

The Economic Club of New York

William P. McCracken, Pan American Airways

Clarence Henry Haring, Professor, Harvard University

Edward Tomlinson, Journalist and Writer

John L. Merrill, President of Pan American Association

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General Samuel McRoberts, Presiding Officer

As your program informs you, the subject for discussion this evening is “The Republics of South America in their Relations to the United States.” This is a subject upon which probably less is known by the largest number of people in the United States than any other section of our foreign affairs, and I think it is rather natural that that should be true. The intimacy of two independent states is dependent upon their cultural and commercial relations, the intensity of those relations. The long distance separating us from most of the South American states, coupled with the differences in language, has stood between a common cultural development. With the exception of a few articles this country has not been the natural market of the South American products. In fact, for a great many years we have been the active competitor of South America in the markets of Europe with identical goods. Now all this has caused our relations with the South American countries to develop very slowly. In fact it has only been as the result of world development that we have been gradually brought together.

We have acquired, reluctantly but inevitably, interests in Mexico. We have acquired interests in the West Indies. We have built and operated the Panama Canal and as the units of production in South America in mining and agriculture are on such a scale that there is no place perhaps in the world where there is commensurate scale outside of North America. That has naturally enabled us to assist South America by engineering and expert experience.

Now we have with us tonight a gentleman that is a great friend of the fellow that has to take the

second trip. He will get you down to the other end of South America, if you get there at all, in just a jiffy. He is developing what is; of course, enormously important to our relations with South America, and that is quick transportation. In other words, bringing them ten to fifteen days nearer to ourselves. He was formerly at Washington as Secretary of Commerce for Aviation and since that time is devoting his entire time to aviation and is building the Pan American Airways which is serving practically all of South America. I want to introduce to you Mr. William P. McCracken of the Pan American Airways.

The Honorable William P. McCracken

Mr. President, ladies and gentlemen: It is indeed both a privilege and pleasure to be here this evening. My only regret is that Mr. Trippe, president of the Pan American Airways, Inc., who was scheduled to be here and talk to you tonight, was unavoidably called from the city and could not get back in time to keep this engagement. In fact, it came to him as such a surprise, as well as disappointment that he could not be here tonight that he had already prepared a very able address on the subject which had been assigned to him, and were it not for the fact that I find it very difficult to read what someone else has prepared I should take the paper which was given to me and read it to you. However, I gather from the fact that there is a shorthand reporter at the table that possibly it may be the practice of this Club to have the speeches printed and if so I will ask unanimous consent to substitute Mr. Trippe's prepared papers for my extemporaneous remarks and in that way you will have the opportunity to read at least what he planned to say to you.

I was very much interested in the challenge and the methods which our friend from the great British commonwealth of nations brought to us on this occasion. As far as that part of his remarks are concerned which deals with the challenge, it would seem that air transportation and what has already been accomplished in the development of American air transportation in this hemisphere is a very good answer at least to part of that challenge. Not only Great Britain but all of Europe were, to four years ago, say, at least nine days closer to the principal trading centers of the South American continent than was the United States, due to the fact that immediately following the Armistice both France and Germany undertook the establishment of air transportation systems for supporting their commerce in South America.

Four years ago tonight a small group of Army aviators who were at the time engaged in what was known as the Pan American good will flight, left San Antonio, Texas, the Army base there, at about the holiday season of 1926, and landed in Washington, having completely encircled and circumnavigated South America. I do not mean clear down to the very tip, but they had gone down to Santiago, Chile, across the Andes, and come up the East Coast, in a little over four months' time. It is not difficult to recall the reception which they were accorded upon their arrival in Washington. At that time there were a good many prophets who were saying how long it would be before a regular commercial service would be established over the route that they had pioneered. At that time there was not a single mile of American airways in operation south of our own border. Tonight there is in operation every mile of airways that they flew over in that flight, with the exception of possibly a thousand miles between Sao Paolo and Montevideo. That

particular portion has been in operation and is merely temporarily suspended, and before long will be in operation again.

In addition to that the airways system of the United States which is represented by the Pan American Airways, Inc. has completely encircled the Caribbean, that circle which is frequently referred to as the Lindbergh circle, as it was Colonel Lindbergh who was on his good will trip through Central America and along the North Coast of South America and up the stepping stones of the Caribbean, pioneered that air route. It is really a remarkable achievement not of any one group, not of any one aviator, because the efforts of the Pan American Airways System represents the united efforts of the United States aviation industry, bolstered up with the assistance not only of our other forms of transportation, including the railways and steamship companies who have cooperated and joined in this effort, but also the cooperation and assistance of the communication systems of the United States that are also putting their experience and their and their efforts behind it.

So that when I speak perhaps in words that may sound laudatory and therefore out of place coming from one who has had a slight connection with them, let me remind you that this achievement is not even an achievement of the whole aviation industry. It represents an achievement of American business interested in international trade and good will. It has had the backing and the support of the Post Office Department and the Department of Commerce and the Department of State and of the Chief Executive of our nation and it is because of that backing

that these things which seem to be almost miracles, even in this age of miracles, have been accomplished and now instead of weeks, and even months, to get to certain points in South America, those that are farthest away where the air line has been established, are only seven day's distance. There are places along the route where it required thirty days by steamer to get to four years ago, and you can reach them at the present time in only four days by air.

What does that mean, first of all, to our commerce? We are not going to ship large tonnage by air for some time, at least, but commerce is not only dependent upon tonnage; commerce is dependent upon quick communication and quick transportation of light packages, of mail, goods, samples, but above all else, of personnel. There is nothing quite like personal contact, personal contact between the executive and his representative in the foreign field. When it took months and weeks to make that trip, few there were who could afford the time. Now that it can be made in days, it will be made much more frequently than it was in the past. Your organizations that are interested in the South America and Central American fields are kept much closer in touch with the home office, and the home office in turn can go down and inspect the territory and study the problems itself and not have to rely upon written reports that are weeks in getting to you, and long reports had to be sent by mail, frequently, because of the information that was contained in them. You did not want to send them any other way even if the cost would permit.

We have been jesting back and forth a little bit at the table about the rivalry between the communication system and the air transportation system, but I can assure all of you that we all

know that where the transportation system is improved, where communications are speeded up and the transportation of mail and the transportation of merchandise is speeded up, it means that other forms of communication are increased in turn. Not only is there this time saving in the transportation of your mail by express, and incidentally may I mention the fact that they are installing a real express service all over those 22,000 miles of airways that have been established, a service which means not only that the express will be carried quicker but that it will be expedited through Customs and the other formalities that have to be gone through with in getting packages into foreign countries – but also there is an opportunity for a cultural exchange of ideas between the governments and the people to the south of us and ourselves.

As has already been pointed out, they have developed a very real and rich cultural status in the South and Central America, something which our people should be, and I believe are, very much interested in. But you cannot expect people in vast numbers to spend months in traveling in order to exchange their cultural ideas with the cultural ideas of the peoples of those countries to the south of us. However, with this speeding up of transportation or, rather, putting it the other way around, this reduction in the time of traveling, there will be much more travel between the countries, notwithstanding the fear which was expressed by General McRoberts at the time of the introduction.

