suggest themselves. Here, however, the difficulty occurs that there are no other cars so suitable for Argentine "camp" (i. e. rural) work as those from the United States. So that endeavors to injure this branch of American trade would give little satisfaction to the Argentine automobile public.

In connection with the foregoing, I may refer to the Department's telegraphic instruction No. 50 of July 5, 6 p. m.,<sup>10</sup> in which it is stated that the Argentine Ambassador had been instructed by his Government to inquire whether the reclassification of automobiles in

<sup>9</sup> Memorandum by the Acting Secretary of State, p. 645.

<sup>10</sup> Not printed.

<sup>11</sup> Carlos Saavedra Lamas, Argentine Minister for Foreign Affairs.

the Argentine tariff now sought by the British Government would prejudice American autos, and I may also refer to this Embassy's despatch No. 2170 of July 28,<sup>12</sup> page 2, confidential section, in which it was stated that the Commission negotiating for the tariff clauses of the Roca Agreement proposed to change the basis of valuation of automobiles so as to favor cars with small cylinder space.

The informant to whom I am indebted for the information contained in this confidential section on page 2 of despatch No. 2170 of July 28 told me a day or so ago that a fresh attempt had been made by the British to obtain advantages in the automobile field in the course of the tariff discussions connected with the Roca agreement. He stated to me that the British had threatened to abandon the whole Roca agreement unless valuations upon imported cars should in future be effected on the basis of weight, to the end that American cars, being heavier than the British models, might pay a higher duty. My informant stated that such an arrangement, if put into effect, would, however, also in certain cases create unjust discrimination between different types of British cars. I told him I felt sure that the threat to rescind the Roca agreement on this ground was a bluff as the British would hardly spurn the Roca agreement at this late stage on such a pretext.

Enclosed herewith is further press comment<sup>12</sup> in regard to negotiations for commercial agreements between Argentina and various Powers.

Respectfully yours,

J. C. WHITE

611.3531/183

*The Ambassador in Argentina (Weddell) to the Secretary of State*

No. 1

BUENOS AIRES, September 8, 1933.

[Received September 18.]

SIR: I have the honor to transmit, as of possible interest to the Department, a memorandum of a conversation which I had this day with Señor Luis Fiore concerning trade relations between the United States and Argentina and with further reference to the proposed trade agreement between this country and Great Britain.

The Commercial Attaché informs me that Señor Fiore is a prominent member of the Argentine business community, a graduate of Cornell University, and friendly to the United States.

Respectfully yours,

ALEXANDER W. WEDDELL

<sup>12</sup> Not printed.

[Enclosure]

*Memorandum by the Ambassador in Argentina (Weddell) of a Conversation With Señor Luis Fiore Regarding Trade Relations*

I received this morning a call from Señor Luis Fiore, a member of the Governmental Commission which has under study the proposed tariff to be concluded between the Argentine Republic and Great Britain. Señor Fiore is also a member of the Sub Committee of the Commission above referred to which will be called on to advise the Argentine Government relative to any commercial understanding which may be arrived at with the United States. Señor Fiore said that he had been told that it would doubtless be necessary for him to proceed very shortly to the United States with a view to advising with Ambassador Espil concerning reciprocal trade relations between the two countries; that he himself felt that this voyage at the present time would be premature. In reply to my question why he thought so, he said "Because of the repercussion" on any arrangement to be studied between the United States and Argentina arising out of the anticipated ratification of the Anglo-Argentine treaty.

He further seemed to feel that his trip to the United States might be fruitless and asked me what I thought of the possibility of our two countries arriving at an understanding. I told him I felt that the matter of the relations between the United States and the Argentine was something that was very close to the mind of the President but that since the treaty making power was shared by him with the Senate, it was impossible for anyone to predict the final outcome.

I then referred to the matter of exchange, saying that various Argentines had spoken to me concerning the amount of exchange available to release American credits in this country, their attitude being that the amount of exchange available to American sellers should be limited to approximately the amount of American purchases in this country. I said I felt this was a narrow viewpoint, that exchange was in a sense a triangular matter. He promptly supplied the illustration to buttress my statement—the trade balances between Holland, Argentina and the United States.

He then referred to the question of shipments of Argentine meat and other products, declaring that he quite understood that the United States produced many things which were directly in competition with Argentine products, but said that although recognizing the existence of foot-and-mouth disease in the northern sections of the Republic, he thought the discrimination against Patagonian mutton was unreasonable and unjustified.

Señor Fiore then asked whether the American tariff on certain Argentine products might not be reduced. I told him that the final

answer to that could only be given by the treaty making power, but that perhaps the decline in the value of the American dollar on European exchanges was in itself in practice a tariff reduction.

He returned again to the matter of mutton sales and seemed to intimate that were any arrangement made for the admission of a limited amount of this product, in return an amount of exchange equivalent to, say, "fifty or sixty per cent." of American sales over purchases in Argentina might be ear-marked for the United States.

He then said that our conversation was, of course, informal and unofficial, in which I concurred, pointing out that I had not yet entered on my duties as chief of this mission. He then said would I tell him frankly what I thought of the possibility of some form of reciprocal trade agreement. I told him I was no prophet but that I felt and believed that the influence and prestige of the Administration was at present very great, and that on the assumption that this would continue, the outlook for the conclusion of a mutually satisfactory agreement was good.

I asked Señor Fiore what was the situation with regard to the Anglo-British arrangement. He replied that the Argentine Government had made every concession it could, that the matter was now before London, whence an answer was expected tomorrow morning, and that if it was not received tomorrow, he believed this silence would be an indication that the treaty had failed.

A[LEXANDER] W. W[EDDELL]

BUENOS AIRES, September 8, 1933.

611.3531/196

*The Ambassador in Argentina (Weddell) to the Secretary of State*

No. 9

BUENOS AIRES, September 19, 1933.

[Received October 2.]

SIR: I have the honor to inform the Department that I this day called at the Ministry for Foreign Affairs and presented to Dr. Saavedra Lamas the incoming Naval Attaché, Commander E. W. Strother. In the course of the brief conversation which ensued, the Minister emphasized his belief that the moment was propitious for the conclusion of a reciprocal trade agreement between Argentina and the United States and that he was preparing to instruct Dr. Le Breton, Argentine Ambassador to France, to hold himself in readiness to proceed to Washington as soon as the time seemed ripe.

Dr. Saavedra Lamas went over some of the ground reported in my despatch No. 3 of September 9,<sup>15</sup> and spoke of President Roosevelt's

<sup>15</sup> Not printed.

interest in the conclusion of a reciprocal agreement. He went to his desk and brought back a memorandum which he said was a Spanish translation of an interview granted by the President to Mr. J. H. Drumm, Manager of the National City Bank of New York.

The interest shown by the Argentine Government in this conversation is manifest in the fact that President Justo showed great impatience to receive it when it was offered to him by the Sub Manager in this city of the Bank named (see my despatch No. 5 of September 15.<sup>10</sup>) A copy of Mr. Drumm's interview is attached hereto, and it seems evident from Dr. Saavedra Lamas' comments that the remarks of the President as quoted by Mr. Drumm have greatly encouraged the Argentine Government.

In this connection, I have the honor to report a talk I had today with Dr. Carlos A. Pueyrredón, a Deputy, and a member of the Argentine mission which recently went to Italy to effect the trade agreement with the Italian Government. Dr. Pueyrredón came home earlier than the other members of the mission in order to be present at the sessions of the Argentine Congress. He expressed himself at length and with extreme emphasis concerning what he insisted was an unfounded or unjustified exclusion of Argentine beef on the ground of the existence of foot-and-mouth disease, urging very earnestly that the quarantine provision was merely a pretext since chilled beef could not transport the germ of the disease! I asked him if this could be scientifically demonstrated. With added earnestness he urged that it could and further expressed a belief, which seems to be on the minds of many Argentines with whom I have talked, that a small quantity of beef, equivalent to 2 per cent. of the American consumption, might be supplied from Argentina with resulting advantage to both countries. I may add here that Mme. Pueyrredón is a sister of Dr. Carlos Saavedra Lamas.

Respectfully yours,

ALEXANDER W. WEDDELL

[Enclosure]

*Résumé Prepared by Mr. James H. Drumm of Interview With  
President Roosevelt on August 15, 1933*

Two weeks ago, at the request of Mr. Phillips, Acting Secretary of State, I went over to Washington and gave him a complete résumé on conditions prevailing in the Argentine at the present time and especially the problem confronting American business. I presented him with a very clear picture of our exchange problems and the difficulty in obtaining exchange from the Control Board due to the fact that we were not buying any products from the Argentine and thereby not

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<sup>10</sup> Not printed.

creating exchange. I carefully explained to the Acting Secretary of State that it would be absolutely impossible to work out any unfreezing arrangement of American balances blocked in the Argentine at the present time, which I estimated to be from 90,000,000 to 100,000,000 pesos, unless the unfreezing arrangement could be accompanied by a reciprocal agreement. He quite agreed with me in this respect and suggested that I spend a half hour with Mr. Caffery, Assistant Secretary of State in charge of Latin America. I went over the problem again with Mr. Caffery and advised him that I would be only too glad to furnish complete statistics or any other information they might desire in order that they might have a clear understanding of the Argentine situation. Mr. Caffery promised to call on me again sometime about the first of September.

Mr. and Mrs. Bliss<sup>17</sup> invited me to lunch at their home in Washington to meet the Assistant Secretary of Agriculture, Mr. Tugwell, one of the well-known members of the "Brain Trust". Mr. Tugwell appeared to be quite interested in my exposé of agricultural and trade conditions prevailing in the Argentine at the present time and especially the problem of an interchange of products between the two countries.

When I came back from Washington I went to Newport for a two weeks stay with some friends but received a telegram on Saturday, August 12, from Mr. Early, Secretary to President Roosevelt, stating that the President had definitely fixed an appointment for me at 11:30, August 15. I cut my vacation short and promptly returned from Newport and went over to Washington on Monday night. I had an early morning breakfast at the Mayflower Hotel with Dr. John Lee Coulter, member of the Tariff Commission, and discussed with him the possibilities for various Argentine products coming into the United States, especially from a tariff point of view, and gained some very valuable information. I might say here that the Tariff Board has been very considerate in giving me information that has been very helpful in my presentation of the Argentine problem.

I arrived at the White House at 11:15 and President Roosevelt received me at about 11:45. I emerged, after a very lengthy conversation, from the President's office at 12:45, thereby having practically a full hour with him. The President was very cordial in his reception and immediately put me at my ease by asking me how things were going in Buenos Aires. He then asked me to give him a close-up picture of the entire set-up and problem confronting American business, both from an American standpoint and an Argentine standpoint. In opening my remarks, I pointed out to the President that at the present time I estimated that American concerns had on deposit in Argentine

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<sup>17</sup> Robert Woods Bliss was Ambassador in Argentina until April 1933.



banks approximately 100,000,000 pesos in blocked funds. I then pointed out to him that it was absolutely impossible to work out an unfreezing arrangement similar to the one that had been recently effected in Brazil,<sup>18</sup> owing to the fact that we did not create any dollar exchange through purchase of Argentine products. He then asked me why the old triangle was not working. I told him that in normal years the triangle undoubtedly worked to the entire satisfaction of everybody. However, in abnormal times the triangle has not worked because Great Britain and other European countries have taken the precaution to see that their currencies are earmarked for their own importers. I carefully explained to the President that prior to the Ottawa Conference and the recent Anglo-Argentine Agreement, we had been able to arbitrage sterling, French francs, Swiss francs, guilders and other currencies into dollars, but since the Control Commission has been operating, European countries have insisted that their currencies be held at the disposition of their importers. I advised him that the recent Anglo-Argentine Agreement ensured Great Britain of approximately 30% of all Argentine exchange. In other words, Great Britain bought approximately 30% of all Argentine exports. I then explained to him that following Great Britain's lead, France, Germany, Spain, Italy, and other European countries insisted on similar treatment and that, therefore, there is a very limited amount of currencies available for arbitraging the dollars. For this reason, it is absolutely impossible to unfreeze blocked pesos into dollars, and, furthermore, it is impossible to even come anywhere near taking care of the current requirements of American exporters to the Argentine. I took occasion to point out that many American exporters were forced to restrict their shipments to the Argentine owing to the fact that they already have more funds tied up in pesos than they wished to carry in the Argentine. He immediately understood that naturally we were losing many sales of American products even though the Argentines were desirous of buying these products. I carefully emphasized all the various points in this picture and made it so clear to the President by examples, such as the automobile industry, agricultural machinery, and many other lines, that he could not fail to realize the seriousness of our present predicament. It is wonderful the way he absorbs information and the many intelligent questions that he puts to one in order to get the picture clearly in his mind. He has a wonderful memory and appeared to be quite familiar with general conditions all through Central and South America.

Following my first presentation, as indicated in the above paragraph, I then explained to the President the excessive carrying charge

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<sup>18</sup> For correspondence concerning the agreement for the release of blocked funds in Brazil, see vol. v, pp. 30 ff.

on the bonded indebtedness in the Argentine externally and internally. The President asked me more or less the service charge on dollar bonds and I advised him approximately US \$20,000,000, and approximately the equivalent of US \$17,000,000 on the sterling bonds. I took occasion to point out to the President that the Argentine had continued to pay her interest service in full, as well as her amortization payments on all of her external indebtedness, but at a tremendous sacrifice. I informed President Roosevelt that President Justo was most desirous of continuing the foreign service in full and thereby preserve the credit prestige of the Argentine. I also took occasion to point out to the President that the Argentine was one of the outstanding nations of the world in living up to their obligations and that in view of the fact that the Argentine at a tremendous sacrifice had continued to pay their interest to American bondholders, we ought to use our utmost ingenuity in working out a reciprocal trade agreement whereby the Argentine could place her products in this market and thereby create the necessary exchange to make dollars.

The President indicated that he was most sympathetic and asked me to get right down to business and name the products that I figured could be brought in for discussion for a trade agreement. I mentioned linseed first and suggested that we could protect our American producers of flax from the Dakotas by allowing them say 50% of the American market and setting aside the balance of 50% of the American market for the Argentine on a no-duty basis. I carefully explained to the President that I believed if the Dakota producers of flax sent their product to the interior crushers that the Argentine could send their flax to the United States Coast crushers. By such a procedure the Dakota growers could avoid the carrying charges to the Coast and still be assured of 100% distribution of their product. The President said he was very much interested in this suggestion and thought that something might be worked out on linseed. I then followed up with the suggestion that the United States eliminate the duty on casein. The President thought something might be done on this also. We then discussed mutton and I pointed out to the President that under the Ottawa Agreement, Argentine lamb and mutton imports into the United Kingdom for the quarter ending March 31, 1933 had been cut 10% under the 1931 imports, and a 5% additional reduction would follow for each succeeding quarter until a 35% reduction is reached. I told him that this meant a loss to the Argentine sheep raiser of approximately 55,000,000 pounds reduction in their exports. I pointed out that if the United States imported the equivalent of one-half of this loss we would be importing all the lamb and mutton coming from the South Coast, from a zone which is absolutely free from foot-and-mouth disease. I told him that such a quota would only represent about

$\frac{1}{5}$  of a pound per United States inhabitant for the yearly consumption is  $6\frac{4}{5}$  pounds. I informed the President that we were not producing enough mutton in the United States and that I understood we were forced to import from countries like Australia who have already been protected by the Ottawa Agreement. I admitted to the President that this would be a delicate matter to handle in view of the fact that our Hoof-and-Mouth Disease Act prohibits all meat from the Argentine. However, I suggested that if he could have the law interpreted to read "Zone" rather than "Country", he could treat with Patagonia as a zone separated from the Argentine. I advised the President that I considered Patagonia as separate from the Argentine as Alaska is from the United States, and I told him that if the position were reversed and the Argentine had a law similar to ours prohibiting United States meat from going into the Argentine because of hoof-and-mouth disease that it would be absolutely ridiculous to say that meat emanating from Alaska, where no hoof-and-mouth disease existed, could not come in. The President thought this point was well taken and he intimated that he would promptly ask the Attorney General of the United States if the law might not be interpreted on a zone basis rather than a country basis.

Following the discussion on mutton I pointed out to the President that we had a very high tariff on Argentine tinned corned beef amounting to 6¢ per pound. I informed him that I had recently ascertained that we did not produce enough tinned corned beef in the United States to anywhere near meet the demand of the consuming public. He said that he would look into this possibility. Following these remarks the President asked me about Argentine fruit and I told him that we were already exporting grapes to the United States and that shipments had been increasing in recent years, but that said grapes only came up here in the off season when our grape producers were unable to supply the product. I pointed out to the President that there was a small duty of 10% a box which did not amount to anything as far as revenue for the United States was concerned but it was a source of annoyance to Argentine exporters. I suggested that this duty be waived entirely. Following the discussion on grapes I pointed out to the President that Argentina was the fifth ranking country in the world in the production of wine and that owing to the depression in the last four years, she had accumulated large stocks of wine at Mendoza and San Juan which, naturally, she was anxious to export. I took the opportunity of pointing out that undoubtedly Prohibition would terminate by the end of the year and that I noted since my arrival in the States that both France and Italy had already sent representatives to the United States to organize selling agencies, distribution service, and also propaganda for their wine. In connec-

tion with the propaganda I informed the President that I had noted that France is going to put on an educational program to educate the Americans to drink wine with their meals, in other words, a table wine. I took the opportunity of pointing out that a defaulting country, such as France, should put on some other kind of an educational program by paying their just debts to the United States, and that the Argentine was not in that class and, therefore, should be given some consideration. This could be accomplished by placing the wine imports to this country on a quota basis, setting a quota for France, Italy, Argentina and Chile. The President asked me if the wine was good and I informed him that it was a very good table wine but naturally in the better class wines the Argentine would be unable to compete with France and Italy. The President appeared very much interested in this suggestion and said that he would give the matter immediate study.

At this juncture of the conversation I advised the President that I had taken up a good deal of his time and felt that I should be on my way but he requested me to prolong my visit and he interrupted the conversation by showing me some pictures that were taken of him during his recent holiday at Hyde Park and also some pictures that had been sent to him from the Reforestation Camps.

In summing up all the possibilities that I had mentioned, the President appeared anxious to know how near we could balance our trade if he could obtain action along the lines suggested by me. I advised him that this was rather a hard question to answer but that quite possibly it might be sufficient. He asked me if I could suggest any other means of effecting a satisfactory trade balance with the Argentine. I then suggested that in view of the fact that our European friends had taken the precaution to see that the rule of the old triangle did not work during these years of depression, we might be able to effect some triangular reciprocal trade agreements that would hold water. In this respect I advised him that I understood that he intended to open up discussions with the Scandinavian countries in the near future, particularly Sweden who happened to be in first place. I suggested that in the case of Sweden or any other Scandinavian country, he might be able to bring Argentina in on the same discussions and form a triangle. We, the United States, could arrange to reduce duties on certain imports coming from Sweden provided Sweden would extend a preferential tariff to Argentina, thereby forming a triangle and holding the exchange within the triangle. We are very big importers from the Scandinavian countries and Great Britain and her Colonies are heavy sellers to the Scandinavian countries. Such a triangle would enable us to force a tremendous reduction of buying from Great Britain and her Colonies by the Scandi-

navian countries and probably open up that market for Argentina on certain products, such as wheat, corn and barley. I also suggested that I understood that discussions would be carried on with Portugal and possibly Spain and Italy in the near future. A similar triangle could be formed between Portugal, Argentina and the United States whereby we could reduce duties substantially on olive oil and cork and other products provided Portugal or Spain or Italy would give Argentina a preferential tariff on Argentine products. The President seemed to be greatly interested in this suggestion and said that it offered very wide possibilities. In fact he said it was the first suggestion that had been made regarding triangular reciprocal trade agreements and that he would put this suggestion in the hands of Secretary Hull immediately upon the Secretary's return from vacation.

In closing my conversation with the President I pointed out that for years everybody has discouraged the suggestion or possibility of a trade agreement between Argentina and the United States but I felt that if the matter were given intelligent study and consideration we could conclude a satisfactory agreement which would go a long way toward balancing our trade. I also pointed out that we had never been able to make one indication or give any concrete evidence of our desire to cooperate with the Argentine and become a buyer instead of a seller.

The President talked with me on other subjects which will not be necessary to include in this memorandum and he has requested his secretary to introduce me to some of his other men in Washington. In closing the President asked me when I intended to return to the Argentine and I told him about the end of September or the first of October. He then requested that I drop down to Washington again and see him before my departure to the Argentine.

JAMES H. DRUMM

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611.3531/198

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 2, 1933.

I had a visit this afternoon from Señor Espil, the Argentine Ambassador, who came to talk to me about the treaty conversations. He and I agreed that the best first step on his part would be to give us a memorandum setting out the general ideas of the Argentine Government in pertinent connection. He said that he would hand it to me on Thursday next.

J[EFFERSON] C[AFFERY]

611.3531/199

*Memorandum by the Assistant Secretary of State (Caffery)*

[WASHINGTON,] October 5, 1933.

The Argentine Ambassador, Señor Dr. Felipe A. Espil, came to see me this morning to hand me informally a memorandum<sup>19</sup> prepared by his Embassy setting out the general views of the Embassy in connection with the possible negotiations looking to the signing of a reciprocal commercial agreement between the United States and the Argentine Republic.

I told Señor Espil that his memorandum would be given proper attention at once in the Department and an informal memorandum containing the observations of the Department thereon would be handed to him as soon as practicable.

J[EFFERSON] C[AFFERY]

611.3531/199

*The Argentine Embassy to the Department of State*

[WASHINGTON, October 5, 1933.]

## MEMORANDUM RE ARGENTINE-AMERICAN TRADE AND RECIPROCITY

The Government of the Republic of Argentina is happy to hold informal conversations with the Government of the United States, at the latter's invitation, for the purpose of exploring the possibilities of arriving at some reciprocal understanding which might restore and stimulate the commerce of their countries, and thus also foster and promote the cordial amity and good-will so long existing between the two nations.

It is recalled that the treaty of friendship, commerce, and navigation of 1853, between the United States and Argentina,<sup>20</sup> mutually assuring conditional most-favored-nation treatment, has been in force for more than three-fourths of a century, and that during that time there have been many interesting developments. There were, for example, the efforts to arrive at especially favorable mutual tariff treatment in the 1880's and again under the provisions of the United States Tariff Act of 1890;<sup>21</sup> and the renewal of these endeavors under the Act of 1897<sup>22</sup> resulted in an agreement but this was not ratified. Meanwhile the United States has found in its export trade with Argentina an actually, and still further potentially, increasing market for

<sup>19</sup> *Infra.*<sup>20</sup> Signed July 27, 1853, Hunter Miller (ed.), *Treaties and Other International Acts of the United States of America*, vol. 6, p. 269.<sup>21</sup> 26 Stat. 567.<sup>22</sup> 30 Stat. 151.

many of the products of the industries which it has so successfully developed, these sales in recent times amounting to a much greater total than the purchases from Argentina. In addition Argentina has welcomed many American enterprises which have thrived within her borders. In turn, Argentina has offered her own products to the American market.

Indeed such imports into the United States in certain fairly recent times, tended to flourish along natural and mutually beneficial lines, particularly until 1921. Unfortunately, however, the series of progressively increasing tariff rates adopted during the post-war regime, under the United States Tariff Acts of 1921<sup>23</sup> and 1922,<sup>24</sup> the proclamations under Section 315 of the latter, and under the Act of 1930,<sup>25</sup> in addition to certain other restrictions, have served to place peculiar burdens upon this trade; burdens apparently falling with at least equal force upon American as upon Argentine citizens. In some instances these barriers have become nearly or wholly insurmountable. To a noteworthy extent this has caused a diversion of the trade to other countries, and if this has in turn led to some reorientation of Argentine commercial policy in other directions such economic *rapprochements* can scarcely occasion surprise.

However, in view of certain inherent economic forces, and with restoration of a regime similar to that of an earlier, more favorable era, there would appear to be prospects for a mitigation of the commercial impediments and for a revival and still greater future growth of the Argentine-American trade along the natural lines previously, and subsequently more fully, indicated. With these factors in mind, and looking toward the goal of reciprocal exchange of truly equitable and favorable treatment, not alone in technical adjustments but in spirit as well, Argentina contemplates the possibilities of mutually pleasant and profitable conversations, and submits the following preliminary remarks.

### I. AMERICAN PRONOUNCEMENTS

Attention should first be called to certain pronouncements of the distinguished statesmen at present happily guiding the policies of the American Government.

It is assumed that it will be in the temper of the ideals and objectives thus so ably and eloquently expressed, that the present conversations will be held.

The President of the United States, even before taking office, expressed opposition to the high United States tariff and to its further

<sup>23</sup> 42 Stat. 9.

<sup>24</sup> 42 Stat. 858, 941.

<sup>25</sup> For lists of proclamations issued under the tariff acts of 1922 and 1930, see Miller, *Treaties*, vol. I (short print), pp. 168-169.

raising under the so-called cost-equalization formula of 1922 and 1930, and definitely indicated his desire for reciprocal agreements. He has stated:\*

In the past the proposition has been laid down with great boldness that high tariffs interfere only slightly, if at all, with our export or our import trade; that they are necessary to the success of agriculture and afford essential farm relief; that they do not interfere with the payments of debts to us—that they are absolutely necessary to the economic formula for the abolition of poverty.

The experience of the last four years has unhappily demonstrated the error of every single one of these propositions; that every one of them has been one of the effective causes of the present depression, and finally that no substantial progress of recovery from the depression, either here or abroad, can be had without forthright recognition of these errors.

I ask effective action to reserve [*reverse*] these disastrous policies. (p. 178).

Ostensibly for the purpose of enacting legislation for the relief of agriculture, the Congress was called into special session. The disastrous fruit of that session was the notorious and indefensible Grundy-Smoot-Hawley Tariff. The net result was a barbed wire entanglement against our economic contests [*contacts*] with the world at large. (pp. 179-180).

Almost immediately international commerce began to languish, and especially the export markets for our industrial and agricultural surpluses began to disappear. The Grundy Bill was passed in June, 1930; in that month our exports were three hundred and ninety-four million dollars in value and our imports two hundred and fifty millions. In an almost uninterrupted decline, this foreign trade dropped away so that, two years later, in June, 1932, our exports were worth one hundred and fifteen millions and our imports seventy-eight millions. These facts speak for themselves. (p. 182).

There was a secondary and perhaps even more disastrous effect of this tariff. Billions of dollars of debts are due to this country from abroad. If the debtor nations cannot export goods and services, they must try to pay gold. We started such a drain on the gold reserves of the principal commercial countries as to force practically all of them off the gold standard. What has happened? The value of the money of each of these countries, relative to the value of the dollar, declined alarmingly. It took more Argentine pesos to buy an American plow. It took more English shillings to buy an American bushel of wheat or bale of cotton. (p. 184).

To avoid this, as well as other evils in tariff making, a Democratic [Congress in 1916 passed and a Democratic] President approved a bill creating the bi-partisan tariff commission,<sup>26</sup> charged with the duty of supplying the Congress with accurate, and full information upon which to base tariff rates. It functioned as a scientific body until

\* Roosevelt, Hon. Franklin D., *Looking Forward*, 1933, Chapter X. [Footnote in the original.]

<sup>26</sup> 39 Stat. 756, 795.



1922, when by the incorporation of the so-called flexible provisions of the act of that year, it was transferred into a political body.

Under these provisions, reenacted in the Grundy Tariff of 1930, the Commission reports not to the Congress but to the President, who is empowered upon its recommendation to raise or lower the tariff rates by as much as fifty percent. How ineffective this method of removing from the tariff some of its inequities—a wag said, “its inequities”—I need not detail. (pp. 188–189).

The ink on the Grundy Bill was hardly dry before the foreign markets commenced their program of retaliation. Brick against brick they built their walls against us. They learned their lesson from us. “The villainy you teach me I shall practice.”

While the Grundy Bill was before the Congress, our State Department received one hundred and sixty protests from thirty-three nations,<sup>27</sup> many of whom after the passage of the bill erected their own tariff walls to the detriment or destruction of much of our export trade. (p. 183).

How is this reduction to be accomplished?

By international negotiation as the first and most desirable method. In view of present world conditions; by consenting to reduce to some extent some of our duties in order to secure a lowering of foreign walls that a larger surplus may be admitted from abroad.

It is worth remembering that President McKinley, in his last public address in 1901, said: “The period of exclusion is past. The period of expansion of our trade and commerce is the present problem. Reciprocal treaties are in harmony with the spirit of the time; measures of retaliation are not.”

I have none of the fear that possesses some timorous minds that we should get the worst of it in such reciprocal arrangements. I ask if you have lost faith in our Yankee tradition of good old-fashioned trading? Do you believe that our early instincts for successful barter have atrophied or degenerated? I do not think so. (pp. 187–188).

The Secretary of State, while a member of the United States Senate, expressed the following opinions: †

First. The Republican administration would continue to build our tariff and commercial policy around the sole idea of safeguarding the home market, in the face of our actual or potential annual over-production capacity of 20 to 25 billion dollars. The opposing view recognizes the patent fact that such surplus producing capacity has become so great as to constitute an additional and dominant factor in determining our tariff and commercial policy.

Second. The Republican administration would adopt as a permanent policy virtually embargo tariffs, designed to eliminate not only direct foreign competition, but that which is indirect or remote as well, despite the fact that we are exporting \$2,000,000,000 of finished manufactures compared with like dutiable imports of \$560,000,000.

<sup>27</sup> See *Foreign Relations, 1930*, vol. I, pp. 246 ff.

† United States Congress, *Minority Views—Tariff Readjustments 1929*. To Accompany H. R. 2667: (“Mr. Hull, of Tennessee, from the Committee on Ways and Means, submitted the following”). [Footnote in the original.]

The opposing view recognizes that the tariff is a tax and can only bestow full benefits on some, less on others, and none at all on still others, besides seriously obstructing surplus exports. This country, therefore, in lieu of the Republican policy of superprotection, should gradually embrace a policy of moderate tariffs, reasonably competitive, with liberal trade policies, designed to increase healthy production, maintain wages, and find world markets for our ever-increasing surpluses.

Third. Under its policy of concededly excessive or prohibitive tariffs, the Republican administration would make the trend of tariff revision always upward as to the measure of benefits bestowed, although our abnormal tariff level is now the highest in the world save that of Spain and Russia. Two-thirds of the present rates and classifications are prohibitive of direct competition. Yet it is seriously proposed that, as this country increases its superiority in productive efficiency and output, tariffs shall be correspondingly raised rather than lowered. The opposing view, deeming this issue most vital, would work in the direction of a tariff and commercial policy calculated to avoid retaliation, promote a sounder domestic structure, augment our exports, now hopelessly falling behind those of Europe, and secure more equitable taxation. To this end there should at once be substituted a policy by which the trend of tariff revision would be downward to a level of moderate or competitive rates—rates which would guard against domestic monopoly on the one hand and abnormal imports against an efficient industry on the other. Naturally, as domestic industries become self-sustaining, tariffs should be correspondingly reduced, with the view to their ultimate removal, especially when there arises substantial exports and no material competitive imports. In the meantime, many will plausibly insist that rates on commodities not on a parity with the general tariff structure may be made so, if the facts so warrant.

Fifth. The Republican administration would not only retain section 315, the flexible tariff provisions, but would considerably enlarge and expand it for purposes of broader tariff legislation by the executive department. The President would thereby be enabled to change the whole objects and purposes of the tariff law enacted by Congress. The opposing view insists that, as administered thus far, the flexible provision has been utterly disappointing and failed to [of] its professed purposes. It has only been used unfairly to revise tariffs upward in most all instances. Its operation has been productive of national scandal. It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed.

Seventh. The Republican administration falsely pretends that in addition to the tariff benefits already secured by agriculture, there yet remains still other possible tariff benefits substantial enough to afford an important basis for present farm relief. The pretense is that their enactment, and it would be most desirable if feasible, will place agriculture on an economic equality with industry. This barefaced and belated suggestion ignores the fact that crops planted to near 90 per cent of all tillable lands, derive and can derive either no appreciable tariff benefits or none at all.

. . . The farmer could again be reminded that the demonstrated failure of the farm tariffs of both 1921 and 1922 to bestow benefits upon agriculture at all proportionate to those enjoyed by industry, is now beyond the pale of controversy. This lengthy test of actual tariff experience consigns any new and third farm tariff proposal to a minor place in any sound and comprehensive program for farm relief.

This country could have utilized, as it could yet, the bargaining method, along with the unconditional favored-nation doctrine; but the former only as a present means of checking and gradually lowering many abnormally high tariff and trade barriers. Our country could also lend its moral influence, as it heretofore should, in the direction of gradual readjustment downward of excessive tariffs by all nations, and so participate, separately and independently, in such downward movement.

## II. THE TRADE OF THE TWO COUNTRIES AS AFFECTED BY UNITED STATES TARIFFS AND RESTRICTIONS, AND POSSIBILITIES ON ITS DEVELOPMENT UNDER FAVORABLE ARRANGEMENTS

That the United States may well be interested in closer economic relations with Argentina, especially in view of the definite trend of the United States national economy toward greater imports of food stuffs and raw materials, and therefore in the large ultimate potentialities of the trade with Argentina, is broadly indicated both by the high place of Argentina in world commerce and by the specific nature of that trade. A standard book published and well-known in the United States reads in parts: "Argentine trade developments during the last fifty years have attracted the attention of the commercial world and have raised Argentina from a secondary position among the republics of South America to undisputed first rank, far ahead of all former rivals. These developments have also placed it among the first ten commercial nations of the world. . . . Argentina supplies bread and meat in ever increasing quantities [*amounts*] to the hungry millions toiling in the densely populated centers of industry, and ships larger and larger quantities of raw materials used in the industries to the factories of northwestern Europe and east-central North America. It constitutes the largest single surplus food-producing area in the world."† And it must be especially noted that Argentine production is becoming steadily more diversified, so that, aside from the well-known staples, it yields increasing varieties of supplies, many of them of much actual as well as potential importance to the import trade of the United States. Argentina is also a large purchaser of manufactured and other articles of the type exported by the United States; and if the United States expects to increase its markets

† Jones, C. F., *Commerce of South America*, Boston and New York, 1928, pages 36-92. [Footnote in the original.]

there, it may logically hope to do so only through reciprocal trade and agreements reciprocally favorable to such trade.

The lack of such reciprocity, in the commerce and in the United States policy, is revealed in many ways in a study of the trade between the two countries. Such a study may begin with an examination of the trade of Argentina and the proportion of it which is carried on with the United States. A statistical table, given below,<sup>28</sup> covers this. The proportion of Argentine exports going to the United States was 4.7% in 1913. In 1919 it was 18.9%, which was larger than in any subsequent year. In 1919 the United States Tariff Act was still in effect. By 1924, after the Act of 1922 had become fully effective, the proportion had fallen to 7.1%. After minor fluctuations it stood at 9.7% in 1930, and declined to 6.1% in 1931, after the Tariff Act of 1930 had become law. In 1932 it was merely 3.4%, which was even less than in 1913 and less than one-fifth of what the proportion had been in 1913. Whatever may have been the general influences affecting Argentine total trade from time to time, such as the early post war stimulation, the depression of 1920-21, and the great recent depression (which lowered the prices of raw materials with peculiar severity), these influences had no effect upon the facts just mentioned; since these percentages are ratios of a total, whatever were the ups and downs on the total itself.

Obviously, then, whether the total exports of Argentina were increasing or decreasing, a goodly share of them were moving to the United States under the relatively favorable treatment of the United States Tariff of 1913,<sup>29</sup> while the Emergency Tariff Act of 1921, the Act of 1922, the application of Section 315 thereof, and finally the Act of 1930, were diverting Argentine exports to other countries. Unable to flow over the barrier, they flowed around it.

If the percentage of total Argentine imports coming from the United States also was greater in 1919 than in 1913 and declined considerably from 1930 to 1932, the decline was proportionately far less rapid. Nor could Argentina persist in an exchange which was decreasingly reciprocal, nor entirely refrain from defensive measures which followed (as, say, in 1931), rather than preceded, the progressively mounting barriers in the United States, barriers which moved upward toward a prohibitive level; and even yet the proportion of her imports coming from the United States was several times greater than the proportion of her exports going to the United States.

