

ECONOMIC BASIS of Inter-American Relations

by

VICE PRESIDENT HENRY A. WALLACE

NOW as never before, the peace and freedom of the world have been menaced by successive treasonable attacks, culminating in those on Pearl Harbor, the Philippines, Singapore, and the Dutch East Indies. These recent attacks produced the unprecedented demonstration at Rio de Janeiro of the solidarity of the American republics in their determination to unite in a course of action which will insure the maintenance of freedom and democracy.

The expression of inter-American solidarity at Rio did not spring from war hysteria. The economic agreements reached there could not have been brought about merely by an emergency. They had their source in that idealism which inspired such men as Simón Bolívar to strive for a united New World; in the past half century of uninterrupted inter-American relations; and in the philosophy which has given birth to the Good Neighbor policy.

The inauguration of the Good Neighbor policy by the United States represented an epoch-making change in international relations. For the first time in history a great power had decided to apply in its foreign policy the same philosophy that inspired its domestic policies. This removed at last the great contradiction involved in practicing true democracy at home while pursuing at times in foreign

affairs, policies opposed to the growth and prosperity of peoples of other countries. This change of attitude opens possibilities of a world order founded on the true democratic principles of justice and respect for the welfare of all. It makes for human solidarity.

The Conference at Rio was another milestone in the progress toward such world order. There were tackled some of the more practical and difficult problems that must be solved if Pan-Americanism is to become a reality. The agreements on inter-American unity in attacking those problems reached in that Conference, however, would mean nothing without the support of the people represented there. Inter-American solidarity must be founded on the free consent of the people.

Of great moment among the resolutions adopted at the Rio Conference was the one recommending that all the American governments break off diplomatic relations with the Axis powers "in accordance with the procedures established by their own laws and in conformity with the position and circumstances obtaining in each country."

This New World unity and co-operation, undertaken freely by independent nations, offers a sharp contrast to the discord, oppression, and coercion with which the nations of Europe and Asia are now

cursed. The combination of idealism and common sense which now unites the Americas augurs well for the future even though dark days lie directly ahead. Americans everywhere, determined to preserve liberty and democracy, turn to the task of defeating Hitler and his cohorts, and we will not fail.

Whether or not our New World unity may be called upon to function on the military front, it is already functioning on the economic front. Through the effective co-operation of the governments of the American republics, the battle of economics is being successfully waged against our common enemies. One by one the Axis-controlled airlines have been taken over by local governments, particularly in the South American republics. Foreign-owned companies that had been acting as fronts for the Axis Powers and harboring and financing their undercover agents have been ferreted out to make possible a united front against the common enemy.

Strategic raw materials necessary for the production of the instruments of war—manganese, tin, chromium, copper, tungsten, vanadium, bauxite, sugar and rubber—are coming in increasing quantities from production centers within this hemisphere. Concrete demonstrations abound which show that the way is being paved for the Americas to wage economic war on an ever-increasing scale.

It is no easy task to co-ordinate the economies of the Americas so that they may function independently of overseas enemy powers. The readjustments which our sister republics to the South are called upon to make involve great sacrifices. Argentina has looked to sources outside this hemisphere for no less than 40 per cent of her iron and steel, 75 per cent of her coal, and two-thirds of her copper needs, not to mention her great dependence on outside areas for dyes and chemicals. As for the sale of her great staples like wheat, corn, flax, cotton, and meat, the major part of her markets have heretofore been across the seas.

Like Argentina, Chile has been dependent on overseas sources for nearly half of her total imports. The same is also true of Brazil which is now buying from the United States products like iron bars and rods, locomotives, coal, and dyes which she formerly bought from Europe. It is clear that in supplying the minimum requirements of our Latin American neighbors and those of our war industries at home, the economic resources of the Western Hemisphere will be strained to the limit. And we must not forget the need for reinforcement of the economies of New World countries, occasioned, on the one hand, by the loss of normal markets outside the hemisphere and, on the other hand, by shipping difficulties between the American republics.

If we defeat Hitler—and I have no doubt that we can—there is good reason to believe that we shall emerge from our victory more determined than ever to preserve our democratic way of life and to maintain on a lasting basis the economic solidarity of the Americas. If during this critical war period we can co-operate to save our democracies, it should be possible in better days to come, when we shall no longer be preoccupied with the war effort, to make even greater strides in the democratic process.