May I mention just the fact that during the past year the scheduled mileage for American mails over the 22,000 miles of route has been performed 99 percent plus. (Applause) For a system that

is as new as that, that has been installed under the difficulties which this one has been installed under, I think that is a very auspicious beginning. Just imagine a group of between 1,500 and 2,000 young Americans who have gone into the countries of South and Central Americas, scattered along the Coast, where the English language has not been heard, probably – that is, I am not talking of the big cities now but I am speaking of the out of the way places where it was necessary, however, to establish radio stations, a cache of gas and oil where, in the event that the plane was delayed by head winds or weather, they could land and replenish their fuel supplies, as well as the organizations that you find in the big cities. These men have gone down there, have met the problems that have confronted them, have installed the system, and it is working so smoothly that over 99 percent of their scheduled mileage during the last twelve months' period was performed according to the provisions of the schedule.

There is more than commerce, however. There is more than culture that is involved in our relations with our neighbors to the South, in fact with our neighbors the world over because now with improved means of transportation and communication we are all rubbing elbows with the entire world, that is the relations between our governments as such, not only aviation. We are quite used to having the expression "good will" referred to frequently, but in the aviation group itself I think you find they refer more frequently to the camaraderie of the air, a term which probably had its origination during the unpleasantness in 1917 and 1918, when there was a certain camaraderie and a certain feeling of kinship that grew up between all the men of all the countries in the combatant air service, and that has been perpetuated into peace time

organizations in aviation, and they stand ready at all times to render succor and aid no matter what the circumstances may be.

There have been three notable occasions when the American International Service that the Pan American Airways is carrying on have had an opportunity to render just such service. One time in the Caribbean, following one of the hurricanes, when the first outside aid was brought in by airplane, and when the airplanes abandoned their schedules temporarily to bring medicine, supplies, doctors, emergency relief into that stricken community. The same thing occurred not so long ago when the earthquake struck the capitol of one of the Central American Republics. Aircraft were immediately put at the disposal of the civil authorities for relief purposes, not with any idea of reward, but merely with the idea of rendering service.

Perhaps it is a long, far cry to refer to that as diplomacy, and yet I submit that it will do more to bring the hearts, the minds, the understanding of the people of the different countries together than most anything else, and I say that notwithstanding the fact that I know there have been some items in the press currently that might be construed to refute that statement. In the long run the work that our Air Service, commercial air service, is doing in this new field is going to have a telling effect not only in bringing the business interests of the Western Hemisphere together, not only in bringing the cultural influences of one country into another, and to bring about an interchange of ideas, but of bringing the mass of the people themselves closer together; bringing about a better understanding among those responsible for the political welfare, if you please, of

these great republics that are scattered from one end of this hemisphere to the other.

And then again I will include in that all-inclusive phrase our friends to the North, because we are tied to them by air service just the same as we are to Argentina and to Chile, our neighbors that are furthest to the South. It is going to have a welding influence that will result not merely in trade, not merely in science, in letters, music and art, but also in good will for the camaraderie of the air. And so in discussing the future of our Pan American relations I trust that we can always keep well in mind the service which the infant of transportation, namely, air transportation, has been ready to perform. I thank you. (Applause)

General Samuel McRoberts: The next speaker will give you the expression of the student and the scholar. He is a graduate of Harvard University; held a Rhodes Scholarship in Oxford, and he is at present time professor of Latin American history and economics at Harvard University. He has written extensively and has traveled in South America and written many articles pertaining to South American affairs. I introduce to you Mr. Clarence Henry Haring. (Applause)

The Honorable Clarence Henry Haring

Ladies and gentlemen: When those in charge of the program for this evening asked me where in the program I should prefer to speak, I said that I did not care, that they could put me wherever they preferred to have me, and so I come after Mr. Ratcliffe and Mr. McCracken. I am glad that I was not asked to break the ice, but I see that it will be difficult, if not impossible, to keep up with

the pace that has been set by my two distinguished predecessors.

I am going to approach the subject set for this evening in a somewhat different way, in a much narrower way and, what is much worse, I am going to read what I have to say.

There is no doubt that there has existed and still exists in the countries of Latin America, from Mexico in the North to Argentina and Chile in the South, a considerable suspicion and distrust of the power and the policy of the United States. It appears in their daily press; it has been apparent in the Pan American Conferences that have occurred from time to time. It is reflected, I think, in Secretary Stimson's recent statements that seem to imply something of a change in our policy in the Caribbean.

It is accounted for in various ways. It has been explained by temperamental differences between the Anglo-American and the Latin American; by closely allied differences of language and culture to which reference has just been made. It has been attributed to propaganda from Europe which is often hostile to the influence of the United States. It is often caused by exigencies of domestic policies in Latin American countries. But it is also due to the fear of the overwhelming economic resources and of the supposed imperialistic aims of the United States, at least of the government of "state and business", as it is called, if not of the American people at large. It is this last factor which in recent years has loomed above all the rest, charges of economic exploitation, of designs against the political independence of Latin American countries have

possibly been made in their daily press, and are played up by many of the younger Intelligentsia, university students, poets, publicists, and so on. And it is not confined to the republics about the Caribbean Sea. It has been as true of Argentina or Uruguay as of Colombia and Salvador. The important newspapers of South America are not anti-American in principle, but are often lacking in an understanding of American problems and purposes. They stress the ideal of Latin American solidarity in opposition to the dangerous material power and imperialistic ambition of Uncle Sam. Associations of university students strive to initiate a movement of “moral resistance” to foreign imperialistic capitalism. At every crisis in the relations between United States and a Caribbean nation they stage meetings and publish broadsides in Buenos Aires, in Montevideo and other capitols. Dislike of the United States has also found expression in radical and socialistic circles which appeal to their governments to seek no more loans from American bankers.

This suspicion and distrust is caused, then, not only by the history of our relations with the smaller and more unstable countries about the Caribbean Sea, but it is occasioned by the extraordinary flood of American capital that has poured into Latin America and especially South America, since the World War.

We are told that the United States has lent to Latin American governments during the past decade as much as has Great Britain, the former banker of those countries loaned in over a century, namely, over a billion and a half dollars, whereas before the World War, the

engagements amounted to not more than \$100,000,000. American capital, as you well know, has been equally attracted to commercial and industrial undertakings, to public utilities, mines, meat packing, and that sort of thing. Of a total calculated foreign investment of \$13,000,000,000, nearly half has gone to Latin American countries. These investments, especially of the industrial sort, should be profitable both to the countries which receive them and to ourselves. We are a principal market for many of these countries' products; indeed we buy from them considerably more than we sell to them, so that they should find it all the easier to meet their obligations to us. Moreover, by helping to develop more rapidly their sources of national wealth, by increasing their economic power, we unquestionably assist in raising their general standard of living and thereby contribute indirectly to their progress and well being in ways other than material. Yet the fact remains that the great expansion of our Latin American investments has raised in the minds of many of our neighbors the spectre of "dollar diplomacy" and "Yankee imperialism." That spectre has been called up and employed for domestic political purposes, as well.