In sharp contrast to this, the position of other leading countries in Argentina's foreign trade moved chiefly in the opposite direction. As is shown in the following table<sup>28</sup> of Argentina's trade with prin-

<sup>28</sup> Not printed.

<sup>29</sup> 38 Stat. 114.

principal countries and of Argentina's imports for consumption, the proportion from Italy was 9.3% in 1930, and 9.2% in 1931, and increased to 10.7% in 1932; the proportions from France and Germany did not change very greatly from 1927 to 1932; and the proportion from the United Kingdom was 19.8% in 1930, and moved up to 21.0% in 1931 and 21.5% in 1932, thus easily passing the dwindling percentage from the United States. As for Argentina's exports, the proportion from Germany declined from 1927 to 1932, but those from Italy and France increased somewhat, and that from the United Kingdom rose from 28.3% in 1927 to 36.5% in 1930, 39.0% in 1931, and was still 35.5% in 1932, as against 3.4% for the United States.

Such statistical evidence of the deterring effects of the commercial "Chinese Wall" built up in post-war United States tariffs, and of lack of reciprocity in commercial policy, upon a trade which had just previously flourished and shown signs of further mutually profitable growth, is striking. Conversely, the opportunities for revival and expansion are equally indicated, once a more favorable treatment be accorded.

Turning to an analysis of the Argentine-United States trade, upon the basis of United States statistics, substantially the same points as some of those mentioned above appear. Below are tables<sup>31</sup> showing United States total exports and proportions to Argentina for 1913, and 1919 to 1932 inclusive; and United States total imports and proportion from Argentina for those years as well as by months from January 1927 to June 1932 inclusive.

In 1919 the United States was shipping 1.98% of its exports to Argentina, in 1929 this was 4.00%, in 1932 it was 1.92%. But the ratio of imports from Argentina was 1.48% in 1913, as high as 6.85% in 1919, and never again so great, being 1.85% for 1932 and 1.45% for June 1933. These facts speak for themselves.

Under appropriate arrangements there would seem to be no reason why Argentina's share should not again increase, in a market which she could supply to the benefit of the market itself should policy permit it.

The trade balance between the two nations is of interest. It is consistently "in favor of" the United States, by a large margin. A table following<sup>31</sup> shows that Argentina's exports to the United States were only 45% of her imports from the United States in 1928, and 39%, or a little over a third, in 1932. Knowledge of the trade itself indicates that natural conditions, unhampered by the United States tariff, would produce a closer approach to parity. In the case of the four other principal countries in Argentine trade, as shown in a further table below,<sup>31</sup> the balance is "favorable" to Italy only, whereas

<sup>31</sup> Not printed.

it is nearly always favorable to Argentina in the cases of France, Germany, and the United Kingdom. In 1932 Argentina's exports to Germany were 145% of her imports from that country, and the similar percentage was 248 in the case of France and 255 in the case of the United Kingdom.

It is, of course, fully recognized that the merchandise transactions between two countries need not equalize each other in total value, that in "pure theory" no attempt should be made to make them so equalize, and that, regardless of "theory" there is such a thing as "triangulation". On the other hand, the practical conditions of present-day international economic relationships must be taken into account, with the nearly universal existence of artificial restrictions upon the natural flow of international commerce. Indeed, it is upon the basis of the fundamental principles referred to, that this problem must be viewed. Such principles assume an absence of restrictions, and they cannot operate in the face of the impediments of prohibitive tariffs and the further special exclusions which sometimes accompany them. It is, in a fundamental sense, the very moderation of such impediments and the restoration of the natural flow of her commerce, that Argentina looks toward in contemplating reciprocity. These concepts have already been ably stated, with reference to the United States tariff and commercial policy, by the President of the United States and by the Secretary of State.

The matter of the trade balance between the United States and Argentina suggests also the more comprehensive question of the total balance of payments between the two countries. While estimates of the total balance of payments of the United States in recent years have been compiled by the United States Department of Commerce, and while somewhat similar estimates have been made for Argentina by Señor Carlos A. Tornquist,<sup>§</sup> there is no known estimate of the balance of payments as between the United States and Argentina, alone. Nevertheless, one or two observations may be made in this connection. In the Argentine total balance of payments, aside from the merchandise trade, much the largest items have to do with capital movements and services upon them. So far as the United States is concerned, a significant fact is that it has a very appreciable share in the capital and enterprise situation, i. e. with respect to both "portfolio" and "direct" investments. Its citizens and corporations normally receive a yield on both public and private instruments in Argentina, some of them involving large scale United States enter-

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<sup>§</sup> Tornquist, Carlos A., *Balance of Payments of the Argentine Republic* for the Economic Year 1928-1929 and *Balance of Payments of the Argentine Republic*, in the economic years 1929-1930 and 1930-1931, published by S. A. Imprenta Lamb y Cia. Ltd.—Acevedo 445, Buenos Aires. [Footnote in the original.]

prise in the fields of utilities, meat packing, and machinery. When this is added to the fact that the trade between the two countries is of such a ratio that Argentina is under the necessity of paying the United States far more for its purchases than the United States pays for imports of Argentine products, the peculiar and distinctive need of a more favorable United States trade policy toward Argentina is given heightened emphasis. Argentina has welcomed United States enterprise, but in her balance of international payments has practically no appreciable "invisible exports", and consequently must rely upon her sales of merchandise. If these merchandise sales are accorded reasonable trade policy treatment in the countries whose migrating enterprises she has sheltered, the natural economic processes can bring in large measure her needed adjustments, as indeed is true, as seen above, in her trade with a number of leading countries. The United States, even from a strictly "business viewpoint," should be willing, for these reasons as for others, not to impede such Argentine exports.

Before proceeding to a more detailed consideration of the Argentine commodity trade as affected by the United States tariff, there may be presented a further general view of that trade, classified according to representative periods under a number of the modern tariff acts of the United States. In an average period from 1898 to 1905, purchases from Argentina comprised 1.04% of the total import trade of the United States by value. In an average period from 1910 to 1913 the ratio rose slightly to 1.8%. In the average period from 1914 to 1918 inclusive, the percentage increased strikingly to 5.13%. Aside from any other influence that may have operated in this period, there can be little question that this noteworthy development of Argentine exports to the United States, a development arising out of natural economic conditions in both countries, was permitted by the reasonable treatment of products typical of the Argentine export trade under the United States Tariff Act of 1913. In 1921, the Emergency Tariff Act was passed, and in 1922 the Fordney-McCumber Act. In the ensuing period of 1923 to 1929, average, the percentage of imports from Argentina declined to approximately half the proportion just mentioned, namely, to 2.34%. In 1930 the Hawley-Smoot Bill became a law and for the average period from 1930 to 1932 inclusive, the percentage of United States imports from Argentina still further declined to 1.78%.

There follows a table <sup>33</sup> showing these changes.

It should be especially emphasized in this connection, not only that the general tariff rate level of the United States progressively increased through the Act of 1921, the Act of 1922, the increases of the

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<sup>33</sup> Not printed.

flexible provision under the Act of 1922, and the Act of 1930, but that these increases were of such a nature that they had a peculiar effect upon Argentine shipments to the United States, since throughout these periods of heightening of the tariff, some of the most striking increases of individual rates, and indeed some of the most noteworthy transfers from the non-dutiable category to the dutiable schedules at increasingly high rates, had to do with the very products which were of outstanding importance in the total composition of the import trade from Argentina. Nothing could show more definitively the directly adverse effect of those postwar tariff changes of the United States upon Argentina, and the obvious need for the extension by the United States of the reasonable treatment which it had previously accorded, as for example, under the Act of 1913, to Argentina.

Viewing the trade of the two countries as a whole and the trade between them, therefore, the needs and possibilities of a more natural development of that trade are indicated in more than one way; they are indicated by the greater purchase by Argentina of United States products than the United States purchases of Argentine products which are permitted by the United States tariff; by a similar further situation in the balance of payments relations between the two countries; and by the obviously unfavorable effects of the United States tariff since 1921 as compared with the tariff of 1913.

### III. THE UNITED STATES TARIFF RATES ON ARGENTINE PRODUCTS

Closer examination of individual commodities of significance in this import trade of the United States trade from Argentina reflect the conclusions stated above in still more specific and detailed manner. The height of United States rates upon certain commodities exported by Argentine, and the degree and rapidity of the post-war increase in such rates, is most striking.

Below is a series of statistical tables<sup>24</sup> concerning selected commodities imported into the United States from Argentina. They cover: items of major present importance; items of relatively minor total value but of potential significance; some non-dutiable items; rates of duty under the various United States Acts; the ad valorem equivalent of specific duty rates; the wool rates (because of the complex nature of their classification); and the post-war increases in ad valorem equivalents of specific rates.

It goes without saying that the United States should accord far more favorable treatment to the items of present major importance than it now does. But the items here designated as "of potential importance" demand equal consideration, for various reasons: some of them (e. g.

<sup>24</sup> Not printed.



butter, fruits of various kinds, turkeys, and eggs) are seasonably non-competitive with United States products; some of them (e. g. fresh meats and alfalfa seed) are now discriminated against by special United States regulations and restrictions; and some (e. g. butter) were formerly of much more importance but have been practically debarred from the United States as a result of increases in tariff rates to truly prohibitive levels, that is, by what amount to disguised embargoes. The United States, if it wishes to accomplish the purposes of the conversations, and to expect substantial favors from Argentina, should be prepared to deal liberally with at least these items, as enumerated in the table entitled "Commodity List".

The table on "Some Argentine Commodities Entering United States Free of Duty" indicates the last vestiges of what was once (under the Act of 1913) a reasonably favorable treatment of Argentine products. The United States should undertake that these be continued in the non-dutiable category,|| when coming from Argentina, during the period the proposed agreement remains in force.

The tables on "Some Argentine Products Imported by United States: (1) Rates of Duty under Various Tariff Acts; and (2) Ad Valorem Equivalent of Specific Rates of Duty", show the great recent height of the duties on significant commodities, and the enormous post-war increase in many of the specific duties' ad valorem equivalent—which, after all, is one of the truest indices of their present burden. The United States Senate, in connection with the question of reciprocity and as expressed in a resolution, has recently indicated interest in possible reductions where the duty is over 50%. Yet, disguised by specific rates, which do not adjust themselves to prices, the 1932 computed ad valorem equivalents of the rates on many Argentine products, were far beyond 50%. They were, for example: 53.0% on cheese: 63.3% on corn: 68.5% on canary seed: 75.4% on canned meats: 101.5% on flaxseed: 110.0% on dried beans and on "dead poultry" (e. g. turkeys): 142.5% on combing wool: 22-.0% on carpet wool: 225.0% on clothing wool: and 310.0% on casein!

To say, therefore, that some of these rates are prohibitive puts it mildly. Obviously the trade with Argentina cannot flourish unless the most comprehensive and complete readjustments be assured to Argentina in the proposed agreement in matters of this sort.

It is highly significant, moreover, that this is a situation, to a very considerable extent, which has developed in the past fifteen years; that not so long ago the treatment of Argentine products was far more reasonable. In the table "United States Tariff Rates: Post-War Increases" the steep and rapid rise in the rate level is shown. The ratio

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|| The term "non-dutiable category" is used here to avoid confusion with the term "free-list", which has a narrower connotation. [Footnote in the original.]

of ad valorem equivalents in 1932 to that of an earlier (indicated) year was: over 150% for clothing wool (in the grease) and combing wool (in the grease) (as against 1921): between 200% and 300% for clothing wool (scoured) (as against 1921), canary seed (1922), grapes (1922), and cheese (1922): 337% for corn (1920): 390% for butter (using 1929 as against 1920, as 1929 was the last year any entered); 301% for canned meats (against 1921): 366% for carpet wool (in the grease) (1922); 400% for pickled and cured beef and veal; 450% for dead poultry (1924); 1,560% for flaxseed (1919); and 1,570% for casein (as against 1922)! Moreover, many of these commodities had once been non-dutiable entirely. Such enormous increases, in this period, surely justify the opinions which have been so forcibly expressed by those statesmen now at the head of the United States Government in their public pronouncements upon tariff and commercial treaty policy. If the proposed agreement with Argentina is to yield logical results it must offer a restoration of truly reasonable treatment of the type enjoyed during the similar wise statesmanship of that earlier American regime. No small adjustments can lighten the yoke and ease the burden of these rates which have been imposed by the post-war regime upon her trade with the United States. No fractional reductions can divert the trend of her trade from its growth in the direction of other countries nor allay the indifference thus engendered in policy relationships. Only comprehensive substantial reformation of the United States tariff and trade restriction policy toward Argentina's products can fully refresh the mutually profitable flow of commerce between these two countries.

At the conclusion of this memorandum, there will be presented a series of special analyses of commodities in the United States import trade from Argentina. At this point, however, there may be offered a summary of the conclusions to which such commodity analyses point.

On the basis of such analyses of individual commodities exported from Argentina to the United States and of the apparent effects of the tariff rates levied upon them, regardless of other general influences which may have been operative in world commerce, it is obvious that one or more of the following facts exist and that one or more of the following results, unfavorable to either the United States or Argentine producers, traders, and consumers, or in many instances both, have occurred. Nor is it to be forgotten that many of the commodities, while of some actual or potential importance to Argentina in finding natural export markets, are often of far greater importance to the United States in its import position, being vitally needed there by ultimate consumers, or by manufacturers for the domestic market, or by manufacturers for the United States export market, or by all of them; indeed this is likely to become even more true in the future.

In most, if not all, instances the supposed competition between the imported Argentine and the domestic product is either not apparent, or if apparent, not real. This is due to differentiation in the type of the product (e. g. casein for certain manufactures, and carpet wool), to the specialization and freight rates of the market area within the United States, which is served by the import, (e. g. flaxseed, wool, corn, butter, etc.), or to the negligible proportional relation to United States production (e. g. corn, butter, canned meats, turkeys). There are of course also the cases of insufficient United States production (e. g. sausage casings, flaxseed, wool, hides and skins.)

This is also true, in many instances, because of the seasonal nature of the production and trade, (e. g. grapes, peaches and other fruits, eggs.) That is, in such cases, the Argentine production and export occurs at a time of the year when there is no United States production. In a few of these cases it might be contended that the United States output can be carried over by packing or by cold storage, but in few if any cases is this practicable, as particularly in cases where the product is highly perishable and must be consumed during the season of production and where storage or packing is too expensive or reduces the quality of the product. Indeed, it is understood that certain producing interests in the United States would welcome such a seasonal supplementing of their product, in order to insure a steady, year-round domestic demand for the commodity.

As for the United States tariff rates, in some cases they have been so high as to cause a very great decline in, or a practical disappearance of, the otherwise natural importation of the Argentine product, to the detriment of both countries. Under the nearly or completely prohibitive increases in tariff rates, a very heavy decline has occurred in United States imports of Argentine casein and canned meats, clothing and combing wool have almost disappeared, and the butter and alfalfa seed trades have been completely eliminated.

The withering or killing of some of the commodity trades is shown in the following table.<sup>35</sup>

In some cases, even if it be supposed that the rate has benefited a limited number of United States Agriculturalists, it has proved a burden to other, sometimes vast, numbers of United States farmers, who produce some other product, but who, directly (e. g. at times corn for feeding poultry in certain seaboard areas) or indirectly (e. g. paint containing linseed oil) are unfavorably affected, in costs, by the duty on the Argentine product.

In certain instances, it is apparent that the producing and marketing conditions are such that the United States tariff duty has been shifted in its incidence to the Argentine producer, to his detriment, and often

<sup>35</sup> Not printed.

at the same time, without benefiting the United States producer. (This is obvious at least in the cases of disappearance of trade mentioned above, that is, until the disappearance was completed, and doubtless in other cases.)

In other cases there is evidence that part or all of the incidence of the import tax has been borne by the United States ultimate consumer, thus increasing his cost of living. (E. G., quebracho extract and flaxseed).

Again there are cases where it is quite apparent that the United States tariff rate was intended to create and foster the growth of an "Infant Industry", but that this purpose was not accomplished. (E. G. canary seed).

There are cases where the incidence may have been borne partly by the ultimate consumer in the United States and partly by a United States manufacturing industry, or in some instances, entirely by the latter, thus increasing that industry's cost, decreasing its profits, and reducing its employment of domestic labor, or perhaps at the same time passing the burden of the tax on to the domestic ultimate consumer. (E. G. flaxseed for paint and linoleum, quebracho extract for leather, and the Argentine type of casein for use in manufacturing galalith and products, special glues, cotton print, and paper).

Indeed, in some instances this effect upon the United States manufacturing industry, using the raw material imported from Argentina, would appear to have been so great as to cause it to lose foreign markets in third countries for its output. (E. G. casein for galalith.)

Moreover, in at least one instance these consequences seem to have been so far reaching that the manufacturing industry utilizing the Argentine raw material has lost in part, or in whole, even its domestic market, to manufacturing industries exporting from third countries. A case in point would be the industry manufacturing imitation ivory objects of galalith from the particular type of casein which without tariff restriction could be obtained, and formerly was obtained from Argentina, but which is not of the type available in the United States. It is in just such cases, as well as others, where it becomes particularly obvious that the United States tariff rate has not benefited United States interests, while, of course, not benefiting Argentine interests.

Again, in certain somewhat similar cases, as for example, linseed and linseed oil, the unduly high United States tariff rate has apparently served simply to divert the Argentine exports of a raw material to third countries, which in turn process or manufacture it and, to greater or less extent, ship the semi-finished or finished product to the United States. (E. G. galalith objects from Japan and Germany, linseed oil from Holland.) In such cases the injury to Argentina is more difficult to discover, while that to the United States is apparent

including a further rise in consumer price (paint) due to a further tariff rate increase on the processed article (linseed oil). The United States, therefore, suffers both alone and doubly the consequences of its duty upon the Argentine product.

Examples might be multiplied, but the principles are clear.

Added to many of the above undesirable consequences, is the fact that in a considerable number of cases, the United States duty takes the form of a specific, rather than ad valorem rate, with all the usual results by way of lack of synchronization of the tariff with the changes which are constantly occurring in world prices and trade, at times providing the United States interests with far more protection than they themselves requested at the time the rate was determined, and at other times greatly multiplying beyond even any original intent, the burden placed upon the import trade. As so many of Argentina's products are raw materials, and as it is well known that raw material prices on the whole have suffered even greater declines during the present world depression than has been true of other categories of products, the effects of this interrelationship between duty and prices have been most striking in the United States import trade from Argentina. There are many cases of most surprising increase in ad valorem equivalent, as has been shown so clearly in facts cited above.

It may be remarked incidentally at this point that despite the above mentioned facts, showing so great a burden upon producers and consumers in both the United States and Argentina, the revenue obtained by the United States Government from the import duties levied upon imported Argentine articles is not of any appreciable importance in the budget of that Government, which incidentally, is very different from the budgetary aspect of the tariff in Argentina, where the Government must necessarily depend more upon customs as a source of revenue. The total revenue collected by the United States Government by import duty upon Argentine products was only 2.2% of the total customs and tonnage revenue in 1927 and only 2.4% in 1932. Indeed, when this revenue is considered from the viewpoint of the total budget of the Federal Government of the United States, it becomes almost completely negligible. In the years 1927 to 1932 the total of revenues from duties on Argentine products ranged from 0.33% to 0.42% of the grand total of revenue of the Federal Government of the United States and for 1932 was 0.37%.

Two tables follow,<sup>36</sup> covering this matter. Moreover, it may be observed that to the extent that the increasingly high duties on the Argentine products have served to shrivel the import trade from Argentina, and this has occurred in many instances, even the possible revenue objective of the United States tariff has not been attained with regard to this trade, for the simple reason that when the duty

<sup>36</sup> Not printed.

has reduced the trade, the revenue has increasingly declined. Thus the United States Government has accomplished no appreciable gain, even from the fiscal viewpoint, while at the same time, as pointed out above, in so many particulars, the net effect of the rates has been to impose a burden upon Argentine economic interests and probably to an even greater extent upon various consumers and certain types of producers, or both, in the United States, and at the same time, has failed to yield the too often illusory benefit to still other United States producers. If, therefore, in the case of the Argentine trade, the United States tariff has accomplished neither wise nor true protection, nor worthwhile fiscal results, the excuse for its existence in the Argentine case is difficult to discover, while its evils in the domestic order and in the relationship with Argentina, are only too apparent.

A special aspect of the post-war increases in United States tariff rates which has had peculiarly unfavorable significance for Argentina has been the so-called flexible provision of the Tariff Act of 1922 (Section 315) (which is repeated, legislatively, as Section 336 of the 1930 Act's [*sic*] and 1930 (Section 336), and its application. No description of the nature of this provision nor of its failure to operate in a balanced or truly ultimate scientific fashion is needed here, nor is it necessary to supplement the existing literature in the United States which shows the lack of such attainment of the competitive tariff principle, nor of the admitted difficulty—indeed impossibility—of any satisfactory utilization of the so-called cost equalization formula.

It is of interest, however, to note here certain statements which have been made by officials of the United States Government.

The following quotation is from the Annual Report of the United States Secretary of Agriculture to the President, 1926:

The experiences of recent years have convinced me that the system of basing tariff rates on differences in production costs is inapplicable to agricultural products. It is quite impossible to obtain trustworthy production costs, weighted either for the total crop or for the bulk of it. A certain cost of cultivation and overhead, a certain agricultural effort, may in one year be rewarded with twice the crop that is obtained in another year. Therefore costs of cultivation can not be relied upon to indicate costs of crop units in a particular year.

The following is a comment by the Vice-Chairman, (Mr. Dennis) of the United States Tariff Commission, in *Report on Flax Seed*, 1929, pages 38, 42:

The ascertainment of correct agricultural costs is beset with difficulties. . . . Costs as ascertained by interrogating farmers as to their expenses are bound to be inflated. In 1923 this commission, with painstaking and conscientious efforts, set about to obtain the domestic costs of producing butter. The costs so obtained pointed to the disconcerting conclusion that our dairy farmers were consistently mar-

keting their butter below its cost of production, whereas we know that our dairy industry was actually expanding in the year 1923 and was regarded by experts as the most importantly remunerative branch of American Agriculture. In other words, the presumptively high coefficient of error which inheres in farm cost accounting is corroborated by actual experience in obtaining costs.

The futility of the enterprise . . . How the production cost formula breaks down when applied to farm products is abundantly illustrated by the flaxseed case.

. . . attention of the constituted authorities may be drawn to the baffling limitations which hamper the commission in the administration of the flexible provision of the tariff act. It is a case of making bricks without straw. With the best efforts and best intentions accompanied by an inordinate expenditure of time and money we find ourselves compelled to accept inferences for actualities, suppositions for certitude.

Thus viewed in these various respects, it is obvious that the present rates on Argentine products are indispensable, and that the relief which should be accorded by the United States to Argentina would be mutually profitable to the two countries, whether considered from the governmental viewpoint or, particularly, from the viewpoint of the welfare of producing and consuming interests, for which governments exist.

Not only is it true, therefore, that the so-called cost equalization principle has both imposed a peculiar burden upon the Argentine import trade and proved impracticable from the United States viewpoint, but it may be remarked that the narrow criteria implied in some of the recent documents published by the United States Government (for example that less than 5% of the article is imported, or that the present duty is more than 50%) might serve too greatly to delimit the possible elimination of the favors which should be accorded as a result of the present conversations. Only a broad and liberal approach to the problem is likely to yield such benefits that the results of the conversations may prove to be substantial and helpful.

Finally, it may be added that, entirely aside from the immediate and direct economic benefit of any such changes which might be accorded by the United States to Argentine, the general effects would be psychologically favorable, and that indirectly, as well as directly, this could well produce still more profitable, as well as friendly relations between the two nations.

A reasonable, fair, and mutually profitable arrangement for the elimination of the rate difficulties and the accomplishment of the benefits mentioned above, would be a restoration of the Argentine import trade into the United States, to the sensible treatment which in most respects was accorded to it, and under which it flourished in a largely natural manner, not so many years ago, namely under the Act of 1913.

## IV. UNITED STATES SPECIAL REGULATIONS AND RESTRICTIONS

Entirely aside from the ordinary tariff schedules and other provisions of tariff acts, there exist certain special legislative and administrative regulations and restrictions in the United States which have an unduly adverse effect upon certain Argentine products, and which have been arbitrarily applied in such a manner as to be in fact both discriminatory and prohibitive customs measures, under disguise. One of these restrictions is the "hoof and mouth disease" meat quarantine which affects shipments from Argentina. Yet, even if no other contention be made at this point, it is well-known that mutton from Patagonia is in no sense affected by this disease, particularly as that region is geographically entirely distinct. Another is the law of 1927 regarding imports of alfalfa seed and the administrative regulations for its enforcement, which have affected exports of Argentine alfalfa seed. Yet the grade produced in one section of the United States itself and yet not subject to the discriminatory coloring regulation, is at least not superior to that exported from Argentina. These regulations, in their application, are both unnecessary and unfair, being in fact, if not in theory, discriminatory against the commerce of Argentina. Detailed analyses of these regulations and restrictions will be presented in the subsequent, individual commodity studies. These restrictions should be removed, and there should be assurance that they, nor any similar ones, will not be imposed in future.

That sanitary quarantine on animal and vegetable products should apply by zones rather than by entire countries was agreed at the Fourth Pan-American Commercial Conference in Resolution XXVIII. The Conference resolved that in the application of all restrictions of a sanitary nature in the inter-American traffic in animal and vegetable products, the term "infected zones" be used instead of "infected countries". It is to be noted that the United States delegate to that conference subscribed to and signed the resolutions.

The text of Resolution XXVIII follows:

1. To acknowledge as fundamental principles that sanitary police regulations effective at the present time, or enacted in the future to regulate the inter-American traffic of vegetable and animal products, must not have in their practical application the character of protective customs measures.

2. That in the application of all restrictions of sanitary nature in the inter-American traffic of animal and vegetable products in order to determine the origin of the product, the term "infected zones" be used instead of "infected countries"; upon condition that the country of origin give all necessary facilities to determine its sanitary condition.



3. To recommend to the American countries the negotiations of agreements for the regulation of the foregoing principles.¶

In the matter of special regulations impeding trade, it may be remarked that when the United States complained of the effect of certain Argentine wrapping requirements upon United States shipments of apples some months ago, an Argentine commission visited the United States and as a result the restrictions were removed, as has been indicated by the United States Department of Agriculture.\*\*

#### V. UNITED STATES EMERGENCY LAWS, PROCLAMATIONS AND RULINGS

Argentina notes that since March 4, 1933, many new emergency laws have been passed, administrations created, and proclamations and rulings issued, having to do with economic recovery in the United States. Notable among them are the National Industrial Recovery Act <sup>87</sup> and the Agricultural Adjustment Act,<sup>88</sup> which contain sweeping authorizations for special measures in respect, not only of domestic matters, but also of quotas, licensing systems, etc., applicable to the import trade, and also with regard to nominally internal taxes upon imported commodities.

Argentina is in full sympathy with the general purpose of the United States to bring about economic recovery. But it also believes that this should not be done at the expense of other countries, for the economic recovery cannot be a real one if it rests upon a purely nationalistic basis. It is noted especially, that the various laws and rulings above-mentioned might be employed in a manner both highly arbitrary and discriminatory, and most deleterious to Argentina's imports. Such imports could be controlled, reduced, or presumably debarred, and, even if they were duty-free in the tariff, could be taxed in any desired amount, even to the extent of a prohibitive effect.

It is obvious that if any such steps should be taken with respect to the Argentine import trade during the conversations, these conversations would be much embarrassed or perhaps rendered futile. It is also obvious, if an Argentine-American reciprocal agreement were concluded, there should be complete assurance embodied in the instrument, that any favors therein granted could not later be lessened or entirely nullified by such measures. Should such nullification occur, this would not only destroy the favorable effects of the agreement, but

¶ Pan-American Union, *Fourth Pan-American Commercial Conference, October 5th-13th, 1931*, Final Act with annexes and a summary of the work of the Conference. [Footnote in the original.]

\*\* United States Department of Agriculture, *World Trade Barriers In Relation to American Agriculture*, [Senate] Document No. 70, 73d Congress, 1st session, 1933, page 233. [Footnote in the original.]

<sup>87</sup> Approved June 16, 1933; 48 Stat. 195.

<sup>88</sup> Approved May 12, 1933; 48 Stat. 31.

might also aggravate the irritations which it is the purpose of the agreement to allay and to convert to further good will.

It is clearly essential that any agreement which may be concluded should contain commitments that these United States emergency laws, proclamations, and rulings, and any similar ones of present or future, shall not be so applied as in any manner to lessen or destroy in principal or in fact, the favorable undertakings of such agreement.

## VI. CONCLUSIONS

In view of all of the obvious facts and clear truths above set forth, The Argentine Government proposes the following undertakings by the American Government on its part as a basis for the conversations:

(1) Restoration of all Argentine products to the tariff-rate treatment accorded to them by the United States Tariff Act of 1913; this to occur as of the date of the coming into effect of the proposed agreement.

(2) Assurance be given that, so long as the proposed agreement remain in effect, no changes in rates under Section 336, Title III, of the United States Tariff Act of 1930, nor under any valuation provisions of that act, nor under any similar present or future laws, proclamations, or rulings, which would in any manner lessen or nullify the benefits accorded to Argentina in the proposed agreement.

(3) Removal of the discriminatory, special regulations and restrictions affecting alfalfa seed, and mutton from Patagonia; and, after appropriate investigation, a fair and reasonable consideration of further modification or removal of American sanitary regulations in respect of meats exported from other regions of Argentina; and, further, assurance in the proposed agreement that no such discriminatory regulations be imposed or reimposed in the future upon any Argentine products without a frank exchange of views and a bi-national scientific investigation; all such matters to be considered in terms of zones rather than of the entire territory of the nation.

(4) Assurance that during the conversations, no special United States emergency or other similar laws, proclamations, or rulings, (as for example under the National Industrial Recovery Act or the Agricultural Adjustment Act), nor similar measures of any kind, be so enforced as to impose any additional burdens, not now existing, upon Argentine commerce; and assurance, by a clause in the proposed agreement, that no such measures of any kind shall, during the period the proposed agreement remain in force, lessen or nullify, in technical interpretation or in fact, the various other undertakings of the agreement.

Upon such a basis, both nations could restore and stimulate a waning commerce to wholesome proportions along lines both economically natural and sound, and mutually and reciprocally beneficial to their nationals; and could contemplate the future, with confidence in economic recovery and in the still further enhancement of the warm friendship and cordial good-will happily existing between the two Republics.

611.3531/225

*Memorandum by Mr. Harry Hawkins, of the Treaty Division, of a Conversation Between the Assistant Secretary of State (Sayre) and the Argentine Ambassador (Espil)*

[WASHINGTON,] December 11, 1933.

The Ambassador called to inquire regarding the reply of this Government to the proposal submitted by the Argentine Embassy on October 5 with respect to concessions on Argentine agricultural products in connection with the proposed reciprocal trade agreement between Argentina and the United States.

The Ambassador stated that he merely wished to inquire as to the progress being made and to ascertain about when a reply could be expected. He said that the expert from Argentina who was sent here in connection with the proposed negotiations has now been here two months with nothing much to do; that he desired to find out the status of the matter so that it would not appear to his Government that it was being neglected.

Mr. Sayre replied that the experts of this Government have been working steadily on the matter; that they are spending several hours a day on the subject and that it was hoped that it would be possible to say something to the Argentine Ambassador on it in about ten days. Mr. Sayre reminded the Ambassador that a long list of products has to be given consideration and that the studies involve a very large amount of detailed statistical and other work. The Ambassador replied that he quite understood this.

The Ambassador then referred to the matter of liquor importations. He expressed no dissatisfaction with the amount of the temporary quota allotted to Argentina but expressed concern as to the rate of duty which would be levied on wine from Argentina. Mr. Sayre's inquiry elicited the response that the Ambassador was referring to the treatment of Argentine wine after the period during which temporary quotas are being granted. He inquired whether provision could be made in the agreement on this point. Mr. Sayre informed him that careful consideration would be given to the matter.

611.3531/234

*Memorandum by Mr. Harry Hawkins, of the Treaty Division, of a Conversation Between the Assistant Secretary of State (Sayre) and the Argentine Ambassador (Espil)*

[WASHINGTON,] December 29, 1933.

Mr. Sayre referred to the Argentine Embassy's memorandum of October 5 to which the Ambassador had so long been awaiting a reply and stated that he desired to explain frankly and confidentially

to the Ambassador just how matters stand. He said that the Ambassador would of course realize the difficulty of the problem from the standpoint of this Government in view of the agricultural situation in this country. He thought something could eventually be put through but that the matter was of such importance that it seemed necessary to discuss it with the President. Accordingly, a draft reply to the Argentine Ambassador's note of October 5 was discussed with the President. The President is anxious that something substantial be done to promote commerce with Argentina, but feels that because of the serious political difficulties involved premature action would defeat the ends in view. The President therefore has suggested that there be further exploration of the subject and that there should be some consultation with leaders in Congress in order carefully to prepare the way for the agreement before going ahead with it.

Mr. Sayre stated that he would like to see a real treaty under which real concessions would be granted by each country, and not a mere "shadow" treaty. The way to get a real treaty is to proceed slowly and carefully.

The Ambassador said that he shared fully Mr. Sayre's desire for a real and not a "shadow" treaty. He indicated that he had given some thought to the political problem which the proposed agreement presents from the standpoint of this Government and that he fully understood this Government's position. Without definitely saying so he gave the impression that he thought it would be wise to proceed slowly and cautiously. The Ambassador suggested that perhaps Congress might give the Executive authorization to lower duties by executive agreement. He thought that this would greatly facilitate matters. Mr. Sayre, without indicating that there were any definite plans for obtaining executive authority, said that he hoped some development of this kind might take place.

H[ARRY] H[AWKINS]

REPRESENTATIONS AGAINST APPARENT VIOLATION BY ARGENTINA  
OF MOST-FAVORED-NATION CLAUSES IN TREATY OF JULY 27,  
1853<sup>39</sup>

625.3531/8

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1865

BUENOS AIRES, November 18, 1932.

[Received December 1.]

SIR: With regard to my despatch No. 1601 of April 22, 1932,<sup>40</sup> reporting to the Department the closure of the Transandine Railway,

<sup>39</sup> For text of treaty, see Miller, *Treaties*, vol. 6, p. 269. For previous correspondence regarding apparent violation of this treaty, see *Foreign Relations*, 1932, vol. v, pp. 380 ff.

<sup>40</sup> Not printed.

as a result of the prohibitive tariffs raised by both countries against each other which stifled all commercial exchange between them, and to a more recent reference in my General Conditions Despatches concerning a commercial agreement to be entered into by Argentina and Chile which would enable the Transandine Railway to be reopened, I have the honor to report that on November 12, Doctor Saavedra Lamas, Minister for Foreign Affairs, and Señor Jorge Silva Joacham, Chilean Chargé d'Affaires, signed a commercial agreement between the two countries, translation of which is transmitted herewith enclosed.

The preamble of the agreement expresses the desire that commercial relations between the two countries should be resumed, and that the measures agreed upon are of a temporary nature, but serve as the basis for an ample and definite future agreement.

The agreement is based, for the most part, on a return to the 1930 tariffs as regards imports of Argentine cattle into Chile, while Argentina reduces by 50% customs duties on certain Chilean products.

Article 1 deals with Chilean imports from Argentina and provides that the tariffs in force on June 30, 1930 shall be applied to Argentine cattle and quebracho extract. Chilled, salted and canned meat will be subjected to the duties in force on June 30, 1926.

Article 2 makes provision for Argentine imports from Chile which are granted a reduction of 50% on the import duties. These include many types of wood, certain vegetables, fruit, fish and minerals.

The agreement provides that it shall remain in force for the space of six months from November 15, 1932.

The agreement was signed by the Argentine Government in accordance with authorization contained in Article 76 of the Customs Law, and therefore does not require parliamentary ratification.

