

The American Republics' Fight For Sovereignty, Since 1776

by an EIR Research Team

This study is an expansion of the historical section of the LaRouche in 2004 campaign pamphlet, The Sovereign States of the Americas: LaRouche's Program for Continental Development. The pamphlet is one of three issued by the campaign in the fight against the California Recall election hoax—to make that battle the center of the war against Synarchist looting of economies, and against Dick Cheney's war-and-Wall Street faction controlling the Bush Administration. This study, as expanded and published here, was written by Anton Chaitkin, Nancy Spannaus, Richard Freeman, Jeffrey Steinberg, and Cynthia Rush.

A common struggle for economic development, and against financiers' imperialism and feudalism, has joined the efforts of patriots in the United States, Mexico, and South America since the U.S. alliance with France and Spain in the American Revolutionary War.

During his years in Paris (1776-85), Benjamin Franklin forged a military pact and improved other ties with the French and Spanish kingdoms, which were both ruled by members of the Bourbon family. Following the victory of the three nations over the British Empire, Franklin returned home to oversee the framing of the U.S. Constitution, and the transfer to the Republic's first Treasury Secretary, Alexander Hamilton, of Franklin's own ideal of government-sponsored progress—protectionist tariffs and public credit to create industry and replace backward agrarian society with modern conditions.

When George Washington took office as the first U.S. President (April 30, 1789), there were stunning prospects for mankind's advancement.

America's friends, General Lafayette and Franklin's astronomer colleague Jean Sylvain Bailly, led France's new

National Assembly towards a constitutional monarchy that was to have guaranteed freedom and prosperity.

Meanwhile, Spain and its American colonies, spurred by the 1759-88 reign of the extraordinary King Charles III, were beginning to create a transatlantic commonwealth with humanist science and political economy, closely tied to Franklin and his legacy.

Republicanism vs. Oligarchy

The story we tell here has been largely suppressed, due to the writing out of history, of the crucial nature of republicanism, which is a commitment to developing societies coherent with man's unique nature as a creature of reason, not bestial sensations. This philosophical commitment supercedes religious creed, and even specific government forms, and is best identified in the Americas by a rejection of the philosophy of John Locke, in favor of the Platonic philosophy of Gottfried Wilhelm Leibniz.

In Locke's view, like that of the continental, Hapsburg-headed, oligarchists, government exists to protect the power and property of the powerful. This view, inherently racist, is seen in Locke's 1669 "Fundamental Constitution" for the British colony of Carolina: "All the leet-men [serfs] shall be under the jurisdiction of the respective lords, . . . without appeal. . . . Nor shall any . . . have liberty to go off from the land of their particular lord and live anywhere else, without license obtained from their said lord. . . . All the children of leet-men shall be leet-men, and so to all generations. . . . Every freeman of Carolina shall have absolute power and authority over his negro slaves, of what opinion or religion soever."

The contrary view is seen in Leibniz, who wrote: "To love is to find pleasure in the perfection of another. . . . The more a mind desires to know order, reason, the beauty of things



Prominent in this painting of the Constitutional Convention, presided over by George Washington, is Benjamin Franklin—in many ways the real father of this country, and the architect of Revolutionary America's alliance with France and Spain.

which God has produced, and the more he is moved to imitate this order in the things which God has left to his direction, the happier he will be. It is most true, as a result, that one cannot know God without loving one's brother."

Franklin shared Leibniz's view, not Locke's: "All the Property that is necessary to a Man, for the Conservation of the Individual and the Propagation of the Species, is his natural Right, which none can justly deprive him of: But all Property superfluous to such purposes is the Property of the Publick, who, by their Laws, have created it, and who may therefore by other Laws dispose of it, whenever the Welfare of the Publick shall demand such Disposition. He that does not like civil Society on these Terms, let him retire and live among Savages. He can have no right to the benefits of Society, who will not pay his Club towards the Support of it."

It was the Franklin-Leibniz view that appears in the Declaration of Independence's testament to the unalienable right to the "pursuit of happiness." But the Locke problem continued, among the treasonous opponents of the republicans, particularly in the form of slavery and medieval-style plantations. While the traitors—racists, royalists, imperialists, Satanic feudalists in church robes—fought to maintain "property," the patriots throughout the Americas sought to fulfill the republican ideal of man, by transforming peasant societies into powerfully scientific industrial states, with inventor-citizens.

The Revolution Spreads Through Spanish America

The American Revolution's universal acclaim, and its rapid spread, opened the door to a new structure of world power, of sovereign nations and peoples. The mortally threat-

ened British leadership made a bloody response to the events of 1776-89, unleashing the Jacobin Terror on France, and identical operations, using the same stable of "philosophical radicals" and murderous terrorists, against the Western Hemisphere.

From the 1740s through the 1770s, Benjamin Franklin had been in a continual transatlantic seminar with the circles of Germany's Gottfried Leibniz, led by Franklin's science partner, Gottingen University's Abraham Kästner, and by the apostles of Leibniz's French patron, Jean Baptiste Colbert. Now Franklin, Washington and Hamilton were employing Colbert's government-guided industry creation program.

And the scientific and political leaders who emerged in New Spain (present-day Mexico and parts of Central America), New Grenada (Venezuela, Colombia, Ecuador), and the Viceroyalties of Peru, Chile, and Rio de la Plata, were products of exactly the same European networks which were Franklin's partners.

The German scientist Alexander von Humboldt, Kästner's student, commented in great detail during his 1799-1804 tour of South America on the results of King Charles III's policies. "No European government sacrificed greater sums" than the Spanish Bourbon kings, Humboldt wrote, to advance scientific knowledge in the New World. "We everywhere observe a great intellectual activity, and among the youth a wonderful facility of seizing the principles of science . . ."

Charles III devised his plan for the Americas with the aid of Franklin's collaborator the Count of Aranda, and Colbertian economist Pedro Rodríguez de Campomanes. Aranda helped consolidate Spain's "Family Compact" alliance with France in 1762-63, and as Minister to France in 1777, he met

with Franklin and his ally the French Minister Vergennes, to discuss aid to the American Revolution. Aware that the Society of Jesus had organized Jacobin uprisings against the Crown in Paraguay, Peru, and New Grenada, Charles had Campomanes prepare the 1767 order expelling the Jesuits from the entirety of Spain's overseas colonies, charging, among other things, that the Jesuits had maintained "treasonable relations" with the British in the colonies.

Campomanes had established throughout Spain the Economic Societies of the Friends of the Country. He patterned these groups on Colbertian societies in France, as well as on the American Philosophical Society (APS) in Philadelphia, which Benjamin Franklin had formed in 1743 as an offshoot of Franklin's own private "Junto" philosophy club.

The Economic Societies were also founded in every Spanish colonial capital. They were the gathering places for the region's leading scientists, who increasingly embraced the republican principles and conception of man that had driven the founding of the United States. It was these Economic Societies that Humboldt visited at each stop on his South American tour, bringing knowledge of the latest European scientific breakthroughs, and transmitting the works of these gifted republicans to Europe and to Ben Franklin's APS in Philadelphia. An avid hispanist, Franklin stocked his library at the American Philosophical Society with many works from the most talented intellectuals in Spain and its New World colonies.