I have been asked to speak about one country in South America which illustrates to some degree what I have been saying, and that is the Republic of Chile. Chile, during the past five years, has run the whole gamut, from extreme chauvinism and distrust of the United States to cordial cooperation. In 1925 and 1926, at the time of our ill-starred and ill-advised efforts to settle the Tacna-Arica dispute between Chile and Peru by resort to a plebiscite in the provinces involved, or by other means, this country was viewed in Chile, at least as reflected in the press, with the utmost suspicion and dislike. Our efforts to secure a just settlement were misrepresented, and

misunderstood. It was in part a matter of domestic politics, but also in part a genuine mistrust.

The dominant position that we had secured in South American trade during the World War and afterwards, the influx of American capital in the form of loans and investments, our intervention in domestic affairs of Nicaragua, all gave occasion for unwarranted attack and hostile propaganda. We were even accused of seeking a Naval Station at Arica, a Naval Station to protect our investments and to create another Central America in that far distant Southern Pacific area. We were charged with designs upon the political independence of the neighboring Republic of Bolivia, where Chile also has aspirations. Whatever our State Department did or said was denounced by someone as a veiled move to dominate the Southern Hemisphere. We were an immense ogre seeking to devour all in our path. Today I think one may say that the United States is viewed in Chile with less alarm and more friendliness than in any other country of the South American continent. True, the Tacna-Arica question has been liquidated, but the change appeared before that happy consummation two years ago. It was partly the result of a new political situation within Chile itself, and partly the slow appreciation that our aims in the Tacna-Arica mediation were not selfish, except in so far as a desire for peace and stability in a world of commerce and industry is a selfish one; also by the fact that Chile by the course she had pursued was only stultifying herself in public opinion abroad. But it resulted also from a growing realization that Chileans, with the vast problems of administration and social reorganization, and as well, of industrial development, needed the friendly assistance of older and more experienced nations, and particularly of the United States, both because of our resources and because in the

approach to these problems Chileans had more to learn from us than from the countries of Europe.

The Chileans are a proud people, justly proud of their country and their history; jealous of their independence. They have the distinction of living under one of the most able and enlightened governments south of the United States. They welcome cooperation but they resent an attitude of patronage.

The country is geographically peculiar; a very narrow territory over 2,500 miles in length, confined between the high Andes Mountains and the Pacific, a tape line republic, analogous in position, in topography, in climate and products to the West Coast of the United States.

The area available for agricultural development is limited, but minerals, including coal and iron, are abundant, and so is water power. The future lies in industrialization, more so than anywhere else in South America, and so the Chileans envisage their future. They aim at industrial self-sufficiency and at supplying the markets of their immediate neighbors. And for these things they need capital and technical advice.

Chile also has social problems to encompass. Government in the past has been stable, but it has been far from democratic. The country was controlled by a wealthy, intelligent, landed aristocracy to which the small, relatively unimportant, middle class looked for leadership. The

mass of the people, the peasantry, were illiterate and of a low standard of living. Liberals and conservatives there were in politics, but all were drawn from the same compact social group. This oligarchy has been compared with the great Whig aristocracy which ruled England in the 18th Century, not without a large sense of public responsibility, but satisfied with the social system as it stood, of which they were the chief beneficiaries. Little provision was made for raising the condition of the laboring classes by way of education, public health, housing or in well being generally.

In recent decades, however, Chile has been profoundly affected by the general democratization of society which is conspicuous in the world at large; a new middle class, without the traditions of the old aristocracy, is growing in importance, with the industrialization of the cities; a proletariat has arisen in the towns, uninfluenced by the old relationship of patron and client, and exposed to the social teachings of radical leaders from Europe. Labor is organized. The lower classes have become articulate.

At the same time that this was going on Congress was displaying increasing legislative irresponsibility. Personal and fractional interests were put above national welfare. The failure of the government to keep pace with the changing social and economic conditions, and to meet the new problems, was increasingly evident. These problems, too, were made much more pressing by the economic dislocation caused by the World War, especially in the extractive industries of nitrate, copper and coal.

As a result, in 1920 for the first time in the history of Chile, the national elections were won by a political coalition representing the laboring and middle class interests. It captured the Presidency and the Lower House of Congress. It was an event of deepest significance in the social evolution of the republic.

But it did not bring immediately the benefits promised. The new government, it is true, came in with a large program of social and political reform, but its victory also brought into office a body of new men, without public experience, with as little sense of responsibility as the older interests which they supplanted and thus democracy did not necessarily mean effective government.

And so, parliamentary impotence continued and this, together with administrative incompetence and budgetary deficits, led to a series of political crises in the years 1924 and 1925. By one Coup d'état in September, 1924, promoted by the officers of the Army, the President and Congress were eliminated and a provisional government was installed. After another Coup d'état in January, 1925, the President was recalled, but not Congress, and the Constitution was reformed to abolish the parliamentary system and increase the power of the Executive, and much needed legislation was enacted by Executive decree. The dominant figure in the government was General Carlos Ibanez, Minister of War, and leader of those elements both inside and outside the Army which were determined upon efficiency and economy in government. Finally at the end of 1925 a President was elected under the new Constitution, a national candidate who was supported by all parties, a man put forward as a purely national candidate.

Chile then had passed through a real and a bloodless revolution, five years before a similar situation in Argentina forced upon that country the revolution of last September. A temporary receivership had been established to restore the political solvency of the nation.

The new President was a gentleman of excellent intentions, but he belonged to the older order of things. He was associated with the former oligarchy and vested political interest. He scarcely realized the significance of the events that had swept him into office. Consequently, Congress was allowed to slip back into its old bad ways. A series of cabinet crises carried General Ibanez, still Minister of War, to the Premiership. In May 1927, the President of the Republic resigned and a fortnight later Ibanez presented to the people as another national candidate was elected virtually without opposition. The election was really a disguised national plebiscite called to confirm the ascent of Ibanez to the plenitude of power and to complete, through him, the task of political and economic reform.

President Ibanez has been in a very real sense head of the state. Congress obediently follows his dictate, but the old parliamentarism of Chile, with its attendant evils of personalism, petty factionalism, corruption in elections, and increasing economic disorder, has been swept away.

For one thing, a clean sweep was made of the Ministry of Finance and the fiscal organization was modernized and the perennial deficit in the budget turned into a small surplus. Aristocratic nepotism was eliminated from the higher judicial courts, and an extensive program of social

rehabilitation has been pushed steadily forward. It includes the construction of much needed public work, the encouragement of new industries and the protection of old, better housing for workmen, adequate public health services, liquidation of crises in the nitrate industry, one of the keys of Chile's prosperity. And with it all the government has been kept a purely civilian regime.