In this connection there are transmitted herewith enclosed, summarized translation of editorial comment <sup>41</sup> upon the agreement which appeared in the *Buenos Aires Herald* of November 2, *La Prensa* of November 13 and *La Nación* of November 13.

The *Buenos Aires Herald* in commenting on the proposed re-opening of the Transandine Railway complains that probably no compensation will be offered to the unfortunate victims of the dispute, the much abused British shareholders, for heavy losses will have to be met. The *Herald* believes that the shareholders have a good case against the Argentine Government for the losses inflicted.

*La Nación*, on the subject of the agreement with Chile, states that it is the first agreement of reciprocity signed in the express and documentary form of an international protocol and that it will probably

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<sup>41</sup> Not printed.

form a precedent for other equally necessary agreements with other countries to further Argentine international commerce.

*La Prensa*, on the subject, states that the Transandine Railway will not be able to maintain itself exclusively on the proceeds of its traffic but depends on the million peso subsidy of the Chilean Government. The temporary nature of the agreement and general insecurity make the future of the railway uncertain and *La Prensa* therefore finds the proposed renewal of the railway services encouraging but not complete. The situation requires a permanent treaty based upon free trade.

As a result of the signing of this agreement it is expected that the first train (freight only) for Chile over the Transandine Railway will leave Buenos Aires on November 19. According to report it would appear that trains will be limited to one a week in each direction until traffic justifies a more frequent service.

In connection with the resumption of train services, however, it is of interest to state that a recent press despatch from Santiago, Chile, asserts that the Chilean Government desires and has raised the question of establishing a joint administration over the entire length of the Transandine Railway. This is not a new question, for in past years the Chilean Government has endeavored unsuccessfully to have this brought about. The Argentine Government has consistently opposed this arrangement for military reasons, it is believed. The raising once more of this question at this time may possibly delay the present intended resumption of the train services.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure—Translation]

*Commercial Agreement Between Argentina and Chile, Signed  
November 12, 1932*

The Governments of the Argentine Republic and of the Republic of Chile, in consideration of the general desire to encourage reciprocal trade between the two nations and the traffic which unites them, have resolved, by common accord, to negotiate a "modus vivendi" which, by immediately establishing the most adequate provisional measures for the purpose and through the observation and experience thereof, may provide a practical basis for the preparation of a broader agreement which may definitely regulate Argentine-Chilean commercial relations, for which purpose they have appointed their respective plenipotentiaries; i. e., The President of the Argentine Republic has appointed his Minister for Foreign Affairs and Cult, and the Vice-President of the Chilean Republic has appointed Señor Don Jorge Silva Joacham, his Chargé d'Affaires in the Argentine Republic; after

having exchanged their respective full power, found to be in due form, they agreed upon the following points:

Article 1. Beginning on the 15th instant, the Custom-house of the Chilean Republic will cancel the import duties on Argentine products indicated as follows:

a) The introduction of cattle will be subject to the tax in force on June 30, 1930, established by Law 4121 of January 24, 1927;

b) The introduction of quebracho extract will be subject to the tax in force on June 30, 1930, established by Law 4321 of February 22, 1928;

c) The introduction of chilled and preserved meats, corned beef, salted meat and meat preserves, will be subject to the tax in force on June 30, 1926, established by Law No. 3066 of March 1, 1916, with subsequent modifications until the date indicated in the present clause.

Article 2. Beginning on the 15th instant, the Custom-house of the Argentine Republic, within the attributions granted to the Executive Power in Article 76 of Law 11,281, will liquidate with a 50% discount the existing duties (Laws 11,281 and 11,588, not including those mentioned in Article 4 of the present law) regarding the introduction of the following Chilean merchandise:

Coigüé, rauli, laurel-whitewood, lingüé, mañío, pellín and larch-tree woods, whether in boards, planks, beams, logs, posts for wire-netting, empty cases, unmounted casks or barrels.

Peas, split-peas, chick-peas, lentils, beans, haricot-beans, garlic and onions; tomato paste and red pepper; malted barley, barley and oats.

Hemp seed, undressed hemp; fresh apples, pears and alligator-pears; grapes for wine-making; dried apples and plums; nuts; tinned fruit; tinned peas and asparagus.

Centollas, lobsters, and oysters in tins. Live lobsters, cockles and fish.

Sulphur, industrial nitrate of sodium, impure sulphate of copper, carbonate of copper, plaster of paris, tartaric acid, quillay, common glue, and boldo leaves.

Article 3. The present "modus vivendi" will be in force for six months beginning on November 15 as indicated above.

In proof of which the abovementioned plenipotentiaries, signed and sealed the present "modus vivendi", in duplicate form, on the twelfth day of the month of November of the year nineteen hundred and thirty-two.

625.3531/13

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1877

BUENOS AIRES, November 25, 1932.

[Received December 5.]

SIR: Referring to my despatch No. 1865 of November 18, reporting on the *modus vivendi* recently agreed to between the Governments of

Argentina and Chile, for a mutual reduction of certain items in their respective custom tariffs, I have the honor to report that I called yesterday afternoon on the Minister for Foreign Affairs and requested that there be extended a like treatment to importations from the United States into Argentina. The Minister requested that I write him a note on the subject to which he said careful consideration would be given. I was not able to obtain from him any expression of opinion as to what decision would be made.

I beg leave to transmit herewith a copy of my note of yesterday's date which was delivered today at the Foreign Office in compliance with the Minister's desire for a written communication on the subject.

The Department will see that I have adduced the provisions of Article 4 of the Treaty of 1853 as grounds for claiming similar treatment for American products brought into Argentina. Without going into a lengthy discussion of the subject, I desire, however, to express the view that whereas Article 3 of the said treaty may be called a conditional most-favored-nation clause, it refers to matters of commerce and navigation only, whereas Article 4 specifically refers to duties, providing that "no higher or other duties shall be imposed on the importation into the territories of either of the two contracting parties of any article of the growth, produce or manufacture of the territory of the other contracting party, than are, or shall be, payable on the like article of any other foreign country." From this it would appear to me that it was the intent of the two Governments at the time the treaty was negotiated and signed, that Article 4 was considered as an unconditional most-favored-nation clause applying to customs tariffs.

As already reported in my said despatch No. 1865, the provisions of the *modus vivendi* have been extended to the importations into Argentina of goods proceeding from Great Britain, Northern Ireland, France and Italy. Several of the foreign diplomatic representatives accredited to this Government (notably the German Minister and the Belgian Chargé d'Affaires) have made representations to the Minister for Foreign Affairs to obtain the same treatment for their nations' products as that granted in the *modus vivendi* between Argentina and Chile, but to none of these, so far as I have been able to learn, has a definite reply been made by the Foreign Office.

Inasmuch as the question seemed of urgent importance, I have acted in the above manner without first consulting the Department of State, and hope that my action will receive its approval. I shall, of course, however, inform the Department by telegraph as soon as I have obtained any definite answer from the Minister for Foreign Affairs.

In the conversation with Doctor Saavedra Lamas yesterday afternoon, he was very emphatic in telling me, confidentially, that the unlimited most-favored-nation clause, existing in his Government's treaties with Great Britain, France and Italy, was a source of consid-



erable annoyance and that it was his intention to denounce these treaties at the earliest possible moment. He also said that practically all other nations of America had eliminated the unconditional most-favored nation clause from their international treaties and that Argentina was consequently seriously handicapped in maintaining treaties which embodied it.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure]

*The American Ambassador (Bliss) to the Argentine Minister for Foreign Affairs (Saavedra Lamas)*

No. 845

BUENOS AIRES, November 24, 1932.

EXCELLENCY: Complying with the request Your Excellency made in the conversation we had at the Foreign Office this afternoon, I have the honor to request that the reduction in certain items of the Argentine tariff as contained in the *modus vivendi* recently enacted between the Governments of Argentina and Chile be accorded in like manner to importations into Argentina from the United States.

In our conversation, I observed that the reductions provided in the said *modus vivendi* had already been accorded to the products of several countries other than Chile. You explained that this had automatically followed because of the unconditional most-favored-nation clauses in the treaties between Argentina and those countries. As pointed out to Your Excellency, it appears to me proper and just, as a matter of equity and in view of the provisions of Article 4 of the Treaty of 1853 between our two countries, that a similar treatment should be vouchsafed to the products of the United States involved.

I also beg to recall my having told Your Excellency that a shipment of dried prunes (*ciruelas secas*) arrived in this port from the United States on the 23rd instant and that unless it can be cleared from the Customhouse under the benefit of the reduced tariff on dried fruit, it will not be possible for that shipment to be sold in competition with like commodities from those countries to which the provisions of the *modus vivendi* have been applied. No previous notice having been given of the contemplated reduction in the Argentine tariff, the importers of the said shipment had no inkling of the prejudice which the application of the *modus vivendi* would impose on the shipment. The same is true of other shipments already en route to Argentina from the United States.

I therefore have the honor to request Your Excellency kindly to cause the necessary orders to be given to accord to products from the United States imported into Argentina the reductions in duties provided in the *modus vivendi* mentioned above.

I avail myself [etc.]

ROBERT WOODS BLISS

611.3531/107a : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, November 30, 1932—noon.

77. Department informed by Department of Commerce that reductions in customs duties granted by Argentina to Chile under *modus vivendi* recently concluded between these countries have also been accorded to United Kingdom and Northern Ireland, France and Italy.

In order to determine whether it would be possible to request similar reductions for American commerce under pertinent provisions of the Argentine-American Treaty of 1853, please ascertain which treaties the aforementioned countries invoked in order to obtain treatment similar to that granted to Chile by Argentina. Report by cable together with any recommendations or observations you may desire to submit.

STIMSON

611.3531/108 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, December 1, 1932—noon.

[Received 4:04 p. m.]

104. Your 77, November 30, noon. In communicating to Minister of Finance informing him of the text of the *modus vivendi* with Chile, Minister of Foreign Affairs stated that in accordance with existing treaties the same concessions must be conceded to merchandise produced or manufactured in the United Kingdom of Great Britain and Northern Ireland, Italy and France. French Ambassador in note to Minister of Foreign Affairs formally invoked article 1 of treaty 1852 [1853]<sup>42</sup> but neither British nor Italian Embassies have made representations.

Learning that several European diplomats had formally requested similar treatment for imports from their countries, I called on Minister of Foreign Affairs November 24 requesting that concessions granted in *modus vivendi* be extended to importations from the United States. At his request I followed up my conversation by a note, copy forwarded to Department in my No. 1877, November 25. Minister has since told me he has referred my note to Ministry of Finance for consideration. I invoked article 4 of the treaty of 1853, pointing out that the reduction in duties provided in the *modus vivendi* had already

<sup>42</sup> Treaty between France and Argentina, signed July 10, 1853, A. J. H. and Jules de Clercq, *Recueil des Traités de la France*, tome vi, p. 377.

been accorded to products of several countries other than Chile. Minister intimated that our treaty of 1853 did not provide unconditional most-favored-nation treatment.

In my opinion the conditional most-favored-nation treatment applies, under article 3, only to matters of commerce and navigation while article 4 specifically provides that no higher or other duties shall be imposed on importation into Argentina from the United States than on similar importations from other countries and vice versa.

Request Department's instructions whether it desires me to press this point of view.

Dried fruit from the United States can not compete in this market with similar product from Italy and France under concessions of *modus vivendi* nor American sulphur with Chilean sulphur.

BLISS

625.3531/14

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1882

BUENOS AIRES, December 2, 1932.

[Received December 12.]

SIR: Confirming my telegram No. 104 sent in answer to the Department's telegraphic inquiry No. 77 of November 30, 12 noon, I have the honor to report that the *Censor Administrativo*, a semi-official publication devoted to matters pertaining to the customs and customhouse, published in its edition of November 21 a communication from the Minister for Foreign Affairs to the Minister of Finance, giving the text of the *modus vivendi* with Chile. The communication closes with the following paragraph:

"I also have the honor to inform the Minister of Finance that in accordance with existing treaties these same concessions should be conceded (*deben reconocerse*) in favor of merchandise in the said list when it is the production or manufacture of the United Kingdom of Great Britain and Northern Ireland, of Italy and of France."

I ascertained from the British Ambassador and from the Italian Chargé d'Affaires that the provisions of the *modus vivendi* having thus been automatically conceded to importations from the countries named in the above quotation, neither one of them had made representations to the Minister for Foreign Affairs in the premises. The latter told me that he had on various occasions in which commercial relations between Italy and Argentina had been discussed between him and officials of the Foreign Office always maintained that as long as the present treaty between the two countries was in existence, he would have to insist on the application of the unrestricted most-favored-nation clause which it contains. The French Ambassador,

who may not have been aware of the Minister for Foreign Affairs' action, has told me that he called on Doctor Saavedra Lamas to demand the application, as regards the *modus vivendi* with Chile, of the most-favored-nation clause contained in their treaty; that he was asked to put his request in writing and that he had received an answer to his note, after a lapse of four or five days, stating that his request had been granted.

Practically all of the diplomatic representatives of the more important European countries here represented have requested of the Foreign Office that the importations into Argentina from their respective countries receive the advantages granted to the products mentioned in the *modus vivendi*. Some of them have conditional most-favored-nation clauses in their treaties and others have none.

Article 3 and Article 4 of the Treaty of Friendship, Commerce and Navigation of 1857 between Germany and Argentina<sup>43</sup> are identic in phraseology (in the Spanish text) to the same two articles in our treaty of 1853.

So far as I have been able to ascertain none of my colleagues (except the French Ambassador) has so far obtained satisfaction in the representations he has made.

I shall await with interest the Department's instructions (requested in my said telegram No. 104) as to whether it desires me to sustain the point of view that the United States Government considers Article 4 as unconditional most-favored-nation clause in so far as applied to customs duties. It seems to me, as reported in my despatch No. 1877 of November 25, that the intent of the two Governments at the time of negotiating the treaty of 1853 was to provide for just such a contingency as that which has arisen in the agreement recently signed between Argentina and Chile. The present situation is aggravated by the fact that the provisions of this treaty have been conceded to other foreign nations, whose products can be sold in this market at a lower price—thus eliminating fair competition—than similar products from the United States.

As an illustration, it may be recited that 150 to 200 tons of Chilean dried prunes have been sold in this market since the *modus vivendi* became effective at a price of \$1.20 U. S. gold per case of twenty-five pounds. These dried prunes are being sent to Buenos Aires from Chile through the Straits of Magellan and are expected to arrive in about one month. The best price that the American prunes can be offered on this market is \$1.30 per case. The normal Argentine tariff on dried prunes is four pesos per case so that the Chilean prunes would only pay a duty of two pesos per case, making the price on the wholesale market approximately \$2.30 and \$1.70, respectively. I am in-

<sup>43</sup> Signed September 19, 1857, *British and Foreign State Papers*, vol. XLVII, p. 1277.

formed that the Chilean prunes are packed according to American methods imitating as nearly as possible the Californian product though their quality is inferior. I am also told that offers have been made on the market of dried prunes from France, though I am unable to give any details in regard thereto.

I cannot believe that the two Governments at the time the treaty of 1853 was negotiated, had any expectation or intention that the products of either country would be placed at a disadvantage under conditions such as those presented today, or that either Government would refuse to apply the provisions of Article 4 were they invoked to obtain similar treatment to that granted other countries.

I am very desirous of maintaining this thesis in discussing the subject with the Minister for Foreign Affairs, believing it to be the only just and equitable one, but shall await the Department's telegraphic instruction before seeking another interview on the subject with the Minister.

As of particular interest in this matter, I beg to enclose herewith, in copy and translation, an editorial<sup>44</sup> from *La Prensa* in which that organ of the press recommends closer commercial relations between Argentina and the United States and the advisability of the countries of America seeking a commercial union to offset the tendency in Europe to shut out products from the American Republics.

Respectfully yours,

ROBERT WOODS BLISS

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611.3531/108 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, December 9, 1932—3 p. m.

79. Your 104, December 1, noon. If the tariff reductions extended by Argentina were confined to those granted Chile under *modus vivendi*, Department would stand on position in regard to American-Argentine treaty of July 27, 1853, taken in its 13, February 5, 10 a. m.<sup>45</sup> But these reductions have been extended to Great Britain, France and Italy under most-favored-nation clauses, not for equivalent concessions. This Government regards such extension of favors as gratuitous within the meaning of Article III, Treaty of 1853. Consequently American products are entitled under the treaty to the treatment accorded the countries receiving concessions by virtue of any most-favored-nation clause, conditional or unconditional.

Please press representations, in accord with foregoing interpretation.

STIMSON

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<sup>44</sup> Not printed.

<sup>45</sup> *Foreign Relations*, 1932, vol. v, p. 386.

611.3531/112

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1897

BUENOS AIRES, December 15, 1932.

[Received December 27.]

SIR: I have the honor to enclose herewith a copy of the note which I handed to the Minister for Foreign Affairs yesterday afternoon in compliance with the Department's telegraphic instruction No. 79 of December 9, 3 p. m. The Minister being out of town over the week-end, I was unable to see him until yesterday at the regular weekly diplomatic reception.

I beg leave further to enclose a copy of the memorandum of my talk with Dr. Saavedra Lamas from which it will be seen that he promised to give careful study to the considerations of the American Government as set forth in my note, and explained by me in more detail during our conversation.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure 1]

*The American Ambassador (Bliss) to the Argentine Minister for Foreign Affairs (Saavedra Lamas)*

No. 850

BUENOS AIRES, December 10, 1932.

EXCELLENCY: In my note No. 845 of November 24 last, I had the honor to request that the reduction in certain items of the Argentine tariff conceded in the *modus vivendi* recently signed between Your Excellency's Government and that of Chile be accorded in like manner to importations into Argentina from the United States.

Therein I referred to a conversation had with Your Excellency the same day in which I had pointed out that the said reductions were not confined to imports from Chile but had already been accorded by Your Excellency's Government to the products of several other countries than Chile under most-favored-nation clauses, not for equivalent concessions, and that I therefore considered importations from the United States were entitled to like treatment.

In reverting to our conversation, I beg to inform Your Excellency that the extension of those favors to the three other Governments is regarded by my Government as gratuitous within the meaning of Article 3 in the treaty between our two countries of July 27, 1853. These reductions, which have been extended to Great Britain, to France and to Italy under the most-favored-nation clauses in the treaties between those countries and Argentina, are not granted for equivalent concessions on the part of the Governments of those three countries and consequently like products of American origin are, in

the views of my Government, entitled, under the above mentioned treaty between our two countries, to the treatment accorded to the countries receiving concessions by virtue of the most-favored-nation clause whether conditional or unconditional.

In view of the foregoing, I have the honor to request again that there be accorded to products of the United States imported into Argentina the reductions in duty provided in the *modus vivendi* between Argentina and Chile.

I avail myself [etc.]

ROBERT WOODS BLISS

[Enclosure 2]

*Memorandum by the American Ambassador (Bliss) of a Conversation With the Argentine Minister for Foreign Affairs (Saavedra Lamas)*

In calling on the Minister for Foreign Affairs at the weekly diplomatic reception this afternoon, he at once started to talk of the justification or non-justification of permitting goods to come in under the provisions of the *modus vivendi* with Chile which had been in transit at the time the agreement was put into effect. He brought from his desk several large files on the subject and read to me from them for a considerable time while trying to find a decision made by Foreign Minister Bosch in 1931 in reply to a reclamation which I had made to permit fresh fruit to enter the country under conditions applying before the new tariff rates had been put into effect by the Provisional Government. Failing to find the particular communication he sought, he talked theoretically on the subject for a considerable time, ending by saying that the considerations I had set forth in my note on the matter of the *modus vivendi* with Chile had been referred to the Ministry of Hacienda, the question really being one for decision of the customhouse authorities and that the Ministry of Hacienda had not yet made its answer.

He expounded to me the reasons why he had decided to make the *modus vivendi* immediately applicable rather than giving a period for its entering into effect, going over some of the ground which he had covered in the Senate interpellation on December 6<sup>46</sup> and repeating other considerations he had expressed to me in our previous talk.

After saying that I wished to call his attention to one phase of his reference to the usage in the United States, he launched forth on the subject again and it was ten minutes before I was able to interrupt to say that I had no fault to find per se with the statement he made in the Senate but that I wanted to observe that, although it was the cus-

<sup>46</sup> República Argentina, *Diario de Sesiones de la Cámara de Senadores de la Nación*, 57th Reunion, 3d extraordinary session, December 6, 1932, pp. 1719-1750 and 1754-1761.

tom for United States tariff laws to be put into effect as soon as signed, importers always had an opportunity, sometimes lasting for a period as long as two years, to present their cases to Congress and that they were fully cognizant of what was to happen long before the provisions of the bill went into effect. Consequently, importers of goods into the United States were able to make their dispositions accordingly, whereas the *modus vivendi* with Chile had been negotiated without public knowledge of the terms and immediately put into effect, giving no opportunity to importers to make the necessary arrangements growing out of the application of the changes in the tariff which the *modus vivendi* involved.

After several attempts, I told the Minister that when I had talked with him on the subject of the *modus vivendi* and presented my note, I did so without instructions from my Government; that I had since informed it fully of my action, and that I was now instructed to present its views, which I explained to him. He replied that the provisions of the *modus vivendi* had been extended to like imports from Great Britain, France and Italy because of the most-favored-nation clause in Argentina's treaties with those countries, to which I rejoined that I perfectly understood this but that such being the case, my Government considered this was a gratuitous action on the part of Argentina which the United States was likewise entitled to enjoy. After some further exchange of views, the Minister said he would study my note with every consideration.

In the course of the conversation, the Minister again reverted to what he had told me on several previous occasions, that unless Italy and France agreed to an amicable readjustment of their commercial treaties with Argentina as regards the most-favored-nation clause, he had every intention of denouncing those treaties. He also told me of the difficulties and annoyances which the study of commercial questions and consequent interviews and discussions with commercial organizations and business men gave him and that he had finally told the President that in order to handle the pertinent questions successfully it would be necessary to appoint a tariff commission, asking if I could give him data concerning the creation and composition of the United States Tariff Commission. I replied that I would be glad to send him all information available at the Embassy.

Before I took my leave, the Minister also reverted to what he had brought up in other conversations, that the time was never so propitious for the United States to obtain a preponderant influence in South American countries, that with the change of government and the inauguration of the Democratic Party's regime, this opportunity ought not to be lost in which the United States could dislodge Great Britain. I at once stated that there was no desire on the part of my



Government nor of American business men to dislodge England or anybody else from the positions they might have obtained in the commerce of foreign countries. That we did, of course, want to consolidate and increase our markets and also to bring the peoples of the various South American countries to the realization that the United States was most friendly disposed to them in every way and not inimical, as was thought in a number of the continental republics.

BUENOS AIRES, December 14, 1932.

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611.3531/118 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, January 17, 1933—4 p. m.

6. Department's 79, December 9, 3 p. m. The Argentine Ambassador came to the Department on January 12 and under instructions from his Government asked that this Government desist from pressing its point of view that under our Treaty of 1853 with Argentina we are entitled to the tariff reductions of the Chilean *modus vivendi* which were extended to Great Britain, France and Italy. The reason for this request appears to be mainly to help Argentina out of its difficult situation with Germany, which is apparently asserting the same rights under its Treaty with Argentina as are being asserted by the United States, and is threatening to penalize Argentina with its maximum tariff. The Ambassador was advised that this Government must stand on the position set out in its telegram to you above referred to.

The instructions received by the Ambassador referred to a reply of the Argentine Government to you which "was being studied in Washington". Has any reply been received, and if so when was it forwarded to Washington?

STIMSON

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611.3531/119 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, January 18, 1933—5 p. m.

[Received January 18—4:52 p. m.]

9. Your 6, January 17, 4 p. m. Minister for Foreign Affairs has only replied with generalities in conversation. Today he expressed surprise that I had not yet received his written reply to my notes and said it would be delivered without delay.

BLISS

611.3531/121

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1939

BUENOS AIRES, January 19, 1933.

[Received January 30.]

SIR: With reference to the Department's telegraphic instruction No. 6 of January 17, 4 p. m., and to my telegram No. 9 of January 18, 5 p. m., both relating to the position taken by the American Government with relation to the *modus vivendi* between Argentina and Chile, I have the honor to report that I talked again with the Minister for Foreign Affairs regarding this subject yesterday afternoon, and in this respect beg to enclose a copy of the memorandum of our conversation.<sup>48</sup> I had also brought up the matter with the Minister the week previous but without obtaining, I regret to say, a more satisfactory answer than he gave in our talk yesterday afternoon.

I have indicated to him on two occasions my impression that his attitude was one of procrastination, an attitude assumed because of the short duration of the *modus vivendi*, with the desire to prolong the discussion of the matter until the expiration of the life of the *modus vivendi*. I am hopeful, however, that the answer he has promised me will be forthcoming within the next few days.

In this connection, I beg leave to forward (in copy and translation) an editorial from *La Prensa*<sup>48</sup> censuring the Minister for Foreign Affairs for having concluded the *modus vivendi* with Chile. Other newspapers have also attacked him on this ground and numerous Argentines, including officials, have expressed to me their opinion that the *modus vivendi* with Chile was a mistaken action on the part of the Government.

There are also enclosed a brief summary, in translation,<sup>48</sup> of an editorial from *La Nacion* on the *modus vivendi*. *La Prensa* of January 13 urged in an editorial the establishment of a customs union with Chile, advancing the argument that one of the advantages to be obtained would be the opening to free trade of a territory greater than that of the United States, with the result that commerce in the two countries would increase as it has done in the United States.

Respectfully yours,

ROBERT WOODS BLISS

611.3531/119: Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, January 25, 1933—5 p. m.

7. Your 9, January 18, 5 p. m. If you have not yet received the written reply from the Minister of Foreign Affairs you are requested

<sup>48</sup> Not printed.

to point out to him immediately that the continued delay of the Argentine Government in granting to the United States the tariff reductions of the Chilean-Argentine *modus vivendi* is occasioning discrimination against American commerce and to express the hope that you will receive promptly a definite and favorable answer to your representations.

STIMSON

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611.3531/122

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1947

BUENOS AIRES, January 27, 1933.

[Received February 6.]

SIR: Confirming my telegram No. 14 of yesterday's date,<sup>50</sup> I have the honor to enclose herewith, in copy and translation, the note which the Minister for Foreign Affairs handed me yesterday at the Foreign Office in answer to the one I addressed him under date of December 10 last, a copy of which was forwarded to the Department in my despatch No. 1897 of December 15.

On opening our conversation, I said to the Minister that my Government was very surprised he had not answered the representations I had made on its behalf and that I had received instructions by telegraph to request an immediate and favorable reply. The Minister then handed me the note above referred to.

He said to me that he expected to discuss with the Minister for Foreign Affairs of Chile, in the meeting they were to hold in Mendoza next week, details of a permanent commercial agreement to replace the existing *modus vivendi* and that it was his understanding that Chile would not desire to repeat in the new agreement the products included in the *modus vivendi* which were exported to Argentina by foreign countries, experience having shown that Chile could not compete on an equal basis with European producers of those products. To this I replied that I did not see how that affected the claim of my Government, that the prejudice caused to American interests by the extension of the provisions of the *modus vivendi* to three European countries still continued and furthermore that the question of principle involved concerning the gratuitous extension to other countries of the provisions of the *modus vivendi* could not be put aside by a subsequent commercial treaty between Chile and Argentina. The Minister's only reply was to say that the *modus vivendi* had been made by Argentina as a gesture of friendly neighborliness in a desire to come to the assistance of Chile at a time when that country was in dire distress.

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<sup>50</sup> Not printed.

I again referred to the desire of my Government that a favorable response be given to its request to place its nationals on an equal footing with those of France, Great Britain and Italy and that his rejection of this request, he having confirmed that his note was to this effect, seriously injured American commercial intercourse with Argentina.

The Minister said that I had previously spoken to him about goods in transit as being prejudiced by the application of the *modus vivendi*, to which I rejoined that not only were those goods affected, but that since then the American exports affected by the extension of the provisions of the *modus vivendi* to other countries than Chile had practically ceased and that he could realize the seriousness which this situation had produced.

The Minister then spoke, as he has in several previous conversations with me, of the representations being made by the German Chargé d'Affaires in regard to this question of the *modus vivendi*, insinuating that it was unsatisfactory for him to deal with a Chargé d'Affaires who was evidently trying to make a record for himself and that he had intimated to the German Government, through the Argentine Minister in Berlin, his hope that a German Minister would speedily be sent to Buenos Aires. In this respect, it may be noted that the newspapers announced some days ago the appointment of a German Minister but I am, of course, unable to state whether the German Government made the appointment previous or subsequent to the alleged informal representations by the Argentine Minister to Germany. In this respect, I also desire to state that in my opinion Dr. Hemmen, the German Chargé d'Affaires, is not the type of diplomat who would be disposed to exceed his instructions or be unreasonable in presenting them merely in a desire to improve his standing with his Foreign Office. He impresses me as an intelligent, hard-working German with characteristic meticulous methods of approach to a difficult question and hardly capable of presenting it in the way the Foreign Minister would have me believe.

Dr. Hemmen tells me that some years ago his Government desisted from concluding a commercial treaty with a foreign power because of representations made in Berlin by the Argentine Minister to the effect that the Argentine Government considered the provisions of Articles 3 and 4 of the treaty between it and Germany were of an unconditional nature and entitled Argentine products to the same tariff reductions granted by Germany to other countries and that the German Government obtained from the Argentine Government a written interpretation of the Treaty of Commerce between the two countries (Articles 3 and 4 of which are identic with the similar articles in our Treaty of 1853 with Argentina) as being unconditional in most-favored-nation treatment.

I shall endeavor to obtain from the German Legation, for the information of the Department, a copy of such communication as may have been made by the Argentine Government in this respect.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure—Translation <sup>51</sup>]

*The Argentine Minister for Foreign Affairs (Saavedra Lamas) to the American Ambassador (Bliss)*

BUENOS AIRES, January 23, 1933.

MR. AMBASSADOR: I take pleasure in acknowledging receipt of Your Excellency's notes of November 24th and December 10th 1932, No. 845 and 850, referring to the *modus vivendi* effected on November 12th last between Argentina and Chile. In those notes Your Excellency requests that the reductions granted to Chile and subsequently extended to France, Great Britain and Italy, be conceded in like manner and on a gratuitous basis to similar products of American origin. You base your request on article 4 of the Treaty of Friendship, Commerce and Navigation of 1853, in force between the United States and Argentina, and on the circumstance that the reductions were extended to the said European countries without demanding any compensation in return, which makes applicable article 3 of the treaty in question by virtue of which privileges granted gratuitously to products of third powers must be conceded without equivalent compensation to similar products of the United States.

In reply, I must inform Your Excellency that the *modus vivendi* with Chile was effected by way of an experiment (*ensayo*) and for a short period which will terminate within some three and a half months. It is an agreement intended to give economic assistance to a neighboring country passing through a great crisis, in order to reestablish its severed communication with the Atlantic, by resuming Transandine Railway traffic which is the only means of communication. The reduction granted to Chile was extended to similar products of France, Great Britain and Italy, because the treaties with France and Italy stipulate the treatment of the most favored nation "without any restriction whatever", and the treaty with Great Britain is absolutely unconditional.

The advantages of the *modus vivendi* have been extended to France by virtue of the text of article 1 of the Commercial Convention supplementary to the Treaty of July 10, 1853, signed with Argentina in 1892, which sets forth that: <sup>52</sup>

<sup>51</sup> File translation revised.

<sup>52</sup> Treaty of August 19, 1892, De Clercq, *Recueil des Traités de la France*, tome XIX, p. 518.

"Whereas the Treaty of July 10, 1853, provides that the Argentine Republic shall not accord any favor or immunity to the flag or commerce of another nation unless it be likewise accorded in France to the flag or commerce of another nation, it shall be made equally extensive to the Argentine commerce or flag. It is understood that in virtue of the application of this provision and of that contained in article 8 of the Treaty of 1853, the nationals as also the products and ships of each of the two countries shall have right to the most-favored-nation treatment, without any restriction, especially in the matter of tariffs."

Equal advantages have been extended to similar products of Italy, in fulfillment of the Argentine-Italian Convention of 1894,<sup>53</sup> whose article 1 reads as follows:

"Argentine citizens, products and ships in Italy and Italian citizens, products and ships in Argentina, shall be entitled without any restriction to the most-favored-nation treatment and shall consequently be entitled to the enjoyment of any favor, privilege or immunity that shall be accorded in the Argentine or in Italy to the citizens, products and ships of any other nation."

The same concession was granted to similar products of Great Britain, because in the Treaty of Friendship, Commerce and Navigation in force with Argentina since 1825,<sup>54</sup> the most-favored-nation treatment for citizens, ships or products, is absolutely unconditional. In effect, its article 4 establishes that:

"No higher or other duties shall be imposed on the importation into the Territories of His Britannick Majesty of any articles of the growth, produce, or manufacture of the United Provinces of Rio de la Plata, and no higher or other duties shall be imposed on the importation into the said United Provinces of any articles of the growth, produce or manufacture of His Britannick Majesty's Dominions than are or shall be payable on the like articles being the growth, produce or manufacture of any other foreign country; nor shall any other or higher duties or charges be imposed in the territories or dominions of either of the Contracting Parties on the exportation of any articles to the territories or dominions of the other than such as are or may be payable on the exportation of the like articles to any other foreign country; nor shall any prohibition be imposed upon the exportation or importation of any articles the growth, produce or manufacture of His Britannick Majesty's Dominions or of the said United Provinces which shall not equally extend to all other Nations."

The situation is different in the Treaty of Friendship, Commerce and Navigation signed between the United States and Argentina on July 27, 1853. The articles mentioned by Your Excellency are the 3rd and 4th.

<sup>53</sup> Convention of June 1, 1894, Ministerio de Relaciones Exteriores y Culto de la República Argentina, *Tratados y Convenciones Vigentes en la Nación Argentina* (Buenos Aires, 1925), tomo I (acuerdos bilaterales), p. 531.

<sup>54</sup> Signed February 2, 1825, *British and Foreign State Papers*, vol. XII, p. 29.

Article 3 establishes that :

“The two high contracting parties agree that any favor, exemption, privilege, or immunity whatever, in matters of commerce or navigation, which either of them has actually granted, or may hereafter grant, to the citizens or subjects of any other government, nation, or state, shall extend in identity of cases and circumstances, to the citizens of the other contracting party gratuitously, if the concession in favor of that other government, nation or state shall have been gratuitous—or, in return for an equivalent compensation, if the concession shall have been conditional.”

Article 4 says :

“No higher or other duties shall be imposed on the importation into the territories of either of two contracting parties, of any article, of the growth, produce or manufacture of the territories of the other contracting party, than are or shall be payable on the like article of any other foreign country; nor shall any other or higher duties or charges be imposed in the territories of either of the contracting parties on the exportation of any article to the territories of the other, than such as are or shall be payable on the exportation of the like article to any other foreign country; nor shall any prohibition be imposed upon the importation or exportation of any article of the growth, produce or manufacture of the territories of either of the contracting parties, to or from the territories of the other, which shall not equally extend to the like article of any other foreign country.”

Before beginning to study the interpretation of articles 3 and 4 of the Treaty of 1853 between Argentina and the United States, I must inform Your Excellency that this Chancellery regrets that it does not share the opinion expressed in the note of December 10th last, to which I am now replying, in which the same gratuitous extension of the reduction which was granted to the products of France, Great Britain, and Italy by virtue of the *modus vivendi* with Chile is requested for products of the United States: the most-favored-nation clause cannot produce that effect; it establishes a relation between three entities, that is, between two contracting Powers and a third State; any commercial or tariff favor or advantage granted by one of the contracting Powers to the third State may be claimed by the other contracting State, gratuitously or conditionally, according to the form applied to the clause; but the treatment of the most favored nation is limited to those three entities, and not to the immediate consequences resulting from the co-existence of other treaties signed with other powers. Were such an interpretation admitted, negotiations would be impossible and the immediate object sought in contracting the most-favored-nation clause would be exceeded. For these reasons, it is not possible for this Chancellery to accord to the products of the United States gratuitously the reductions granted to similar products of France, Great Britain and Italy. Any claim must be in connection with privileges granted to Chile.