The unprecedented number of scientific expeditions and emissaries sent to the New World during Charles's reign served to uproot the remains of feudal Hapsburg policy, replacing them with productive economic and trade activity. New Spain's royal inspector and later Minister to the Indies, José de Gálvez, for example, overturned the brutal *repartimiento* system which had enslaved the Indian population. Expeditions travelled to every corner of Spain's New World colonies, creating a large number of scientific and academic institutions, whose curricula included the teachings of Leibniz, astronomer Johannes Kepler, mathematics Karl Gauss (Kästner's student), and others of Europe's leading humanists.

By 1810, some 20 years after Charles III's death, when the colonial "juntas" were now demanding full independence, it was clear that the republican leadership that had emerged from Charles's Leibnizian renaissance, identified with, and aspired to model their soon-to-be-fully-independent nations on the example of a young United States. Humboldt's and Franklin's contacts in Peru, New Grenada, Chile, and New Spain constituted the leading faction within the developing independence movement. The region was alive with pro-U.S. ferment, with copies of the Declaration of Independence, Thomas Paine's *Common Sense* and *Rights of Man*, as well as pins and pendants symbolic of the American Revolution, circulating everywhere. While the *Gazeta de Caracas* wrote several articles on the advantages of the U.S. Constitution,

Juan Germán Roscio authored the first Venezuelan Constitution in 1811, modelled on that of the United States.

Shaken, London Crafts a Response

British oligarchs, led by Lord Shelburne, were committed at all costs to preventing the spread of revolutionary republican ideas and institutions in Europe and the Americas. The use of terrorism and the spread of sham "democracy" were the two favored weapons in their colonialist arsenal.

Lord Shelburne, in effect the "Doge" of the Anglo-Dutch "Venetian Party" of rentier-financial oligarchs, chaired the omnipresent Secret Committee of the British East India Company. The Company maintained a larger and better-equipped army and navy than the British Crown, and was linked to the leading City of London banking houses, particularly the Baring Bank, whose Francis Baring held one of the three seats on Shelburne's Secret Committee. At his Bowood Estate, Shelburne ran an extensive salon—the equivalent of today's tax-exempt think tanks—and maintained such propagandists as Adam Smith, Edward Gibbon, James Mill, and Jeremy Bentham as the East India Company's leading counter-insurgents.

Bentham, in particular, had come to Shelburne's attention, following the publication of his October 1776 tirade against the American Declaration of Independence. Bentham rejected the very notion of "inalienable rights," defining all human thought and action as the pursuit of sensory pleasure and the avoidance of pain, and all forms of government as inherently repressive.

Bentham was Shelburne's leading operative in the war against the spread of republicanism into France and the Americas. When Shelburne became Foreign Minister and, later, Prime Minister, during the period of the negotiations of the Treaty of Paris ending the American Revolution (1782-83), a portion of the East India Company's foreign policy and intelligence apparatus was brought into the government. In effect, Shelburne and Bentham launched the British Foreign Office and the British Secret Intelligence Service, an event commemorated 200 years later by a Royal Institute for International Affairs (Chatham House) event addressed by Henry A. Kissinger on May 10, 1982.

At Shelburne's Bowood Estate, Bentham was the central figure in a "radical writers' workshop," which produced many of the major speeches delivered by the French Jacobin leaders Marat, Danton, and Robespierre. Bentham's rants against the idea of a Constitutional Monarchy, his appeal to mob rule, and his elaborate codes of law, all based on his "pleasure-pain calculus," were translated into French, and shuttled across the English Channel into the hands of the leaders of the Jacobin Terror. Bentham was rewarded with honorary citizenship in Jacobin France, and his schemes for outright slave-labor concentration camps, his infamous Panopticon, were about to be constructed, with Bentham himself planning to move to France to become Minister of Prisons.

By 1808, Bentham's focus had shifted, and he spent the remaining 24 years of his life largely focussed on operations inside the Western Hemisphere to block the spread of the American Revolution southward, into what was still "Spanish America."

Bentham held a series of meetings, in August 1808, with the American traitor, and killer of Treasury Secretary Alexander Hamilton, Aaron Burr. Burr had been acquitted on charges connected with his aborted attempt to conquer Mexico and the U.S. Southwest, but still faced state murder charges. Burr had fled to England, where he began immediately soliciting the backing of his longtime patrons at the East India Company and the British Crown, for an imperial adventure in Mexico and the Caribbean. Bentham described the scheme in a later letter to his secretary John Bowring: "He (Burr) came here expecting this government to assist his endeavours in Mexico; but the government had just made up their quarrel with Spain . . . He meant really to make himself Emperor of Mexico. He told me, I should be the legislator, and he would send a ship of war for me. . . He said, the Mexicans would all follow, like a flock of sheep."

While the Burr-Bentham scheme did not materialize at the time, it would form the basis for the later Anglo-French-Hapsburg invasion of Mexico, which installed Maximilian on a Mexican throne from 1864 to 1867.

East India Company intelligence officer James Mill established himself as Bentham's liaison to General Francisco de Miranda, a British agent of Venezuelan birth who had been part of Shelburne's stable of operatives deployed inside France during the Jacobin Terror. The collusion with Bentham deepened when Miranda was dispatched back to Venezuela, to "liberate" the region from Spain, and impose a new regime, based on Bentham's exhaustive schemes for "constitutional" dictatorship, concentration-camp slave-labor, and other "utilitarian" tricks of mass social-control. Bentham's model "liberal" constitution for the free states of the Americas actually established a dictatorial rule, by a body he called the "Public Opinion Tribunal," which would totally regulate society on the basis of Bentham's bestial "pleasure-pain calculus." Among the Bentham writings that were translated into Spanish and widely circulated among the British "revolutionary" agents were *In Defense of Usury* and *In Defense of Pederasty*.

Miranda was one of a score of British agents in South America whose counter-revolutions exterminated many of the most important Mexican, Venezuelan, and Colombian allies of the American republicans. Among Bentham's leading correspondents and agents: the Argentine Bernardo Rivadavia; "The Liberator," slavishly pro-British and pro-monarchy Simón Bolívar of Venezuela; José del Valle of Guatemala; Chile's Bernardo O'Higgins.

Bentham penned a series of pamphlets calling on Spain to "liberate" all her colonies in South and Central America, in order to facilitate British-led "revolutions" aimed at break-

ing all ties between the U.S.A. and the new targets of British soft-imperial conquest. His pamphlets polemicized against both any form of constitutional monarchy, and any kind of federal constitutional system—i.e., the American model. His "utopian" state was a centralized dictatorship, practicing British East India Company free trade—i.e., perpetual looting by the London-centered European oligarchy.

War in South and North America

Beginning around 1806, increasing British naval attacks and British-armed Indian uprisings goaded the United States toward a second, defensive, war of independence. Nationalists, led by Speaker of the House Henry Clay in 1810, called for reversing the free trade and budget cuts that had, under Presidents Jefferson and Madison, squeezed the economy and wrecked the armed forces. The U.S. declared war on Britain in 1812.