Ibanez has put the country through a purging which may have temporarily restricted political liberty, but which was necessary to save it from disaster. There has been, as I said, a revolution, but a popular revolution, for the President could not wield the power he does if the nation at large did not approve and stand tacitly behind him.

Well, what has all this to do with the United States? As was pointed out, with that new regime came a new spirit of friendly cooperation with the United States and with American interests. The bitter feeling expressed against the United States in 1926 had been hardly a reflection of the political uncertainties to which I have just referred. Yankee baiting had been made an instrument of factional politics. The new government, lifted above these petty considerations, independent of former parties, has pursued a more realistic course; patriotic, jealous of its dignity and independence, watching carefully over all contacts with foreign capital; guarding against indiscriminate pawning of national resources that has occurred in some Latin American republics, but ready to meet foreign capital half way and anxious to secure its cooperation in the normal healthy development of the country's resources.

Consequently foreign capital, and especially American, continues to pour into Chile. Only a month ago came reports that a contract had been signed between the American controlled Chilean Electric Company and the Chilean government, calling for the investment of some five or more million dollars of new capital, part of it to build a new power plant in Valparaiso; part to buy new street cars in Santiago, and part for the improvements of electric lighting services in the provincial cities.

More recently the definite organization of the Chilean Nitrate Trust, or Cosach, as it is called, has occasioned the apparently successful completion of a \$34,000,000 loan in foreign money markets, much of it taken up in this country. The Cosach itself is one of the largest commercial enterprises to be attempted in South America, and one-half of the stock is held by the government of Chile. But it was practically forced upon Chile by a new low cost process of nitrate extraction effected by American intelligence and enterprise, where old European companies had done nothing, and American interests will control over 50 percent of the privately owned stock of the Trust.

These are only some of the more recent developments. Chile, indeed has become the foremost country in South America and the third in Latin America for the lucrative employment of United States capital. She attracts more than does Argentina and Brazil, and she is surpassed in the Western Hemisphere only by Canada, Mexico and Cuba, our next door neighbors.

According to American statistics, United States investments in Chile now amount to well over half a billion dollars. They have grown by several hundred percent since the World War and they are larger than those of any other foreign power. Over \$300,000,000 are invested in Chile's two main natural resources, copper and nitrate. Over \$250,000,000 have been loaned to the Chilean government; perhaps \$100,000,000 are represented by light and power, telegraph and telephone and transportation industries.

The near rival of the United States is Great Britain, followed at a long distance by Germany, Italy, France, and Spain. Great Britain's position in Chile in the 19th Century was paramount, unchallenged. From the beginning of the republic British trade and finance were one of the mainstays of the young nation's prosperity. It was British enterprise a century ago that created the Port of Valparaiso as the chief seaport of the Southern Pacific. The place of the British in Chile today is a distinguished and honorable one.

That American investments have more recently attained a preponderant position is due to a variety of circumstances; Britain's temporary embarrassments caused by the World War; the superabundance of American capital; the opportunities offered by mining enterprises, which seems to attract American capital more than does any other; the remarkable stability of Chilean finance, induced by the reforms recommended by the Kemmerer Commission five years ago and maintained by the prudent policy of the Ibanez government may have something to do with it; also, perhaps the excellence of communications since the opening of the Panama Canal, with the

development of the Pan American Airways, steamer connections are regular and fast, and airplanes are faster. I should also mention cables, which are represented so ably by my neighbor on the left.

The Chileans do not search after American money more than for British, French or German. On the contrary, as intimated, they may at times appear a little jealous of the hold American capital seems to have in their country. To the average Chilean, the American is not generally “simpatico.” In line of actual sympathetic attraction the Chilean is probably closer to the Englishman and the German.

Yet the fact remains that investments by the United States play a role in the country’s life greater than do those of any of its rivals. They are based upon consideration of mutual respect and mutual advantage. They do not rest upon special concessions or monopolies, or commercial privileges. They are not attracted by great profits induced by even greater risks.

American capital is invested in Chile for the same reasons it is invested in this country and under similar conditions, and the propaganda of those to whose temporary advantage or interest it may have been to bait the Yankee fall to the ground among a people who are what we like to think ourselves to be, of high integrity, patriotic purpose, and with a realistic approach to facts which has gained for them the friendly nickname of “The Anglo-Saxons of South America.” (Applause)

General Samuel McRoberts: Your next speaker is a journalist and writer specializing in South

American subjects. He made his first trip to South America shortly after the World War and since that time he has regularly commuted between the various South American countries and this country, and I believe has just returned from an aeroplane trip through fourteen of the twenty-one South American republics. I will introduce to you Mr. Edward Tomlinson.

(Applause)

The Honorable Edward Tomlinson

Mr. Chairman, Ladies and Gentlemen: I see the audience is about to recede. Therefore, I shall attempt to be as brief as possible. I consider it an honor to follow in the footsteps of so distinguished a scholar and student of South America as Dr. Haring, and also feel very humble.

I am asked to say something about the recent political changes in South America. Well, there have been several. They have been rather far reaching in their scope. However, to give you even a cursory glance at them within so short a period of time is a very difficult task. Nevertheless, I recall a few weeks ago when I returned from this trip, I should say my flying visit to fourteen of the twenty countries south of us, a flying visit thanks to the great airways with which my distinguished fellow speaker has so much to do, I went to see a certain editor with whom I had some dealings and relations. He said, "All right, Mr. Tomlinson, tell us the causes and results of the recent revolutions in South America." I said, "In one story?" He said "Yes." I said, "All of them?" He said, "Yes." I said, "In 3,000 words?" And he said, "Yes." Well, I said, "To tell you the causes and the results of the recent political changes in South America in 3,000 words is but

little less difficult than telling you about the past, present and future of the universe in 3,000 words.” Well, he said, “I understand, but Einstein did that in 1,000 words.” (Laughter) There I was and here I am.

Bolivia fired the first shot that reverberated up and down the deep valleys of the Andean countries just a few months ago. Economics being the goat on whose swaying back we saddle most of the world’s ills today, many people and many writers have said that economic depression in South America was the root of the recent revolutions. Well, not being an economist I cannot appreciate that wholly. As a matter of fact, I am not so sure that the economic depression was the excuse for all these recent changes, much less the underlying cause. I think economic depression was a great contributing factor. Perhaps if I were an economist and thought in terms of economics I would be able to make a speech proving to you that economic depression was the real cause of all of the upsets. Being just a journalist, just an ordinary traveler and observer, I think I pay more attention to human affairs than I do to the deep subject of economics.

