

When Argentina Defended The American System

by Cynthia R. Rush

On Dec. 19, 1902, Argentine Foreign Minister Luis Marí Drago made an extraordinary intervention into the internal affairs of the United States in defense of the 1823 Monroe Doctrine, penning a diplomatic note to the Teddy Roosevelt Administration objecting to the Dec. 9 military assault on Venezuela by European powers to collect debt owed their bondholders.

When the government of Venezuelan President Cipriano Castro defaulted in December of 1902 on millions of dollars owed to European bondholders, Roosevelt allowed Germany and Britain, later joined by Italy, to send their warships to bomb and blockade the Venezuelan ports of La Guaira and Puerto Cabello, devastating the economy. In the settlement that ensued, Venezuela was forced to hand over 30% of its customs revenues to bondholders.

As Venezuela's current Foreign Minister Elís Jaua explained in his July 3 speech before the Organization of American States (see p. 9), there is no difference between that 1902 military assault on Venezuela by European monarchies and the 2014 vulture fund assault on Argentina. They represent the same predatory, imperial forces.

Addressing the incursion into the Americas, Drago wrote, "This situation appears to visibly contradict the principles so often advocated by the nations of America, particularly the Monroe Doctrine, always so ardently maintained and defended always by the United States...."

What Argentina would like to see consecrated in the Venezuelan case, he added, "is the already accepted principle that there cannot be European territorial expansion in America, nor oppression of this continent's peoples just because an unfortunate financial situation could cause one of them to postpone meeting their obligations.... The principle I would like to see recognized is that the public debt cannot give way to armed intervention, or a material occupation of American soil by a European power."

At a time when the United States was governed by an outright British agent and Confederate sympathizer, Teddy Roosevelt, it took the Argentine Foreign Minister to remind the government and the American people not only of the principles embedded in the Monroe Doctrine—the idea of an anti-colonial Western Hemisphere community of principle which had been shaped largely by Secretary of State John Quincy Adams—but also of those fundamental principles of political economy underlying the American System.

The ‘Famous Hamilton’

Quoting Treasury Secretary Alexander Hamilton, Drago wrote, “‘The contracts between a nation and particular individuals are enforceable according to the conscience of the sovereign and cannot be the object of compulsory force,’ wrote the famous Hamilton. ‘Outside of the sovereign will, they cannot be enforced.’”

In 1914, Drago wrote that he saw his intervention as “something like a corollary to the Monroe Doctrine: the financial Monroe Doctrine,” conscious that he was adding a dimension that was broader, yet still coherent with the doctrine’s original intent.

As a loyal subject of the Empire, Teddy Roosevelt, on the other hand, betrayed that original intent. In his annual message to Congress in 1905, he stated the case explicitly: “We do not intend to permit the Monroe Doctrine to be used by any nation on this Continent as a shield to protect it from the consequences of its own misdeeds against foreign nations.” But as early as his December 1901 annual message, the U.S. President had been clear: “We do not guarantee any state against punishment if it misconducts itself. . . .” Then, in 1904, he added, “chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation.”

These threats, combined with the 1904 warning that the U.S. might have to exert “international police power” to correct “wrongdoing,” became codified as the “Roosevelt Corollary to the Monroe Doctrine,” leading to almost three decades of British-inspired U.S. interventions, both economic and military, in many nations of the Americas, until Franklin Delano Roosevelt ended them in 1933 with his non-intervention protocol and Good Neighbor Policy.