This re-assertion of national vigor coincided with strong action from the movement sympathetic to the U.S. throughout Spanish America, especially following Napoleon's 1808 invasion of Spain, and the installation of the puppet Joseph Bonaparte as Spanish monarch.

Communications poured into Washington D.C. from the new governing juntas in South America, urging political alliances and aid to guarantee the success of the drive for independence from Spain. On the eve of its own war, the United States observed the unfolding battle in South America with great sympathy and interest, but could not commit any sizable resources to Ibero-American independence, although Henry Clay and some other leaders urged the U.S. to immediately recognize the newly independent South American nations.

American consular agent Joel Poinsett, in his 1810 deployment to Argentina and Chile, found overwhelming sentiment for establishing U.S.-style sovereign republics in these nations. Poinsett guided Chilean patriots in writing a constitution, and urged the Economic Society of the Friends of the Country to adopt the U.S. protectionist tariff plan. But British naval attacks and terror tactics forced Poinsett out, paving the way for their own puppet, the "Liberator" Bernardo O'Higgins, and Chile became a notorious British client-state.

After the war of 1812-15, the U.S. sent Dr. Jeremy Robinson to Peru in 1818, where he organized republican leaders to oppose plans for monarchy and to emulate the U.S. model. He was considered such a threat to the region that he was murdered by British assets in 1823.

In Mexico, the priest Miguel Hidalgo y Costilla called for an alliance with the United States as he started his country's War for Independence. In the 20 years prior to the declaration of Mexican independence, Hidalgo's sharp polemics against the "scholastic artifices" of the Aristotelians, and his fight to free Mexico's Indian population from slavery and feudalism, had placed him squarely in the philosophical tradition of the United States' founding fathers, and their European allies.

Having determined that Mexico must become indepen-



The Platonist priest Manuel Hidalgo y Costilla (left) called for an alliance with the United States as he started Mexico's War of Independence in 1810. His successor, José María Morélos, asked President James Madison for "the powerful help of the United States."

dent from Spain, on Dec. 13, 1810 Father Hidalgo named Pascacio Ortíz de Letona as ambassador and "plenipotenciary minister" to the United States, invested with all the necessary powers to "be able to deal with, adjust and arrange an offensive and defensive alliance, mutually useful and profitable treaties for both countries, and whatever else may be appropriate for our mutual happiness, agreeing to and signing any article, pact or treaty toward that end."

It was on an attempted trip to the United States to consolidate this alliance, that Hidalgo and his collaborator Ignacio Allende, were captured and brutally killed.

Father Hidalgo's successor, José María Morélos, sent a message to U.S. President Madison: "We trust, finally, in the powerful help of the United States, who, just as they have guided us wisely by their example, will grant their assistance generously, previous to treaties of friendship and alliance, in which good faith would predominate, and reciprocal interests not be forgotten. . . . We are especially encouraged . . . that, being friends and allies, America of the North and Mexican America will influence each other reciprocally in matters of their own happiness, and will make themselves invincible in the face of aggressions based on greed, ambition, and tyranny. . . ."

While its selected "Liberators" tried to steer the independence movement in a Benthamite direction, Britain also oversaw the outright slaughter of the republican leaders who threatened British geopolitical aims. It was the Duke of Wellington who "suggested" to Spain that it deploy Gen. Pablo Morillo, an experienced veteran of the Peninsular War, to lead the reconquest of New Grenada (Venezuela, Colombia, Ecuador) in 1815, to pacify rebellious subjects. With supplies provided by the British, Morillo captured Bogotá in May 1816, and proceeded to systematically butcher the region's most outstanding humanist intellectuals. Among them was Humboldt's associate Francisco José de Caldas, correspon-

dent of the American Philosophical Society. By the end of 1816, the sadistic Morillo had murdered over 500 top humanist cadres in New Grenada alone, shouting, like the Jacobin mobs of the French Revolution, "The revolution doesn't need scientists." As a result of this, one diarist wrote at the time, New Grenada would "live forever in ignorance and darkness."

At almost the same time, in 1815, the Inquisition of New Spain (Mexico) executed the pro-U.S. independence leader Morélos on charges of being a heretic. Three years earlier, in 1811, Father Hidalgo was also savagely

killed by the Inquisition, along with his general staff, of which five members had studied at the renowned School of Mines which Humboldt had so admired. The heads of two of those scientists were then gruesomely displayed in the streets, along with those of Hidalgo and two close associates, in the city of Guanajuato.

The Pro-Nationalist Monroe Doctrine

Following the War of 1812-15, in which the British burned the White House and Capitol, nationalists advanced towards power in the U.S. with broad public support. Hamilton's Bank of the United States was rechartered after a lapse, and reopened in Franklin's Philadelphia.

Mathew Carey, Irish Catholic refugee who had worked for Franklin in Paris and taken Franklin's place as a Philadelphia publisher, now began writing and issuing protectionist analytical literature, which Henry Clay diligently studied, sharpening their joint attacks on Adam Smith's British Free Trade dogma. Carey's agents brought his publishing ventures all throughout the Hemisphere, down to Buenos Aires and Caracas. Meanwhile, outstanding nationalists came north from Spanish America, making Carey's home and Franklin's Philosophical Society their revolutionary headquarters in exile.

After writing Venezuela's Constitution, Juan Germán Roscio was arrested, regained his liberty, and went to Philadelphia in 1818. Carey published Roscio's book, *Triumph of Liberty Over Despotism*.

Manuel Torres helped lead the early independence movement in New Grenada, fled from arrest, and began a permanent exile in Philadelphia in 1796. His writings and personal discussions helped shape the U.S. outlook on the Hemisphere. In 1820 the Republic of Colombia appointed Manuel Torres its ambassador to the United States. In 1822, President Monroe began the formal recognition of the new Latin American

republics by receiving and accrediting Manuel Torres, then near death, in a dramatic ceremony at the White House.

In his later years, Torres' main sponsor was Philadelphian Nicholas Biddle, whom President Monroe and his Secretary of State John Quincy Adams had utilized as an intelligence officer for Spanish American affairs. In June of 1941, in a letter to the Manuel Torres Memorial Committee in Washington, Franklin Delano Roosevelt would warmly praise the first Ibero-American diplomat to be formally accredited by the U.S. government, pointing especially to his role in promoting Pan Americanism and defending the Monroe Doctrine.

President Monroe in 1823 appointed Biddle president of the Bank of the United States. Biddle, Carey, and their friends formed the Pennsylvania Society for the Promotion of National Industry, which put a high tariff law through the Clay-led Congress, along with authorization for Army engineers to begin planning the first U.S. railroads. Carey and other APS members formed the "Franklin Institute," a research center for a complex of state and private transport, manufacturing, and mining enterprises, to begin the government-backed national industrialization.

This Pennsylvania initiative resounded globally. One apostle of Hamilton and Carey, German emigré economist Friedrich List, planned mines, lobbied for tariffs, then returned to Europe as a U.S. consular agent. List's work for a Zollverein (tariff union) and railroad-building led to feuding petty states being unified into a German nation. Mathew and his son Henry C. Carey, with Friedrich List, would become well known in Ibero-America as the "American System" economists.