In Bolivia tin is almost the source of their livelihood throughout the entire country and as you well know tin has not been bringing much of a price lately. As a matter of fact tin has been groveling in the dust. But I do not believe that the recent revolution in Bolivia was due entirely to the low price of tin. Bolivia has had a checkered history and an interesting one. In a period of 100 years over 70 different governments, or 70 presidencies or 70 administrations. Many of them came into power or into office by revolution or coup d’etat, and many of them went out by the

same direction. But in 1926 a man by the name of Selas came to power after a duly held election which seemed to have satisfied most Bolivians and there was every indication that he was going to be allowed to serve his term and pass on his office constitutionally to the next man. But something happened to Selas who was suddenly seized with the desire to perpetuate himself, as has been the case with many people in recent years in certain parts of the world. He began tinkering with the constitution of the country. This offended many people. It offended the intellectuals of the country. It offended the businessmen of the country because they had hoped that such things as those were now things of the past. Just the same, he kept on tinkering. Then the army became dissatisfied because, strange to say, in order to give a proper punch to the Bolivian Army, a Prussian General had been imported, with all of his Prussianism, and I think you will agree with me, and especially since you have read recent autobiographies, that no army likes to have to fight or to act under an outsider. That is true in Bolivia. Consequently this man Selas slid down the Andes into oblivion, political anyhow. A Junta, made up of men of integrity, sincerity and knowledge assumed responsibility for reorganizing the government and taking care of the problems then confronting it. Everybody said the Junta would perpetuate itself. First of all, however, they promised to make it impossible for any president thereafter to run for a second term. They also pledged themselves not to run for office or ask for special honors. They attempted to reorganize the financial system of the nation. They also tried to do something about the economic situation. They began to discharge people who were drawing fancy salaries, or who were supposed to draw salaries for nothing. They cut down expenses as far as they possibly could. They also called an election, and a new government has been elected and installed in

office. The Junta has gone back to private life, and I think the result in Bolivia is probably as fine as you could find anywhere else following such an upset, such an earthquake. I am inclined to think that if it were not for the tin situation in Bolivia today that Bolivia would be as well off as any other country in all of South America.

And then following close on the heels of the Bolivian affair came the Peruvian upset, and this is an interesting one too, but little different from Bolivia, little different in its idea. It is the same kind of a country, practically, with a background that is much the same. Its population is largely Indian, as is that of Bolivia. Many of its people are in the back areas of the country, in the deep fastnesses of the Andes Mountains. Many of them have scarcely come in contact with civilization, and yet Peru, hilly, historic, romantic Peru, with the oldest university in all of the New World; Peru that has produced distinguished scholars, great artists, statesmen, writers, musicians – Peru has been in the hands of a dictator for over eleven years.

Augusto B. Leguia came into power by a coup d'etat even after he was elected to the presidency. He simply could not wait for the time to come into power, and I think most people felt that Augusto B. Leguia was a real man. One smart American journalist called him the Roosevelt of South America. After seeing the gentleman and after having seen the distinguished American, I cannot imagine anyone, unless he stretched his imagination terribly, conceiving the two men to be anything alike. Roosevelt was a rather large man; at least he was rather large in places. (Laughter) Augusto B. Leguia was a tiny man; about five feet three inches tall and probably

weighed 140 pounds. Roosevelt was a rather talkative man, as you know. He liked to talk.

Augusto B. Leguia, on the other hand, was a rather quiet man. Of course he could talk, and he could talk splendidly. He was a very cultured gentleman, very learned. He spoke several languages and he could speak the English language almost as well as certain Americans I have met, (Laughter) because as you realize, we do not necessarily speak the English language.

I recall a few years ago during that late unpleasantness in France those French shopkeepers who wished to cater both to the Americans and English soldiers putting a sign in the window that read, for the sake of variety in language, “English spoken, American understood.” (Laughter)

Augusto B. Leguia was a very smart man in this way: He met every journalist who came to the country. He saw that they had the freedom of the land and he probably gave them a luncheon if he possibly could. He impressed them with the greatness of Augusto B. Leguia and they even called him the Roosevelt of South America. Many people have said, “Look at what Leguia did.” He did some splendid things because, after all, Leguia was an idealist. He was also a despot, and the two quite often go together. An idealist is not necessarily a very good administrator. Quite often he is not practical. Augusto B. Leguia wanted to make his country the greatest country in all of Latin America and I think the following little story illustrates something of the idealism of this man and how impractical he really was. A group of distinguished American businessmen and bankers were gathered at a dinner given them by the President of Peru and he told them with all of the eloquence of which he was capable, about the marvelous things he hoped to do. He

wished to build railways, extend the railways, build great sea ports; he also wished to start a great irrigation project in the desert and was going to need millions of dollars with which to do all of this, and finally one of the those rather hard-heeled businessmen spoke up and said, “Mr. President, this is wonderful. All these things would make Peru the greatest country south of the United States in so far as modern developments are concerned, but all these things would hopelessly bankrupt your country.” Leguia spoke very quickly and said, “Bankrupt Peru? I would gladly bankrupt Peru for fifty years if I could do all of these things.” Informally, he did almost that. He borrowed a lot of money; borrowed more money than he ever expected to pay back. He borrowed too much money and then he went out and did a lot of other things that did not set well with the Peruvians themselves. He parceled out practically every interest in the country to concessionaires. Even the post office was a foreign concession. The poor Peruvian could receive his postal card only through the hands of an alien. You could even light your cigarette only with a match from a certain country. If you were caught with matches of any other nation on your person you were usually arrested on the spot, or so the story went. Do you wonder that Augusto B. Leguia tramps the lone trail along with other dictators who did not know when to quit?

I am perfectly sure, and all of those who came into contact personally with him are, that he was perfectly honest personally. But he was surrounded by some men who were not very honest personally. I think today the situation in Peru probably parallels the situation in Mexico following the passing of the regime of Porfirio Diaz and of course, it took an earthquake to get

rid of him, and as it usually does in the case of a dictator, and an earthquake is usually followed by minor shocks and tremors until the dislodged elements find their proper resting place. It has taken a number of years for Mexico, after the passing of Diaz, to come to anything like a stable situation, and it is going to take quite a while for Peru to achieve anything like a stable situation, and if there have been upsets following the passing of Leguia, there may be some more before it is over but I think one thing that took place recently illustrates to me the real thing back of the recent difficulty.

We were at the flying field and we were looking at one of the great planes, a tri-motored plane, ten passenger planes, with its engines roaring, and this friend said, "What is the matter with Peru? Perhaps the winds of the new age are blowing in upon us, opening up the airtight compartment of this ancient stagnant land. We have become dissatisfied with old things and old ways. Even the most ignorant of us is beginning to believe that he has a right to have something to say about his government and the way his affairs should be managed. At least he should be given a hearing."

Augusto B. Leguia did not give many people a hearing. He did not like anybody to criticize him. He sent his critics abroad for their health. He put many of them in prison and it is well known that he stood a few of them up by stone walls and shot them full of holes. The oldest newspaper in all of Peru, and one founded by probably the oldest and richest family in the country, La Comercia, did not publish an editorial in over eleven years because it refused to bow to the will

of the dictator. I really think that this thing had to come in Peru, and the sooner the better, and I am inclined to think that if we will be a little bit patient and not be so superior about the affairs of those countries, perhaps they will work out their salvation, and Peru will be better off, after all.