To return to the interpretation of the clause contained in the Treaty of 1853, it is indispensable that articles 3 and 4 which constitute an indivisible whole, be considered together (*combinar*). Unlike the agreements with the three above-mentioned European countries, the Treaty with the United States is expressly conditional and requires equivalent cases and circumstances in order to invoke the treatment of the most favored nation. The extension of privileges granted to Chile requires the offer of an equivalent compensation, not only according to article 3 of the Treaty, but also because it is so required by article 76 of the Customs Law in virtue of which the reduction granted to Chilean products was established. In treaties such as ours with the United States, which contains two most-favored-nation clauses, one of which has a conditional form as that in article 3, and the other an unconditional form as that in article 4, it is understood that the former stipulates the general principle or—as the North Americans say—constitutes the “covering clause”, that is to say, that the general principle covers the particular principle, in such a way that if the general rule is conditionality the special rule is too, although the latter may not say anything in this respect. That is the real interpretation given not only by the Argentine Government, but also by the United States during all of the XIXth century and the first quarter of the XXth to the clause drafted in unconditional form.

This interpretation was supported by great men of the United States such as Adams in 1817, Monroe in 1821, Gallatin in 1823, Livingston in 1832, Frelinghuysen in 1884, Bayard in 1886, Sherman in 1898, and other American statesmen.<sup>55</sup>

During the incident brought about by the Anglo-American Treaty of July 3, 1805 [1815],<sup>56</sup> when France claimed the treatment of the most favored nation for its ships by virtue of its own treaty with the United States of 1803,<sup>57</sup> Mr. Adams declared on December 23, 1817: <sup>58</sup>

“It is true that the terms of the eighth article are positive and unconditional; but it will readily be perceived that the condition, though not expressed in the article, is inherent in the advantage claimed under it”.

The United States believe that when there is conceded gratuitously to one country that which is not obtained by another except through compensation, the first is not given equal treatment but a more favorable treatment than is granted to the second.

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<sup>55</sup> See John Bassett Moore, *A Digest of International Law*, vol. v, pp. 257 ff.

<sup>56</sup> Miller, *Treaties*, vol. 2, p. 595.

<sup>57</sup> *Ibid.*, p. 498.

<sup>58</sup> *American State Papers, Foreign Relations*, vol. v, p. 152.



Thus, in a note addressed to Mr. Hubbard on July 17, 1886, Mr. Bayard, Secretary of State, said: <sup>59</sup>

"You will doubtless have understood that where the words qualified and unqualified [are applied] to the most-favored-nation treatment, they are used merely as a convenient distinction between the two forms such a clause generally assumes in treaties, one containing the proviso that any favor granted by one of the contracting parties to a third party shall likewise accrue to the other party, freely if freely given, or for an equivalent if conditional—and the other not so amplified. This proviso, when it occurs, is merely explanatory and is inserted out of abundant caution. Its absence does not impair the rule of international law that such concessions are only gratuitous and so transferable as to third parties when not based on reciprocity or mutual interests of the contracting parties. This principle has been long and consistently maintained by the United States. It was held by two of my predecessors, Mr. Clay and Mr. Livingston, that a covenant to extend to third parties the privileges granted to a most-favored nation refers to gratuitous privileges and does not cover privileges granted on the condition of a reciprocal advantage, i. e., for a consideration expressed."

And the same opinion was expressed on January 11, 1893, by the Secretary of State, Mr. Sherman, in a circular to various North American Legations and also to the Minister in Buenos Aires, Mr. Buchanan.<sup>60</sup> He said:

"It is clearly evident that the object sought in all the varying forms of expression is equality of international treatment, protection against the wilful preference of the commercial interests of one nation over another. But the allowance of the same privileges and the same sacrifice of revenue duties, to a nation which makes no compensation, that had been conceded to another nation for an adequate compensation, instead of maintaining destroys that equality of market privileges which the most-favored-nation clause was intended to secure."

Besides the reasons thus expressed in favor of the restrictive interpretation, there is a special condition in the *modus vivendi* with Chile that derives from its position as a neighboring country and another condition connected with communication by the Transandine Railway that is a factor for which no substitute can be found. From this point of view, priority likewise belongs to the United States as regards the doctrine which was subsequently adopted by several European countries in their recent commercial treaties. I refer to the idea that it is expedient to except favors granted by countries that are neighboring or have a common boundary from the most-favored-nation clause, and that this exception is found to be implicit in the treaties containing a conditional clause. The afore-

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<sup>59</sup> Moore, *Digest*, vol. v, p. 273.

<sup>60</sup> *Ibid.*, p. 278.

mentioned note from the Secretary of State, Mr. Bayard to Mr. Hubbard, in 1886, said: <sup>61</sup>

“That propinquity and neighborliness may create special and peculiar terms of intercourse not equally open to all the world”.

This is a conception which the Secretary of State, Sherman, in his communication to Buchanan expressed as follows, in 1898: <sup>62</sup>

“The neighborhood of nations, their border interests, their differences of climate, soil, and production, their respective capacity for manufacture, their widely different demands for consumption, the magnitude of the reciprocal markets, are so many conditions which require special treatment. No general tariff can satisfy such demands. It would require a certainty of language which excludes the possibility of doubt to justify the opinion that the government of any commercial nation had annulled its natural right to meet these special conditions by compensatory concessions, or held the right only on condition of extending the same to a nation which had no compensation to offer. The fact that such concessions if made would inevitably insure to the equal benefit of a third competitor would often destroy the motive for, as well as the value of, such reciprocal concession.”

As I said, these ideas of the United States regarding countries having common boundaries were incorporated in many commercial post-war agreements, thereby giving origin to different formulæ intended to connect neighboring countries more closely.

It was not only the Secretaries of State but also the Supreme Court of Justice of the United States which with its lofty prestige considered that treaties containing a double Clause, one of which is a “Covering Clause”, must be interpreted jointly and in a conditional form. This double Clause figures in numerous treaties signed by the United States, such as the Treaties with Denmark in 1826 <sup>63</sup> renewed in 1857, <sup>64</sup> the Treaty with Austria on 1829, <sup>65</sup> and other subsequent ones among them the Treaty of 1853 with the Argentine Republic. The application of the Treaty with Denmark gave rise to a judicial case, when in 1875 the United States granted Hawaii exemption from duties on the introduction of sugar. The constitutionality of the tax imposed on sugar from Denmark having been questioned, invoking the Clause in its unconditional part, the Supreme Court declared:

“Our conclusion is, that the treaty with Denmark does not bind the United States to extend to that country, without compensation, privileges which they have conceded to the Hawaiian Islands in exchange for valuable concessions. On the contrary, the treaty provides that

<sup>61</sup> Moore, *Digest*, vol. v, p. 273.

<sup>62</sup> *Ibid.*, p. 278.

<sup>63</sup> Miller, *Treaties*, vol. 3, p. 239.

<sup>64</sup> *Ibid.*, vol. 7, p. 519.

<sup>65</sup> *Ibid.*, vol. 3, p. 507.

like compensation shall be given for such special favors." (*Bartram v. Robertson*, 122 U. S. 121).

The Argentine Government has repeatedly shown itself in favor of the conditional interpretation given by the United States to the most-favored-nation clause.

In 1891, during the negotiation of a convention of reciprocity between the United States and the Argentine Republic, the then Minister for Foreign Affairs, Doctor Estanislao S. Zeballos, stated that: <sup>66</sup>

"Compensation is the universal rule to combine the customs interests, and the countries which can not recompense the favors which they claim, are not justified in hindering the sovereign action of the others by invoking, on a gratuitous basis, the most-favored-nation clause."

Doctor Eduardo Costa, Minister for Foreign Affairs, expressed the same opinion in Congress when the commercial treaty with Italy was discussed in 1894, at which time he said:

"Jurisprudence establishes that it (the clause) only extends to favors having no compensation; it may be claimed solely with regard to such concessions as do not involve an equal or a similar burden upon the nation to which they are granted. This is the doctrine which prevailed in the United States and that which the Argentine Government supports."

A declaration in the same sense was made in 1912 by the Minister for Foreign Affairs, Doctor Ernesto Bosch, during the negotiation of a commercial treaty with a European country, stating:

"The Argentine Government is obliged to maintain its ideas owing to the onerous character of the most-favored-nation clause, it being understood that in so doing it does not restrict its broad meaning but that it simply defines its interpretation and its functions in accordance with equity."

These Argentine and North American antecedents and others which I do not enumerate in order not to make the present note too lengthy, strengthen the opinion of this chancellery to the effect that articles 3 and 4 of the Treaty of Friendship, Commerce and Navigation of 1853, in force between the United States and Argentina, do not justify a claim in favor of similar products of North America, without offering an equivalent compensation, for the reductions granted to products from Chile, France, Great Britain and Italy, as a consequence of the *modus vivendi* signed with Chile on November 12th, 1932.

At present, this Government is preparing a decree creating a qualified Commission to study commercial policy, and I can assure Your

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<sup>66</sup> See Argentine Republic, *Memoria del Ministerio de Relaciones Exteriores y Culto*, 1891-92, pp. 391, 397.

Excellency that one of the first treaties to be studied will be that which ties us with the United States with whom we believe the day has come to make even closer our commercial relations for reciprocal benefit.

Accept [etc.]

CARLOS SAAVEDRA LAMAS

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611.3531/126

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] January 28, 1933.

Dr. Espil, Ambassador of Argentina, came in and showed me a cable from his Government which stated that Ambassador Bliss, under instructions from the Department, had pressed our point of view regarding the concessions of the Chilean *modus vivendi* which Argentina had extended to Great Britain, France and Italy. The cable said that a reply had been sent by the Foreign Office to Mr. Bliss stating that Argentina was unable to accept the point of view of the United States. (Telegram No. 14, January 26, 6 p. m., from Buenos Aires<sup>67</sup> relates to this reply). The cable went on to say that the Argentine Government was alarmed at the possibility of "reprisals"; that the *modus vivendi* with Chile, which expires May 12, was being carefully studied in the Foreign Office, and that it was "probable" if it should be renewed it would be done with the omission of any features which could lead to a claim on the part of the United States. The cable told the Embassy to discuss the matter with us and again urge that we refrain from pressing our point of view.

I read Espil the cable No. 14 of January 26 from Buenos Aires. He said that from the study he had made of the matter he felt that on a basis of treaty interpretation our position could not be justified, but that he quite frankly wanted to put the matter on another basis, that of the broad ground of relations between Argentina and the United States. He said there was no doubt but that the Argentine Foreign Minister had made a great mistake in negotiating the *modus vivendi* with Chile without having studied the matter carefully and realized the consequences which would flow from such action. The debate in the Argentine Senate on December 6 last had brought out that certain concessions granted Chile, such as lower duties on tomato paste, which were of no important value to Chile, had been of the greatest value to Italy, to which country had been extended the concessions given Chile, and that Italian tomato paste was being sold in Argentina at a price which was ruining the Argentine industry which manufactured that

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<sup>67</sup> Not printed.

article. Espil said that the Argentine Foreign Office was setting up a commission to study commercial policies and that one of the first things they would take up would be a new treaty with the United States to improve commercial relations between the two countries on the basis of reciprocity. He said that it seemed to be understood that the new administration which will take office in this country on March 4 will be prepared to consider reciprocity treaties. In view of the foregoing, he earnestly asked "as a favor to Argentina" that we should not press our position. To do so, he said, would cause the greatest embarrassment to the Argentine Foreign Minister. In short, he asked us to help Saavedra Lamas to get out of the embarrassment which he had so injudiciously contrived for himself.

I told Espil that he was now putting the matter on a different basis. So far as the legal position was concerned, we had just now received the summary of the Argentine reply. We had been trying to obtain a reply from Argentina for some time and we would now, in view of the numerous citations to American authorities given by Argentina, study the whole question most carefully.

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Before seeing Dr. Espil, I talked briefly by 'phone with Mr. Flournoy<sup>68</sup> and with Mr. Barnes,<sup>69</sup> who both expressed a certain doubt as to the position we had taken on this matter, and a desire to study the question thoroughly in the light of the Argentine reply.

EDWIN C. WILSON

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635.6231/10

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1954

BUENOS AIRES, February 1, 1933.

[Received February 13.]

SIR: With reference to my previous reports regarding the representations made in an endeavor to obtain the extension to American products of the reductions conceded by Argentina in the commercial *modus vivendi* with Chile, I have the honor to forward herewith, for the very confidential information of the Department, a copy of an instruction sent in 1892 to the German Minister in Buenos Aires by his Government and other communications<sup>70</sup> relative to the interpretation by the Governments of Germany and Argentina of the most-favored-nation clause as applied to Article 4 of the Treaty of 1857 between those two countries. The Department will note from these communications that the Argentine Government at that time appeared

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<sup>68</sup> Richard W. Flournoy, Jr., assistant to the Legal Adviser of the Department of State.

<sup>69</sup> Charles M. Barnes, Chief of the Treaty Division, Department of State.

<sup>70</sup> Not printed.

to be of the opinion that the Treaty of 1857 provided for unconditional most-favored-nation treatment as regards customs tariffs (Article 4).

In this respect, I beg to call the Department's attention to the statement in the penultimate line on page 5 of the copy of the note addressed me by the Argentine Minister for Foreign Affairs <sup>71</sup> (transmitted in my despatch No. 1947 of January 27) in which he asserts that Article 4 of our Treaty with Argentina of 1853 is unconditional, although in so asserting he adds that Article 3 is conditional and, being considered the "covering clause" of the following article, limits the application of Article 4 as though it were in phraseology conditional.

I have learned from the German Chargé d'Affaires that the Minister for Foreign Affairs informed him that he expected, during the conversations with Dr. Cruchaga Tocornal at Mendoza on the *modus vivendi*, to eliminate from a new commercial agreement he hoped to effect all products included in the existing *modus vivendi* exported to Argentina by foreign countries. As reported in my said No. 1947, this same idea was given to me by Dr. Saavedra Lamas. The German Chargé d'Affaires outlined also a suggestion made to him by the Minister for Foreign Affairs as a possible way of satisfying Germany's claim for equal treatment with Chile, that the Minister would propose to Chile that all products in which Germany has an interest in exporting be eliminated from the new commercial agreement with Chile. The Chargé d'Affaires rejected this proposal on the grounds that it would not settle the principle involved in Germany's claim and that he was of the opinion his Government would only consider a proposal involving the inclusion in a trade agreement between Argentina and Chile of products peculiar to the latter country.

The Chargé d'Affaires further said that in a recent interview with the Minister, he had shown him correspondence which demonstrated that in 1892 the Argentine Government had shared the point of view of the German Government regarding the unconditional character of Article 4 of the Treaty of 1857; that the Minister appeared momentarily embarrassed but had said he would examine the papers presented by the Chargé d'Affaires and give him a definite answer whether or not the Argentine Government considered Article 4 as conferring unconditional most-favored-nation treatment. Since the German Legation had not requested a decision of this nature and since a categorical answer in the sense promised by the Minister might embarrass the Minister, the Chargé d'Affaires was prepared, he said, for the evasive declaration made him by the Minister in a subsequent interview.

I beg further to report that I showed to the Chargé d'Affaires Dr. Saavedra Lamas' note to me of January 23 and he has requested a copy

<sup>71</sup> See first paragraph, penultimate sentence, p. 703.

of it for the confidential information of his Government. Although I see no objection to giving him confidentially a copy of this note, I request the Department's authorization by telegraph to do so.<sup>72</sup> It seems to me this would be advisable as an earnest of good will in exchanging information regarding our respective representations on a similar subject.

There is also enclosed herewith (in copy and translation) an editorial from *La Nacion* of January 21,<sup>73</sup> which was omitted from my last despatch. Its comments on the treaty with Germany are not unlike some of those in Dr. Saavedra Lamas' note to me of January 23 when contending that Articles 3 and 4 of the Treaty with Germany of 1857 are exactly the same as Articles 3 and 4 of our Treaty of 1853.

The same newspaper on January 5 commented on Argentina's commercial policy in relation to the Chilean *modus vivendi* and claimed that Great Britain, France, Italy and Persia are the only countries whose treaties with Argentina embody the absolute most-favored-nation clause. It considers that there are very few articles of merchandise which that clause does not affect. The editorial refers to "monopolies" like coffee and *yerba mate* from Brazil, salt petre from Chile and, to a certain extent, cocoa from Bolivia and expresses the opinion that the supposed advantages which Chile was to have obtained from the *modus vivendi* have been lost because they were extended to other countries beyond the Atlantic with whom Chile is unable to compete.

Respectfully yours,

ROBERT WOODS BLISS

625.3531/25a : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, February 14, 1933—5 p. m.

11. An Associated Press despatch from Berlin dated February 13 states that it has been officially announced that the difficulties between Germany and Argentina arising out of the Argentine-Chilean *modus vivendi* have been settled; that Argentina has modified the *modus vivendi* with Chile eliminating features which Germany regarded as discriminating against German trade; and that Argentina has agreed to include Germany "in the list of most-favored nations" as of February 9.

Please inquire regarding the foregoing at Foreign Office and cable report.

STIMSON

<sup>72</sup> Permission to give the German Chargé in strict confidence a copy of the note was given in telegram No. 14, February 21, 2 p. m. (611.3531/125).

<sup>73</sup> Not printed.

625.3531/26 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, February 15, 1933—6 p. m.

[Received February 15—5:46 p. m.]

20. Department's telegram No. 11, February 14, 5 p. m., and my despatches 1961 and 1966 of February 9 and 10.<sup>74</sup>

Signature of Argentine President is still needed to give force to decree<sup>75</sup> based on exchange of notes between Argentina and Chile signed by Ministers of Foreign Affairs in Mendoza<sup>76</sup> and recently published, which, pending consummation of definite commercial treaty, modifies the commercial *modus vivendi* of November 12 (see enclosure 1 to despatch No. 1865 of November 18) by suppressing therefrom the following articles:

Onions, tomato paste, red pepper, malted barley, crushed oat seeds, hemp seed, undressed hemp, dried plums and apples in any container, canned or preserved fruit whether in natural juice or cooked (*enagua*) canned peas and asparagus raw or boiled, preserved oysters, sulphur whether unrefined, powdered or prepared according to Frascch or similar systems, industrial nitrate of soda, impure sulphate of copper, carbonate of copper, plaster of paris, common glue, tartaric acid; also chilled, preserved and salted meat beef and meat preserves.

The elimination of these articles will give Germany practical satisfaction. I understand, however, that German Government will probably reaffirm its interpretation of most-favored-nation clause for duration of treaty of 1857, at the same time initiating negotiations for a new treaty.

BLISS

625.3531/36

*The Chargé in Argentina (White) to the Secretary of State*

No. 2073

BUENOS AIRES, May 19, 1933.

[Received May 29.]

SIR: Referring to the Embassy's despatch No. 2021 of March 31,<sup>77</sup> entitled "New Argentine-Chilean Commercial Treaty", I have the honor to report that, a special Chilean mission having arrived in Buenos Aires, the *modus vivendi* which was originally signed on

<sup>74</sup> Despatches not printed.<sup>75</sup> By telegram No. 22, February 16, 6 p. m., the Ambassador informed the Department that "subsequent information indicates that decree was signed and took effect February 10th". (625.3531/27)<sup>76</sup> Signed February 2, 1933.<sup>77</sup> Not printed.



November 12, 1932 between the Argentine Republic and Chile, has been renewed, as modified on February 2, 1933, for the space of sixty days. It will be noted that this renewal is to permit the ratification of a new commercial treaty at present under study and of which it is hoped that the draft will be ready by the middle of next week.

I am informed at the Foreign Office that considerable difficulty was encountered at one time by reason of the refusal of the Chilean Government to reduce the duty on Argentine flour. A special provision has been inserted in Article II, Clause B, covering this point.

It will also be noted that in Article II, fresh apples are eliminated from the rebates accorded under the *modus vivendi*. I enquired of the Under-Secretary as to the reason for the special mention of apples, but the only answer I received was to the effect that this was to protect Argentine production. If so, however, it will be seen that other fruits should also be mentioned, but possibly, the season for grapes being well advanced, apples may have been the principal consideration during the period in which the *modus vivendi* is to run.

Respectfully yours,

J. C. WHITE

611.3531/120

*The Secretary of State to the Chargé in Argentina (White)*

No. 709

WASHINGTON, May 23, 1933.

SIR: The Department refers to your telegram No. 14 of January 26, 1933, 6 p. m.,<sup>78</sup> and to your despatch No. 1947 of January 27, 1933. The Department has postponed its reply to these communications for the reason that the modifications reported to have been made in the Argentine-Chilean *modus vivendi* appear to have removed therefrom the practical inconveniences to American exporting houses, and because the Department was disposed to avoid, as far as possible, action which would discourage the Argentine Government in its policy of trade promotion with another country.

The foregoing considerations, however, in no sense reduce the importance which the Department attaches to a correct interpretation of the most-favored-nation clause. Indeed, at the present moment, in view of possible developments in the commercial policy of the United States, the Department is more than ever anxious that the principles of equality of treatment, maintained through the most-favored-nation clause, shall be confirmed and established.

You are requested, accordingly, to reply to the note of the Argentine Foreign Office, dated January 23, 1933, and to seek orally to impress upon the Minister for Foreign Affairs the correctness of the position which the Department has taken in the case at issue.

<sup>78</sup> Not printed.

With reference to the note of January 23, it must be observed that the point raised by this Government has not been met. The arguments of the Argentine Government are for the most part directed to the maintenance of the position that the most-favored-nation clause contained in Articles 3 and 4 of the treaty of 1853 is conditional and not unconditional. This is, of course, likewise the position of the American Government. The proposition maintained by this Government is that the favors accorded by Argentina to Chile for a compensation were generalized to Great Britain, France, and Italy gratuitously; that as a consequence they must be accorded, without compensation, to the United States under Article 3 of the treaty. It is of no concern, therefore, that the favors were granted to Chile on a reciprocal basis.

The Government of Argentina, in overlooking this fundamental position, has advanced no argument in opposition to it. In impressing upon the Minister of Foreign Affairs the soundness of the American contention you may avail yourself of the following discussion. In doing so you should stress the proposition that it is immaterial that the treaty between the United States and Argentina is of the conditional type.

Under the facts in this case (the favor having been gratuitously conferred) no distinction lies between the conditional and the unconditional most-favored-nation clause. It is the purpose of the most-favored-nation clause to ensure commercial equality and to level artificial inequalities. Thus it has been stated by the Economic Committee of the League of Nations (C.427.M.177.1931 II.B, p. 9)—

“In the first place, it should be pointed out that the most-favored-nation clause has two objects: (a) to secure to the country enjoying its benefits a total of the advantages represented by all the customs concessions and privileges granted to third countries and by all the concessions made by autonomous act and (b) to ensure absolute equality of treatment by guaranteeing to all countries which enjoy its benefits equal terms in all matters covered by commercial treaties and, as a result, the free development of their economic aspects.”

This government seeks no more than the benefit of the commercial advantages conceded to the European States and the guaranty of equality of treatment.

There can be no doubt but that the favors accorded Great Britain, France, and Italy were gratuitous, that they are enjoyed without compensation. Reciprocity was not contemplated. Secretary of State Bayard wrote in an instruction to Japan (5 Moore, *Digest*, 273)—

“ . . . concessions are only gratuitous (and so transferable) as to third parties when not based on reciprocity or mutually reserved interests as between the contracting parties.”

Further, it seems clear that the compensation contemplated by the conditional type of treaty must be of a special nature and that it must respond directly to the grant of favor. Thus, Secretary of State Hay stated (*For. Rel.*, 1899, p. 301)—

“If the compensatory privileges should be extended to any third nation, which has given no special compensation for them, it is evident that as to that nation the grant would be gratuitous, and, by the express provision of Article XXVI, ‘shall immediately become common to the other party, freely.’”

The provisions of the conditional type of treaty contemplate, moreover, a particular and distinct reciprocity in each particular case. Thus, a favor can not be said to be in return for compensation simply because of the mutual obligations incurred by the parties in entering into the treaty. The Argentine Government can not maintain that the general obligations assumed by Great Britain, for example, in their treaty are compensation for the present grant of favor.

It follows, in the present case, that the grant of favor must be considered gratuitous because: no equivalent was required by Argentina; there was no special compensation relating directly to the grant in issue; the provisions of conditional treaties contemplate a particular and distinct reciprocity, not present in this case.

This conclusion finds further support in general statements and precedents. In his work entitled “La Clause de la Nation la plus Favorisée”, Riedl has stated, p. 49 [*p.* 7]—

“La clause conditionnelle de la nation la plus favorisée a dominé la politique commerciale des Etats-Unis avant la guerre et a également passé, en grande partie, dans les traités des Etats de l’Amérique du Sud et de l’Amérique centrale. En raison de son imprécision qui a encore été accrue par l’obscurité de la formule employée, le sens et l’interprétation de la clause ont donné lieu à un grand nombre de divergences d’opinions et de différends. De toute manière, la clause entraînait de sérieux désavantages pour les Etats qui, ayant accordé le traitement conditionnel de la nation la plus favorisée à l’Amérique, concluaient avec des Etats d’Europe des traités renfermant la clause inconditionnelle de la nation la plus favorisée. En effet, tout avantage que ces Etats étaient tenus d’accorder à un autre pays quelconque en vertu de la clause inconditionnelle de la nation la plus favorisée, était ainsi consenti sans compensation, du moins dans le cas visé; en conséquence, cet avantage n’était plus susceptible de motiver une demande de compensation vis-à-vis des Etats-Unis qui ne concluaient que de traités comportant la clause conditionnelle de la nation la plus favorisée, c’est-à-dire des ‘traités de réciprocité.’”<sup>79</sup>

<sup>79</sup> Translation:

“The conditional most-favored-nation clause dominated the commercial policy of the United States before the war and has likewise gone, to a great extent, into the treaties of the South American and Central American States. By reason of its indefiniteness, which has further been increased by the obscurity of the formula employed, the sense and the interpretation of the clause have given rise

Hornbeck (The Most-Favored-Nation Clause—3 *Am. Jour. Int. Law*, 1909, 395, 619, 797, at 822), states—

“One of the first impulses among those European nations which in recent years have felt themselves suffering on account of the interpretation placed upon the clause by the United States, was to accept the American interpretation in their dealings with the United States, while retaining the European usage in their dealings with their nearer neighbors. This, however, was impossible, for if they first use the American interpretation in dealing with European states, then follow the American interpretation in dealing with the United States, they have to give the latter all the advantages which they give ‘freely’ to other Europeans, and therefore their [*sic*] neither save themselves, nor do they retaliate on the United States. To illustrate: the German treaties concluded between 1903 and 1906 with the central European states were based on reciprocity, with mutual concessions, but later Germany, in fulfilling her favored-nation obligations, extended the conventional rates made up from these concessions, to Great Britain, France, and other states ‘freely.’”

In 1850 the United States entered into a treaty with Switzerland.<sup>80</sup> This treaty was later held to be of the unconditional type and constituted one of the few exceptions, until recent years, to the accepted American practice of executing only treaties of the conditional form. In 1898 Switzerland claimed the benefits of a reciprocity agreement between the United States and France. The soundness of the Swiss position was admitted by this government. Claims were preferred by other governments. The treaty was promptly denounced. Although the exact position of the various governments involved is hard to ascertain, it seems clear that the treaty would not have been denounced if this government had not felt itself to be under the necessity of yielding to countries having conditional treaties the concessions freely granted to Switzerland under the treaty of 1850. (See 5 Moore, *Digest*, 283; *Reciprocity and Commercial Treaties*—U. S. Tariff Commission—pp. 41, 208, 429; *For. Rel.* 1899, p. 748.)

The commercial relations between the United States and Germany, around the turn of the century, gave rise to similar issues. This government did not take full advantage of its treaty rights but the following quotation from *Reciprocity and Commercial Treaties* (p. 425) indicates the legal position which could be properly maintained.

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to many differences of opinions and disputes. At any rate, the clause involved serious disadvantages for the States which, having accorded the conditional most-favored-nation treatment to the United States, concluded with European States treaties containing the unconditional most-favored-nation clause. In fact, any advantage that these States were obliged to accord to any other country by virtue of the unconditional most-favored-nation clause was thus consented to without compensation, at least in the case under reference: consequently, that advantage could no longer justify a request for compensation from the United States which concluded only treaties bearing the conditional most-favored-nation clause, that is, ‘treaties of reciprocity.’”

<sup>80</sup> Miller, *Treaties*, vol. 5, p. 845.

"During the years 1891, 1892, and 1893, Germany concluded with European countries a series of bargaining treaties which became known generally as the 'Caprivi treaties'.<sup>81</sup> If the United States-Prussia treaty of 1828<sup>82</sup> was still in force, the concessions granted by Germany in these new treaties to a number of the important countries of Europe should have been extended immediately to the United States. This was true no matter which interpretation of the most-favored-nation clause Germany chose to apply. Under the unconditional interpretation there could be no question: the United States would be entitled to any concessions granted to any other country under any circumstances whatsoever. Under the conditional interpretation, if Germany chose to apply that in dealing with the United States, the following considerations were applicable in support of the claim that the United States was entitled to the benefit of the concession. Germany had undertaken, by the Frankfurt treaty,<sup>83</sup> to extend to France immediately and unconditionally all concessions which she made to England, Belgium, Holland, Switzerland, Austria, and Russia. With or without compensation, it may be argued either way, Germany did so extend to France the concessions which she made to those countries. Further, Germany generalized her concessions in favor of European countries, among them Great Britain, even though on the part of Great Britain there was no giving of concessions in return by way of compensation. Hence, in Germany's most-favored-nation treatment either of France or of Great Britain, or of both, there was a 'free' granting of favors without compensation. It would follow that even under the conditional interpretation of the most-favored-nation pledge the United States was entitled to the concessions—which Germany generalized in Europe—of the Caprivi treaties."

The translation of the note accompanying the Embassy's despatch of January 27, 1933, contains the following passage:

". . . I must inform Your Excellency that this Chancellery regrets that it does not share the opinion expressed in the note of December 10th last, to which I am now replying, in which the same gratuitous extension of the reduction which was granted to the products of France, Great Britain and Italy by virtue of the *modus vivendi* with Chile is requested for products of the United States: the most-favored-nation clause cannot produce that effect; it establishes a relation between three entities, that is, between two contracting Powers and a third State; any commercial or tariff favor or advantage granted by one of the contracting Powers to the third State may be claimed by the other contracting State, gratuitously or conditionally, according to the form applied to the clause; but the treatment of the

<sup>81</sup> The Caprivi treaties: treaties signed December 6, 1891, with Austria-Hungary, Belgium, and Italy, *British and Foreign State Papers*, vol. LXXXIII, pp. 47, 169, and 259; treaty signed December 10, 1891, with Switzerland, *ibid.*, p. 548; treaty signed August 21, 1892, with Serbia, *ibid.*, vol. LXXXVI, p. 577; treaty signed October 21, 1893, with Rumania, *ibid.*, vol. LXXXVII, p. 977; the treaty negotiated with Spain in 1892 was ratified by the German Reichstag but proved unacceptable to the Spanish Cortes.

<sup>82</sup> Miller, *Treaties*, vol. 3, p. 427.

<sup>83</sup> Signed May 10, 1871, between France and Germany, De Clercq, *Recueil des Traités*, tome x, p. 472.

most favored nation is limited to those three entities, and not to the immediate consequences resulting from the co-existence of other treaties signed with other powers. Were such an interpretation admitted, negotiations would be impossible and the immediate object sought in contracting the most-favored-nation clause would be exceeded. For these reasons, it is not possible for this Chancellery to accord to the products of the United States gratuitously the reductions granted to similar products of France, Great Britain and Italy. Any claim must be in connection with privileges granted to Chile."

In the view of the Department this position is unsound. Not only is it opposed to the practice of nations, as shown by the quotations set out above, but also to the express language of the treaty itself. Article III expressly declares that the parties agree that any favor which either of them may grant to *any* other nation shall extend to the other party. There is no suggestion that such extension must be by treaty, whether a treaty of reciprocity or otherwise. It applies to the fact, not the manner, of extension. There is no question but that as a fact Argentina accorded certain favors to Chile and extended them to France, Great Britain, and Italy. It is difficult to read the language of Article III of the treaty of 1853 in any other way than as requiring such extension also to the United States, gratuitously if extended gratuitously to another country. The favors to Chile were extended for equivalent compensation, those to the other countries without compensation. But if extended to *any* country without compensation, the extension to the United States must be without compensation.

The expression "identity of cases and circumstances" in Article III appears to be fulfilled in the present case in view of the fact that the same varieties of goods from the United States are the ones competing with the goods from Europe to which the favors in question have been gratuitously extended by the Argentine Government.

With reference to the suggestion in the note of the Argentine Government of the fact that the treaty with Chile is a treaty with a bordering country, it should be observed that this exception to the most-favored-nation clause is not to be read into a treaty, but is applicable only if the treaty in question expressly states that it is to be regarded as an exception to the most-favored-nation clause. This Government has uniformly included in its treaties and agreements with other countries during recent years a specially stated exception in favor of its commerce with Cuba and also in favor of its commerce with its own dependencies. Further, in maintaining this position the Argentine Government again overlooks the true basis of the present claim for favor. This Government does not ask for the favors extended to Chile; it claims the benefit of the favors freely and gratuitously conferred on Great Britain, France, and Italy.

The Department is interested in continuing to receive full information with reference to the Argentine Commission created to study commercial relations, to which you refer in the last paragraph of your telegram under acknowledgment. It is the hope of the Department that no position will be taken by this Commission which might conflict with a possible reciprocity agreement with the United States in conjunction with an agreement under the terms of which each party would promise to accord to the other unconditional most-favored-nation treatment. The policy of reducing import duties by reciprocal agreement has, as you know, customarily been carried on upon the basis of obligation to generalize the lowered duties. Although the practice of exclusive reciprocity agreements has in the past made some headway in the Western Hemisphere, the requirements of the present complex economic situation can, it is believed, be met only by a continuation of a policy that is based fundamentally upon the principle of equality.

While you are not requested at the present time to discuss the foregoing questions of policy with the Argentine Government, you are authorized, in your discretion, on favorable opportunity, to mention them as constituting the principle upon which your Government may be in a position to negotiate with the Government of Argentina.

Very truly yours,

CORDELL HULL

625.3531/38

*The Chargé in Argentina (White) to the Secretary of State*

No. 2087

BUENOS AIRES, May 31, 1933.

[Received June 12.]

SIR: I have the honor to enclose herewith a notice from the *Buenos Aires Herald* of May 30<sup>84</sup> in regard to the signature of the preliminary draft of the Argentine-Chilean commercial treaty.

The clauses concerning favored treatment for merchandise of the two countries have been settled, but publicity has been withheld pending the signature of the whole treaty.

As a result of a conversation which I held with my Chilean colleague and of a similar conversation between Dr. Dye<sup>85</sup> and a member of the Argentine Tariff Board, the following would appear to be the situation:

Chilean timber entering Argentina is to pay various differing rates of duty. Some of it when cut into logs (*rollizos*) and beams (*vigas*) I understand will be exempt to the extent of 50 per cent. There are

<sup>84</sup> Not reprinted.

<sup>85</sup> Alexander V. Dye, Commercial Attaché in Argentina.

specifications as to types of wood, as for instance, *raulí*, some of which will obtain a 28 per cent. reduction and others a 35 per cent. reduction.

Fresh fruit is not included among the articles subject to reduction. Likewise, I understand prunes are not included. Dried peaches from Chile will obtain a 35 per cent. reduction; garlic 28 per cent. or a 35 per cent. Chilean lobsters will enter free. Other fresh seafood will obtain a reduction of 28 per cent. or 35 per cent.

Chilean nitrate will obtain favored treatment but not copper.

The foregoing, being based on conversations, is somewhat lacking in precision and is of no use for publication, the more so as it was communicated in strict confidence. It will, however, serve to show that the Argentine Government has been very careful to avoid the question of the most-favored-nation clause, such as occurred in the first Chilean *modus vivendi*. I understand that the Chileans are not very satisfied with what they have obtained and were particularly annoyed with the uncompromising attitude displayed during the negotiations by Señor Piñedo, the head of the Argentine Customhouse.