Secretary of State John Quincy Adams declared in May 1823, "The emancipation of the South American continent opens to the whole race of man prospects of futurity, in which this Union will be called in the discharge of its duties to itself and to unnumbered ages of posterity to take a conspicuous and leading role. . . . That the fabric of our social connections with our southern neighbors may rise in the lapse of years with a grandeur and harmony of proportions corresponding with the magnificence of the means placed by providence in our power, and in that of our descendants, its foundations must be laid in principles of politics and of morals, new and distasteful to the thrones and dominations of the elder world, but coextensive with the surface of the globe and lasting as the changes of time."

In Monroe's Dec. 2, 1823 Annual Message to Congress, a section prepared by Adams came to be known as the Monroe Doctrine. It warned Europeans "that we should consider any attempt . . . to extend their system to any portion of this hemisphere as dangerous to our peace and safety. . . . [W]ith the Governments who have declared their independence . . . 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."

Monroe's declaration drove the feudalists wild. Austria's Prince Metternich wrote to Russian Foreign Minister Count Nesselrode on Jan. 19, 1824, "These United States of America . . . have astonished Europe by a new act of revolt, more unprovoked, fully as audacious, and no less dangerous than the former. They have . . . announced their intention to set not only power against power, but . . . altar against altar. . . . [T]hey have cast blame and scorn on institutions of Europe most worthy of respect, on the principles of its greatest sovereigns. . . . In . . . fostering revolutions wherever they show themselves, in regretting those which have failed, in extending a helping hand to those which seem to prosper, they lend new strength to the apostles of sedition, and re-animate the courage of every conspirator. If this flood of evil doctrines and pernicious examples should extend over the whole of America, what would become of our religious and political institutions, of the moral force of our governments, and of that conservative system which has saved Europe from complete dissolution?"

British Foreign Minister George Canning wrote on Jan. 8, 1825, shortly after Britain had recognized some new nations, "the Yankees will shout in triumph; but it is they who lose the most by our decision. The great danger of the time . . . was a division of the world into European and American, Republican and monarchical; a league of worn-out governments on the one hand and of youthful and stirring nations with the United States at the head, on the other. *We* slip in between, and plant ourselves in Mexico. The United States have gotten the start of us in vain; and we link once more America to Europe. Six months more—and the mischief would have been done." Canning crowed, "Spanish America is free and, if we do not mismanage our matters sadly, she is English."

Adams became President in 1825 and made Clay his Secretary of State. They sent Joel Poinsett as the first foreign ambassador to newly independent Mexico. Royalist, pro-British aristocrats then dominated Mexico's government, grouped in the party known as the "Escoses" (Scots) because most were members of Scottish Rite Freemasonry, run by Britain's secret service.

Poinsett began counselling the more numerous but unorganized pro-republican citizens, and at his initiative many activists were organized into York Rite freemasonic lodges, tied to Pennsylvania. They became known as the Yorkinos, or the Liberal party. Poinsett discouraged their plans for military revolution, advising education and political organizing for electoral victory. They won Mexico's Congressional election in 1826, and were on their way to Presidential victory in 1828 for the Revolutionary General Vicente Guerrero.

The British diplomatic representative, Ward, mobilized the royalists against Poinsett and American influence. In 1827 the Puebla and Vera Cruz legislatures, under "European party" control, demanded Poinsett's expulsion from Mexico. Though the Liberals succeeded in making Guerrero President



Before his 1861 inauguration, Abraham Lincoln told Benito Juárez's ambassador that as President, he would do everything in his power 'in favor of the interests of Mexico, and that full justice would be done' on behalf of Mexico as a friend to the United States.



Mexican President Benito Juárez. During America's Civil War, Britain, France, and Spain imposed on Mexico a Hapsburg 'Emperor,' but with the end of the Civil War, the United States equipped Juárez with arms, and Mexican independence was restored.

in 1828, Britain's hate campaign finally resulted in Poinsett's being recalled.

The financier oligarchy and their Dark Ages church allies have ever since maintained that Poinsett was a masonic meddler, but that the British Foreign Office acted rightly with *their* masons. But Poinsett advanced the nationalist cause, helping to form patriot leadership that could defend Mexico in its greatest crisis.

Proponents of the American System emerged in Mexico in the 1840s led by Colbertian Estevan de Antuñano, allied to Henry Clay's continuing fight in the U.S. A student of Alexander Hamilton and Friedrich List's protectionist policies, Antuñano authored a detailed plan for Mexico's industrialization, his 1845 *An Economic Political Plan for Mexico*, followed in 1846 by his *Platonic Plan to Make Mexico Happy, Under a Federal Regime, So Similar to the United States of America*. But the following year his country was plunged into war.

Lincoln vs. the Traitors and Their Wars

Northeastern bankers and Southern slaveowners combined in the Democratic Party to dominate U.S. policy for most of the 1829-60 period, beginning with the regime of Andrew Jackson. (British bankers started to have direct powerful influence in New York's Wall Street financial district: August Belmont arrived in the U.S. in 1837 representing the Rothschilds.) The banker-slaveowner gang made war on Mexico (1846-48), and not long afterwards turned around and made war against the United States, with the South-

ern Rebellion.

Tennessee slaveowner James K. Polk won the Presidency in 1844; the Whig Party revealed that the British Free Trade Association had financed Polk's campaign. Polk got a declaration of war by lying to Congress that Mexico had invaded Texas. Polk's regime immediately reached a secret agreement to give Great Britain ownership of what is now British Columbia, a part of the then-disputed Oregon Territory, for British backing for the war on Mexico.

John Quincy Adams, the former President serving in Congress, had called for an effort to drive Britain entirely out of North America, and had demanded peace with the sister republic of Mexico. Henry Clay, then in retirement, called the Mexican War, a war of "offensive aggression"

and "rapacity." Young Congressman Abraham Lincoln, a Whig with Adams and Clay, introduced the "Spot Resolutions" into Congress, proving Polk had lied, demanding he name the exact spot where Mexico had supposedly invaded the United States.

That some factions in Mexico understood which interests were behind the war drive, was indicated by Mexican political figure and historian Justo Sierra, in his 1902 book, *Political Evolution of the Mexican People*. Writing of the crucial 1844 election in the United States he wrote that "everything depended on the Presidential question in the United States. If Polk, the candidate of the Democrats and slaveowners, were elected, with his annexation program, war was inevitable. If Clay won, peace was certain. By a difference of less than 40,000 votes, the former won. It was our bad sign, but one thing was clearly demonstrated: that war and annexation weren't a national cause for the United States, but a southern one."

When Lincoln was elected President in 1860, the Southern secession crisis was beginning. The outgoing Buchanan regime was so treasonous that Mexican President Benito Juárez, leader of the Liberals, sent his ambassador Matías Romero, secretly, to meet with Lincoln (known to be pro-Mexican) in Illinois before his inauguration. Romero told Lincoln that the Mexican government had been under attack from the "clergy and army . . . in order to defend the privileges and influence which they enjoyed during the colonial regime."

Romero recorded in his diary, "I told him that Mexico had congratulated itself a great deal on the triumph of the

Republican Party, because it hoped that the policy of this party would be more loyal and friendly, and not like that of the Democratic [Party], which had been reduced to taking Mexico's territory to extend slavery."