At the recent Rio Conference a series of measures was decided upon which should carry to new heights the various phases of inter-American economic co-operation. The economic mobilization of the American republics to guarantee the supply of strategic and basic materials necessary to the defense of the hemisphere; the maintenance of the internal economy of the American countries; the mobilization of transportation facilities in the hemisphere; the severance of commercial and financial relations with the tripartite powers; the stimulation of the development of basic production in each of the republics; and measures to improve public health and sanitation have been agreed upon as co-operative undertakings.

INTER-AMERICAN RELATIONS

In addition, there are long-range developmental projects which have received the active support of the governments of the American republics in the past few years and which must be continued and given increased support. Among these are the Pan-American Highway, the Inter-American Institute of Tropical Agriculture, the exchange of technical services designed to stimulate production of subsistence crops and of new export products, and joint action to alleviate the burden of unsalable surpluses of agricultural staples and to increase consumption. The integrating effects of this comprehensive pro-

gram might well be expected not only to unify the Americas but also to provide a more abundant life for the peoples of the New World. These objectives are independent of the present war. They were being intelligently sought before Hitler acquired his status as a world menace.

The stimulus of emergency measures in terms of the future are invaluable. They give an impetus to the intercourse among the American nations that in the post war period will result in enriching the lives of all the people to an extent heretofore unknown. First, however, victory must and will be achieved.

GENUINE PROOF OF CO-OPERATION

An Editorial

THE new loans to China by the United States and Great Britain represent the most heartening political action taken since the formation of the United Nations. The seven hundred million dollars which they allotted for the economic needs of the Chinese forces are the most genuine proof of the sincere desire on the part of the American and British Governments to co-operate with their Allies in the common struggle against the Axis on all fronts and do much to dispel the unfortunate misunderstanding created by the "Hitler first" declarations of English and American Cabinet Members.

There is a specially significant feature in these loans to China in that they proclaim a recognition of the principle that each of the United Nations will contribute to the winning of the war according to its powers. The three fundamental elements necessary for victory are man power, economic resources, and a fighting spirit. As to fighting spirit, the events of the last two months indicate that every member of the United Nations is imbued with heroic fortitude; as to man power, China and Russia have been ungrudging in their contributions; and the United States and Great Britain must be equally liberal in their financial support of the Allied cause.

The chief theater of the war is now in Russia and China. These countries have each sacrificed at least two millions of their sons and immeasurable wealth in the ruins of their cities and industries. It is right and proper that those of the United Nations who have escaped the ravages of Axis invasion should utilize their economic resources to the utmost to help their less fortunate partners.



HITLER pleads

“not guilty,”

by Dorothy Thompson

VIEWED in the short perspective of a month, what stands out in Hitler's report to his people on the ninth anniversary of his coming to power is the plea, "Not Guilty". Nothing is more notable in this speech than Hitler's attempt to get rid of guilt for this war. He goes at it from all angles. He says that all great states have been founded by aggressive conquest. To boil down his verbose argument, it is that all other states have been wicked in the past and that is the way they became great — now it is the Germans' turn. At the same time he asks the question why the rest of the world should be so self-righteous. He asks whether Britain has ever liberated any peoples that she has conquered by war. He asks, for instance, why the British do not give back South Africa, which they conquered by war. To which the German people must be replying, "Give it back to whom?" For South Africa, as any German *Gymnast* knows, is a sovereign and absolutely free and independent state and had the same choice as Ireland in this war: to declare war or to be neutral.

It is clear from Hitler's arguments that he is trying to answer the question in the German mind: Why are we in this war? And it is also clear that the German people have come to realize that the

whole world is against Nazism. He tries to deflect the responsibility from the Nazis by saying that the Nazis were not responsible for the last war and nevertheless Germany had a war. It is obvious that the masses of the German people are making comparisons between the last war and this war. This is very dangerous for Hitler, as the last war was lost in a complete catastrophe. Since he knows that the comparisons are being made, he must give his own explanations. In doing this he completely misrepresents what actually happened. He tells the German people that as neither the first World War nor the second could be avoided, Germany was not to blame in either case. In this connection we recall the passage in "Mein Kampf" in which he attacked German historians for attributing some measure of guilt to Germany for 1914 and said that the people are simple minded and ought always be told that the other side is wholly to blame.

In accounting for the defeat in the last war, he insists that the German Army was not defeated, but was the victim of a treacherous revolt kindled by Marxists, Centrists, liberals, capitalists, Jews, and by the Government of those days—in other words by everybody in Germany. Hitler is grossly insulting the German people in