And then when you cross the Andes Mountains, that great barrier that runs up and down the continent, and that has virtually all sorts of civilizations and peoples and countries, you will come to another world altogether. You will leave the Indian world and you come to the white man's country. I mean by that that there are people who boast of themselves as the white peoples of the Western Hemisphere, and that is the thing they tell you soon after you arrive – "This is the white man's country of America." Well, you may not like that but I am telling you how they feel about it, and I am giving you their exact words. Many of them, statesmen, writers and others, have used those very words to me.

You come to Argentina, the second largest country in South America. You come to what I think is probably, second to Chile, the most up-to-date and most progressive of all the countries south of the United States. You come to a country with a population of over 11,000,000 people, to a country with a system of public schools much like our own, fashioned after our own; to a country with great universities; a country that has produced some distinguished personalities in the past fifty years. You will come to a country where democracy probably has prevailed to a greater extent than it has in any other country in the hemisphere, not excepting the United States. Yes,

that is exactly what I said.

In the last presidential election in Argentina, 87 ½ percent of the voting population went to the polls and voted by secret ballot. Compare that with the percentage that went to the polls in the great United States of North America in the last presidential election, notwithstanding the fact that the saviors of the nation, the ladies, were participating also, (Laughter) although they were not in Argentina.

Then you ask this question: How can a revolution take place in such a country as that? Well, I think it might happen in the best regulated democracy in the world under the same circumstances. Two years ago in the presidential election, on a wave of sentiment – have you ever heard of a wave of sentiment in a presidential election? Think back just a little, anyhow – two years ago in the presidential election on a wave of sentiment an almost mythical character was swept into office of President by the largest majority in the history of the republic. Hipolito Irigoyen had been president of the Argentine for a period of six years, during the period of the great European war. Previous to that he had been instrumental in getting Argentine to adopt the secret ballot through which later he was elected by such a majority. He was called the Father of Democracy in Argentine, and then during the European war the Congress of the country actually voted to go into the war along with the United States, Brazil, and some other countries of this hemisphere. The reactionaries said, “No, we should stay out. It is not our war. We have everything to lose but nothing to gain,” and now that it is all over they wonder if we got anything

out of it anyhow. But at the end of his six year term, due to the fact that the President in Argentine is not eligible for successive reelection, he retired to private life, and being an eccentric man he did not appear in public. Very few people knew anything about him at all. He had no following. Therefore, when Irigoyen's party came to power again nobody dreamed that Irigoyen himself would be a candidate on the ballot, because he was old, but just three weeks before election his name was announced and he swept the country as if by wild fire. They remembered the Father of Democracy. They remembered the eccentric old gentleman whom they believed was perfectly honest and sincere, so honest that during his previous term he was reputed not to have accepted his salary as President of the country. Not to have accepted his salary. Imagine that. He was elected by this tremendous majority of 800,000 votes without appearing in public a single time, without giving out a single statement, without being interviewed by a single newspaperman, and then on Inaugural Day he did not deliver the inaugural address but was driven to the palace – talk about reticence; there is nothing to compare with this in reticence.

However, very soon the people of the country realized that the Father of Democracy was not the same. They also realized that a great many other people were doing things that they should never have been allowed to do. They discovered that some of the ministers of the government were actually pocketing money right and left. At the end of two years they discovered one of the ministers of the cabinet had, out of a salary of 25,000 pesos banked over 3,000,000 pesos, out of his salary, and I do not believe that there is a Scotch economist in the world who could figure out

how to save that much money out of that much salary. (Laughter) No attention was paid to foreign affairs whatsoever. Ambassadors were not only not sent abroad, but not allowed to stay in the posts they had already held. For over two years there was no ambassador from Argentine in Washington, D.C. I think probably the Argentines resented this more than any one thing of all the tactics of the Irigoyen administration, because they too are very proud. Perhaps they are as proud as are the Chileans, I am not so sure but that they are just a little prouder than the Chileans; that is if you take their own words to this, and I think perhaps they resented the fact that they were out of touch with the international affairs of the world and they thought of that more seriously than anything else, and yet Irigoyen decided that he could run his country, or so they thought he had decided; somebody else was deciding many of these things; but finally conditions of the country were so bad, and no attention was paid to them whatsoever, that eventually the bank of the nation refused to cash any more of the government's checks because the account was so badly overdrawn, and in this predicament a gentleman by the name of Uriburu, long since retired to private life, who never had had anything to do with politics, although his uncle preceding him had been President of the republic – decided that something had to be done. This man was a member of one of the oldest and richest families of the entire republic. Finally he went out to the military school, a school which compares most favorably with our own West Point, where the sons of the best families of the republic were to be trained as officers of the army – someone said, by the way, that you have to have your name in the social register in order to get into the military college of Argentine – I am not so sure that that holds goods all the way through, but I know that sons of the richest families are being trained for

military service – he told them the story of the situation that prevailed in the nation and he said, “What shall we do?” Almost to a man they said, “General, whatever you decide we are with you,” and with this group of young men he started a revolution. He started a march in the City of Buenos Ayres. Soon he was joined by the army of the nation and soon the navy joined him and inside the city the great Metropolitan police force joined him, a police force that compares most favorably with the police force of London, England. As a matter of fact, it is fashioned after the police force of London, England, and the revolution was then a certainty, and there was not going to be much bloodshed, and when he got to the Pennsylvania Avenue of the City of Buenos Ayres thousands and thousands of people gathered about the streets as they passed, and they threw flowers in his pathway and sang patriotic songs. When they got to the public square in front of the Casa Praesidia, the old presidential palace, he drew up his army and with half a dozen members of his staff marched into the old palace looking for the occupants and, strange to say, there did not seem to be any occupants. Clerks, attaches and all others had disappeared. They too were in favor of the revolution. They too were willing to adapt themselves to the situation that then prevailed. Even the President himself had been spirited away and the Vice-President had been sworn in his place. Finally they discovered the Vice-President, or acting President, in a little back room with a half dozen of his friends, and the old gentleman walked in briskly and stood in the middle of the floor. The little President got up to meet him because he too was a man and he said, “General, what do you seek here?” The general said, “I seek your immediate and unconditional resignation,” and the little man said, “Well, you may shoot me if you wish to but I shall not give it.” And the general said, “Well, then I will blow the place into

pieces unless your immediate resignation is forthcoming.” He signed his resignation, walked out of the palace, walked across the square unmolested, went home, and is today a distinguished and respected citizen of Argentine. That is the way they did it.

The President himself was not put under arrest until they discovered plans for a counter attack, in fact until there had been some disturbance. Then it was they discovered the real condition of the Father of Democracy; over 80 years of age, and always eccentric, his mind had wandered. He was now but a child and some crooks had used him for their own benefit. They had prospered because of the condition of this man whom all of Argentine had once so much loved, and I think you will agree with me that there was no other way out of the situation, anyhow. The bankers of the country who had already closed their doors, swung wide their doors with the arrival of Uriburu, and his young Argentines at the palace, and they sent him a message saying, “How much money do you need?” And he said, “I need 50,000,000 pesos,” and they subscribed 100,000,000 pesos. I don’t think it is necessary to tell you more of the results of the recent revolution in the Argentine Republic.