Lincoln "asked me what was the condition of the peons . . . since he had heard . . . that they were in a veritable slavery, and he was pleased when I said that the abuses were only in a few places and were contrary to the law."

Lincoln "said . . . he would seek to do everything which was in his power, in favor of the interests of Mexico, and that full justice would be done in everything which would occur, and that [Mexico] was considered a friendly and fraternal nation. He added that he believed nothing could make him change this objective."

British Prime Minister Palmerston greeted Queen Victoria Jan. 1, 1861, by celebrating "the approaching and virtually accomplished dissolution in America of the great Northern Confederation." Britain, Napoleon III's France, and Spain then invaded Mexico while the U.S. was tied down in Civil War. This allowed Mexico to be used as a smuggling route for war supplies from Britain and France into the slaveowners' Confederacy. When the Austrian Hapsburg Maximilian was imposed as Mexican Emperor, the U.S. could do nothing militarily to aid President Juárez's guerrilla resistance war. But when the Confederacy surrendered, the U.S. moved troops to the Mexican border and equipped Juárez with arms, and Mexican independence was restored.

Britain acted upon the confusion immediately following Lincoln's 1865 murder, however, orchestrating the 1865-1870 Triple Alliance War, which pitted Brazil, Argentina and Uruguay against the nation of Paraguay. Paraguay had achieved a stunning level of economic and technological development, thanks to the protectionist and modernization policies applied first by the 1813-1840 government of Dr. Gaspar Rodríguez de Francia, followed by Carlos Antonio López (1840-59), and then his son Francisco Solano López (1859-1870). Through the recruitment of European and American scientists and engineers, these governments—particularly those of the Lópezes—built infrastructure, railroads, heavy industry, and educational facilities, the latter expressly intended to educate and uplift Paraguay's largely illiterate Indian population. Schools, Carlos Antonio López said, "are the real monuments which we can offer to national freedom."

Such was the level of Paraguay's development, that American consul and entrepreneur, Edward Augustus Hopkins, would, by the 1850s, described it as "the most united, the richest, and the strongest nation of the New World," outside of the United States. But for Britain's Lord Palmerston, Paraguay was a "tyranny," because its governments had consistently refused Britain's "imperative mandate" to open the country up to free trade. The 1865-70 Triple Alliance War, for which Palmerston made special use of Brazil's royal family, heirs to Portugal's decadent Braganza fam-

ily, exterminated half of the total population, redrew the country's borders, and reduced it to a level of poverty from which it has yet to recover.

To Make a New World

Yet the *economic* programs of the Lincoln Administration, going far beyond fulfilling immediate wartime needs, continued to amaze and improve mankind for a generation after Lincoln's assassination. Government-financed railroads, tariffs blocking imported cheap-labor British goods, free farmland, free colleges and public credit issuance, all brought vast increases in U.S. employment and productive power, and new industries on a scale dwarfing the previous leader, imperial Britain. Japan, Germany, and Russia dumped British methods and adopted this shockingly successful American System.

The politically nationalist industrial and scientific complex in Philadelphia remained the center of U.S. strategic planning. Economist Henry C. Carey's writings and political influence reached every country, in open defiance of the London axis with New York's Wall Street bankers, while his Pennsylvania Railroad partners built America's machines, steel mills, and infrastructure.

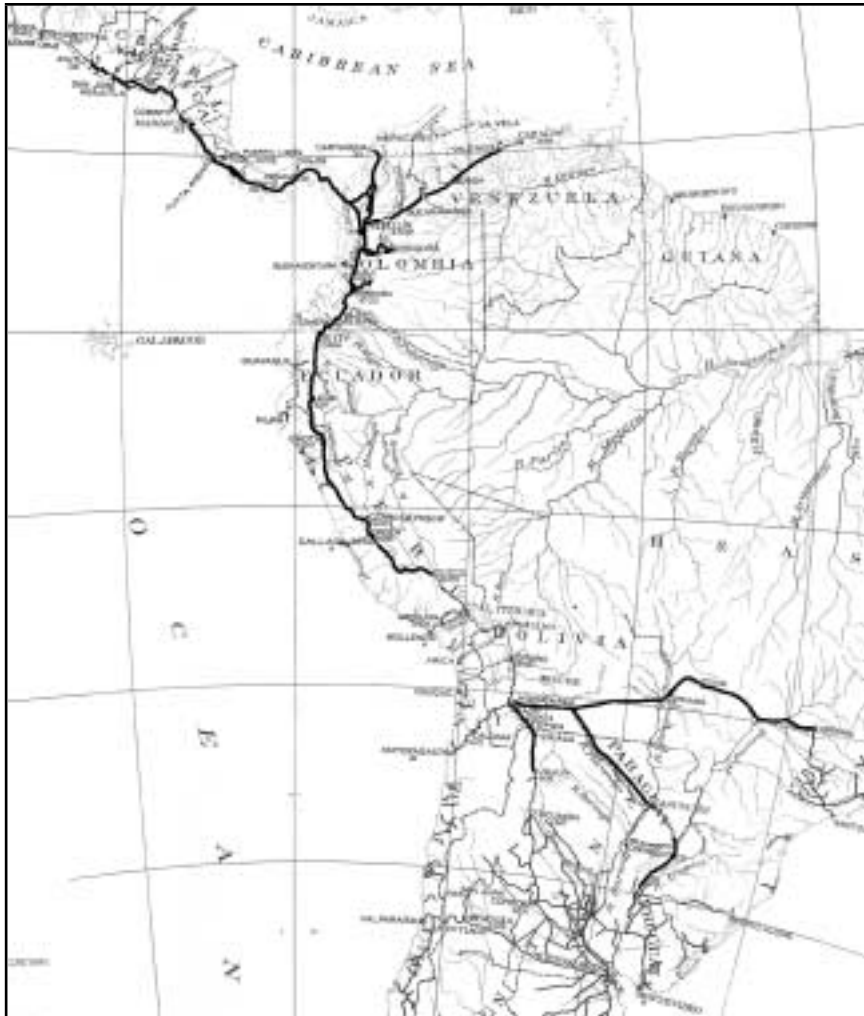
With Matías Romero as intermediary to the Juárez and later governments, the Philadelphians planned and launched construction of a national network of rail lines in Mexico. William J. Palmer, a Civil War Medal of Honor cavalry general and Pennsylvania Railroad partner, designed the Mexican National Railways in 1872-73. While the first lines were being built, members of Palmer's staff organized and financed Thomas A. Edison's New Jersey "invention factory," and Franklin Institute chief scientist George Barker guided Edison to the pioneer development of electric lighting, which led to the creation of the world's public power stations.

Thousands of miles of railroads were actually built in Mexico according to Palmer's plans.

Mexican allies of this development included Carlos de Olayuél, who sided with Juárez and Matías Romero and attacked the theories of Jeremy Bentham and Adam Smith. Olayuél warned in his 1875 book *Protectionism in Mexico* that the Malthusian system imposed on Mexico "is fatal because it prevents population growth [which] we so urgently need, and which will have to be sustained even if it increases too much, as long as industry is protected."

But along the way, financial warfare led by Wall Street's J.P. Morgan bankrupted Palmer and crippled his partners' power. Wall Street took over the Mexican railways in mid-construction and began terminating the whole national building program.