Respectfully yours,

J. C. WHITE

611.3531/139

*The Chargé in Argentina (White) to the Secretary of State*

No. 2101

BUENOS AIRES, June 9, 1933.

[Received June 19.]

SIR: Referring to the Department's Instruction No. 709 of May 23, setting forth the Department's views in regard to the Argentine claim that the unconditional most-favored-nation clause of the United States-Argentine treaty of 1853 did not apply in regard to reductions in the Chilean *modus vivendi* extended to Great Britain, France and Italy, I have the honor to enclose herewith the copies of the text of a note sent to the Minister of Foreign Affairs<sup>86</sup> which is based upon the Department's Instruction and is in great part a quotation of the same.

In the course of my interview with the Minister for Foreign Affairs referred to in despatch No. 2100,<sup>87</sup> the latter stated that he understood from Dr. Le Breton<sup>88</sup> that the United States, if they failed to obtain a general adoption of the most-favored-nation clause at the Economic Conference, would be obliged to abandon this and make reciprocity treaties. I told him that it was my understanding that for the present my Government favored reciprocity treaties but with the unconditional most-favored-nation clause. He replied that he was quite sure that the unconditional most-favored-nation clause would not work. He

<sup>86</sup> Not printed.

<sup>87</sup> *Post*, p. 740.

<sup>88</sup> Tomás A. Le Breton, Head of the Argentine Delegation to the London Monetary and Economic Conference; Argentine Ambassador in France.



asked me whether I was authorized to enter into negotiations for a commercial treaty with him.<sup>89</sup> This I think he said more to express his desire to do so than with any idea that I might have the instructions.

As for the attitude of the Argentine commission to study international relations, Dr. Dye tells me that in the course of his conversations with a member of that body, he gathers that nothing will be done about the most-favored-nation clauses until after the Economic Conference.

Respectfully yours,

J. C. WHITE

625.3531/47

*The Ambassador in Argentina (Weddell) to the Secretary of State*

No. 37

BUENOS AIRES, October 6, 1933.

[Received October 16.]

SIR: With reference to Mr. White's despatch No. 2208 of August 25, 1933,<sup>90</sup> in which he made reference to the commercial treaty between Argentina and Chile,<sup>91</sup> I have the honor to report that the Senate on September 29 sanctioned the treaty already passed by the Chamber of Deputies.

The Department is already in possession of a translation of the treaty which accompanied despatch No. 1486 of June 21, 1933 from the Embassy at Santiago, Chile.<sup>90</sup> For the original text the Department is referred to the *Diario de Sesiones* of the Senate, September 29, 1933, Forty-eighth Reunion, continuation of the Thirtieth Ordinary Session, pages 1694-1697.

As the treaty had already been approved by both Chambers of the Chilean Congress, it only remains for the final ratifications to be exchanged in Santiago, Chile, in accordance with Article 14 thereof.

It is to be presumed that the exchange of ratifications will not be unduly delayed, in order to enable Argentina and Chile to avail themselves, as soon as possible, of such benefits as the treaty confers.

Respectfully yours,

ALEXANDER W. WEDDELL

635.4131/151 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, November 7, 1933—11 a. m.

[Received 12:05 p. m.]

102. Argentine Government yesterday afternoon issued decree published this morning providing that "valuation duties and other pro-

<sup>89</sup> See pp. 642 ff.

<sup>90</sup> Not printed.

<sup>91</sup> Signed at Buenos Aires, June 3, 1933. The treaty was promulgated on October 4, 1933, as Law No. 11753. For text of the treaty, see *British and Foreign State Papers*, vol. CXXXVI, p. 554.

visions contained in" Roca agreement and its annexes shall apply to the merchandise enumerated therein "whatever its source of origin."<sup>92</sup>

A second decree declares that the reduction and facilities accorded to Chilean merchandise under the recent treaty "shall be recognized in favor of the same goods when they have been produced in the United Kingdom of Great Britain and Northern Ireland, Italy or France."

In this connection I refer to White's despatch No. 2201 [2101] of June 9, 1933, transmitting copy of note to Foreign Office regarding correct interpretation of the most-favored-nation clause to which Embassy has received no reply.

WEDDELL

635.4131/158

*The Ambassador in Argentina (Weddell) to the Secretary of State*

No. 90

BUENOS AIRES, November 10, 1933.

[Received November 20.]

SIR: I have the honor to enclose for the Department's information a copy of a letter received from the Argentine Minister for Foreign Affairs, dated November 8, 1933, together with a translation thereof, in which the Minister for Foreign Affairs makes known that the provisions of the commercial agreement between the Argentine Republic and Great Britain are extended to merchandise enumerated in the annexes to the agreement without regard to the country of origin, etc. The Minister adds that despite the foregoing, his Government maintains its previously expressed interpretation that the most-favored-nation clause existing in our Treaty of 1853 with Argentina is of a conditional character, adding that "This generalization is made while awaiting a new commercial agreement which may be of such great benefit to our reciprocal interests."

Perhaps this note may be considered as an acknowledgment of the Embassy's note of June 9, 1933, to which hitherto no reply has been made.

Respectfully yours,

ALEXANDER W. WEDDELL

[Enclosure—Translation]

*The Argentine Minister for Foreign Affairs (Saavedra Lamas) to the American Ambassador (Weddell)*

BUENOS AIRES, November 8, 1933.

MR. AMBASSADOR: I have the honor to inform Your Excellency that the Commercial Agreement between the Argentine Republic and the

<sup>92</sup> For correspondence concerning the Anglo-Argentine (Roca) Agreement, see pp. 722 ff.

United Kingdom of Great Britain and Northern Ireland, approved by the Honorable Congress by law 11823, has been extended in its effects by decree issued on the 6th inst., to merchandise enumerated in the annexes of the Agreement, whatever the country of origin be.

I therefore take pleasure in communicating to Your Excellency that the same rates of appraisal, duties and other provisions contained in the Anglo-Argentine Agreement, will be extended to similar goods imported from the United States, in spite of the fact that this Government maintains its interpretation in the sense that the most-favored-nation clause stipulated in the Treaty of Friendship, Commerce and Navigation of July 27, 1853, which binds us to the country Your Excellency represents, is of a conditional character. This generalization is made while awaiting a new commercial agreement which may be of such great benefit to our reciprocal interests.

I renew [etc.]

CARLOS SAAVEDRA LAMAS

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**REPRESENTATIONS REGARDING THE EXCHANGE PROVISIONS OF THE ANGLO-ARGENTINE (ROCA) AGREEMENT OF MAY 1, 1933, AND ARGENTINE EXCHANGE REGULATIONS**

835.51/897 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, March 31, 1933—5 p. m.

[Received 7:50 p. m.]

29. I have just learned from reliable source that, whereas percentage of exchange (presumably as between 20 and 33 percent) to be reserved for British interests in Roca Mission<sup>93</sup> negotiations is still in dispute, it has been settled that when agreement reached there should be a 20-year loan of 10,000,000 sterling at 4 percent interest without amortization in first [5] years. The proceeds would become available in England to holders of blocked pesos which at this end would be applied to reducing Argentine Government internal floating debt now bearing higher rate of interest. My informant was of opinion that American interests in this country would be well advised from their point of view to take similar action, as British agreement will place them at a disadvantage.

I am further informed that Ministry of Finance has at last admitted, albeit in confidence, that amortization payment on national external debt may have to be suspended.

BLISS

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<sup>93</sup> The mission headed by Dr. Julio M. Roca, the Vice President of Argentina, departed from Argentina on January 12, 1933, to "return the visit of the Prince of Wales and to converse with the Government of Great Britain regarding the commercial relations between the two countries." (641.3515/15)

835.51/897: Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, April 1, 1933—3 p. m.

18. Your 29, March 31, 5 p. m. Department desires to obtain your views as to whether there is any possibility that the amount of British held pesos thus released would exceed the amount of the loan.

Last sentence, first paragraph. Why would American interests be placed at a disadvantage by this loan?

HULL

835.51/899: Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, April 4, 1933—7 p. m.

[Received 7:55 p. m.]

30. My 29, March 31, 5 p. m. Your 18, April 1, 3 p. m. It should be borne in mind that opinion here is not unanimous that Roca Mission will not be able to reach agreement. The amount of the loan and period of repayment also appear to be subject to modification.

Estimates of arrears of British blocked pesos vary from 130 to 150 million paper pesos. The object of the loan is to cover these arrears. How exactly this result will be achieved remains to be seen if and when settlement reached.

Moreover, it is not this phase of operation that would be prejudicial to us but the projected allotment for the future of a fixed percentage of exchange for British interests when the total amount available this year is so far, and is expected to continue to be, considerably less than last year. One effect of this would be that the exchange needs of the British importers would be far more nearly met than those of their competitors.

In connection with the granting of foreign exchange to United States interests, informed that reports of disposition on the part of the United States to negotiate reciprocity treaties are having beneficial effect.

BLISS

835.51/903

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 2027

BUENOS AIRES, April 7, 1933.

[Received April 17.]

SIR: Referring to my telegrams No. 29 of March 31, 5:00 p. m., and No. 30 of April 4, 7:00 p. m., and to the Department's No. 18 of

April 1, 3:00 p. m., I have the honor to report that the information conveyed in the first named communication was given me by an eminently responsible person who had just had an interview with the Minister for Foreign Affairs, in the course of which the statements in regard to the British loan were made. As indicated, however, in the telegram, the issue of this loan depended upon the settlement of the percentage of exchange to be allotted to British interests. This point has not been settled and most recent reports indicate that the prospects for an agreement are not good. Yesterday it was reported that the Prince of Wales was intervening in the negotiations; today that the Argentine Government has sent its final instructions.

As to the sterling loan, later reports indicate that it might be for twenty-six years instead of for twenty years as telegraphed. Presumably there would be no amortization payment for the first five years. The working of the loan, if it is made, would be somewhat as follows. The bankers in London would create a sterling credit for the Argentine Government, and the latter would issue four percent sterling bonds which would be given to holders of the blocked pesos owned by British interests. The pesos thus received by the Argentine Government would be applied by it to pay off some of its internal floating debt which at present pays a higher interest than four percent. The holders of the blocked pesos could take their sterling bonds and discount them with English banks. In this way it is supposed that the problem of finding a market for the ten million pound loan would be overcome. Such an arrangement, however, represents a gamble in exchange for the Argentine. If sterling appreciates quicker than pesos, this country will be the loser.

I have heard the fear expressed in responsible quarters that were a similar arrangement attempted in the United States it would be more difficult to reach an agreement, as it is doubtful if the American concerns would so readily take further Argentine bonds.

In connection with the Roca Mission negotiations, *La Prensa* of April 2 contained a special despatch to it from London of the previous day to the effect that the British millers were opposed to an Argentine proposal for grading wheat, although they were disposed to cooperate in the establishment of a freer market, such as would free the Argentine from the dominion of the few big export houses, but that this should be done in a cautious manner. One English proposition to this effect is stated to have been that an Anglo-Argentine wheat exporting company should be created with a capital of £1,000,000 sterling, subscribed one-half by the Argentine Government, and the rest by the British millers. The Argentine idea appeared to be that a system of wheat certificates would be the best solution.

Respectfully yours,

ROBERT WOODS BLISS

P. S. Though relatively little has been said as to this aspect of the situation, I learn from a source that should be well informed that the British demands in connection with customs tariff reductions would cost the Treasury here some 14,000,000 pesos a year. In return the British could give nothing but promises not to place the products of this country in a less advantageous position than at present.

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835.51/899 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, April 7, 1933—5 p. m.

19. Your 30, April 4, 7 p. m., and your despatches 2001 and 2007.<sup>94</sup> Do you believe that the proposed allotment of 33% of all available exchange to Great Britain represents a fair proportion for that country taking into consideration (a) Argentina's purchases of British goods, (b) remittances to Great Britain of income from investments, et cetera, and (c) frozen credits?

Would the 33 percent include the service of the proposed loan of 10,000,000 pounds?

What percentage of exchange should be allotted to the United States if placed on a similar basis?

If this allotment is granted to the British do you consider it advisable to ask for an allotment for the United States, as set forth in the preceding paragraph?

HULL

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835.51/900 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, April 11, 1933—5 p. m.

[Received 6:11 p. m.]

32. Your 19, April 7, 5 p. m. British imports into Argentine for the years 1926 to 1930 inclusive (the latest years for which figures available for comparison) represent less than 22 percent of the total. There has not, however, been any notion here of basing exchange on imports.

An allotment of 34 to 35 percent to British interests would correspond to percentage of British imports from Argentine according to provisional official figures for the year 1932. It has been impossible to obtain reliable estimate amount of remittances from British investments. Same reliable sources of information on which amount of British blocked pesos based now consider 120 to 130 millions likely

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<sup>94</sup> Despatches Nos. 2001 and 2007 not printed.

figure. Impossible ascertain accurate estimate. Not enough known of terms of proposed loan to say whether British exchange allotment would cover its interest service, but probably it would charge no amortization for several years.

If percentage of exports were taken as criterion for allotment of exchange according to national interests then on the basis of 1932 figures above referred to United States would come after Holland, Belgium, France, Germany and Italy with 3.4 percent. While it is reported that Control Commission increasingly favors awarding exchange in amounts corresponding to exports, there is also possibility that Argentine Government is disposed to make special reservations with British with a view to facilitation payment of its dollar debt service.

American banking interests here consulted since sending my number 29, March 30 [31], 5 p. m., express doubt American firms would accept loan arrangement similar to suggested British one to release American held pesos as long as existing Argentine bonds are quoted in United States far below par. Possibly some different arrangement might subsequently be worked out but it is unlikely that any proposition would be given serious consideration by this Government until London negotiations terminate.

BLISS

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835.51/905 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, April 21, 1933—10 a. m.

[Received 11:50 a. m.]

34. My telegram No. 29, March 31, 5 p. m., and subsequent reports. Minister for Foreign Affairs confirms that full powers telegraphed Roca to effect final arrangement and sign agreement the exact terms of which will be left to his judgment. If press reports are correct question of future exchange is likely to be settled by granting permits in proportion to the value of British purchases from Argentina for next 3 years.

BLISS

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635.4131/81 : Telegram

*The Chargé in Great Britain (Atherton) to the Secretary of State*

LONDON, May 2, 1933—noon.

[Received May 2—8:35 a. m.]

93. Embassy's 81, April 28 [18], 5 p. m.<sup>95</sup> Anglo-Argentine trade agreement signed yesterday. Text will be forwarded immediately

<sup>95</sup> Not printed.

available<sup>96</sup> but press correspondents understand this will not be until after Washington-Argentine discussions are completed. I am told details of agreement are substantially as follows: Government secures a loan of 10,000,000 pounds in London for the purpose of releasing British frozen credit deposits in the Argentine. Argentine duties on large number of items to be reduced with certain changes in the customs classifications designed to benefit British exports especially textiles, motor vehicles and agricultural machinery. British Government guarantees to the Argentine Government up to 15% of frozen beef quota. This 15% can be allocated only to state and municipally owned slaughterhouses. Argentine Government is at present availing itself of only 3½%.

This morning's press announces that Government has invited Japanese Government to send a delegation to discuss British Empire trade with Japan. It is also reported that the agreements with Norway and Sweden will be signed within the next 10 days<sup>97</sup> and preliminary arrangements for trade negotiations with Finland are under way.<sup>98</sup>

ATHERTON

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611.3531/134

*Press Release Issued by the Department of State, May 4, 1933*

The representatives of the Argentine<sup>99</sup> and the Government of the United States had an extensive exchange of views on the questions of commercial policy scheduled for discussion at the Economic Conference, and upon the relation of the proposed British-Argentine treaty to those questions and to the trade between Argentina and the United States.

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635.4131/84a : Telegram

*The Secretary of State to the Chargé in Great Britain (Atherton)*

WASHINGTON, May 5, 1933—9 p. m.

96. For Norman Davis.<sup>1</sup> As Under Secretary Phillips just explained to you over the telephone:

"It seems to the Government necessary that it take note of the terms of the treaty now in process of negotiation between the British Government and the Government of the Argentine Republic, because of

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<sup>96</sup> The text was transmitted in despatch No. 853, May 5 (not printed); for text of agreement, see League of Nations Treaty Series, vol. CXLIII, p. 67.

<sup>97</sup> For texts of the treaties, signed May 15, 1933, see League of Nations Treaty Series, vol. CXLV, p. 187, and vol. CXL, p. 317.

<sup>98</sup> For text of the treaty signed September 29, 1933, see *ibid.*, vol. CXLIX, p. 167.

<sup>99</sup> i. e., the representatives of Argentina attending the conversations at Washington preliminary to the London Monetary and Economic Conference; see vol. I, pp. 452 ff.

<sup>1</sup> American representative on the Organizing Committee for the Monetary and Economic Conference.



its bearing on the Economic Conference program and upon American trade.

The Department has discussed with the Argentine representatives now in Washington the possible significance of the terms of the treaty, particularly in regard to (a) the operation of the foreign exchange rationing arrangements and (b) the ultimate effect on American trade of the contemplated tariff changes.

The American Government realizes that the British Government may, in the light of the plans for the Conference and the conversations that have taken place here, wish to hold the final conclusion of this treaty in abeyance pending the outcome of the Economic Conference. Still, in accordance with the spirit of candor in which our recent conversations with the Prime Minister were carried on, this Government desires to express the judgment that the proposed treaty, certainly as a consequence of the exchange arrangements which are laid down and possibly as a consequence of its tariff features, contains elements of discrimination in favor of British trade which are inconsistent with the aims of world cooperation which alone can give meaning to the Economic Conference and to the preliminary conversations in which the American Government is engaged."

The Department leaves to your judgment the decision as how this view is to be brought before the British Government and in what form, and leaves further to your judgment the question of the exact language which had best be employed.

It realizes the importance of acting in such a way as to strengthen MacDonald's position and not weaken it.

The Department feels very strongly that some action should be taken to present this point of view clearly because if this treaty is completed without a clear indication of our position it may easily lead to a succession of other treaties between other nations which will render the idea of a tariff truce illusory and give rise to so much criticism as to defeat the other objects of the Conference.

HULL

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635.4131/82 : Telegram

*The Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, May 5, 1933—7 p. m.

24. In examining article 2, clause 1, of Anglo-Argentine agreement,<sup>3</sup>

<sup>3</sup> The text of article 2, clause 1, is as follows:

"Whenever any system of exchange control is in operation in Argentina, the conditions under which foreign currency shall be made available in any year shall be such as to secure that there shall be available, for the purpose of meeting applications for current remittances from Argentina to the United Kingdom, the full amount of sterling remittance arising from the sale of Argentine products in the United Kingdom after deduction of a reasonable sum annually towards the payment of the service of the Argentine public external debts (national, provincial and municipal) payable in countries other than the United Kingdom." (635.4131/87)

Department has reached following tentative statement of amounts of exchange affected :

Assuming exchange available in 1933 as 870,000,000 paper pesos, the "full amount of sterling exchange arising from the sale of Argentine products to the United Kingdom" will be about 300,000,000 paper pesos. From this there may be a deduction of a reasonable sum annually toward payment on service of Argentine public external debts in countries other than the United Kingdom. The total of the latter charges we estimate as 100,000,000 paper pesos, taking public debt charges payable in United Kingdom as about 80,000,000 more. The 300,000,000 pesos less a reasonable part of the 100,000,000 service charges payable outside the United Kingdom "shall be available for the purpose of meeting applicants for current remittances from Argentina to the United Kingdom."

1932 requirements for current remittances to the United Kingdom are estimated as 180,000,000 pesos for imports into Argentina, nearly 160,000,000 for account of public utility companies, and 20,000,000 for shipping companies.

Apparently agreement would not insure current transfers without further freezing of British accounts, which agreement was designed to obviate.

Telegraph verification or criticism of these estimates with such appropriate comment as you may desire to make.

HULL

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635.4131/86 : Telegram

*The Chargé in Argentina (White) to the Secretary of State*

BUENOS AIRES, May 10, 1933—6 p. m.

[Received 6:44 p. m.]

40. Your 24, May 6 [5], 7 p. m. Before submitting telegraphic criticism of Department's figures would like to collect estimates from further sources. Am forwarding figures so far available by air-mail pouch this week.

Consider it as most unlikely that provisions of article 2, clause 1, of Roca Agreement will meet British exchange requirements.

These, I hear, Argentine authorities propose to honor in the following order of precedence :

- 1st. Argentine Government sterling debts.
- 2nd. Merchandise payments.
- 3rd. Debenture interest.
- 4th. Private remittances.
- 5th. Dividends.

WHITE

635.4131/95

*The Chargé in Argentina (White) to the Secretary of State*

No. 2063

BUENOS AIRES, May 12, 1933.

[Received May 22.]

SIR: I have the honor to refer to the Department's telegram No. 24 of May 5, 7 P. M. in regard to the application and effect of Article II, Clause I, of the Anglo-Argentine (Roca) Agreement.

I have taken up the question of the figures in which the Department is interested with the Commercial Attaché—Doctor Dye—and with the local branch of the National City Bank of New York, which has been following the exchange control question closely and which recently had a temporary representative attached to the Exchange Control Commission, and both of these have supplied opinions and figures which are enclosed herewith.<sup>4</sup> I have also interviewed the President of the Exchange Control Commission, Doctor Celedonio Pereda, who has promised me some figures, and I also intend, when a suitable moment presents itself, to broach the matter to the British Embassy. I enclose herewith (Enclosure #1) a copy of a communication from Doctor Dye; (Enclosure #2) the pertinent portion of a conversation held between the Manager of the National City Bank and a former high Argentine banking official, which was considered by the City Bank and also by Doctor Dye as containing the best approximation to the figures in which the Department is interested and which Doctor Dye embodies in the text of his note; (Enclosure #3) figures supplied by the National City Bank in regard to the service requirements of the National Debt for the year 1932; (Enclosure #4) some figures for exchange offerings for the present year; (Enclosure #5) a table prepared by Doctor Dye showing the difference between export values in 1932 and exchange sold in the same year; (Enclosure #6) excerpts from the *Buenos Aires Herald* of May 11 giving export figures for the first four months of the present year.

With the assistance of the foregoing, I have the honor to submit a tentative consideration of the Department's tentative figures as follows:

**870 MILLION PAPER PESOS FOR EXCHANGE AVAILABLE IN 1933**

While foreign exchange for sale is based on Argentine exports, a reference to Enclosures 1 and 5 reveals that there was a considerable discrepancy between the totals for the two figures in 1932. Last year the value of exchange sold exceeded that of the exports. This year, so far, the reverse is the case. The discrepancy however presents one of the numerous uncertainties inherent in making a forecast.

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<sup>4</sup> Enclosures to despatch not printed.

Exports for last year amounted to 1,286,237,000 Pesos. For the first four months of the present year the value of exports is 30.1% less (see enclosure #5). If we take 30% as the probable ratio of reduction, the total exports upon which exchange is based would be roughly 900 Millions. If we take the ratio of decline for the first quarter of approximately 26% then this figure would be somewhat in excess of 950 Millions. Turning to the actual exchange. Last year, taking Doctor Dye's figures, 1,339 Millions were sold. For the first four months of this year, according to figures supplied in despatches Nos. 2030 of April 7 and 2056 of May 5,<sup>5</sup> about 33% less has been sold. If this ratio is maintained, then comparing exchange figures with exchange figures, that for the present year would be slightly under 900 Million Pesos.

The Departmental figures of 870 Millions, as considered in the light of the preceding, would not appear to err on the side of optimism.

#### 300 MILLIONS AS THE FULL AMOUNT OF STERLING EXCHANGE ARISING FROM THE SALE OF ARGENTINE PRODUCTS TO THE UNITED KINGDOM

In 1932 Great Britain took 35.6%, in 1931, 39% of the total Argentine exports (according to Argentine figures). Doctor Dye very naturally takes as a basis 35% on 950 Million Pesos which, roughly, would be somewhat in excess of 330 Millions; 35% of 900 Millions would be approximately 315 Millions. It will be noted, however, that in Enclosure #2 the higher figure of 400 Millions is indicated, allowing for the re-export of part of the British imports from Argentina. This re-exportation suggests a factor affecting this estimate. Another, as pointed out by Doctor Dye (see page 2 of Enclosure 1) is the very considerable discrepancy between Argentine figures for their exports and those of the corresponding British figures for imports.

#### PUBLIC DEBT CHARGES TO COUNTRIES OTHER THAN THE UNITED KINGDOM, 100 MILLIONS

According to Enclosure #3, 68,703,682 (United States currency) were needed in 1932 for the service of the external debt, of which it would appear that \$23,716,718 are for sterling. When one comes to translate this into Argentine Paper Pesos, the question arises as to exchange. Of late the United States Dollar has been fluctuating widely. Another important factor in this calculation is the partial or total defaults of certain provinces, notably Buenos Aires and Santa Fe. Of much less importance is the reduction effected by yearly amortization. I have been told that this last amounts to 1% a year, but a closer analysis in regard to amortization might, if it were of sufficient

<sup>5</sup> Neither printed.

importance, be made on the basis of the debt service figures supplied in Despatch No. 1566 of March 18, 1932 and No. 1579 of April 1, 1932<sup>6</sup> (both entitled "Financial Data").

Last year National Public Financial Services absorbed 154,982,000 of exchange; Provincial and Municipal 43,029; National Mortgage 6,382; making over 204 Millions. I am told that 200 Millions is the figure which the Exchange Control Commission contemplates for the external debt service this year. According to the figures in Enclosure #3 it would appear that sterling would take up 35% of the total. 65% of 200 Millions would be 130 Millions.

PUBLIC DEBT CHARGES PAYABLE IN THE UNITED KINGDOM,  
80,000,000, m/n

If the sterling indebtedness takes 35% of the total, the figure would be 70 Millions. Of the sterling, over four million dollars worth is Provincial and nearly all of this for the Province of Buenos Aires. According to the memorandum (page 2) attached to Despatch No. 1940 of January 19,<sup>7</sup> there would be a 12% reduction on this item. As will be seen from Enclosures Nos. 1 and 2, sixty millions would appear to be the figure contemplated.

CURRENT REMITTANCES TO THE UNITED KINGDOM—180 MILLIONS;  
PUBLIC UTILITIES—160 MILLIONS

The only figures which I have so far on these two items are those in Enclosure No. 2 repeated in Enclosure No. 1. They are 150 Millions for merchandise. (NOTE: Imports of British merchandise last year amounted to roughly 180 Million Paper Pesos. According to British figures £10,663,101 exclusive of re-exports. The *Buenos Aires Herald* of May 12 publishes British Board of Trade figures for British exports to Argentina for the first quarter of the years 1931, 1932 and 1933 as follows in the order named: £5,033,260, £2,621,016; and £3,317,272, which would give this year an increase of from 26% to 27% over last, which probably corresponds to the fall in the Pound Sterling.)

FOR ACCOUNT OF SHIPPING COMPANIES, 20 MILLIONS

This figure does not appear to be included in the calculations made here. Doctor Pereda seemed to consider that it did not concern the Exchange Commission.

The authority for the statement contained in my telegram No. 40 of May 10, 7 [6?] P. M., establishing the order of precedence for

<sup>6</sup> Neither printed.

<sup>7</sup> *Post*, p. 773.

British payments, was Doctor Pereda. According to Article II, Clause II of the Roca Agreement the distribution of Sterling exchange is to be settled by agreement between the Argentine and British Governments.

I will transmit further information whenever the same may become available.

Respectfully yours,

J. C. WHITE

635.4131/103

*The Chargé in Argentina (White) to the Secretary of State*

No. 2076

BUENOS AIRES, May 19, 1933.

[Received June 9.]

SIR: Referring to previous despatches, I have the honor to state that according to *La Nacion*, May 19, the Under-Secretary of Commerce of Great Britain, Mr. Fraser, has been designated to discuss with the Argentine Government, the customs tariff portion of the Roca Agreement. It states that Mr. Fraser is due to arrive in Buenos Aires on June 11, and that the Board of Trade hopes that conversations may be initiated not later than four days after his arrival.

The Argentine Government will be represented by the Director General of Customs, Señor Agustín Piñedo, the Director General of the Bureau of Statistics, Señor Alfredo Lucadamo, together with experts from the Ministries of Foreign Affairs, Agriculture and Finance.

In arranging the tariff agreement, the Argentine Government will endeavor to obtain advantages for its butter and hides.

The final phase of the convention will concern the credit operation and in particular the fixing of the date for the emission of the bonds by the Argentine Government for the equivalent of blocked British owned pesos.

*La Nacion* carries an Associated Press despatch stating that the British Association of Chambers of Commerce have written Mr. Runciman<sup>s</sup> requesting that tariff reductions be discussed for British products shipped to Argentina in proportion to Argentine exports consumed by Great Britain.

The letter urges that there should be a system of bonus or rebates which should be applied to all nations on the basis of the excess of the volume of Argentine exports consumed by individual countries in an amount greater or less than the importations which Argentina receives from them.

Such a system could be based on the figures of the last three years and thereby the difficulties presented by the most-favored-nation clauses in treaties might be obviated.

Respectfully yours,

J. C. WHITE

<sup>s</sup> Walter Runciman, British M. P., President of the Board of Trade.

635.4131/105

*The Chargé in Argentina (White) to the Secretary of State*

No. 2085

BUENOS AIRES, May 31, 1933.

[Received June 12.]

SIR: I have the honor to recall that in my despatch No. 2063 of May 12, page 2, I stated that I had hoped to get an estimate of the distribution of the British exchange in which the Department expressed interest in its telegram No. 24 of May 5, from the President of the Exchange Control Commission, and also from the British Embassy. I have spoken to the British Ambassador and also to the British Commercial Attaché, but have not succeeded in obtaining any definite estimates from them. As they did not appear to have any available information, and as all these figures are in the nature of guesses, I saw no good in pressing them further.

Yesterday Doctor Celedonio Pereda, President of the Exchange Control Commission, gave me, orally and from memory, the following figures.

|   | <i>Paper pesos</i> |
|---|--------------------|
| Government External Debt Service with the countries which do not supply sufficient exchange to cover this payment, £30,000,000 sterling, which would be roughly at present rate of exchange-- | 39,500,000         |
| Public Debt Charges, payable in the United Kingdom-----   | 75,000,000         |
| For remittance on account of trade-----   | 150,000,000        |
| Payments on account of British Debentures-----  | 80,000,000         |
| Private Remittances-----  | 20 to 30,000,000   |
| Dividends-----  | 90,000,000         |

As the total of the foregoing amounts to 454,500,000 to 464,500,000 paper pesos, it is well in excess of the 400,000,000 reported to have been used as an estimate in the negotiations of the Roca Agreement. It will also be seen that the sum allowed for dividends by Doctor Pereda is less than the amount given in enclosure two of despatch No. 2063.

Inasmuch as these figures do not change the general conclusions which I telegraphed to the Department as of date May 10, 7:00 [6:00?] p. m. No. 40, I am sending this additional information by airmail instead of by telegram.

Respectfully yours,

J. C. WHITE

635.4131/106

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2090

BUENOS AIRES, June 2, 1933.

[Received June 12.]

SIR: A well informed person has communicated to Dr. Dye and myself that he had been told by someone who had seen the actual dossier, that in the files of the Roca Mission was the memorandum of a conversation in which Dr. Roca was informed by the British authorities that any agreement entered into within a period of six months prior to the beginning of the World Economic Conference in London must be considered as provisional and that should subsequent arrangements be made, for instance, between the United States and Great Britain, or between the United States and Argentina, the Roca agreement would be subject to modification.

This statement lends additional color to the circumstance that the whole of the Roca agreement is made subject to the conclusion of the tariff negotiations which are to start this month. (See despatch No. 2076 of May 19.)

Respectfully yours,

J. C. WHITE

835.5151/124

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2097

BUENOS AIRES, June 2, 1933.

[Received June 12.]

SIR: I have the honor to report that the dissatisfaction which has existed during the past months with the Exchange Control Commission has been greatly intensified of late, at least in so far as American business and banking is concerned, by the hindrances which it is placing in the way of securing dollar exchange.

The theory which is finding ever greater acceptance with the Argentine financial authorities is that it is the sale of Argentine produce which originates exchange, and the countries which buy most will get most permits. Whatever may be thought of this policy, it at least affords a working rule.

Since the month of April, the American demand for Argentine hides and wool has greatly increased, so that it is expected that for the past month the ordinary norms of trade will be reversed and Argentine exports to the United States will exceed imports from our country.

Notwithstanding that this situation ought to be viewed favorably here, the Exchange Control Commission has done nothing to help the movement, but rather the reverse. This body is composed of one or



two specialists, who really control its administration, and some other citizens of prominence, who not being specialists, and having other business to attend to, let things go their way. None of the members of the Exchange Committee can devote all their time to its work. While each bank is represented sooner or later in turn on the Exchange Commission, these temporary members are in fact merely spectators. Among the specialists is one non-Argentine, an officer of an European bank, who is freely charged by Americans with being Anti American and using his position to give business to his institution. Whether this accusation is just, I am not in a position to pronounce; but the mere fact of the inclusion of such a foreigner is sufficient to give rise to such charges. This individual has recently had additional power, by reason of the illness of another expert who usually has most to say in matters of United States exchange.

On May 31st, there appeared a circular to all banks, which is quoted in the enclosure. This places the dollar in a position of inferiority with other currencies. It is claimed by the Commission that this was not its intention; but the terms none the less are sufficiently clear.

Although I understand that the Minister of Finance has been made alive to the situation and is considering means of remedying it, this particular circular is still in force, so, with the approval of the two American banks, I requested as of urgency an interview with the Minister of Foreign Affairs and left the enclosed memorandum with him. He promised that it would be forwarded to Doctor Hueyo in half an hour's time.

Respectfully yours,

J. C. WHITE

[Enclosure—Translation]

*The American Embassy to the Argentine Ministry for Foreign Affairs*

#### MEMORANDUM

The following circular instruction was addressed by the Exchange Control Committee to all the banks of the city on May 31:

“Please be informed that from this date on, all permits of exchange granted by this Committee to be applied to transfers in United States Dollars, must be exclusively covered with dollars which the Bank buys through exportations to the United States.

“Furthermore, it is established that permits granted for the payment of collections or other transfers in Dollars, may be liquidated solely in that currency, it being necessary to obtain previous permission from this Committee in order to apply them to sales in other currencies.

“Should the Banks encounter difficulties in acquiring the amount of Dollars necessary to cover the permits granted, they will inform the Committee.”

This circular is prejudicial to the United States because it places the dollar in a position which makes it the only currency in which it is not possible to operate freely.

It imposes the application of dollar exchange arising from the purchase of Argentine products by the United States to the liquidation of drafts drawn in Dollars covering Argentine importations of European and other products.

It also permits the arbitrage of dollars into other currencies but does not permit the inverse operation. For example, an obligation in dollars must be covered with dollars and dollars only, unless special permission is obtained which would not only be difficult but also inconvenient to obtain.

On the other hand an obligation in any other currency may be covered by the purchase of drafts of the same currency or by buying foreign export bills in dollars arising from United States purchases in Argentina and converting them abroad in the currency required.

BUENOS AIRES, June 1, 1933.

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835.5151/116a : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, June 3, 1933—3 p. m.

30. Department of Commerce reports that it has received a cable from its representative in Buenos Aires stating that the Argentine Control Commission officially advised all banks on May 31 that effective on that day all permits granted for purchases of dollars must be covered by dollars derived from exports to the United States.