Then we come to Brazil, the largest of all the countries of the Western Hemisphere except Canada, larger than all the United States plus another Texas; divided into twenty states and one territory, several of which states are much larger than our prize State of Texas; a country with a population of approximately 40,000,000 people, made up of all the races of all of the ages of all the world. Really, Brazil is the melting pot of all time. It is an interesting experiment to the

sociologist, to one discussing sociology. Here is the youngest republic in all of South America, only 41 years of age the 15th of last November, and as a gentleman said to me only today, “When we were 41 years of age as a republic we were not such a big fish ourselves.” So we can afford to be just a little lenient and just a little patient when such a country as this has upsets in the government. This was the first successful revolution since the revolution that overthrew the monarchy 41 years before. There had been several attempts but none of them had ever succeeded. There was no one believed that this one was going to succeed, no one outside of Brazil, and it seems from the results of recent affairs that nobody outside of Brazil knew anything about it. Nobody even in high places, much less in low places. But it is interesting to note that for 41 years one political party had been in power; one political party had never lost an election because it usually counted the vote and, strange to say, this was the Republican Party too, of Brazil. (Laughter) I take it there must be Democrats in this audience. (Laughter)

Of course, the Grand Old Party kept itself in office and the leaders of this particular party came largely from two of those twenty states, from the great State of Sao Paulo and from the State of Minas Gerais. I might call them the New York and Pennsylvania of the Republic of Brazil and I would not be very far wrong in my description, either. But anyway, they passed on the presidency from one to the other, the Republicans did. One of them was sure to be in power at all times. But in more recent times – and I see the official coat-tail puller coming down the line (Laughter) – but in more recent times the leaders from the same Sao Paulo had the upper hand, or seemed to have. So, when November was coming in Brazil – I was in Brazil of September of

1929 when the presidential campaign was on, and I attended a great political convention that nominated the candidate of the Republican Party and it was an interesting procedure. It lasted exactly two hours and ten minutes and there was only one candidate in the convention that came before the democracy. The next day I went to see one of the most distinguished citizens of Brazil, Dr. Raul Fernandez, who together with Elihu Root, was a member of the commission that organized the World Court, and he said, "Mr. Tomlinson, you have seen an interesting sight, and I can assure you that that candidate will be elected by a tremendous majority. He is a personal friend of mine too, but I shall not vote for him." I thought that rather strange. He said, "No, he belongs to a political system that is either going to bring disaster to the Republic or else a revolution that may save it," and I think you know the results. He was elected by a tremendous majority. As a matter of fact, one town with 600 population cast over 6,000 votes for him. (Laughter) Almost anybody could be elected under those circumstances.

He was elected and went on a tour of the world, including the United States, and by the time the inauguration approached practically everybody in Brazil knew that there was going to be a revolution – everybody except the American Ambassador. (Laughter) He knew so little about it that he seemingly went on a vacation, and that probably was a good thing to do at that particular time.

What I'm trying to suggest is this: I think that underlying all of these recent political changes in South America there has been something very vital, and I think that the Peruvian friend

expressed it when he said, “Even the most ignorant among us is beginning to believe that he has some right to express himself about the government, about the conditions under which he shall be ruled, at least he shall be given a hearing, and we are not going to allow the power of the government to remain in one man or one group or one class.”

Anyhow, finally the American banker expressed it all when he came to me as I was leaving on the trip and he said, “When you get back to the United States go a little easy on these people. This revolution was not necessarily a disaster. It had to come. It was a mere step in the evolution of government in this country, as it has been in most of the other countries,” and he added, “Anyhow, do not feel so superior. Do not forget that our own country came into being by revolution,” and he said, “Do not forget, that when we were threescore and ten years of age we gave the world an example of civil war that for terror and destructiveness remains to this day unequalled in this entire hemisphere.” (Applause)

General Samuel McRoberts: I am particularly happy in introducing to you the last speaker of this evening because he is a man that is outstanding because of the fact he cannot only understand South America and can talk about South America, but he has made a very notable contribution to our relations with South America. He was the man that reformed the cable service to South America through his “All American Cables Company.” He developed a wonderful system of communications. In your journeys to South America you can send a ship cable to your wife at breakfast time and bid her goodnight in the evening, and the remarkable thing about it is that it

will be delivered on time at the right address. He is the president of the Pan American Association. He is my friend and he is your friend south of the Equator. I want to introduce to you John L. Merrill. (Applause)

The Honorable John L. Merrill

Mr. President, Ladies and Gentlemen: There was emphasis on the word friend and there was a hint contained therein. Down in Boston, there is an epitaph reading, “Here lies the body of Eben Harvey; having departed this life September 1, 1754, having been kicked in the rear by a mule. Well done, thou good and faithful servant.” (Laughter)

The point of the story is this, that I have written out at the request of the secretary of this society a few of my remarks. Those I will read because they are very brief, and I will cut out the rest of the address because I see a fast diminishing audience which denotes fatigue, with which I am in hearty sympathy and I want you to say, “Well done, thou good and faithful servant,” when I get through.

Tonight I have been asked to speak, as president of the Pan American Society, on the Republics of South America – not along the lines of economics, nor of trade development, nor even of politics, for my Society carefully avoids such subjects, but along the lines of our sole purpose – the development of mutual knowledge and understanding and true friendship among the American Republics and peoples. The Pan American Society is composed of 1,000 ambassadors,

with no official standing, and appointed without the advice and consent of the Senate. We fully realize that in these twenty-one Republics the citizens have different characteristics and customs, but well know that when one American of the North country is privileged to meet an American of the South country and each can look straight into each other's eyes, misunderstanding must disappear and true friendship must develop, and, to the single purpose of this development, the Pan American Society is dedicated.

There is no denying the fact that there has been a certain amount of distrust on either side, rightfully or wrongfully.

But America is awake and a new day is dawning and we are all looking through new and cleaner spectacles, and from beautiful and majestic Canada in the North all the way down to the tip end of Cape Horn we are learning to repeat the words of the Psalmist of old, "Behold, how good and how pleasant it is for brethren to dwell together in unity."

We have learned to our delight that the peoples of South America are among the most charming and courteous, most sympathetic and kindly people on earth. To know them is to like them.

If ignorance breeds prejudice, both they and we should banish the prejudice by removing the ignorance. Their friendship is an asset that we do well to cultivate.

On both sides a genial forbearance is required, which aware of the existence of seeming faults, at the same time recognizes the preponderance of many virtues.

Theirs is an older civilization, and happily our former provincialism is fast disappearing and, with a greater devotion to Uncle Sam, we are glad to acknowledge that we are but a part of the glory of the Western Hemisphere.

We realize today that the population of the other Americas is almost equal to that of the United States, and that our neighbors to the South of us live in an area from two to three times as large as that of our own land.