From 1868 to the early 1870s, Peru's nationalist government brought in U.S. developer Henry Meiggs to build South America's first grand-scale railroad project, parallel to efforts in Brazil involving U.S. engineer W. Milnor Roberts. Lincoln had restored relations with Peru cut by President



Small section of the 1898 survey map for the Intercontinental Railway. U.S. President William McKinley was murdered, and no railway or road was ever built connecting North and South America.

Buchanan, and American engineers began going in.

Meiggs' involvement in Peru intersected an extraordinary period of development in that country, which spanned the 30 years from 1845-1876, and the administrations of four nationalist Presidents. During the two terms of President Ramón Castilla (1845-50; 1855-62), Rufino Echenique (1851-55), José Balta (1868-1872), and Manuel Pardo (1872-1876), Peru underwent an economic transformation that saw an unprecedented development of infrastructure, heavy industry, and railroads. It also rallied other Ibero-American nations to join with it in opposing attempts by Spain—with help from Britain and Napoleon III—to reimpose monarchies in several nations of the continent. Castilla denounced Napoleon III's invasion of Mexico, and was prepared to aid Benito Juárez militarily, working in coordination with the Lincoln Administration in the United States.

Echenique brought in a team of engineers from France's École Polytechnique to direct infrastructure development.

Pardo, a student of physical economy in the tradition of Jean Baptiste Colbert, who was also knowledgeable about the writings of Henry Carey, attacked British financial interests by nationalizing the saltpetre industry, to use its revenues to industrialize the country. His industrialization efforts are recognized as among the most advanced in the 19th Century.

The Peruvians planned Meiggs' lines to go across the titanic Andes mountain range into Brazil and Argentina, the feasibility of which Meiggs discussed with Polish engineer Ernest Malinkowski, whom Echnique had recruited from the École Polytechnique. The rail lines into the Andes, lauded in Peru as "the railroad to the Moon," was the first of its kind in the world. But merciless competition international financial attacks prevented transcontinental completion. Peru, and Meiggs, were bankrupted.

The British then used their client-state, Chile, with British money and warships, for an invasion to destroy Peru. U.S. Secretary of State James G. Blaine came to Peru's rescue diplomatically and otherwise in this 1879-81 War of the Pacific. The tide was turning when the U.S. President, James Garfield, was shot to death, and Blaine was dismissed. Peru went under a direct bankers' dictatorship to be looted and reduced to besetial poverty, destroying 30 years of magnificent achievements by four Peruvian

Presidents. Blaine was hauled before Congressional "corruption" hearings chaired by Perry Belmont, son of Rothschild U.S. representative August Belmont. Blaine valiantly testified that the attack on Peru was a British operation, for the benefit of London finance.

Blaine had another chance as Secretary of State from 1889 until his death in 1892. He developed the concept of protectionist "reciprocity" with other hemispheric nations, trade balanced so as to deliberately create high-quality good-wage industries in all countries simultaneously. And Blaine pushed through plans to build railways uniting all North and South America.

The last 25 years of the 19th century saw a resurgence of American System policies across Ibero-America. The governments of Argentina's Carlos Pellegrini and Vicente Fidel López (1890-92), Chile's José Manuel Balmaceda (1886-91), Colombia's Rafael Nuñez (President 1880-82, 1884-86, 1887-88), and the emerging group of protectionists in Brazil,

best exemplified by Ruy Barbosa, Finance Minister of the newly created Republic in 1891, sought to transform their nations using the protectionist policies associated with Hamilton, Friedrich List, and Henry Carey.

Even under the Brazilian monarchy, a group at Rio de Janeiro's Polytechnic School and the Industrial Association advocated adoption of List's and Carey's policies as the way to build Brazilian infrastructure.

Exemplary of the environment at this time were the heated debates which occurred in the Argentine Congress between 1873-76, over the issue of protective tariffs. Here, deputies Carlos Pellegrini and Vicente Fidel López, later to become President and Vice President respectively, denounced Britain's free-trade doctrine, which intended to make countries like Argentina permanent raw materials exporters.

As Finance Minister in 1891, López would note, "The United States speaks highly in favor of our [protectionist] ideas, and Mr. [Henry] Carey has taken on the responsibility of telling the world of science about the precious results which the wise introduction of this principle—protection for national industries—has had [in the United States]."

Even Chile, which so often functioned as Britain's client-state, broke out of that mold under the 1886-1891 Presidency of José Manuel Balmaceda, who defied the British financial interests that controlled the nitrate mines and raw materials extraction industries. Prior to his 1891 overthrow in a British-orchestrated "revolution," Balmaceda built railroads, channeled cheap credit to industry, and advocated national banking. His Finance Minister, Manuel Aristides Zanartu, promoted the use of protective tariffs, and diversification of industry away from dependency on nitrate wealth and raw material extraction.

The Intercontinental Railway Commission, started by Blaine, employed U.S. Army engineers to survey and project lines tying the United States through to Argentina and Brazil, presenting a completed map of the intended project to President William McKinley in 1898. McKinley commemorated Blaine's plans as the future of humanity, speaking in 1901 at the Pan-American exposition in Buffalo—where McKinley was shot to death.

McKinley was replaced by his political opponent and Vice President, Theodore Roosevelt ("TR"), who ended the Lincoln-era U.S. relations with Ibero-America. TR's transatlantic financier faction had begun this coup earlier, in 1898, forcing upon President McKinley a war he did not want against Spain, with the conquest of Cuba, Puerto Rico, and the Philippines.

Pro-Americans to the south would not quit, though anti-Americans had seized the U.S. government. In December 1902, in a famous diplomatic note to Teddy Roosevelt, responding to the forcible gunboat collection of Venezuela's debt by British, German, and Italian creditors, Argentine Foreign Minister Luis María Drago reaffirmed the primacy of the Monroe Doctrine:

"Among the fundamental principles of public interna-

tional law which humanity has consecrated, one of the most precious is that which determines that all states, regardless of the power at their disposal, are legal entities—perfectly equal among themselves and thereby, in reciprocity, deserving of the same consideration and respect . . . at a given moment, compulsive and immediate [debt] collection by force could only result in the ruin of the weakest nations and their absorption by the powerful of the Earth. . . .

"The principles proclaimed on this continent . . . state otherwise. '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 Alexander Hamilton. 'Outside of the sovereign will, they cannot be enforced.' . . .

"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."

But TR did not even respond to the Drago letter. In 1905 Teddy Roosevelt *cancelled* the Monroe Doctrine by announcing a "corollary": the U.S. could invade the Hemisphere's nations at will, for debt collection and similar aims. And this evil was repeatedly done, in what the world called "Dollar Diplomacy."

Under TR, J.P. Morgan's Wall Street completed its takeover and monopolization of major United States industries—railroads, steel mills, electric companies—which had been built by Wall Street's nationalist opponents.

But certain 19th-century methods and goals could not be so easily crushed.

Edward J. Doheny independently developed California's petroleum in the 1890s, after Pennsylvania had created the petroleum industry and the Rockefellers and British financiers had rushed to dominate it. Doheny independently went into Mexico in 1900 to pioneer oil production there, so that the railroads planned for the Hemisphere could work effectively with fuel oil instead of imported coal.