The Department assumes that this order covers purchases of all foreign currencies and does not refer only to the dollar. It appears evident nevertheless that it will occasion grave difficulties to American exporters to Argentina. If the aforementioned information is correct you will please express to the Argentine officials this Government's profound regret that they have adopted a measure constituting a serious impediment to trade between the United States and Argentina and therefore not in harmony with the objectives of the World Economic Conference or the proposed Tariff Truce. The Governments represented on the Organizing Committee of the Conference, as well as many other Governments, have agreed that they will not prior to June 12, nor during the proceedings of the Conference adopt any new initiatives which might increase the many varieties of difficulties now arresting international commerce. You will please express this Government's hope that the Argentine Government is in sympathy with the purposes of the Tariff Truce and you should also invite the

attention of the Argentine authorities to President Justo's reply to President Roosevelt's telegram of May 16,<sup>9</sup> in which the former expresses the Argentine Government's adherence to the views on economic subjects contained in that message. In view of the foregoing you are requested to urge the Argentine Government to withdraw the decree of the Exchange Control Commission.

Your despatch 2063.<sup>10</sup> You will please inform the Argentine Government that in the opinion of this Government the allotment to Great Britain of exchange as outlined in Article 2, clause 1 of the Anglo-Argentine trade treaty contains elements of discrimination in favor of British trade which are inconsistent with the aims of world cooperation which alone can give meaning to the World Economic Conference. You should state that if such a plan is put into practice it would discriminate seriously against American business interests in Argentina and compel this Government to protest most earnestly against it. You should point out that this Government does not discriminate through control of exchange against the commerce of any nation and express its hope that in the interest of the friendly relations existing between the two countries American trade will receive in this respect treatment as favorable as that accorded by Argentina to the commerce of any other nation.

PHILLIPS

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835.5151/117 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, June 5, 1933—noon.

[Received 1:35 p. m.]

48. Your 30, June 3, 3 p. m. On June 1st I took up matter of discrimination with Minister for Foreign Affairs in special interview. On June 2nd appeared another circular of Exchange Control Commission apparently relieving United States purchases of Argentine goods from having to carry all dollar exchange however arising. Nevertheless there are still restrictions against the dollar that do not apply to other currencies so I shall probably inform Minister for Foreign Affairs of Department's views at diplomatic reception tomorrow.

WHITE

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<sup>9</sup> Vol. I, p. 143.

<sup>10</sup> May 12, 1933, p. 730.

835.5151/117 : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, June 5, 1933—6 p. m.

31. Your 48, June 5, noon. The Department considers that the restrictions imposed by the Exchange Control Commission are of a sufficiently serious character to warrant your requesting a special audience with the Minister of Foreign Affairs in order to make suitable representations with a view to obtaining the withdrawal of the regulation.

In addition to the foregoing you were requested in telegram No. 30 to invite the attention of the Minister of Foreign Affairs to the clause of the Anglo-Argentine Trade Treaty which, in the opinion of the Department, constitutes an undue burden on American business interests.

It is not believed that these subjects can be adequately presented to the Minister of Foreign Affairs on the occasion of the diplomatic reception which you mention.

PHILLIPS

835.5151/122 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, June 7, 1933—6 p. m.

[Received 7:43 p. m.]

51. I read your telegram number 30, June 3, 3 p. m., to Minister for Foreign Affairs this afternoon. He wishes written statement. I am preparing one in regard to Exchange Control Commission circular. Have you any objection to my formulating Department's views re Roca agreement exchange provisions in writing.

WHITE

835.5151/123 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, June 8, 1933—noon.

[Received 1:40 p. m.]

53. Your June 3, 3 p. m.; my 51, June 7, 6 p. m. Reliably informed that it is the Argentine Government's intention to rescind objectionable circular.

WHITE

835.5151/122 : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, June 9, 1933—2 p. m.

34. Your 51, June 7, 6 p. m. You are authorized to present to the Minister for Foreign Affairs an *aide-mémoire* on each of these subjects.

PHILLIPS

835.5151/128

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2100

BUENOS AIRES, June 9, 1933.

[Received June 19.]

SIR: I have the honor to refer to the Department's telegrams No. 30 of June 3, 3 p. m., No. 31 of June 5, 6 p. m., and to my telegrams No. 48 of June 5, 12 noon and No. 51 of June 7, 6 p. m., also to my despatch No. 2097 of June 2.

As to these telegrams, it occurs to me from the Department's No. 31 of June 5, 6 p. m., that there is a bare possibility that the Department may have misunderstood the nature of the diplomatic reception of the Argentine Foreign Minister. This is a business and not a social function. It occurs weekly and is for the transaction of any matters, important or the reverse. While one can make use of it for asking questions for which one would not be warranted in asking a special audience, it is nevertheless a suitable moment for the transaction of all kinds of affairs. Any other appointment with the Minister for Foreign Affairs requires special notification.

In view of the Department's wishes, I did not see the Foreign Minister on Tuesday, June 6, but obtained an interview on Wednesday, the 7th. It seemed to me that I could not do better than to read to the Minister the pertinent portions of the Department's cable in Spanish. In the first place, because the instructions stated very succinctly what the Department wished to communicate, and in the second place, because it would prevent interruptions by the Minister in my exposition; for Dr. Saavedra Lamas being quick-minded and a fluent exponent of his own ideas, I suspect encounters difficulty in listening patiently to others. When I announced my intention of reading the telegram, the Minister summoned the Under Secretary to listen also. After I had finished the reading, I stated that in consonance with the Department's desire to keep open the channels of trade as widely as possible, it had reverted to the matter of the interpretation of the most-favored-nation clause as this arose in connection with the Argentine-Chilean *modus vivendi* (see Instruction No. 709 of May 23, 1933<sup>11</sup> which had come by air mail the day before).

<sup>11</sup> *Ante*, p. 712.

The Minister thereupon requested that I give him a written memorandum of the foregoing. I replied that I was not sure whether my Government would wish this done but that I would be glad to telegraph. He then suggested that I should not bother to do that but should rather dictate some notes to the Under Secretary.

When I left the Minister, I began reading to the Under Secretary the first portions of the Department's telegram No. 30 in Spanish, which he proceeded to take down in longhand. When he had covered the portion in regard to the circular of the Exchange Control Committee, he said that he thought a statement of this importance should be signed by me. I replied that I desired to take home his draft as it appeared to me to be happily worded. He said that I could not read his notes, so these were typed out. When I had seen the draft, it appeared to require a few modifications, so I said that I would take it home and as for the portion about the exchange provisions of the Roca agreement, I would consult my Government by telegraph.

Yesterday morning on opening the papers, I read statements to the effect that the Embassy had been in communication with the Argentine authorities and that in order to remove the obstacles a meeting of the Exchange Control Committee under the chairmanship of the Minister of Finance had been held yesterday with representatives of the First National Bank of Boston and the National City Bank of New York, with the result that a satisfactory arrangement had been reached. The statement in *The Buenos Aires Herald* is enclosed herewith.<sup>12</sup>

I thereupon rang up the First National Bank of Boston and was told that the Minister of Finance had stated that he would cause the circular of the Exchange Control Committee of May 31 to be rescinded and that he had also invited Mr. Lanusse, an Argentine of prominence and a high official of the Bank of Boston, to become a member of the Exchange Control Committee. In view of what appears to promise a satisfactory arrangement, I have refrained from making any further written statement in regard to the circular of the Exchange Control Committee so far. There is enclosed herewith the English text of the Minister of Finance's reply to my memorandum of June 1st. It seems a little vague, but the Boston Bank assures me that it is enough to warrant them in disregarding the circular of May 31st. I have no official cognizance of Dr. Hueyo's reply so far.

As to the expediency of notifying the Foreign Office in writing of the objections to the exchange provisions of the Roca agreement, if the Department intends to launch a protest against this, I see no objection to putting the matter in writing. It is even possible that such action might, if published, add an additional strength to criticisms of the Roca agreement which adversaries of the Government

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<sup>12</sup> Not reprinted.

may raise in Congress; on the other hand, it might have an adverse effect. As the success of a protest on our part seems very doubtful, it occurred to me that possibly the Department would not wish to be on record as making such.

There is also enclosed, as a matter of record—it has little other importance—a copy and translation of the circular of the Exchange Control Committee of June 2,<sup>13</sup> interpreting that of May 31. While this relieves Argentine exports to the United States from having to carry the burden of all dollar exchange, at the same time, it leaves a measure of discrimination against the dollar in that permits must be required for dollars for the purchase of other exchanges which are not needed in the case of currencies of other countries. I understand this feature of the situation is also to be removed.

Respectfully yours,

J. C. WHITE

[Enclosure]

*The Argentine Minister of Finance (Hueyo) to the Argentine Minister for Foreign Affairs (Saavedra Lamas)*<sup>14</sup>

I have pleasure in replying to your Excellency's note of June 2, in which you transcribed a memorandum presented by the American Chargé d'Affaires with reference to a resolution adopted by the Exchange Control Committee on May 31. That communication has received the attention it deserves, and I have also obtained the pertinent explanations from the Exchange Committee.

I would ask you to advise the Chargé d'Affaires that the resolution's only object was precisely to preserve the greatest possible volume of American exchange, in order to satisfy to that same extent the applications for exchange to cover imports from the United States.

The new regulations, therefore, have not created any obstacles to the placing in this city of the bills proceeding from exports to the country mentioned, the intensification of which would be most desirable as a means of facilitating the concession of permits for transferences.

The Exchange Committee admits, however, that the execution of its last instructions has originated certain practical difficulties in the banks. In this connection you may also advise the Chargé d'Affaires that this Department has heard the opinions of representatives of the American banks, which negotiate the major part of the bills on the United States, and that the Exchange Control Committee is studying a new resolution to replace the one issued on May 31, and which will reconcile the interests at stake.

<sup>13</sup> Not printed.

<sup>14</sup> Text reprinted from an article appearing in the June 9, 1933, issue of the *Buenos Aires Herald*.

835.5151/129

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2105

BUENOS AIRES, June 9, 1933.

[Received June 19.]

SIR: Referring to my despatch No. 2100, I have just been supplied with a copy of a new circular of yesterday's date published by the Exchange Control Committee, of which copy and translation are enclosed.<sup>15</sup> This rescinds the circular of May 31 as foreshadowed in my telegram No. 53 of June 8, 12 noon.

I am also informed by a representative of an American Bank that the Exchange Committee have promised to give exchange permits to exporters to the United States on telephonic application by the Bank interested.

I asked my informant whether this did not mean that the whole situation as regards exchange for Argentine exports to the United States had been cleared up and he replied in the affirmative. This, however, does not affect the more serious problem of exchange for imports from the United States to Argentina.

Respectfully yours,

J. C. WHITE

835.5151/127a : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, June 13, 1933—7 p. m.

37. Department's 30, June 3, 3 p. m. The Argentine Ambassador today expressed to the Department<sup>16</sup> his concern regarding representations made by you on the subject of the Argentine exchange restrictions. He showed the Department a cable from the Minister of Foreign Affairs which did not indicate a clear understanding of this Government's attitude. He pointed out that Argentina was compelled to grant Great Britain the exchange specified in Article 2, clause 1 of the Anglo-Argentine Trade Treaty in view of the fact that Great Britain is practically the only consumer of Argentine beef. He expressed the hope that as Argentina was practically helpless in this regard the United States Government would not take any retaliatory measures and would content itself merely with a formal protest. He was informed that this Government viewed with serious concern any measures which discriminated against American commerce and was obliged to state its definite disapproval.

<sup>15</sup> Not printed.

<sup>16</sup> The memorandum of the conversation with the Argentine Ambassador is dated June 12 (611.3531/140).



The Ambassador suggested in confidence that it would be advisable for you to discuss the exchange restrictions with Hueyo, the Minister of Finance, who is much more conversant with this matter than Saavedra Lamas. He inferred that such conversations might, as a practical matter, tend to bring about some alleviation of the difficulties that have arisen under the aforementioned trade treaty.

PHILLIPS

835.5151/134

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2118

BUENOS AIRES, June 16, 1933.

[Received June 26.]

SIR: Referring to my despatch No. 2100 of June 9, I have the honor to enclose herewith the text of the note from the Foreign Office<sup>17</sup> to the effect that the Ministry of Finance had decided to abrogate the circular of the 31st of May, which was published in the newspapers and forwarded, in translation from The *Buenos Aires Herald* of June 9, to the Department in that despatch.

The Department's telegram No. 34 of June 9, 2 p. m., having authorized me to communicate to the Minister for Foreign Affairs an *aide-mémoire* setting forth the Department's view as to the exchange provisions of the Roca agreement, I duly presented it to Dr. Saavedra Lamas at the first opportunity and enclose herewith copies thereof.<sup>18</sup> In its number 37 of June 13, 7 p. m., the Department described Dr. Espil's representations under instructions from his Government. The last part of the telegram appeared to intimate that I should proceed to discuss the exchange problem with Dr. Hueyo, the Minister of Finance. In this connection, the situation appears to be as follows:

It may be considered as definitely the policy of the Argentine Government that the foreign exchange for purchases to be made by Argentina should be distributed by countries according to their respective purchases of Argentine goods, which is a variation of the old slogan, "Buy from those who buy from us." While there are no lack of arguments against this policy, it is one which can be applied without apparent discrimination to all countries. If I were to attempt to argue its unsoundness with the Minister of Finance—as others have tried to do but without avail, as he is a firm believer in its efficacy—he could well refer me back to the Minister for Foreign Affairs. It does not seem to me, therefore, that I shall make any progress at the present conjuncture by making an appeal to Dr. Hueyo on this broad basis.

<sup>17</sup> Not printed; for text of the note of the Argentine Ministry of Finance which it quoted, see p. 742.

<sup>18</sup> Not printed.

Possibly, however, something might be obtained by going to him on some particular case. I have accordingly interviewed representatives of both the American banks in this connection. Both agreed with me that there was nothing to be gained by attacking the exchange provisions of the Roca agreement. I told him, however, that should any point arise in which they considered that my intervention with Dr. Hueyo might offer possibilities of achieving anything useful, they should at once inform me, which they said they would do.

The Minister of Finance has acted with commendable promptness and in an entirely satisfactory manner in regard to the circular of May 31 which has now been rescinded, as foreshadowed in my telegram No. 53 of June 8, 12 noon. The Commercial Attaché tells me that he telegraphed his Department at a later date that this circular had actually been rescinded.

Dr. Hueyo has further invited an Argentine representative of the First National Bank of Boston, Señor Lanusse, to form part of the Exchange Control Commission, and the latter has said that he would accept. So far no definite decree has appeared on the subject. Moreover, I am informed that some ten foreign Banks, exclusive of the American ones, are considering a demand to the Minister of Finance that the only representative of a foreign Bank at present a member of the Commission should be removed therefrom. . . .

Again, on the basis of this Government's theory of exchange distribution, American interests have this year not fared so badly. From one of the American Banks, I received the following figures for the first four months of the present year, which it was stated has been obtained from a member of the Exchange Control Commission: Of the total of Argentine exports for the period in question, the United States has purchased 3½ per cent., whereas in exchange, after deduction for payments on the public debt, the United States has received almost 16 per cent.

It does not, therefore, seem to me that I can do any good at present by arguing with Dr. Hueyo about the Roca agreement, which has not yet gone into effect. I will, however, watch the situation closely and should any opportunity present itself, will see what I can do.

Mr. Fraser, the British delegate to negotiate in regard to the tariff clauses of the Roca agreement, has arrived and will next week proceed to business with the Argentine authorities. A brief statement in regard to him in *The Buenos Aires Herald* of June 11 [10<sup>9</sup>] is enclosed herewith.<sup>19</sup>

As regards the general policy of the Government in connection with exchange control, I enclose herewith excerpts from an editorial from *La Prensa* of June 7.<sup>19</sup> This paper, it will be recalled, is

<sup>19</sup> Not printed.

free trade in its policy but considers that in view of the manner in which Argentine exports have been treated abroad, the exchange restrictions are justified—a view which would find wide acceptance here.

Respectfully yours,

J. C. WHITE

835.5151/130 : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, June 26, 1933—4 p. m.

44. Substance of Department's telegram No. 30<sup>20</sup> and non-confidential portion of No. 37<sup>21</sup> to you were repeated to American delegation to the Economic Conference in London. On June 19 delegation cabled<sup>22</sup> that the Argentine Ambassador had inquired whether the American Government could agree to suspend discussion of the Argentine-British Treaty until after the conclusion of conference. The delegation inquired how the treaty was being applied, what exchange discriminations were enforced against American trade, and requested the Department's suggestions. On June 21, Department in a cable<sup>22</sup> referred to the action indicated in the first sentence above, transmitted in substance the confidential portion of telegram No. 37 to you and then stated as follows:

"The Consul General in Buenos Aires has reported on several occasions that according to information obtained from trustworthy banking sources the Argentine Exchange Control Commission is embarking on a policy of allocating exchange permits to British petitioners in accordance with the pertinent provisions of the Anglo-Argentine Treaty. The effect of such a policy is to withdraw amounts of exchange previously available for remittance to countries other than Great Britain.

"The Department considers that the representations it has made to the Argentine Government are sufficient for the present. It will continue to observe the policy of the Argentine officials with a view to deciding whether further representations might be advisable. The Department, however, could not consent to refrain from any further discussions of the Argentine-British Treaty should future developments render such representations desirable.

"It is suggested that in discussing this matter with the Argentine representatives you could point out that a practical method of achieving a suspension of further discussion of the Anglo-Argentine treaty until after the Conference would be for the Argentine Government to take steps to alleviate the present unfavorable position of American interests as regards the allocation of exchange."

<sup>20</sup> June 3, 3 p. m., p. 737.

<sup>21</sup> See first paragraph of telegram No. 37, June 13, 7 p. m., p. 743.

<sup>22</sup> Not printed.

The following confidential telegram has been received from the delegation with instructions to repeat to you :

"Le Breton was informed today that in view of our understanding that under the treaty with the British Government the Argentine Government was even now administering the exchange control to the detriment of American trade the American Government could not modify its position. The American Ambassador at Buenos Aires had entered a formal protest and would have to be instructed to stand by that protest and endeavor to induce the Argentine authorities to modify or suspend discriminatory practice.

"Le Breton was told, however, that during the period of the Conference the United States would take no action of any other character. He is cabling this to his Government."

Please transmit briefly by cable any pertinent comment or additional information.

PHILLIPS

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835.5151/135 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, June 28, 1933—5 p. m.

[Received 6 : 45 p. m.]

59. Your 44, June 26, 3 [4] p. m. Banks inform us that exchange permits have been granted with much greater facility during the last few days, the principal factors in this situation probably being rising price of cereals and that Government has covered for the present most of immediate external debt operations.

As to degree to which exchange provisions of Roca agreement are at present carried out, there appears to be considerable uncertainty, but I hear that many British are still far from satisfied with the amount of exchange available for them.

At informal meeting a few days ago Minister of Finance told me that over 90,000,000 paper pesos of exchange had been allotted to American interests and that this figure was altogether out of proportion to the United States purchases of Argentine products—a state of affairs which he considered could not last. He was presumably referring to exchange permits for the first 5 months of this year, about half of which represents service on Government dollar debts.

Exports to the United States for same period were 7,323,000 Argentine gold pesos out of 210,412,000 total or 3½ percent. If we take 499,000,000 as tentative total value of exchange permits granted first 5 months, American interests, deducting Government debts, would have received nearly 10 percent of this.

WHITE

835.5151/137

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2135

BUENOS AIRES, June 28, 1933.

[Received July 10.]

SIR: I have the honor to refer to the Department's telegram No. 44 of June 26, 4 p. m. and to the Embassy's reply No. 59 of June 28, 5 p. m., in regard to Argentine exchange control.

In view of the statement attributed to the Consul General on the strength of trustworthy banking sources to the effect that the Exchange Control Commission is embarking on a policy of allocating exchange of currency to British petitioners in accordance with the provisions of the Anglo-Argentine Treaty, I inquired of the First National Bank of Boston and of the National City Bank of New York whether it was thought that the distribution of exchange was at present being effected in accordance with the Roca agreement. The officer of the first named institution whom I interviewed stated that he was not prepared to answer in the affirmative. The granting of exchange permits was influenced by various factors; for instance, the higher price of grain, which was increasing the value of Argentine exports, helped to make the exchange situation easier. Another factor in the same sense was that the Argentine Government had already made its arrangements for payments on account of its external debt during the first six months of this year. My informant from the National City Bank was rather of the opinion that the Roca exchange purchases were not operating well and that many British claimants for exchange were not satisfied. On the other hand, the terms of the agreement provide that it should go into effect on the date of the signature, and I am informed that various British applications for exchange are being passed upon at the British Commercial Attaché's office.

It is well to remember, however, that the Roca Agreement is only one aspect of the problem, as the theory has been adopted by the Minister of Finance that exchange should be distributed in proportion to the purchases of Argentine goods by the respective countries. The effect of this, if carried out, would naturally be to upset the normal distribution of goods. For instance, according to official figures, Holland received in the first five months of the present year approximately 11,850,000 gold pesos worth of Argentine goods, whereas the Dutch goods coming to Argentina during the same period amounted to about 3,724,000 gold pesos. This discrepancy of over eight million pesos, which may be compared with the excess of 11.36 million pesos gold of United States sales to Argentina over Argentine sales to the United States raises the question as to how the Argentine theory would work in this case. Would the Argentine public be compelled to consume

eight million pesos more of Dutch products and eleven millions less of American automobiles, etc., or will the permits available for Holland be applied for, let us say, American purchases? Naturally the difference between exports and imports from Great Britain of over twenty-seven million pesos for the same period is more serious as Great Britain is a manufacturing country and therefore more likely to compete with American exports.

Apart from the alarm of the Argentines at the possibility of their meat sales to Great Britain shrinking and which caused them to accept the exchange provisions embodied in the Roca Agreement to which they were at first refractory, the Argentine theory of exchange control is, in a sense, a sort of club to be brandished in the hope that by so doing it will maintain and possibly increase the foreign market for Argentine products, which is at present affected by various restrictions. An instance in this sense would appear to be Spain which, after endeavoring to use retaliatory methods, found that being a country which exports to Argentina more than it imports, and [*it?*] was obliged to come to terms. The negotiations at present in progress have as their object, as the Minister of Finance told me, the equalizing of the sales and purchases of the two countries and there are also negotiations for a loan to unblock exchange. These negotiations contemplate a new commercial treaty.

The other evening, the Minister of Finance was dining at my house and he expressed the desire to discuss the trade situation between the two countries. I replied I was entirely at his disposal for any time he might name and it is possible he will invite me to confer. However, he also observed that the United States had received ninety million pesos of exchange allotments which was a sum entirely out of proportion to the United States purchases of Argentine products. He told me that in the negotiations in regard to the tariff clauses of the Roca Agreement, the British were endeavoring to obtain discrimination in favor of their automobiles. This I suppose could be done without violating the most-favored-nation clause by adjusting the taxation according to specifications of cylinder bores, etc., which would be favorable to British makes.

I feel reasonably hopeful that as long as the Economic Conference lasts it will be possible to obtain adequate consideration of American interests, but when that is over, unless something very definite has been accomplished that will facilitate commercial relations between the two countries, the United States will have to consider giving some facilities to Argentine exports such as they do not at present possess, at the risk of incurring discrimination against American interests here.

Respectfully yours,

J. C. WHITE

835.00/658a : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, July 20, 1933—1 p. m.

55. Press reports announce resignation of Finance Minister Hueyo and state that important changes may occur in Argentina's financial policy. Please telegraph your comment on foregoing.

PHILLIPS

835.00/659 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, July 20, 1933—6 p. m.

[Received 8 : 28 p. m.]

69. Your 55, July 20, 1 p. m. Hueyo resignation reluctantly accepted by President. Reasons not given but his retirement is generally attributed to his unwillingness to agree to tariff concessions requested by British in connection with Roca agreement, and also to other Ministers' reluctance in cooperating in his economy programme. Hueyo stated that his departure would not entail any changes in the financial policy of the Government. The Minister of Justice, who has temporarily the portfolio of Agriculture, will for the time being act as Finance Minister also.<sup>23</sup> Meantime report of important changes is pure speculation.

WHITE

635.4131/124 : Telegram

*The Chargé in Argentina (White) to the Acting Secretary of State*

BUENOS AIRES, August 1, 1933—4 p. m.

[Received 5 p. m.]

71. My despatch No. 2052 of May 4.<sup>24</sup> Principal Anglo-Argentine Commercial Convention approved by both Houses Congress, time limit for supplementary agreement (see clause 2, article 3) extended to September 1st.

WHITE

<sup>23</sup> On August 21, 1933, Federico Piñedo, Independent Socialist deputy, was appointed Minister of Finance.

<sup>24</sup> Not printed.

635.4131/135 : Telegram

*The Consul General at Buenos Aires (Warren) to the Secretary of State*

BUENOS AIRES, September 27, 1933—10 a. m.  
[Received 10:05 a. m.]

Supplementary tariff convention to Roca agreement signed last night.<sup>25</sup> Commercial Attaché reporting in detail tariff items affected. Loan agreement not yet made, unable to reach accord on conversion rate.<sup>26</sup> Ratification by Congress which adjourns September 30th contingent upon signing loan convention and unblocking British funds.<sup>27</sup>

WARREN

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102.81 Buenos Aires/4 : Telegram

*The Consul General at Buenos Aires (Warren) to the Secretary of State*

BUENOS AIRES, October 18, 1933—1 p. m.  
[Received October 18—12:50 p. m.]

12. From Commercial Attaché for Commerce. Finance Minister has prohibited issuance of exchange permits for remittance of any funds whatever which were blocked prior to May 1, 1933, because such would be contrary to Roca agreement. Not believed, however, that this refers to documentary bills.

Although opposed by the more conservative elements, a meeting of the American importers here called for tomorrow as the result of which it is expected a delegation will call on Ambassador insisting that some action be taken by the Embassy to secure more exchange for American interests.<sup>28</sup> Dye.

WARREN

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635.4131/148 : Telegram

*The Consul General at Buenos Aires (Warren) to the Secretary of State*

BUENOS AIRES, October 19, 1933—noon.  
[Received 12:05 p. m.]

Subscriptions to loan for unblocking British funds under Roca Agreement closed yesterday with total of 13,526,335 pounds or 171,-

<sup>25</sup> For text of the supplementary tariff convention, see League of Nations Treaty Series, vol. CXLIII, p. 79.

<sup>26</sup> The loan agreement was signed on September 28; it provided for a conversion rate of 43 pence to 1 gold peso (835.5151/164).

<sup>27</sup> Law 11,823 approving the supplementary tariff convention was passed on September 30 and promulgated October 9, 1933 (102.81 Buenos Aires/3).

<sup>28</sup> See telegram No. 15 from the Commercial Attaché, transmitted in telegram of November 2, 6 p. m., from the Consul at Buenos Aires, p. 762.



581,423 paper pesos, amount subject to revision by Exchange Control Commission, in that funds must have been blocked prior to May 1, 1933. Estimated 152,000,000 pesos received in cash, 14,000,000 in internal credit bonds taken at closing rate yesterday and balance in Treasury notes at par.

WARREN

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102.81 Buenos Aires/5 : Telegram

*The Consul at Buenos Aires (Bailey) to the Secretary of State*

BUENOS AIRES, October 25, 1933—5 p. m.

[Received 5 : 07 p. m.]

13. From Commercial Attaché for Commerce. My 12.<sup>29</sup> Exchange Control Commission rules that prohibition against granting permits applies to all funds destined to pay for merchandise imported prior to February 1st, 1933, even if funds deposited in banks to meet documentary drafts. For all other funds prohibition applies as of May 1st. Dye.

BAILEY

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835.5151/217

*The Ambassador in Argentina (Weddell) to the Acting Secretary of State*

No. 97

BUENOS AIRES, November 15, 1933.

[Received November 28.]

SIR: I have the honor to report that the Minister of Finance on November 10 issued a decree providing a plan with the object of avoiding as far as possible in the future the existence of frozen funds arising out of insufficiency of exchange for remittance to foreign countries. Under these regulations importers may obtain exchange permits in advance when making their orders. Those, however, who do not comply with the new regulations will have to accept the amount available after supplying the wants of the former.

There is transmitted herewith enclosed translation of the decree above referred to.<sup>30</sup> The official text of the decree appeared in the *Boletin Oficial* of November 14, No. 11834, page 461, to which the Department is referred.

The decree states in the preamble that under the present conditions importers order their merchandise without knowing whether they will be able to obtain exchange necessary for payment, which, when

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<sup>29</sup> Telegram No. 12, October 18, 1 p. m., p. 751.

<sup>30</sup> Not printed.

the necessary permits are delayed, is naturally prejudicial to their interests. It is therefore necessary to avoid such difficulties, giving them the assurance of being able to obtain exchange before placing their orders, granting permits according to the amount of probable available exchange. According to the decree, no restriction on imports will be caused by the new regulations, for importers will still be free to import whatever goods they please in any quantity.

Article 1 authorizes the Exchange Control Committee to grant permits to importers who request them prior to placing their orders. Importers will be requested to present preliminary permits at the Customs House when withdrawing merchandise together with the corresponding commercial invoice issued by the Argentine consulates abroad. Customs authorities will note the introduction of merchandise on permits and will issue a certificate to the same effect, presentation of which will be essential to the granting of the necessary exchange.

The Customs House will permit the introduction of merchandise for which no exchange permit can be obtained, but importers will be required to fill in a special form giving the name and address of the country of origin, quantity and certified value of the merchandise.

As regards merchandise already in transit to Argentina on November 10 and that shipped up to December 31 next, the Exchange Control Committee may issue preliminary permits in so far as deemed convenient, at the request of the interested parties.

For the payment of imports referred to in the preceding paragraph, as well as for those shipped after December 31, 1933, for which no preliminary exchange permit has been obtained, importers will present applications to the Committee as heretofore. These will be gradually granted in the proportion allowed by the exchange remaining after providing for preliminary exchange permits and those granted for other remittances, and after reserving the exchange necessary for permits still pending.

Importers will be required to present to the Exchange Control Committee before November 30 full data relative to imports effected on special terms. No permit will be granted to importers who have not fulfilled this obligation. All claims, petitions, etc., relating to exchange matters must be made in writing. Consular officials will be held responsible under civil and criminal law for any false certification which they may issue.

In weighing the possible advantages to be derived by American importers from the new exchange regulations, as compared with those in force hitherto, I beg leave to state that whereas these new regulations, if fairly administered, should constitute an improvement on the former ones, I am strongly of the opinion that they lend themselves

to greater facilities for possible discrimination against American importers and that it would be more difficult to establish such discrimination. Whenever desired, it would be a simple matter to raise objections to the importation of merchandise from the United States on the pretext that such merchandise was not economically essential to the country's needs, with the subsequent refusal of the import exchange permit.

Respectfully yours,

ALEXANDER W. WEDDELL

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835.5151/221 : Telegram

*The Chargé in Argentina (Greene) to the Acting Secretary of State*

BUENOS AIRES, November 29, 1933—3 p. m.

[Received 5:15 p. m.]

118. Minister of Finance last night issued a decree providing further new regulations for exchange control. The decree states that an opportunity has arrived to permit the peso to find its own level but to prevent fluctuation and speculative retention of exchange the selling rate for exporter's bills must be temporarily stabilized. Accordingly beginning today exchange in excess of 1,000 pesos will be sold to the highest bidder amongst applicants with permits already granted. Other remittances up to 1,000 pesos will be liquidated at average rate for the day fixed by the Control Committee. A second decree effective today creates a grain regulating board with powers to purchase wheat, corn and linseed at basic prices, such basic prices established approximately 20 percent above those previously ruling and to sell such commodities to exporters at international market prices. To cover the difference the Board will draw on a special fund provided for in the decree first referred to into which will be paid the difference between the purchase and sale rates of exchange for operations in foreign currency. No exchange rates quoted today. Despatch follows.<sup>31</sup>

GREENE

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835.5151/230 : Telegram

*The Chargé in Argentina (Greene) to the Acting Secretary of State*

BUENOS AIRES, December 16, 1933—noon.

[Received 1:30 p. m.]

120. Minister of Finance yesterday issued a decree suspending application of tax on remittances by private persons, as well as a decree modifying approximately as follows exchange regulations reported in

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<sup>31</sup> Not printed.

my telegram number 118 of November 29. Exchange derived from export of produce not regularly exported and foreign currency notes may be freely negotiated, while exchange operations of private persons may be freely effected. Exchange Control Committee attending only to applications from private persons not exceeding 200 pesos per month. Authorized exchange dealers shall declare all above transactions to Control Committee.

GREENE

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AGREEMENT BETWEEN THE GOVERNMENT OF ARGENTINA AND  
AMERICAN HOLDERS OF BLOCKED FUNDS IN ARGENTINA, EXE-  
CUTED DECEMBER 1, 1933

835.5151/151

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] August 12, 1933.

Last night Dr. Espil, the Argentine Ambassador, told me that the group in New York which had negotiated the exchange agreement with the Bank of Brazil<sup>22</sup> had communicated with him about the possibility of discussing an arrangement to liberate American frozen commercial credits in Argentina. Representatives of the group are coming down to talk with him the first of next week. Dr. Espil said that he had no instructions from his Government and intended only to listen.

EDWIN C. WILSON

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835.5151/162

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] August 17, 1933.

General Palmer E. Pierce, Chairman of the Council on Inter-American Relations, and Mr. E. P. Thomas of the National Foreign Trade Council came in. General Pierce said that they had this morning discussed with Ambassador Espil the possibility of negotiating an agreement for the liberation of American frozen commercial credits in Argentina which would take the lines of the agreement recently negotiated with the Bank of Brazil.

Mr. Thomas said that Doctor Espil had asked them to prepare a memorandum regarding this matter, which they would do. He said

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<sup>22</sup> See vol. v, pp. 30 ff.

that Doctor Espil had at first taken the position that discussions regarding exchange should take place concurrently with the conversations which Doctor Espil would have with the State Department regarding the possibility of negotiating a commercial treaty.<sup>33</sup> Doctor Espil had expressed the view that anything Argentina might be able to do to assist American interests in exchange difficulties would be dependent upon Argentina's increasing her sales to the United States. Mr. Thomas, however, said that he had argued the contrary view with Doctor Espil. He felt that the exchange discussions should in fact take place first and if possible be settled before the commercial treaty discussions become very far advanced. His theory was that with the release of American frozen credits in Argentina there would be a stimulus in commercial exchanges between the two countries and an increase in the exchange value of the peso, and that this would tend to improve the commercial relations between the two countries. This, he said, was what had actually occurred in the case of Brazil following the conclusion of the exchange agreement with the Bank of Brazil. Mr. Thomas said that he felt that he had convinced Doctor Espil of this point of view.

I inquired what amount of American frozen credits it was estimated would be affected by such an agreement as they had in mind. Mr. Thomas said that the total amount of American frozen credits in Argentina was estimated at between forty and fifty million dollars. In the case of Brazil it had been found that only about half of the total amount of frozen credits had been turned in for conversion, the holders of the balance preferring to keep the milreis in Brazil. On this basis it was, therefore, estimated that \$25,000,000 in Argentina would be turned in for conversion if it is possible to reach an agreement.

Mr. Thomas said that it was his group's plan to take up the matter of an agreement on exchange with Colombia after an agreement had been reached with Argentina. He estimated that about \$10,000,000 of American frozen commercial credits were involved in Colombia.

E[DWIN] C. WILSON

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835.5151/153

*Memorandum by Mr. Willard L. Beaulac, of the Division of  
Latin American Affairs*

[WASHINGTON,] September 8, 1933.

I called Mr. Corliss of the Department of Commerce on the telephone and asked him to give me the details with respect to a report

<sup>33</sup> See pp. 642 ff.

in the *New York Times* of September 3, 1933, to the effect that the American Manufacturers Export Association, with the cooperation of the United States Department of Commerce, had arranged with the Argentine Exchange Control Commission for the release of some \$12,000,000 to \$15,000,000 now tied up in Argentina by exchange restrictions.

He said that the American Manufacturers Export Association had communicated directly with the Commercial Attaché in Buenos Aires to the effect that the Pan American Petroleum Company had expressed a willingness to invest a considerable amount of money in oil stations in Argentina provided the Exchange Control Commission would consent to its making arrangements to obtain the funds out of blocked dollar exchange in Argentina by arrangement with the owner or owners of that exchange.

The Commercial Attaché<sup>34</sup> took the matter up with the Exchange Control Commission which was disposed to agree to the request provided that the Commercial Attaché virtually guaranteed that the funds so obtained would be used legally and not in contravention of the exchange control regulations or of the permission specifically granted.