Furthermore, we realize now – when business conditions are what they are – that in commerce the Americas have grown to be increasingly dependent on each other.

In the Pan American Society – we steer clear of political and commercial questions, and consequently, I will not pursue further the very vital questions of tariff legislation and kindred matters – but actions do speak louder than words and when we attempt to sow seeds of friendship and goodwill we are all mutually concerned in all that pertains to our brother's welfare, happiness and progress.

Was it not shortly after the Garden of Eden event – that one of the early inhabitants by the name

of Cain, asked, “Am I my brother’s keeper?”

As one of the Ambassadors of the Pan American Society I make the rather startling claim that far more important than commerce are those human beings for whose benefit trade is carried on.

More potent than dollars are ideals. Without satisfactory human relations profitable trade relations cannot be developed. With mutual understanding and goodwill as a background, business intercourse becomes not merely possible but mutually advantageous.

Last October we had the good fortune to entertain the Peruvian Ambassador, Dr. Manuel de Freyre y Santander, at luncheon. Let me read a brief extract from his speech on that occasion:

“To join men together does not necessarily mean that they will get on well together; and what this Society wishes to establish is a friendly spirit.

“Friendship, gentlemen, stands on a higher plane. It implies spiritual kinship, mutual esteem, a great amount of sympathy and an infinite amount of tolerance.

“What is wanting, I think, to bridge the chasm that separates the Anglo-Saxon from the Latin is a sustained and systematic effort to promote a cultural and intellectual exchange between them, such as exists in the field of commerce. We should become acquainted with and not only study our material needs but our spiritual ones as well. The souls of our nations should come in touch.

Our young men should be given every facility to drink at your fountain of wisdom, to see with their own eyes how high you can soar on the wings of abstract speculation, how lofty are your ideals, how generous are your impulses, how altruistic can be your motives. You have emerged from a state of indifference to one of mild interest in Latin America, but is needed now is a friendly interest. And we have abandoned what at times seemed to be strikingly similar to hostile distrust for a very hopeful expectancy. Let us in turn try to change this sentiment into implicit confidence. The times are propitious. The soil is fertile; let us plough and sow in order that our children at least may reap.”

I fully realize that in this brief address I have stressed the optimistic note. Of course, I could find much to say in regard to unsettled conditions, to questions of policy and to financial and business troubles, but, in my talk tonight, I have tried to dwell upon a larger theme, that is, friendship and understanding.

I suppose that while this old world of ours exists we shall always have disputes and troubles but I have confidence in the ability of each independent sovereignty to handle its own affairs; to solve its own vexatious problems and to keep the faith. I say this after forty-seven years of service to the Republics of Central and South America, as well as to my own.

Our fellow Americans to the South of us have had much to learn from us and have benefitted largely from us, but on the other hand, we still have much to learn from them and we, too, have

benefitted much. Their history, their arts, their literature are all well worth our cultivation.

A founder of the Pan American Society and today its most cherished member, and, may I call him the greatest living American, Elihu Root, said long ago:

“We wish for no victories but those of peace; for no territory except our own; for no sovereignty except the sovereignty over ourselves. We deem the independence and equal rights of the smallest and weakest member of the family of nations entitled to as much respect as those of the greatest empire, and we deem the observance of that respect the chief guaranty of the weak against the oppression of the strong. We neither claim nor desire any rights, or privileges, or powers that we do not freely concede to every American Republic. We wish to increase our prosperity, to expand our trade, to grow in wealth, in wisdom and in spirit, but our conception of the true way to accomplish this is not to pull down others and profit by their ruins, but to help all friends to a common prosperity and a common growth, that we may all become greater and stronger together.”

Let me tell you just one story in conclusion. I was lunching one day in a little suburb of Buenos Ayres, and my host was a distinguished Argentine of the oldest Spanish lineage, and one of the most charming gentlemen I ever met. He was amused when I stepped into the hall and looked at a large bronze tablet on the wall. It was Lincoln’s Gettysburg Address in English and six of the children in that family could recite it in English. That is what Mr. Tomlinson is telling you, what Professor Haring is telling you, what Mr. McCracken is telling you and what I am trying to

impress upon you as a Pan American friend tonight, that however we might differ in our ways, we are all striving to keep alive that immortal phrase of Abraham Lincoln on the Battlefield of Gettysburg: “That this government of the people, by the people and for the people shall not perish from the face of the earth.”

And I am more and more convinced that the day is dawning, a brighter and better day of understanding, of real goodwill, and I am glad to see great change coming in the United States. As long as businessmen like you can assume a sane attitude, and I believe America needs a little spirit of tolerance today more than almost anything else, as long as you can assume a sane attitude we are going to help each other in our problems. I would like to talk for a long time if I had an extended time to press my points; I would like very much to dwell upon some of the commercial aspects which I know of South America.

The other night I heard my good friend, Mr. Mitchell, speaking of his electric lights in some of the towns of South America. A wonderful thing to think of what he has done for the comfort and ease of the inhabitants. When he got through I wanted to get up and recite: “Honor the light brigade, honor the charge they made.” (Laughter)

I would love dearly to talk about the Pan American Airways, about the great nitrate companies and about all those subjects. But I want in closing to pay one tribute to men like Mr. Tomlinson who have done far more than we shall ever know, and my last word to you, Mr. President, and to

this Economic Club, is to get away a little bit from high class economics – I have often wondered why did not grasp some really vital point of economics; I wondered why a man had to work for thirty or forty years so he can get to a place where he can take two hours for luncheon and then the doctor limits him to one glass of milk. (Laughter)

I have wondered a lot about those things but, seriously, I ask you gentlemen to help us in our work, because it is succeeding. I have been told by many of those presidents who have been mentioned tonight that the work is succeeding; that our kindness, that our sympathy is very much appreciated, and I will tell you candidly that what they want is a disinterested friendship and a tolerance on our part, and an appreciation of what they are. Let us fight for sanity and tolerance in our dealings with our fellow inhabitants of this globe and if all these fanatical organizations want to come along and boast of their great purity and their great stunts for humanity, let them have their say, but let you and I go along in the other way, forgetting all that boastfulness which is inherent in us from childhood, illustrated by the prayer that you have all heard, but I want to read it tonight because it illustrates my point.

O Lord, bless a' the McPherson's and a' the McPherson's children, their sons and their daughters for one hundred thousand years to come.

An' O Lord, send down swords and pistols and daggers as monie as the sands o' the sea to kill all the Grants, the Stuards and the McDonalds. Damn their souls forever more.

An' O Lord, bless the weak ooo, and make it a big ooo, and O Lord, bless the weak suckling and make it a grand peg,

An' O Lord, build up a great wall between us and the Irish and put sharp stones at the top of it so that they cannot come O'er.

An' O Lord, if ye has anything gude to gie, dinna ye gie it to the Irish but gie it to your chosen people, the Scotch. Glorious ye are forever more, amen and amen. (Applause)