Doheny and other planners envisioned the creation of a vast industrial and infrastructure complex, linking the U.S. Pacific states, Ibero-America, and the Far East. A Doheny syndicate, tied to incoming U.S. President Warren Harding, negotiated a deal with Soviet leader Lenin in 1920, to develop the oil and coal of Siberia and to export to Russia \$3 billion in railroad equipment and other capital goods. This would have turned the new Soviet regime toward resuming the ruptured U.S.-Russian alliance.

In November 1920, a group of California businessmen went to the inauguration of Mexican President Alvaro Obregón—a revolutionary nationalist whom the U.S. government refused to recognize as President. The Californians sought to resume the U.S.-Mexican development alliance, earlier severed by Teddy Roosevelt and his predatory backers.

The American System current of Estevan de Antuñano and Carlos de Olaguibel from the 1840-70 period of Mexico, had been carried forward directly into the Mexican Revolu-

tion of 1910, expressed in the idea of the “interventionist state” later advocated by Obregón and his Finance Minister Alberto J. Pani.

Pani’s program emphasized the need for a dirigist state to oversee industrialization. Pani noted that “the wonderful story of Japan’s transformation during the Meiji Revolution” should be replicated in Mexico—i.e., Japan’s overthrow of feudalism, and government sponsorship of heavy industry.

In a manifesto to the nation issued when he announced his Presidential candidacy on June 25, 1927, Obregón said: “We have to be very cautious about the investments that the imperial interests of Wall Street would try to make in our territory, but [we should] give all kinds of facilities, compatible with our laws, to the industrial, business and agricultural capital from our neighboring country, which would want to cooperate with us in the development and exploitation of our natural resources. We want to be better known by the honest capital of our neighboring republic, which is going to always be our ally in letting the truth be known among its own citizens, when Wall Street’s absorbing interest would try to distort the truth, to create conflicts and international crises between the Foreign Ministries of our two countries, as has happened constantly.”

President Harding died mysteriously in 1923. Doheny and other Harding supporters who had power independent of Rockefeller and Wall Street, were prosecuted in the concocted “Teapot Dome” scandal, and their enterprises were largely destroyed. The United States now entered a time of maniacal speculation and organized crime, while the Wall Street and London bankers promoted the rise to power of fascist regimes.

Monroe Doctrine Revived: The Good Neighbor Policy

Starting 1933, President Franklin Delano Roosevelt effected a revolutionary shift in U.S. strategic and economic policy in the Western Hemisphere. Roosevelt uprooted the destructive policy of raw materials and financial looting of Ibero-America, which had been imposed by his unlamented cousin, President Teddy Roosevelt. In its place, he restored John Quincy Adams’s foreign policy, as expressed in the 1823 Monroe Doctrine, premised on an overriding commitment to the establishment of a community of principle among perfectly sovereign nation-states, and large-scale industrialization.

In his March 4, 1933 inaugural address, FDR explained the principles of his New Deal, which would boldly transform the United States through an integrated package of Hamiltonian credit creation; magnificent infrastructure projects; public works; and protectionist regulation. Roosevelt stated, “In the field of world policy I would dedicate this nation to 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 re-

Throughout the late 18th and 19th Centuries, all efforts of U.S. representatives and of the “American System” republicans in Ibero-America, were bent toward building the major railroad lines to join and cross the entire hemisphere. But this map of rail corridors urgently needed today, shows how British and other imperial powers’ operations blocked the execution of almost all the railroad projects. ►

spects the sanctity of his agreements in and with a world of neighbors.” Roosevelt would start to implement in the Western Hemisphere, the same principles that would prove stunningly successful in the United States, through the New Deal of 1933-37, and the economic mobilization for World War II of 1939-44.

Already, in an article in the July 1928 issue of *Foreign Affairs* magazine, entitled, “Our Foreign Policy: A Democratic View,” Franklin Roosevelt tore apart the disastrous policy of his cousin, Teddy, specifically attacking the several decades policy of looting, called “Dollar Diplomacy” backed up by TR’s “Big Stick.” Franklin Roosevelt said, “We must admit . . . that the outside world almost unanimously views us with less good will today than at any previous period. This is serious, unless we take the deliberate position that the people of the United States owe nothing to the rest of mankind and care nothing for the opinion of others so long as our seacoasts are impregnable and our pocketbooks are filled.” He added, “The time has come when we must accept . . . many new principles of a higher law.” That higher principle meant getting rid of British-French-Portuguese imperialism.

Immediately, Roosevelt went to work on this as President. At the Seventh International Conference of American States, meeting in Montevideo, Uruguay in December 1933, the U.S. delegation, acting for Roosevelt, voted for a resolution that stated that “No state has the right to intervene in the internal or external affairs of another.” As the full impact of the U.S. vote dawned on the delegates, that this vote reversed 30 years of U.S. foreign policy, Puig Casauranc, the Mexican delegate, stated, “I wish to submit my profound conviction that there is in the White House an admirable, noble, and good man—a courageous man.”

Among the many initiatives Roosevelt undertook, two stand out as exemplifying the Good Neighbor policy: the ground-breaking U.S. Mission to Brazil of 1942-43, which developed detailed plans to transform the leading nation of Brazil into a modern industrial powerhouse; and Roosevelt’s deft handling of Mexican President Cárdenas’ nationalization of foreign oil companies operating in Mexico in 1938.

In 1942, Roosevelt appointed a Mission to Brazil. To head it, he appointed Morris Llewellyn Cooke. Cooke, who had been head of Philadelphia’s Public Works in the 1910s, played a key role in developing the plans for taming the Mississippi River in the 1930s and 1940s; and in 1935, headed the

South America: Great Rail Projects



Source: EIR.

Rural Electrification Administration, which electrified rural America. Now, in his 70th year, Cooke headed a U.S. team of 12, consisting of geologists, metallurgists, engineers, etc., which worked with a similar team of Brazilians. They developed plans to transform Brazil from top to bottom.

Mission to Brazil

Cooke expressed the anti-imperialist, pro-development thinking that characterized the Mission. He stated that, “The whole history of industrial civilization [ie, American System methods] demonstrates that international trade develops best between nations that are prosperous, not between rich nations and poor nations, nor between nations trying to gain prosperity by retarding their neighbors.” He counterposed this to the model of 19th-Century British imperialism, which he described as the theory “based on the right of one nation to dominate the lives of other peoples because of an alleged superiority of race.” Imperialism will be overturned by science and technology: “Latterday technological developments, especially in the large-scale production and long-distance transmission of electrical power, have sealed the doom of typical 19th-Century [free trade]. . . . *Brazil should plan to do as much of her own manufacturing as is economically feasible.*” (emphasis added).

The Mission had several objectives, of which three are most note-worthy:

- Manufacturing—Recognizing that manufacturing was crucial to Brazil’s development, Cooke’s team examined every major manufacturing process, inclusive of textiles; pulp, paper, and cellulose fiber making; chemicals; alcohol and fuel; ammonia; rubber; and so forth. For each industry, it made recommendations for methods of manufacture that would increase productivity from 30-300%.