The Commercial Attaché naturally declined to assume this responsibility and suggested to the American Manufacturers Export Association and to the Exchange Control Commission that an individual or bank be appointed as agent of the Association. The Association also suggested to the Exchange Control Commission that authority be granted for the use of funds as requested in the case of the Pan American Petroleum Company, that a record be kept of each transaction and that at the end of a given period when the transactions were examined, those not ratified be redeposited.

Meanwhile the Association, thinking that the Commercial Attaché had made final arrangements, transmitted a request on the part of the Pan American Petroleum Company for the release of blocked funds. The Exchange Control Commission approved the request and apparently the funds were actually released. A second request was thereupon transmitted by the Association in the case of a dealer in furs. The Commercial Attaché objected in this case and requested full information before taking the matter up with the Exchange Control Commission. Meanwhile he had sent the Department of Commerce all the correspondence on the subject and that Department had agreed that (1) the Commercial Attaché should not be expected to go into the details of each transaction, and (2) he would have no responsibility in the case of any transaction. The Association thereupon

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<sup>34</sup> Alexander V. Dye.

appointed the National City Bank as its attorney before the Exchange Control Commission.

I asked Mr. Corliss whether he thought any large amounts of blocked funds could possibly be released under this system since the plan embodies the investment of new capital in Argentina. He said he had no idea that any large amount of blocked funds could possibly be released.

He stated that Mr. Georges St. Jean, the Economist of the Association, who handled the details of the present plan, was in the Department of Commerce yesterday when I telephoned him.

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835.5151/170

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] September 18, 1933.

Conversation: General Palmer E. Pierce  
Mr. E. P. Thomas  
Mr. James S. Carson <sup>35</sup>  
Mr. Edwin C. Wilson.

The above-mentioned gentlemen, who had an appointment with the Secretary to discuss the matter of commercial treaties, stopped in to give me information regarding their efforts on behalf of the Council on Inter-American Relations and the National Foreign Trade Council to work out an arrangement with Argentina for the release of frozen American credits in that country.

They said that a meeting had just been held in New York at which 18 American firms doing business in Argentina were represented, and these firms had authorized Messrs. Pierce, Thomas and Carson to act as a committee on their behalf to enter into an arrangement with the Argentine Government.

General Pierce said that the amount involved in frozen pesos held by these firms was approximately \$24,000,000; of this amount he estimated approximately \$3,500,000 represented interest earned on invested capital, the balance representing frozen commercial credits. He said that as a result of the experience of the committee with the Brazilian agreement, it was expected that not over one-half of the total amount above mentioned would be presented for conversion in case an agreement should be reached.

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<sup>35</sup> Of the Council of Inter-American Relations; Vice President, American and Foreign Power Co.

Mr. Carson said that he felt that American companies doing business in Argentina were not so much concerned over getting their frozen pesos, representing past business, out of Argentina, as they were over the matter of assurances as to exchange for current business. He said that his information indicated that Argentina intended shortly to tie the peso to the British pound, instead of the gold franc as at present, which would mean a depreciation of 20% in the value of the peso. This, of course, would make an added difficulty in the way of obtaining adequate exchange.

General Pierce said that one plan now under discussion was that the pesos now held by the American firms would be loaned to the Argentine Government as a road construction fund, the Government issuing bonds to be retired over a period of from five to ten years with a special arrangement guarantying exchange for the service of these bonds. I gathered, however, that this plan was still very vague. . . . General Pierce said that this committee of three had also discussed the Colombian exchange situation with the Colombian Consul General, Mr. Olano in New York, and at his request had furnished him with a memorandum in the matter. Olano said that he would transmit the memorandum to his Government and let the committee know his Government's views.

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835.51/943 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, September 22, 1933—3 p. m.

[Received 8:55 p. m.]

88. Following is text of pertinent portion of telegram drafted at meeting of over 30 American firms convoked by Bank of Boston in response to suggestion of Minister of Finance and forwarded to home offices and Council of Inter-American Relations.

"Reliably reported the supplementary tariff agreement concluded.<sup>36</sup> Supplementary sterling loan agreement concluded except rate of conversion not yet determined which will remove approximately 130 million paper pesos from blocked funds. A broad general financial plan of Minister of Finance calls for removal blocked peso balances all other nationalities under similar arrangements. Belgium and French have pledged themselves to similar conversion to extent of 70 million paper pesos. Minister of Finance, wishing to do same operation American blocked funds, yesterday asked First National Bank of Boston call meeting more interested American firms here

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<sup>36</sup> One of the agreements supplementary to the Anglo-Argentine (Roca) Agreement of May 1, 1933. See pp. 722 ff.



and submit proposal conversion American blocked balances into 4-percent 20-year dollar bonds, no amortization during first 5 years, thereafter 5 percent cumulative annual amortization issuance at par which terms identical to British loan. No better terms including conversion rate can be offered by Minister as Roca Treaty allows no better treatment other nationalities. Conversion rate pesos into dollars cannot be definitely determined at present owing violent exchange fluctuations and uncertainty as to percentage of American firms who will accept."

Repeat to Commerce.

WEDDELL

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835.5151/174 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, October 5, 1933—4 p. m.

[Received 4:30 p. m.]

93. American Manufacturers Export Association New York cabled Dye summary of their plan for liquidation frozen funds here. Plan was shown unofficially to Minister of Finance by an American Bank official here and opinion of Minister of Finance was that plan as far as understood was not feasible. American Manufacturers Export Association advises they presented plan to Argentine Ambassador Washington by telegraph September 29 who replied saying he was instructed not to discuss exchange problems. Plan as outlined by cable not very clear but seems unworkable. American Manufacturers Export Association request answer by Friday morning. Their telegram unanswered from here.

WEDDELL

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835.5151/174 : Telegram

*The Secretary of State to the Ambassador in Argentina (Weddell)*

WASHINGTON, October 7, 1933—2 p. m.

75. Your 93, October 5, 4 p. m., and Consulate General's October 5, 6 [5] p. m.<sup>37</sup> In view of possible conflicts of interests between the American groups known to be actively interested in reaching an exchange agreement with Argentina, and between them and holders of Argentine bonds, the Department is confident that you will exercise care not to give the impression that this Government favors any particular group or is in any way involved in the negotiations of these private groups.

HULL

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<sup>37</sup> Latter not printed.

835.5151/182

*Mr. Francis T. Cole, Vice President and General Manager, American Manufacturers Export Association, to the Secretary of State*

NEW YORK, October 17, 1933.

[Received October 18.]

DEAR MR. SECRETARY: In connection with the Argentine government plan for liquidating frozen funds, various members have taken exception to the efforts of the Exchange Control Commission to force them to take advantage of the proposed twenty year bond plan under a threat of boycotting or blacklisting.

Some members may wish to have their funds remain as at present rather than be forced into the twenty year bond plan. Should the bond plan be accepted as the one by which frozen funds will be liquidated, would it be possible to negotiate with the Argentine government on the question of leaving the funds as they now are?

Very truly yours,

FRANCIS T. COLE

835.5151/191

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] October 25, 1933.

General Palmer E. Pierce, of the Standard Oil Company, and a member of the Council on Inter-American Relations' committee dealing with the foreign exchange situation in Argentina, came in. He said that the committee, working through the branch of the First National Bank of Boston in Buenos Aires, had been urging the Argentine Government to appoint a representative in this country to discuss the question of unblocking American credits in Argentina. This the Argentine Finance Minister declined to do, pointing out that under the Roca Agreement Argentina could give no more favorable treatment in respect of frozen funds than it had given to Great Britain; the Finance Minister had pointed out that France and other European countries were now negotiating in this matter in Buenos Aires and that if the Argentine Government should send representatives abroad for such negotiations it would only result in confusion.

General Pierce said that a meeting had recently been held in New York of representatives of some 80 American companies doing business in Argentina. It had been the sense of the meeting that the Argentine proposal of 20 year 4% bonds in exchange for the frozen pesos was unacceptable, because the American companies could not get the American banks to discount the bonds or handle them in some

way which would provide cash for the companies. General Pierce said that the British had handled the matter through forming a holding company, by action of Rothschilds, Baring Brothers and Schroeder: This company takes the Argentine bonds, the holders thereof receiving 20% in cash, 60% in stock of the holding company, and 20% of the value of the bonds goes to the company. The assets of the company are "sweetened" by £10,000,000 Sterling of British Government bonds put up by the bankers. General Pierce said that he intended to recommend that the American group appoint the National City Bank and the First National Bank of Boston as their representatives to discuss the situation in Buenos Aires. He said that he felt they would have to get the bankers into the situation, as the matter of financing some arrangement under which the industrial concerns could get cash was primarily a banking problem. He said, however, that he did not know how his suggestion would be accepted by other members of the American group and that so far the American banks which had been approached in the matter had said it was impossible for them under existing legal requirements in this country to assist in the matter.

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General Pierce mentioned the Brazilian situation briefly. He said that the arrangement made by the American interests last summer was running into some difficulties. The American concerns which had received a promise of exchange to meet current requirements were now being "discreetly" referred by the Bank of Brazil when they sought such exchange to the "gray" market. This market, General Pierce said, is a "semi-official bootleg market" in which the premium for exchange is about 10%. General Pierce said, however, that the American interests were making strong representations in the matter and he had hopes that the difficulties would be removed.

EDWIN C. WILSON

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102.81 Buenos Aires/35 : Telegram

*The Consul at Buenos Aires (Bailey) to the Secretary of State*

Buenos Aires, November 2, 1933—6 p. m.

[Received November 2—4: 50 p. m.]

15. From Commercial Attaché for Commerce. Manager of the First National Bank of Boston cabled October 31 to First National Bank of Boston, New York, for transmission to committee on Argentine blocked balances that Argentine Minister of Finance is becoming impatient over delay of American interests in taking action similar

to British Roca agreement. Referring to my 12,<sup>88</sup> American Chamber of Commerce on October 31 appointed committee to compile data and recommend what action should be taken by Chamber both with American and Argentine Governments to secure more exchange. President of American Chamber of Commerce here has received cable from National Foreign Trade Council, New York, stating that committee on Argentine blocked balances request him to act as chairman sub-committee including Wilcox and Drumm, managers of First National Bank and National City Bank of New York respectively to conduct conversations with Argentine Minister of Finance leading to possible agreement on blocked balances subject to committee's instructions and without commitment until authorized in writing. New York committee asks that Dye act as unofficial adviser to Argentine subcommittee.

Referring to Department of State's No. 75, September [October] 7, 2 p. m., I believe various groups have now agreed place negotiations in hands of above committee, consequently recommend that I act in purely unofficial capacity as adviser. Dye.

BAILEY

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102.81 Buenos Aires/40 : Telegram

*The Secretary of State to the Ambassador in Argentina (Weddell)*

WASHINGTON, November 4, 1933—11 a. m.

84. Referring to Commercial Attaché's telegram for Commerce transmitted by Consulate General's November 2, 6 p. m. The Department prefers that the Commercial Attaché not be given any designation in connection with the sub-committee. He and representatives of the Department of State are authorized to give the sub-committee the same cooperation and advice as they would give any legitimate American interest without, however, departing from instructions contained in the Department's telegram No. 75, October 7, 2 p. m.

HULL

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102.81 Buenos Aires/37 : Telegram

*The Ambassador in Argentina (Weddell) to the Secretary of State*

BUENOS AIRES, November 9, 1933—noon.

[Received 2:10 p. m.]

104. From Commercial Attaché to Commerce. 17. Argentine Government accepted loan 23,000,000 French francs from holders French-Swiss-Belgian-Dutch blocked Argentine pesos on terms similar Roca

<sup>88</sup> Telegram No. 12, October 18, 1 p. m., p. 751.

loan bonds to be issued in currencies of respective countries. No official announcement made of conversion rate but understand was 14.69 less 3 percent. Amount smaller than expected. Understand practically all taken by two firms Chade and Port Rosario. Believe meager results of loan creates more favorable atmosphere for American negotiations. American negotiators should insist on provision adequate exchange future imports. Several reports from fairly reliable sources indicate exchange control refusing permits in order to bring pressure on negotiations but matter difficult to prove. Dye.

WEDDELL

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835.5151/183

*The Acting Secretary of State to the American Manufacturers Export Association*

WASHINGTON, November 15, 1933.

SIRS: Reference is made to your letter of October 17, 1933, inquiring whether it would be possible to negotiate with the Argentine Government on the question of leaving American frozen funds in Argentina. The Department wishes to state, in reply, that it has not been informed that the Argentine Government intends to oblige owners of blocked funds to convert those funds into bonds.

Very truly yours,

For the [Acting] Secretary of State:  
EDWIN C. WILSON

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835.5151/208a : Telegram

*The Acting Secretary of State to the Secretary of State*<sup>39</sup>

WASHINGTON, November 16, 1933—7 p. m.

7. Though the Department has not participated in the negotiation of the arrangement just reached between the American holders of blocked funds in the Argentine and the Argentine Government, you will probably be interested in the fact that an agreement appears to have been reached.<sup>40</sup> The Argentine Government offers American holders in exchange for their blocked funds dollar Argentine Treasury bills payable in 180 equal monthly maturities over 15 years, paying 2 per cent interest and 4 per cent amortization during the first 5 years, and amortization of the balance at 8 per cent annually for the remaining 10 years. Bills will be issued at the fixed rate of 38.7 cents United States currency per paper peso, the holder to have the option during his life to convert into 20-year, 4 per cent bonds similar to the sterling

<sup>39</sup> On board the S. S. *American Legion* at sea.

<sup>40</sup> The agreement was executed at Buenos Aires on December 1, 1933.

bonds issued. The American representatives are publishing notices inviting holders of blocked funds to subscribe.

PHILLIPS

611.3531/228

*Memorandum by Mr. Willard L. Beaulac, of the Division of Latin American Affairs*

[WASHINGTON,] December 8, 1933.

Article 2, paragraph 3 of the Roca Agreement states:

"Out of the sterling exchange becoming available in accordance with the provisions of paragraph 1 above for remittance to the United Kingdom from Argentina during the year 1933, the sterling equivalent of 12,000,000 paper pesos shall be set aside for payment in cash, up to an amount in respect of each claim to be agreed between the Government of the United Kingdom and the Argentine Government, of claims in respect of peso balances awaiting on the 1st May 1933 sterling exchange for remittance to the United Kingdom".

No similar provision was made in the agreement of December 1, 1933, between the Government of Argentina and the holders of American blocked funds.

It is understood that the 12,000,000 paper pesos provided in the Roca Agreement have been applied to unblocking small balances. A similar procedure would be extremely helpful to American holders of small blocked balances, since the smallest unit of blocked funds which may be converted under the agreement of December 1, 1933, is 10,000 pesos, equivalent to \$3,876.60.

The committee which negotiated the agreement on December 1 has informed the Department that in the negotiations the Argentine Minister of Finance took the position that the 12,000,000 paper pesos provided under the terms of the Roca Agreement for the partial payment in cash to the British owners of blocked balances was a part of the trade agreement with the British, and that no relative or proportionate arrangement could be made on behalf of the owners of American blocked balances, for cash payment, excepting as a result of the trade arrangement between the United States and Argentina.

The committee also requested a specific understanding that any additional exchange arising from increased Argentine exports to the United States in the future over the average of the past three years should be definitely assigned to the earlier amortization of the monthly notes extending over fifteen years which Americans have accepted. The Minister replied in this case also that such an understanding should be made part of any trade agreement negotiated between the United States and Argentina.

The committee has expressed the hope that if such an agreement is not practicable, definite provision will be made that such increase in the value of Argentine exports to the United States would be applied to the provision of exchange for future imports from the United States, and for the transfer of earnings from American investments in Argentina, and for any liquidation of any blocked balances which will not have been converted into notes under the terms of the agreement of December 1.

It is significant that this committee, which is important enough and so representative of American business in South America as to have been able to negotiate exchange agreements with both Brazil and Argentina, addressed a telegram to the Secretary of State upon his departure for Montevideo<sup>41</sup> in which it said:

"Our negotiations now pending with Argentine Government if successful in enabling refunding over thirty million dollars American blocked balances should have relatively similar results (similar to results of Brazilian agreement), provided however it is recognized in any reciprocal trade agreements with Argentina as with other countries that provision for prompt and adequate future supply of dollar exchange for American imports is inherent to continuance of reciprocally satisfactory trade agreements [*relations*], as otherwise trade agreements must fail of effective results as Americans cannot continue or increase business with Latin American countries with seventy-five million dollars already blocked in such countries without assurance of obtaining promptly dollar remittances both for their exports and for earnings from American investments.

"This and any other reciprocal trade agreements with Latin American countries may be rendered futile unless concurrently provision is made for adequate dollar exchange as essential part of all trade agreements that insure equal treatment in provision of exchange by such countries as will be accorded by the United States for their imports into this market, and as may be accorded other countries by Latin America."

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REPRESENTATIONS AGAINST THE DISCRIMINATORY FEATURES OF  
THE NEW DEBT PLAN OF THE PROVINCE OF BUENOS AIRES

835.51B861/71

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1895

BUENOS AIRES, December 13, 1932.

[Received December 27.]

SIR: I have the honor to report that on December 7 Dr. Carlos Indalecio Gómez, Minister of Finance of the Province of Buenos Aires, called to see me, saying that he wanted to acquaint me with the

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<sup>41</sup> For correspondence concerning the conference at Montevideo, see pp. 1 ff.

situation of the Province in regard to its external and internal debt. In brief, this is what he told me:

Two or three months ago, the Provincial Government approached the British and French Councils of Foreign Bondholders in an endeavor to reach an agreement for easing the payment on the Provincial bonds held in those two countries, because the Provincial finances would not permit the Government to pay the sinking fund nor the full interest on its bonds. The negotiations which followed resulted in the British and French bondholders associations accepting a proposal to suspend payment of the sinking fund and a reduction in the interest on the basis of payment at par rate of exchange and the balance in five per cent. script. This arrangement, however, was not to apply to two of the British loans, one of which, the Minister explained, was a loan of long standing which during a certain number of years had received no payment of interest and which had later been readjusted at a lower interest; the other being a loan for a comparatively small amount which the Province felt itself under special obligation to pay in full.

This agreement had been then submitted to the American bankers who had negotiated loans with the Province. They had been unwilling, so the Minister said, to accept the proposal and he had come to me to know whether I could be of any help to him in the predicament in which he found himself.

I may say here that I have known Dr. Indalecio Gómez since my previous service in Buenos Aires twenty years ago when his father, one of the most distinguished and cultivated Argentines of his time, was Minister of the Interior under President Roque Saenz Peña. He is loyal, honest and desirous of finding the most equitable solution of the problem with which the Province is faced in meeting its indebtedness. I feel, however, that he made an error in discussing the question first with the European bankers and in arranging a project of payment before talking the matter over with the interested American bankers.

I explained to the Minister that these loans being private, it was not possible for me to take action in the matter, glad as I should be to assist him. The Department of State, I said, had carefully avoided expressing opinions regarding loans made to foreign countries by American citizens or arrangements pertinent thereto. From that I went on to express the opinion, however, that I felt it would create an unfortunate impression in the United States were the Province to default on its bonds, especially as it had maintained the payment of the service up to now with the resulting good reputation which the Province enjoyed in American banking and investment circles. I also



went into other phases of the situation, which are more or less obvious, among others, the class of investors who had bought, at least in part, the bond issues of the Province, and the hardships suspension or curtailment of payment would cause them.

I pointed out, too, that the decision to pay part of the British held loans in full and the remainder under a scheme which favored the British and French holders would create the impression in the United States of favoritism and discrimination which I felt it advisable for the Provincial Government to avoid.

Two days later (the intervening day being a holiday), I went over this matter with Mr. Oscar R. Muller of the First National Bank of Boston in Buenos Aires, in whose hands the various interested United States banks have placed the negotiation of the loans to the Province of Buenos Aires. Mr. Muller explained the matter to me fully, the important point of his explanation being that there was no precedent in Argentina for the proposed arrangement of the Province of Buenos Aires to pay their indebtedness on the basis of the peso at par and the remainder in interest-bearing script; that while the American bankers felt it would be difficult to obtain the consent of American holders of Provincial bonds to any change in the terms thereof, yet should the Province not be able to meet its obligations they felt that the only fair proposal for the Province to make would be a percentage payment applicable to all alike. He pointed out that the suggestion of Minister Indalecio Gómez meant that roughly speaking about four-fifths of the British bondholders would receive payment of interest in full and that the remainder, because of the depreciation of the pound sterling, would receive slightly more than 90 per cent. of the normal payment, whereas the American bondholders, because of the depreciation of the peso, would receive only about 45 per cent. of the normal payment.

I again saw the Minister on December 10 and emphasized the main objections which had been pointed out to me by Mr. Muller and asked him why, if the Provincial Government found it impossible to pay the full service on its debt, he did not make a proposal to pay a percentage thereon and the remainder in interest-bearing script rather than pay the total at par rate of exchange (with the difference in interest-bearing script). To this he replied that he was fearful the peso might depreciate still more in relation to the dollar which would perhaps make it impossible for the Province to make payments later on at the *pro rata* rate which might be agreed upon.

To this I rejoined that he might make such an arrangement with the understanding that if the peso should suffer a further depreciation the Province would then have to review the whole question again with the idea of making such changes in the agreement as circumstance

might impose. This he said had not occurred to him and he would give the idea careful consideration.

In both my talks with the Minister I emphasized the informality of our conversations and he acquiesced in the understanding that it was simply two friends talking over a difficult problem in which each was interested. As already stated, I urged him to make every effort to continue regular payment of the service on the debt.

It is my understanding that the American bankers' points of view have now been submitted to the consideration of the French and British bondholders.

Respectfully yours,

ROBERT WOODS BLISS

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835.51B861/67 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, December 13, 1932—7 p. m.

81. Bankers representing holders of dollar loans of Province of Buenos Aires report that the Minister of Finance of the Province proposes a plan by which payment of amortization is deferred and interest is to be paid in paper pesos at par of exchange, that amount to be converted monthly into foreign currencies and transferred. This process would throw the weight of currency depreciation on the creditor, contrary to the intent of the contract. This plan is proposed not only for the dollar loans but for the sterling and franc loans.

Furthermore, because sterling has itself depreciated in terms of gold, holders of sterling bonds would receive a far greater part of the amount called for by the coupons in sterling, than the holders of dollar bonds will receive in dollars. It is not the understanding of the Department that the sterling bonds are payable in gold. This, therefore, seems a discriminatory arrangement which is especially serious in view of the precedent it might create throughout the Argentine and in other countries. The Department desires that you investigate this situation through the Foreign Office and report your recommendations. The Argentine Ambassador in Washington has made it clear that his Government has repeatedly taken the definite position that there would be no discrimination as between holders of British and American bonds. Furthermore, Argentine products are sold for the same prices in gold value in the United States and elsewhere.

The Bankers here believe that the plan originated in England and apparently it has already received the endorsement of both the French and British Councils of Foreign Bondholders.

STIMSON

835.51B861/68 : Telegram

*The Ambassador in Argentina (Bliss) to the Secretary of State*

BUENOS AIRES, December 14, 1932—1 p. m.

[Received 2:30 p. m.]

107. Your 81, December 13, 7 p. m. Minister of Finance of Province of Buenos Aires, an old friend, came to see me informally twice last week about his proposed plan for payment of provincial debts. I went thoroughly into the subject with him sustaining American bankers' position and pointing out especially discrimination his plan would work against American bondholders.

I am informed that Minister has now referred the matter back to French and British Council of Foreign Bondholders and that representative of American banks in London is working on the matter. I am keeping in close touch with the situation and if it seems advisable will take up subject with Minister for Foreign Affairs.

BLISS

835.51B861/72

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1914

BUENOS AIRES, December 30, 1932.

[Received January 9, 1933.]

SIR: In my telegram No. 107 of December 14, 1 p. m., and in the closing paragraph of my despatch No. 1895 of December 13, reporting on the proposed plan of the Minister of Finance of the Province of Buenos Aires for the payment of sinking fund and interest on the provincial debts, I stated that I had been informed he had referred the matter back to the British and French Councils of Foreign Bondholders. This statement was made on information given me by Mr. Muller (see page 4 of despatch No. 1895) who told me he had, at the request of the Provincial Minister of Finance, Dr. Indalecio Gómez, drafted a telegram to be sent by the Minister to Paris and London.

I now have the honor to report that *La Nación* having published on the 23rd instant an account of the proposed plan of Dr. Gómez, I conversed with Mr. Muller who told me that, having read the article in *La Nación*, he had interviewed Dr. Gómez and learned that, contrary to the indications the Minister had previously given him, the matter had not been taken up, except in a very informal manner, with Paris and London. Mr. Muller also told me Dr. Gómez informed him that he intended to present his proposal to the Provincial Legislature on Monday, December 26. I asked Mr. Muller please to inform Doctor

Gómez that in view of this information and of his having been to see me regarding his plan for payment of interest on the loans, I wanted him to know I intended to take up the matter informally with the Minister for Foreign Affairs. Mr. Muller reported that Dr. Gómez did not seem surprised at my message, merely asking to be kept informed of any developments in the case.

However, Dr. Saavedra Lamas having planned to be out of town for the weekend, I was not able to see him until the 26th. There is enclosed herewith a copy of a memorandum of my talk with the Minister for Foreign Affairs from which it will be seen that he said he would talk with Dr. Indalecio Gómez.

Although it had been the intention to submit the plan to the Provincial Legislature on the 26th instant, this was not done until yesterday. In the law submitted to the Legislature by the Provincial Government, it is proposed to suspend for a period of three years, from January 1, 1933, the payment on the sinking fund of the Provincial public debt, excluding the loans authorized by the law of October 18, 1932. The proposed bill further authorizes the Executive Power of the Province to effect, during that three-year period, a partial payment of the interest on all or a part of the foreign loans, the Executive Power being authorized to issue certificates, carrying an interest not to exceed five per cent., for the balance of interest due.

The bill further provides that beginning January 1, 1936, the Provincial Government shall renew the payment on the interest and amortization of all loans, the sinking funds being devoted in the first instance to the cancellation of the said certificates, following which the sinking fund will be paid in normal ratio. It further provides that after an examination of the financial situation of the Province in the years 1933 and 1934, full payment on the service of the debts will be renewed if circumstances permit.

It would seem from the main features of the bill as outlined above that there is still a possibility for the Minister of Finance to endeavor to reach an agreement with American bondholders for the payment of interest on loans floated in the United States and to try to reconcile such an agreement with the original agreement made with European holders.

I shall continue to follow this matter closely, bearing in mind that any representations I may make, either to the Minister for Foreign Affairs or to the provincial authorities, should be made informally, confining myself to an endeavor to prevent definite action being taken which would appear to discriminate against American interests.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure]

*Memorandum by the American Ambassador (Bliss) of a Conversation  
With the Argentine Minister for Foreign Affairs (Saavedra Lamas),  
December 26, 1932*

I called by appointment yesterday afternoon at four o'clock on the Minister for Foreign Affairs. In opening the conversation, I recalled that he had invited me to his office to talk with him and the Minister of Finance of the Province of Córdoba at the time a difficulty was being experienced between the American bankers and the Cordobese Government regarding the arrangements for payment of the American loan and that therefore he would permit me to bring up a matter regarding loans in which Americans were interested with another Province. I then explained to him that Dr. Carlos Indalecio Gómez had recently been to see me twice to acquaint me with the arrangements he had made with British and French bankers regarding the service on the Buenos Aires loans but which he found were not acceptable to the banking interests representing American holders of the provincial bonds. I explained these arrangements to Dr. Saavedra Lamas and stated the reasons why they were found to be discriminatory against American interests. I also told him that having learned that Dr. Gómez intended to present his proposals to the Buenos Aires Legislature yesterday, I had asked last Friday if Dr. Saavedra Lamas could receive me in order to bring this matter to his attention, at the same time having sent word to Dr. Gómez that in view of his initiative in coming to me and our frank talks, I wanted to tell him I was going to bring up the matter with the Minister for Foreign Affairs. At the same time, I pointed out that my informal conversation with him was prompted by the desire to bring to his attention a proposed action on the part of a Provincial Government which, if ultimately carried out, would result in an unwarranted discrimination against American holders of provincial bonds while favoring those of Great Britain and France.

After listening to my full explanation, the Minister said that perhaps Dr. Indalecio Gómez was desirous of submitting his project to the Legislature in order that some member thereof might object to the plan as being unfavorable to American interests and thus give Dr. Gómez an opportunity to get out of the compromise in which he found himself with the French and British Councils of Foreign Bondholders. In any event, he said he would take up the matter with Dr. Gómez and talk with me about it again.

R[OBERT WOODS] B[LISS]

BUENOS AIRES, December 27, 1932.

835.51B861/73 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, January 13, 1933—5 p. m.

5. Your despatch No. 1914, December 30. Your proposed course of action in this matter is approved. You might emphasize to the Minister for Foreign Affairs that the American financial market had proven itself willing to respond to Argentina's financial needs on a large scale, that the record of the Argentine governmental authorities is held in high esteem and their sense of justice greatly trusted. Therefore the Argentine authorities have a distinct interest in not having these views prejudiced by any such discriminatory settlement as is proposed when the same purpose could be carried through without discrimination.

STIMSON

835.51B861/76

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1940

BUENOS AIRES, January 19, 1933.

[Received January 30.]

SIR: With reference to the Department's telegraphic instruction No. 5 of January 13, 5 p. m., concerning the proposed plan of the Minister of Finance of the Province of Buenos Aires for the suspension of the payment of the sinking fund and the reduced payment of the interest on its foreign debt, I have the honor to report that I took occasion to discuss this matter informally again with the Minister for Foreign Affairs yesterday afternoon.

For the information of the Department, I beg to enclose a copy of a memorandum of my conversation with the Minister, and also a copy of a memorandum of a talk on the same subject this noon with Dr. Indalecio Gómez, the Provincial Minister of Finance, who came to see me, apparently after having been called to see the Minister for Foreign Affairs following my conversation with him yesterday.

From what Dr. Gómez said to me, as set forth in my memorandum of our conversation, it will be seen that he had decided to put into effect his original plan as the only justifiable course the Province can pursue in protecting its own interests and those of the holders of its bonds. Although I confess that I felt the Minister has some justification in the arguments he set forth, I protested strongly to his plan on the grounds of discrimination against American holders of the Provincial bonds. Both to the Minister for Foreign Affairs and to Dr. Gómez, as will be seen from the enclosed memoranda, I emphasized the consideration conveyed in the Department's said telegram

of January 13. Dr. Gómez, however, feels that the American bondholders should take consolation in the fact that they are being paid anything and that after all the Province is only postponing the total payment of its obligations, giving the bondholders due compensation in the form of promissory notes at five per cent. for the portion of the payment of interest which is not discharged at this time.

In extenuation of the Minister of Finance, it is only just to point out that whereas I think he was ill-advised in presenting the American banking corporations with a *fait accompli* instead of consulting them at the same time he did the European bankers, the financial situation of the Province, if not desperate, is very serious and presents problems for solution of as difficult a nature as those confronting the financial authorities of many other Governments throughout the world. Nevertheless, I have endeavored to persuade Dr. Gómez to change his plan to one which would not place the Argentine authorities in a position of being accused of discriminating against American holders of the Provincial securities and regret that I have not been successful in bringing this about.

Respectfully yours,

ROBERT WOODS BLISS

[Enclosure 1]

*Memorandum by the American Ambassador (Bliss) of a Conversation With the Argentine Minister for Foreign Affairs (Saavedra Lamas), January 18, 1933*

In calling on the Minister for Foreign Affairs by appointment this afternoon, I told him that I felt obliged to speak to him unofficially again regarding the payment of loans by the Province of Buenos Aires which subject I had discussed with him a short time ago. The Minister here interrupted to say that he talked with Doctor Indalecio Gómez following my first conversation and had suggested that Doctor Gómez see me and asked if he had been to call since then, to which I replied in the negative.

I then told the Minister that the Provincial Senate had passed the bill presented by Doctor Gómez whereby he would be authorized to make arrangements with the holders of the provincial bonds for a method of payment, the terms of the bill being of such a general nature that the Provincial Finance Minister had considerable latitude in the matter. My information, I said, was to the effect that the Chamber of Deputies of the Province would in all probability pass the bill today or tomorrow.

I further explained that I was informed that the Minister intended to put through the plan which he had outlined to me which, as I had

pointed out to Doctor Saavedra Lamas, was distinctly discriminatory against American holders of provincial bonds and explained that by this plan it was proposed to pay in full 80 per cent. of the British held bonds and the remainder, and those held by others, on a basis of the Argentine gold peso at par, the difference which this would represent to be covered by provincial promissory notes bearing 5 per cent. interest. This plan would result in a loss of 12 per cent. to the British holders of bonds not paid in full and 40 per cent. loss to United States holders of these bonds, this difference being explained by the fact that the American dollar was at par whereas the pound sterling had considerably depreciated.

The Minister here said he understood that Bemberg had been negotiating with the European holders on behalf of the Province and asked if he had also been used for this purpose by the Province in approaching the American holders. I told him that in so far as I knew Mr. Bemberg had not been used in this respect for the Americans and that the ultimate plan had been the result of negotiations carried on by Bemberg with European holders and then had been presented as a *fait accompli* to the American bankers.

I had been informed also, I told the Minister, that there was now on the way to New York a representative of the St. Augustine Corporation, a British concern which, however, did not figure in any list of bankers and financial corporations but had been empowered by the Provincial Government to make all the arrangements and publicity for putting this plan into effect in the United States, and added that it would undoubtedly seem strange to the American bankers that Doctor Gómez should send an Englishman to the United States for that purpose instead of doing that business thru the interested American bankers. The Minister seemed puzzled and said that he did not understand what a British corporation should be employed for this purpose.

He said that he of course was willing that Doctor Espil should approach the American bankers, although it was a little delicate as he, the Minister for Foreign Affairs, must be careful to differentiate between national and provincial debts. I rejoined that my position was also somewhat delicate and that my talk with him, as I had said in the beginning of the conversation and also at our previous talk, was unofficial but that I felt the American financial market had demonstrated its desire to respond in a large way to the financial necessities of Argentina, that the record of Argentine Government authorities was held in high esteem in the United States where the conception of its justice had merited every confidence; and that therefore the Argentine authorities had a particular interest in seeing that these appreciations should not be prejudiced in the United States by an arrangement so discriminatory as the proposal of Doctor Gómez was when the same



ends could be obtained without that discrimination, and I added that he would realize that in talking to him in this way I had at heart Argentine interests as well as those of my own compatriots and felt that it was of serious importance to the financial credit of Argentina that the charge of discrimination should not be allowed to arise.

The Minister rang for his secretary and told him to telephone to Doctor Indalecio Gómez that he wanted to see him sometime today at his convenience and told me that he would go over the matter thoroughly with the Provincial Minister of Finance.

R[OBERT] W[OODS] B[LISS]

BUENOS AIRES, January 18, 1933.

[Enclosure 2]

*Memorandum by the American Ambassador (Bliss) of a Conversation With the Minister of Finance of the Province of Buenos Aires (Indalecio Gómez), January 19, 1933*

At his own request, Doctor Carlos Indalecio Gómez, the Minister of Finance of the Province of Buenos Aires came to see me at noon today. He said that Doctor Saavedra Lamas had told him I had discussed with him yesterday afternoon the matter of the payment of the provincial foreign loans, which subject he and I had talked about some weeks ago.

Doctor Gómez said that it was now decided to discontinue, temporarily, payment of the sinking funds on the foreign debts and to pay the interest on the bonds under the arrangement which he had already explained to me. To this I rejoined that I perfectly understood that in this time of depression the Provincial authorities found themselves faced with so serious a problem that it was necessary to seek a new arrangement with their debtors, but that I had felt obliged, when I learned that the authorization he needed for this purpose was practically granted by the Provincial Legislature, to take up again with the Minister for Foreign Affairs the subject and to express unofficially my ardent regret that the Provincial authorities still insisted upon putting through an arrangement which was a discrimination against American holders of the Provincial loans. I then pointed out, as I had to Doctor Saavedra Lamas yesterday, the nature of this discrimination.

Minister Gómez explained that the principal British loan, which it was proposed to pay in full, was one originally for about eleven or twelve million pounds contracted in the last decade of the last century on which, at a time of financial stress, the Province had been obliged to suspend all payment during a period of fourteen years, at the end

of which the loan was funded, the interest being reduced from the six to eight per cent. it bore before to  $3\frac{1}{2}\%$ . The loan had now been reduced to slightly more than £7,000,000 and in view of the long period of non-payment and the reduction in the interest, it only seemed just and equitable to him that the interest on this loan should now be discharged in full, although the suspension of the amortization represented a serious loss to the holders. The other loan, the interest of which was to be paid in full, he explained was a small one amounting roughly to a million pounds. And he further argued that the suspension of the amortization was more damaging to European holders than to American holders because the Province was further ahead in its payments on the sinking fund in America than in Europe. He admitted that the present arrangement gave a higher percentage of payment to the European holders, especially the British, but remarked that they were being paid in depreciated pounds which, while perhaps not serious from an internal point of view, had its disadvantages from an international point of view, a justified consideration since the matter had to do with international loans. He stressed the point that although the Americans might lose at present 40% of interest payment under the proposed arrangement, they would actually be paid in full, a matter for congratulation in these days since the Province in issuing promissory notes for the 40% unpaid, showed its bona fide intention of eventually liquidating the loan in full.

He discussed the matter in detail again and when he had finished I said I felt it was most unfortunate that an arrangement had been made with the European countries and then presented to the American bondholders and that the arrangement which he was going to oblige them to accept might hurt the credit of Argentina in the United States where the financial market had shown its desire to respond most generously to the financial necessities of Argentina and where the record of the Argentine authorities was held in high esteem, meriting every confidence and that therefore he, as well as the authorities of the National Government, had a particular interest in seeing that these appreciations should not be prejudiced in the United States by an arrangement so discriminatory as the one he proposed, especially when the ends he sought could be obtained without that discrimination.

Doctor Gómez said that his desire was to be as fair in every way as possible (and parenthetically that the Provincial authorities were cutting salaries and reducing expenses) but that with the possibility of fluctuation of the value of the peso he saw no other way out of the present difficulty than the one which he had decided to follow. If the value of the dollar should fall, as seemed to be possible were the desire of many Americans to become effective, the American hold-

ers of the Provincial bonds would benefit accordingly,—an argument, I told him, which did not counteract the objections I had raised.

He then turned to the matter of sending a representative of an English house to New York to make arrangements for the putting into effect of his plan (of which I had spoken yesterday afternoon with the Minister for Foreign Affairs). He explained that if Mr. Muller, the representative here of the American financial interests, had previously told him frankly, as he had done two or three days ago, that while his principals could not accept his proposal, they were nevertheless, disposed to help him in putting it into effect, he would never have taken steps to have this done by the representative of a foreign house. I pointed out that I thought Mr. Muller could not have made this suggestion at an earlier date because, had he done so, it could easily have been interpreted as a disposition on the part of the interested American financial houses to accept the proposal to which they had consistently offered strong objection. Doctor Gómez then read me a telegram from one of the American corporations, informing him that the American law would not permit of a foreign house taking the steps necessary to put his plan into operation and suggesting that he employ for this purpose the law firm of Sullivan and Cromwell. I told him this was a very reputable and reliable firm with branch offices in London and Paris and with a representative in Buenos Aires, and, after we had discussed the matter somewhat further, he intimated that he would probably make use of this firm and seemed interested to know that it had a representative here whose name I told him was Mr. Braxton and offered to give him his address. To this he demurred saying he would get in contact with him himself.

Before talking with Doctor Gómez, Mr. Muller came to see me at his own request but shed no new light on the subject except to tell me that all four of the interested American financial corporations had advised Doctor Gómez by cablegram to employ the firm of Sullivan and Cromwell.

R[OBERT] W[OODS] B[LISS]

BUENOS AIRES, January 19, 1933.

835.51B861/77

*The Ambassador in Argentina (Bliss) to the Secretary of State*

No. 1950

BUENOS AIRES, January 27, 1933.

[Received February 6.]

SIR: Referring to my despatch No. 1940 of January 19, I have the honor to enclose herewith <sup>42</sup> (as translated in *The Standard*) the au-

<sup>42</sup> Enclosure not printed.

thorization granted by the Legislature of the Province of Buenos Aires for the suspension of the payment of the sinking fund and the proposed partial suspension of services on the Provincial public debt.

Legal recognition is thus given to the proposal of Minister of Finance Indalecio Gómez, which has been reported by me to the Department in previous despatches.

That European creditors consider themselves fortunate in receiving any payment at all from the Province of Buenos Aires may be deduced from the following statement published in *The Review of the River Plate*:

“Judging from what has appeared in the London and Paris papers, there is a general feeling among European creditors that the moratorium of the Province was unavoidable, and that, all things considered, the terms might have been worse.”

The same issue of that review (January 27, 1933) summarizes an article on this subject from the London *Morning Post* of December 30, 1932 (which may have been brought to the Department's attention) in which it was pointed out that the temporary suspension of the sinking fund should set free considerable amounts in exchange which will be available for trade purposes and “that fact, in its turn, should minister to greater trade facilities, while, incidentally, the easing of the exchange position through the suspension of the Sinking Fund increases the market of security for the remittance of interest on the debt.”

In some quarters it [is] questioned whether this arrangement of the Provincial public debt may not prove a forerunner to acceptance by the National Congress of some similar adjustment covering the external debt of the nation.

Respectfully yours,

ROBERT WOODS BLISS

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835.51B861/78 : Telegram

*The Secretary of State to the Ambassador in Argentina (Bliss)*

WASHINGTON, February 8, 1933—1 p. m.

10. Department's No. 5, January 13 and your mail despatch No. 1940, January 19. In view of the failure of your diligent effort to obtain a revision of the new debt plan of the Province of Buenos Aires in order to remove the discriminatory features you should, if you perceive no objection, inform the Foreign Office that you are instructed to express your Government's regret and its disapproval of the discriminatory features of this program which it believes could have been avoided.

The plan as published in the American press states that the Province will make available for interest “an amount in paper pesos equal at

par of exchange to the interest charge on the dollar bonds. Such pesos will be converted into dollars as and when exchange is available and remitted for application toward the payment of interest to bondholders assenting to the plan". This means that the amount of actual cash in dollars that the American bondholders will receive will depend not only on the exchange quotation of paper pesos but on the rate at which the Exchange Commission permits dollars to be secured. You are requested to carefully watch the execution of this plan and report if the permitted conversion into dollars lags behind the conversion into sterling or other foreign currencies.

STIMSON

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**REPRESENTATIONS BY ARGENTINA AGAINST SANITARY RESTRICTIONS ON IMPORTATION INTO THE UNITED STATES OF ARGENTINE MEATS FROM AREA NOT SUBJECT TO SPECIFIED ANIMAL DISEASES**

611.3556/108

*Memorandum by the Acting Secretary of State of a Conversation With the Argentine Ambassador (Espil)*

[WASHINGTON] June 22, 1933.

The Argentine Ambassador referred to a note which he had addressed to the Department towards the end of the Hoover administration on the subject of the export to the United States of Argentine beef, to which the Department had made merely an acknowledgment.<sup>43</sup> Unofficially, however, the Ambassador said he had been informed that the Hoover administration would, if reelected, undertake to find some satisfactory solution to this troublesome question. I suggested that the Ambassador raise the question again with the Department, which he said he would do.

The Ambassador then referred to the litigation concerning Argentine casings [*casein?*] which was now before our courts. He asked me to do what I could to facilitate a decision in this matter.

WILLIAM PHILLIPS

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611.3556/107

*The Argentine Ambassador (Espil) to the Acting Secretary of State*

[Translation]

WASHINGTON, June 22, 1933.

MR. SECRETARY: On November 11, 1931, this Embassy addressed a communication to your Department,<sup>44</sup> requesting the Government of

<sup>43</sup> Previous correspondence not printed.

<sup>44</sup> Not printed.

the United States to authorize the entry of mutton from Argentine Patagonia.

In that communication this Embassy maintained that Section 306 of the Tariff Law,<sup>45</sup> interpreted in the light of its antecedents and administrative application, did not authorize the exclusion of our Patagonian meats from the United States market, since the expression "foreign country" which it employs, is to be taken in a geographic and not a political sense.

The question raised by that communication was the subject of serious consideration during the last Administration and the undersigned received all kinds of promises that a satisfactory solution of this matter would be obtained.

With the advent of the present Administration the solution was thought to be found in a modification of the Tariff Law, in Section 306 thereof. To this effect we Argentine delegates were assured, in the course of the recent conversations preliminary to the Economic Conference,<sup>46</sup> that the message which President Roosevelt purposed to send to the Congress to secure authorization enabling him to negotiate treaties of reciprocity and reduction of tariff duties, would include a special clause with regard to this.

Meanwhile President Roosevelt has refrained from sending said message, which renders it impossible for the present to seek the solution of the problem of the Patagonian meats through new provisions of law.

Under these circumstances the undersigned considers that he must persist in the views which he expressed in his note of November 11, 1931, which he now renews, and feels confident that when the matter is examined with high and serene impartiality by the new authorities of your Department and the Department of Agriculture they will find it easy to give satisfaction to my Government's legitimate request.

I avail myself [etc.]

FELIPE A. ESPIL

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611.3556/107

*Memorandum by the Chief of the Division of Latin American Affairs  
(Wilson)*

[WASHINGTON,] June 28, 1933.

Ambassador Espil's note of June 22, 1933, dealing with the question of the entry of mutton from Patagonia, states:

"The question raised by that communication was the subject of serious consideration during the last Administration and the under-

<sup>45</sup> 46 Stat. 590, 689. For text of section 306 (a), see letter of August 11, 1933, from the Acting Attorney General to the Secretary of Agriculture, p. 784.

<sup>46</sup> See vol. I, pp. 452 ff.

signed received all kinds of promises that a satisfactory solution of this matter would be obtained.”

I know of no “promises” that a satisfactory solution of this matter would be obtained, and there is no record in the files of any having been made. I have mentioned this matter to Mr. White,<sup>47</sup> who states that he knows of no “promises” in the matter. Secretary Stimson took the matter up with Secretary Hyde but was unable to get anywhere with it.

The only “promises” made to Ambassador Espil were those contained in letters from Agriculture, which we transmitted to the Argentine Embassy, offering to send experts to Argentina to look into the meat situation. The Argentine Government, however, wanted Dr. Mohler<sup>48</sup> to go and when it found that Mohler could not go, indicated that it did not want the other experts to visit Argentina.

EDWIN C. WILSON

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611.3556/110

*The Acting Secretary of State to the Attorney General (Cummings)*

WASHINGTON, July 27, 1933.

MY DEAR MR. ATTORNEY GENERAL: I have received your letter of July 17,<sup>49</sup> with reference to the inquiry addressed to you by the Secretary of Agriculture requesting your opinion as to the proper interpretation of Section 306-A of the Tariff Act of 1930 concerning the importation of meats and livestock from countries infected with rinderpest and foot-and-mouth disease. You ask me to supply you with any suggestions which may have a bearing upon the question submitted to you.

For several years Doctor Malbran and his successor, Doctor Espil, the Argentine Ambassadors in Washington, have presented to this Department their Government's view that mutton originating in Patagonia, the most southern portion of Argentina, could be imported into the United States under the provisions of the foregoing section of the Tariff Act, basing their arguments on the statement that Patagonia is, geographically considered, isolated from the remainder of Argentina owing to the extreme scarcity of means of communication. They have also stated that investigations made by the veterinarians of the Argentine Ministry of Agriculture have failed to reveal the existence of foot-and-mouth disease among the herds of sheep.

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<sup>47</sup> Francis White, Assistant Secretary of State.

<sup>48</sup> John Robbins Mohler, Chief of the Bureau of Animal Industry, Department of Agriculture.

<sup>49</sup> Not printed.

This statement concerning the isolation of Patagonia would appear in the light of the information at my disposal to be entirely correct. It is also the opinion of this Department that the word "country" need not necessarily mean an entire state in the political sense of that word. England and Scotland, for instance, are usually referred to as separate countries, although they form part of the same state.

I should like in this connection to call your attention to the Convention of January 16, 1930 [*sic*], between the United States and Mexico<sup>50</sup> for the safeguarding of livestock interests through the prevention of infectious and contagious diseases. Articles 8 and 9 of this convention read as follows:

"Article VIII. The livestock sanitary officials shall define the specific territory in their respective countries in which any contagious or infectious disease exists and shall indicate zones which may be considered as exposed, in order to prevent the propagation and dissemination of the infection of such disease.

"Article IX. The High Contracting Parties shall not issue permits for domestic ruminants or swine originating in any foreign countries or zones where highly infectious and rapidly spreading diseases such as foot-and-mouth disease and rinderpest appear frequently, until at least sixty days have elapsed without any outbreak of the disease in such countries or zones. When a disease of this kind occurs in any part of a foreign country any other part of the same country shall be considered as exposed until the contrary is positively shown, that is, until it is shown that no communication exists between the two parts by which the disease may be readily transmitted. When such a disease occurs near the land border of a foreign country the neighboring part of the adjacent country shall be considered as exposed until the contrary is positively shown."

The text of these articles indicates that this convention provides definitely for the dividing of a country, in the political meaning of that word, into zones for the purpose of protection against animal diseases. It would thus appear that Patagonia could properly be described as a zone of Argentina.

In view of the foregoing, this Department is glad to concur with the views expressed by the Department of Agriculture and hopes that you may find it possible to give prompt consideration to this important matter owing to the contemplated negotiations for the conclusion of a trade agreement between Argentina and the United States.

As of possible interest, I am enclosing a copy of my letter on this subject to the Assistant Secretary of Agriculture.<sup>51</sup>

Sincerely yours,

WILLIAM PHILLIPS

<sup>50</sup> Convention of March 16, 1928 (proclaimed January 18, 1930), *Foreign Relations*, 1928, vol. III, p. 317.

<sup>51</sup> Letter of July 27, 1933, not printed.



611.3556/119

*The Acting Attorney General (Biggs) to the Secretary of Agriculture (Wallace)*<sup>52</sup>

WASHINGTON, August 11, 1933.

SIR: I have the honor to refer to your letter of July 7, 1933,<sup>53</sup> requesting my opinion concerning the proper interpretation of Section 306 (a) of the Tariff Act of 1930 (c. 497, 46 Stat. 590, 639), prohibiting the importation of meat and live stock from foreign countries in which rinderpest or foot-and-mouth disease has been determined to exist.

Section 306 (a) reads as follows:

“Rinderpest And Foot-and-Mouth Disease.—If the Secretary of Agriculture determines that rinderpest for [or] foot-and-mouth disease exists in any foreign country, he shall officially notify the Secretary of the Treasury and give public notice thereof, and thereafter, and until the Secretary of Agriculture gives notice in a similar manner that such disease no longer exists in such foreign country, the importation into the United States of cattle, sheep, or other domestic ruminants, or swine, or of fresh, chilled, or frozen beef, veal, mutton, lamb, or pork, from such foreign country, is prohibited.”

Acting under this statute, the Secretary of Agriculture has previously determined that the disease mentioned exists in the Republic of Argentina and has given the prescribed notices. You state, however, that the disease does not exist in all portions of Argentina and suggest that the purpose of the statute might be accomplished by confining its inhibition upon importations to those portions of Argentina in which the disease actually exists. The Secretary of State, in a letter to me under date of July 27th, sets forth representations made to his Department that the disease does not exist in the southern portion of Argentina, known as Patagonia, and that “Patagonia is, geographically considered, isolated from the remainder of Argentina owing to the extreme scarcity of means of communication.”

Observing the common import of the words of the statute, when the disease has been determined to exist “in any foreign country” all importations of the prescribed commodities from such foreign country are prohibited, without exception. I perceive in this no ambiguity or absurdity of result which would warrant our going beyond the statute itself to seek the intention of Congress, but it is apparent from the opinion of your Solicitor that such a resort to the authorized sources of assistance in solving ambiguities would lead to the conclusion that Congress did in fact intend to prohibit all importations of the specified commodities from a foreign country in which the disease exists regardless of the fact that the disease may or may not be confined to particular

<sup>52</sup> Copy received by the Department of State, November 2.

<sup>53</sup> Not printed.

areas in such country; and the statute has been so administered since its enactment.

The Republic of Argentina, of course, is a foreign country, and no reasons have been presented to me which, in my opinion, would justify a conclusion that the southern part, referred to as Patagonia, may be considered a separate country. It appears from the Encyclopaedia Britannica and from Nelson's Perpetual Loose Leaf Encyclopaedia (corrected to 1933) that "Patagonia" is a name commonly applied to the southern part of South America, embracing territory within both Chile and Argentina, and it further appears that the Patagonian portion of Argentina is geographically contiguous to the remainder of Argentina, the whole constituting a single political entity, one country, the Republic of Argentina.

It is therefore my opinion that importations of the commodities described in Section 306 (a) of the Tariff Act of 1930 from any part of the Republic of Argentina are prohibited so long as rinderpest or foot-and-mouth disease exists in that country, as determined by the Secretary of Agriculture.

Respectfully,

J. CRAWFORD BIGGS

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**REPRESENTATIONS AGAINST THE IMPOSITION BY THE GOVERNMENT OF ARGENTINA OF A TAX ON MARINE INSURANCE WRITTEN ABROAD**

835.512 Insurance Tax/2 : Telegram

*The Acting Secretary of State to the Chargé in Argentina (White)*

WASHINGTON, July 21, 1933—4 p. m.

57. Representatives of the American Association of Marine Underwriters visited the Department yesterday to express their disapproval of a provision in the Argentine law enacted June 1932 and about to be enforced imposing a tax of 7% on all insurance premiums paid on policies covering shipments of merchandise proceeding from the United States to Argentina or vice versa placed with American companies not licensed to do business in Argentina. They pointed out that this tax is extraterritorial because imposed on property not situated within the country and that it will tend to drive business from American to local companies which are not subject to this tax. They stated that very few American companies are licensed in Argentina to underwrite marine insurance.

Please bring this matter immediately to the attention of the appropriate authorities and express the hope that they will postpone the enforcement of this measure until this Government has been able to make a study of its provisions.

You might point out that in view of the conversations that will soon be held with the Argentine Ambassador with reference to the conclusion of a commercial convention<sup>54</sup> it would seem unfortunate if such a measure were to disturb seriously the trade relations between the two countries.

Reply by cable.

PHILLIPS

835.512 Insurance Tax/10

*The Chargé in Argentina (White) to the Acting Secretary of State*

No. 2172

BUENOS AIRES, July 28, 1933.

[Received August 7.]

SIR: I have the honor to refer to the Department's telegram No. 57 of July 21, 4 p. m., and to state that I took up this matter with the Foreign Minister on the 25th and presented him with a brief memorandum which he stated he would transmit to the Interim Minister of Finance. It is probable that I shall endeavor to see the latter next week but have been waiting to take this step for the preparation of further memoranda by the local insurance companies and also for the presentation of similar remonstrances by other diplomatic missions. The Dutch have already received instructions to present a protest. It is probable that the British will likewise do so shortly. The French Embassy and the German Legation are, I gather, interested.

Referring to the Department's telegraphic instruction No. 58 of July 28, 2 p. m.,<sup>55</sup> to accelerate a reply, I would respectfully state that all these representations will add momentum to the movement; and inasmuch as the object is to postpone indefinitely the imposition of the tax, any delay in making a reply on the part of the Argentine Government should not prejudice the case.

Respectfully yours,

J. C. WHITE

835.512 Insurance Tax/11

*The Chargé in Argentina (White) to the Secretary of State*

No. 2190

BUENOS AIRES, August 11, 1933.

[Received August 21.]

SIR: Referring to the Department's instructions in regard to the imposition by the Argentine Government of a tax on marine insurance written abroad, and to my despatch No. 2172 of July 28, I

<sup>54</sup> See pp. 642 ff.

<sup>55</sup> Not printed.

have the honor to report that the interview which I therein stated that I would probably seek with the Interim Minister of Finance, Dr. Iriondo, after considerable delays due to his numerous pre-occupations with two Ministries in his charge, took place today. Dr. Iriondo was evidently not conversant with the subject, although I had submitted a brief memorandum on the subject to the Ministry of Foreign Affairs, which the latter stated it had duly forwarded to Finance. I accordingly outlined the difficulties which the proposed tax would raise and left him an eleven-page memorandum in Spanish on the subject, based on data submitted by local insurance representatives. An English translation of this memorandum is enclosed herewith.

I doubt whether Dr. Iriondo will have time to do much in the matter himself, and it may well be necessary to visit the next Minister of Finance who will presumably occupy himself solely with that Department. However, as stated in my despatch No. 2172 of July 28, as the object is indefinite postponement, a delay in making a reply should not prejudice the case. I may add that I left a copy of my memorandum for the Minister of Finance with the Minister for Foreign Affairs also.

The Dutch Legation is likewise making representations and I supplied some data to it. The British have, I believe, an ample documentation on the subject but seem reluctant to admit that they have any instructions from their Foreign Office to protest. It was insinuated to me that perhaps this matter is being discussed by the British in connection with the Roca Agreement.<sup>56</sup>

Other Legations have expressed an interest but I do not so far know of any action taken except by myself and the Dutch.

Respectfully yours,

J. C. WHITE

[Enclosure—Translation]

*The American Chargé (White) to the Argentine Interim Minister of Finance (Iriondo)*

#### MEMORANDUM

As of date July 25 a memorandum was submitted to the Ministry for Foreign Affairs in regard to the project (Law 11,582 of June 1932) for imposing a tax of 7% on the premiums of insurance policies issued abroad covering properties or goods situated in or destined for the Argentine Republic.

<sup>56</sup> For correspondence concerning the Anglo-Argentine (Roca) Agreement, see pp. 722 ff.

It is now desired to supplement that memorandum by additional considerations.

The suspension of Law 11,582, insofar as it concerns the tax upon insurance effected abroad on merchandise introduced into the country, was effected by a decree of February 20, dossier 3571-E-1932. This states that "in view of the importance of this question, within which interests of a world-wide nature are involved, it is necessary to carefully study the matter for the purpose of arriving at adequate regulations through the collaboration of those public departments best informed in the premises, together with the representatives of the commercial interests at stake."

It appears that there are three different classes of underwriting institutions doing business in the Argentine. There are the insurance companies incorporated under Argentine law as Argentine companies. There are foreign insurance companies established in the Argentine and carrying on business through one or more branches, those branches having been registered in accordance with Argentine law. There are also insurance or underwriting organizations in every part of the world which insure their clients, the sellers of the goods residing outside of the Argentine Republic, and covering the shipments of merchandise destined to Argentina. These last-mentioned outside-foreign underwriters transact insurance business freely in every kind of risk and do not have any regular branch in Argentina. They have carried on business with the Argentine for many years unmolested. Upon the subject matter contemplated by the decree above mentioned they have not had an opportunity to express their views.

Insurance policies upon imported goods commence in general at the time when the goods leave the factory in the foreign country and covers the transit from the factory to the foreign port of shipment, and thereafter the sea voyage to an Argentine port, and generally also a short time in Argentina with the object of giving the buyer time to make his arrangements as regards insuring the goods himself within Argentine jurisdiction. This cover within Argentine jurisdiction is limited in many policies by what is known as the "River Plate Clause," which guarantees foreign underwriters free from certain claims; fire, etc., in warehouses in Argentina.

It will therefore be seen that the proposed taxation covers insurance upon a risk of which only a small part relates to Argentine jurisdiction.

The business of marine insurance upon imported merchandise which is intended to be taxed by the proposed regulation is not a business in which the Argentine companies compete with the foreign companies.

Practically the whole of the marine insurance upon imported merchandise is effected by the sellers with underwriters in the country of export, and it is worthy of note that the insurance companies, both Argentine and foreign established companies, carrying on business in

Argentina, addressed on April 5, 1932, a petition to the Argentine Congress pointing out that they were strongly against the taxation of maritime insurance upon merchandise in transit to Argentina. The local underwriters in their aforesaid petition to Congress pointed out that such taxation would have "the absurd result that a person purchasing goods abroad which are insured by the seller with foreign underwriters against the risk of the voyage to Argentina will find himself obliged to pay a tax for an unexplained reason upon the goods whilst they are in transit outside of the Republic."

In addition to the tax of 7% upon the premium there would be a stamp duty of fifteen centavos per thousand pesos upon the total volume of the policy.

When goods are dispatched from the foreign factory they are under the jurisdiction of the country of origin until they reach the sea-board, and thereafter they come under the jurisdiction of the nation to which the carrying vessel belongs and it is only when the vessel arrives in the River Plate that the merchandise, and consequently the insurance policy covering the same, comes within the jurisdiction of the Argentine Republic.

Under these circumstances it must be supposed that the Argentine Government would not seek to impose taxation upon merchandise or upon the insurance policies of merchandise before such merchandise should reach the River Plate, and consequently the proposed tax could only reasonably be held to apply to such part of the premium as corresponds to the risk within Argentine jurisdiction.

In view of the great varieties of insurance policies it is not possible to lay down a definite rule, but in general terms it may be stated that in respect of a policy upon goods imported into Argentina from Europe or the United States not more than, let us say, from one-tenth to one-fifth of the premium could correspond to the risk within Argentine jurisdiction.

Latest statistics indicate that the value of the merchandise imported into Argentina from foreign countries in the year 1932 was approximately eight hundred and fifty million paper pesos, and supposing that the whole of this were insured and that the average premium thereon amounted to approximately one per cent, this would give a total premium figure of about eight and a half millions. Supposing for the sake of illustration that as much as one-fifth of the total transit were reckoned as apertaining to Argentine jurisdiction, then one-fifth of 8,500,000 paper pesos, that is to say, 1,700,000 would be subject to Argentine taxation.

The 7% premium tax upon 1,700,000 paper pesos would thus yield, say 119,000 paper pesos, while the stamp duty upon the policies might be calculated to yield about 127,500, making a total gross receipt of less than 250,000 per annum in respect of the tax.

The complete statistics for the year 1932 have not yet been published so that allowances must be made in the above figures for subsequent modifications, but even admitting a substantial margin for variations, it will be seen that the Government's income to be expected from the tax under the new regulations would be more than counterbalanced by the great disorganization of international business which would be caused by the enforcement of this taxation as can be demonstrated by a simple example.

The business of sale of goods to be exported from a foreign country and imported into Argentina is in general carried out upon a basis of C. I. F. (cost, insurance and freight) under which system the foreign seller, having made his contract with a buyer in Argentina, despatches the goods from his factory or his plant, and once the goods leave the possession of the seller they travel for the account and risk of the Argentine buyer.

Throughout the whole of the journey from the foreign factory to the receiving warehouse in Argentina the risk of the goods is taken care of by the insurance policy.

Supposing that a casualty should happen during the course of the voyage, the Argentine buyer might refuse to take up the shipping documents, and the only safeguard of the foreign seller would be the insurance policy. For this reason, although theoretically under the C. I. F. system the obligations of the foreign seller terminate when he has despatched the goods from his own premises, yet in practice he must depend upon the good faith and financial reliability of the insurance company which covers the risk during the transit. For this reason it is a certainty that the foreign sellers will not relinquish the rights which are given to them under the C. I. F. system to insure the goods in a company of their own choosing.

Furthermore banks and other financial institutions are frequently called upon to lend money upon the documents of title of goods in transit and they equally require that the goods should be insured in a company of international reputation.

This insurance of goods in transit is of an international character and the Argentine insurance companies are not engaged in this class of business and have expressly stated in their memorial of April 5, 1932 that they do not desire taxation to be imposed by the Argentine Government upon marine insurance.

It is therefore clear that the tax leviable under the new proposed regulations will not assist Argentine national insurance and will not bring in any considerable amount of revenue to the Argentine Government, whilst on the other hand it will seriously hamper international business dealings in so far as concerns goods sold by foreign countries to Argentina, as can be shown by a few simple instances.

In many cases goods shipped to Argentina are insured by the exporter under "floating policies" for large amounts on which shipments

to all parts of the world are declared seriatim by the assured. No policies are issued for the individual shipments, but an insurance certificate is often employed for banking purposes. The premium paid is seldom stated in such certificates, and in very many cases it would entirely upset the course of business dealings if a declaration of the premium were required to be made.

In other cases where the goods are covered by a voyage policy, business usages or Government regulations, make it desirable that the original policy should be retained in the country of shipment and a certificate transferable by endorsement goes forward with the goods. In this case also the receiver in Argentina has no knowledge of the premium paid nor of other particulars upon which he would be required to give information to the Argentine authorities under the new regulations before he could withdraw his goods from the customs house.

The new regulations provide that the goods cannot be withdrawn from the Argentine custom house until the duty has been paid, which means a further complication of the customs house formalities, with the result that goods will be delayed in the customs house and serious disorganization will be caused.

Furthermore it will be difficult and perhaps impossible to arrive at an agreement with the authorities as to the percentage of the premium which relates to the risk within Argentine jurisdiction and the percentage relating to the risk upon the high seas and in the jurisdiction of the country of origin.

At the present time when the nations are endeavoring as far as possible to eliminate the artificial barriers and difficulties which have been created in hindrance of international trade, it would appear particularly unfortunate were a new regulation such as this to be brought into force, which would create a new and additional impediment in disturbance of commercial communications between Argentina and foreign countries.

In view of the foregoing and of the detriment likely to be caused to insurance companies of the United States of America, the Washington Government has directed me to express the hope that means may be found to prevent the application of the pertinent portions of Law 11,582 of June 1932.

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835.512 Insurance Tax/12

*The Chargé in Argentina (White) to the Secretary of State*

No. 2222

BUENOS AIRES, September 7, 1933.

[Received September 18.]

SIR: I have the honor to refer to my despatch No. 2190 of August 11 concerning the matter of the imposition by the Argentine Government



of a tax on marine insurance written abroad, wherein I reported an interview with Dr. Iriondo, Interim Minister of Finance on this subject. Representatives of the insurance companies have told me confidentially that they had received indirect information to the effect that Dr. Iriondo had expressed an opinion subsequently to the effect that the law which is considered by the Department and by the insurance companies as objectionable was of very slight merit. Dr. Iriondo is no longer Acting Minister of Finance and his place has been taken by Dr. Piñedo.

Shortly after the accession of Dr. Piñedo, I received a communication from the Foreign Office, copies and translation of which are enclosed. This note professes to be in reply to the first brief memorandum which I left with the Minister for Foreign Affairs and it makes no allusion to the far more lengthy memorandum that I presented to Dr. Iriondo and to which I alluded in my despatch No. 2190 above referred to. The reply of the Minister of Finance does not attempt to face the more important aspects of this question, being mostly devoted to endeavoring to prove that foreign insurance companies should be taxed to compensate for the taxation imposed upon local companies. In the last paragraph, however, under Point 3 it is stated that the law is not yet in force and that in deciding upon the regulations putting it into effect, the recommendations of this Embassy in regard to maritime insurance can be taken into consideration.

In this connection, I might observe that no Government is willing to admit that it is in error and the Argentine Government is no exception; so that perhaps the last paragraph referred to is really the most significant part of the note. Inasmuch, however, as no reference was made to my more lengthy memorandum, I surmise that possibly the official in charge of drafting the note was likely favorable to the new law and submitted it to the Minister without his first studying the matter very thoroughly.

At any rate, I requested another interview with the new Minister of Finance which took place yesterday. I explained to him that the memorandum to which reference was made in his note had been supplemented by a longer one to which no reference was made and that I therefore took it upon myself to hand him a second copy for his study. I also pointed out that in his letter it was stated that the Argentine Insurance Associations were in favor of the new law, a statement which I compared with the one in my memorandum to the effect that the Argentine Insurance Associations on the 5th of April, 1932, expressed their opposition and stated that the tax would have "the absurd result that a person buying merchandise abroad assured by the seller with foreign insurance agents against the risk of a journey to the Argentine would find himself obliged to pay a tax for a motive

that could not be explained, on merchandise while it was in transit outside of the Republic.”

I also stated that I presumed that the Argentine Government could hardly propose to levy a tax on merchandise outside of its jurisdiction. He agreed with me that this would be a difficult matter. I then said that according to estimates made by the insurance companies that from that portion of the tax which would fall upon merchandise in the Argentine, the returns would be negligible. I also said that the difficulties with the Customs Office in the importation of goods would be infinite inasmuch as the Customs would have the right to detain merchandise on which a policy of insurance could not be produced; further, that insurance was often effected by large foreign companies so as to cover their goods in transit all over the world and it would be necessary to prove to the Argentine Customhouse what portion covered Argentine business. I mentioned other considerations all of which were set forth at greater length in my memorandum, and also added that Great Britain, Holland, Switzerland and Norway were all protesting against this law. He said that my note was the first knowledge he had of the matter. I said that I hoped the law would not be put into effect and that it would be better still to have it revoked. The Minister said that my request, he thought, would be considered with considerable good will (*con bastante buena voluntad*).

This, therefore, is where the matter rests for the present. Meantime, the new law has not been enforced.

Respectfully yours,

J. C. WHITE

[Enclosure—Translation \*]

*The Argentine Under Secretary of State for Foreign Affairs  
(Alcorta) to the American Chargé (White)*

BUENOS AIRES, September 4, 1933.

MR. CHARGÉ d'AFFAIRES: With reference to the memorandum from your Embassy dated July 25 last, I take pleasure in addressing myself to you with the object of making you acquainted with the following note received by this Chancellery from the Ministry of Finance of the Nation. It reads as follows:

“No. 313.

Mr. Minister: I take pleasure in replying as follows to the memorandum addressed to your Department by the Embassy of the United States of America which you transmitted in your note of July 25.

\* File translation revised.

"1. Within the system of taxation imposed upon insurance companies, no distinction is made as to whether they are national or foreign companies, but as to whether the capital and the management of their activities are established in the country or abroad. In the first case, they pay 1.4% on the premium for general risks and 0.5% on the premiums of life policies, and, in the second case, 7% and 2% respectively. This system has prevailed for more than thirty years and when, on occasions, some foreign companies have considered the tax in the second instance as disadvantageous, they of their own accord have placed themselves in a position to be subject to the first above mentioned by merely establishing their management and capital in Argentina.

"2. The 7% tax on premiums for policies effected abroad (by companies which have no legal representation in the Argentine, that is to say, by those companies not comprised in the previous clause,) yields to an equally just consideration. Previous to the 19th of January 1932, when the Provisional Government imposed this tax by decree, such policies covering property or goods situated in or destined for the Argentine Republic escaped all taxation, by means of which fact these insurance companies enjoyed an evident privilege over those established or represented in the country. Law 11,582, of June 1932, did nothing but reproduce the conditions of the said decree.

"As is known, the companies established or represented in the country, whether national or foreign, are not only subject to taxation laws and laws of all kinds in force in the Republic, but their functioning is always developed with incalculable benefit for the local economy, while foreign organizations without any representation here operate freely on property or products pertaining to Argentina without returning to the country any of the benefit therefrom. It was the insurance associations, national as well as foreign, which demanded this measure, with the difference that they desired the tax to be one of three per mill on the total amount insured. The Government, considering that this desire was excessive, decided to fix a rate equal to that paid by the companies which in some form or other have a representation here. Even after establishing this equality in conditions, there still results an advantage in favor of those enterprises not established nor known in the country, and the real object therefore is not, as has been said, that of favoring the national insurance companies.

"3. As is recognized in the memorandum under consideration, the last mentioned tax on those goods destined to the country, has not as yet been put into force. It has been necessary to prepare regulations for the law, and the commission appointed to study the matter, composed of foreign insurance agents in part, has just made known its decision. In resolving the different points of the pertinent regulation, it will be possible to take into consideration those which have been suggested in the document presented by the Embassy of the United States in-so-far as relates to the characteristics of maritime insurance.

"I greet Your Excellency with the assurances of my highest consideration. Federico Piñedo."

I avail myself [etc.]

CARLOS ALBERTO ALCORTA

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