- São Francisco Valley—Cooke’s Mission enthusiastically examined the São Francisco River as a “multi-purpose river” basin. The São Francisco River is 1,802 miles long, with its headwaters at Cabrobo; it crosses five Brazilian states in the eastern part of the country, with a watershed of many thousands of square miles. At places such as Itaparica Falls along the river, Cooke’s team saw huge possibilities for generation of hydro-electric power. He also saw “the possibilities for . . . designed industrial developments, widespread irrigation works, controlled sedimentation, an improved balanced agriculture, flood control, recreation, and vastly improved transportation facilities—all on a coordinated basis.” Cooke’s team did a detailed study of the São Francisco Valley and concluded that it could replicate many of the breakthrough features of the Tennessee Valley Authority in the United States.

- Volta Redonda Steel plant— The President of Brazil, who represented the best of that country’s nationalist tradition, was Getulio Vargas. In 1941, Vargas and the Brazilian Congress created the National Steel Company (CSN), which would erect an integrated steel mill in the village of Volta

Redonda, located 90 miles south of Rio de Janeiro. This was to be the first modern steel plant of its type in Brazilian history. The plant project would cost approximately \$70 million to construct (approximately \$1 billion in today’s dollars). The largest component of the project’s financing, \$45 million, representing two-thirds of the cost, was provided by the United States. Jesse Jones’ Reconstruction Finance Corporation lent this money through its Export-Import Bank division. It had an initial annual capacity of 50,000 tons of pig iron and 295,000 tons of steel, with Brazil’s intent to raise its steel output to 1 million tons. At the plant’s site, an entire new city was built to build the plant, complete with machine shops, repair shops, homes, etc. Volta Redonda was the seed crystal for Brazil’s industrialization.

On May 7, 1943, President Vargas summed up the vision of the Volta Redonda plant: “In the presence of an undertaking of the magnitude of the one we are carrying out here, I cannot conceal my patriotic enthusiasm and my confidence in the capacity of Brazilians. . . . The [once] semicolonial agrarian country, importer of manufactures and exporter of raw materials, will meet the exigencies of an autonomous industrial life, providing its own most urgent defense and equipment needs. . . . The plant will set the ground to institute a new standard of living and a new mentality in our country.”

Vargas and Roosevelt became close friends; Roosevelt said that Vargas and Brazil would play a major role in a post-World War II world.

Roosevelt and Mexico

Roosevelt worked with Josephus Daniels, whom he appointed as U.S. Ambassador to Mexico, to fundamentally change U.S. relations to Mexico, and beyond that to all of the Americas. Daniels had been U.S. Secretary of the Navy from 1913-21, during most of which time Franklin Roosevelt served as Assistant Secretary of Navy, and developed a fondness and trust for his superior.

The oil giants Royal Dutch Shell; the Mexican Eagle Oil Company owned by Britain’s Lord Cowdray (who was also a senior figure at the Synarchist private Lazard Frères investment bank); and the Rockefeller Standard Oil of New Jersey had sizeable oil holdings in Mexico. They looted Mexico while making almost no investment in maintaining the facilities, and flaunted Mexican law. On March 18, 1938, Mexican President Lázaro Cárdenas nationalized the almost wholly foreign-owned oil industry of Mexico. Cárdenas promised to pay the oil companies for the expropriated property at a fair price.

The oil companies screamed, and Standard Oil of New Jersey’s president William S. Farish, who would play a leading role in providing fuel to the Nazi war machine during World II, demanded that Mexico pay \$450 million for the expropriated properties. Meanwhile, Standard, Royal Dutch Shell, and others ran a vicious campaign against Mexico, declaring it a lawless nation influenced by Bolshevism. Not

so secretly, they maneuvered to overthrow the Mexican government, and demanded a U.S. military invasion against it, in imitation of the past.

Josephus Daniels took an opposite view, writing to Roosevelt: "Having made big money on absurdly low wages from the time [of] the oil gushers, all oil producers oppose any change in taxes and wages, and resent it if their government do not take their point of view. Mexico can never prosper on low wages and we must be in sympathy with every just demand. . . . I need not tell you that as a rule the oil men will be satisfied with nothing less than that the United States government attempt to direct the Mexican policy for their financial benefit. . . . They would like to have an Ambassador who would be a messenger boy for their companies, and a Government at Washington whose policy is guided by Dollar Diplomacy."

American oil experts investigated the worth of the expropriated oil properties, and according to one historian, "were shocked at the discrepancy between [oil] company claims and what they actually found in Mexico—obsolete equipment 25 years old and badly in need of repair, miles of pipeline corroded almost beyond use." The oil companies had just extracted oil, and done nothing else. One team of U.S. experts stated that they thought that the Standard Oil holdings were worth only \$10-20 million.

Roosevelt, aided by the work of Daniels and others, worked out a universal agreement in November, 1941, by which Mexico started the payment of compensation to the oil companies at greatly reduced, but fair prices, while the U.S. government injected money into Mexico, through buying Mexican silver, a \$30 million U.S. Export-Import bank loan for road construction, and so forth. An explosion was avoided, and Mexico's sovereignty was respected and strengthened.

In 1940, Mexican President Cardenas wrote to FDR, "I want to express my thanks for the understanding and patience you have shown in solving the numerous and inescapable difficulties that always arise between neighbors." Cárdenas added, "Only with your administration have we Mexicans felt able to discuss problems freely, disregarding our differences as far as power is concerned, and thus pursuing the common decisions solely dictated by our search for justice."

The Postwar Future

Meanwhile, Roosevelt was working with Ibero-American patriots to develop other countries. In Chile, the United States Eximbank extended a \$60 million credit to the Chilean Development Corporation, an entity involved in construction of a modern steel mill, building hydro-electric plants, cement factories, a tire factory, and copper wire factory; importing agricultural machinery, and planning modernization of the Santiago and Valparaiso transportation systems. In Peru, the Corporación Peruana de la Santa was set up to be the counterpart to the TVA. In Colombia, a Development Corporation

was set up, and after the conclusion of World War II, David Lilienthal, the former head of the TVA, travelled to Colombia, to collaborate with Colombian patriots on the idea of constructing a TVA in Colombia. There were plans, that would have involved Venezuela and Brazil, to dredge and connect the upper Orinoco River and the Negro River.

All the above plans formed part of a pattern of the intensive work for the development of Ibero-America. Morris Cooke wanted to extend his plans to the hemisphere; subsequent to his work in Brazil, Cooke wrote a 50-page memorandum, entitled, "Promotion of the Development of the Brazilian Economy as a Pattern for Hemispheric Economic Relations—the Long View."

President Roosevelt oversaw this process, which during World War II carried out some important work in infrastructure, improvement of health standards, etc.; and moreover, made major plans for Roosevelt to activate as soon as the war would end. Had he lived past the conclusion of World War II, there would have been a Good Neighbor Policy hemispheric economic explosion on an unprecedented scale.

John F. Kennedy's early-1960s Alliance for Progress was an attempt to revive aspects of the Good Neighbor Policy, but his 1963 assassination aborted any possibility of achieving that goal.

This leaves the revival of America's mission of justice entirely in the hands of the present generation.

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