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# ADDRESS BY THE HONORABLE GEORGE S. MESSERSMITH, ASSISTANT SECRETARY OF STATE, AT THE GOVERNORS' SESSION OF THE 15TH NEW ENGLAND CONFERENCE, HOTEL STATLER, BOSTON, MASSACHUSETTS, NOVEMBER 23, 1939, AT 2:30 P.M.

# FUNDAMENTAL FEATURES OF OUR FOREIGN POLICY

The President, in proclaiming Thanksgiving Day this year, called upon the American people to give thanks for the "hope that lives within us of the coming of a day when peace and the productive activities of peace shall reign on every continent".

In these moving words may be discerned the fundamental objectives of American foreign policy. That policy is an expression of the will that our nation remain at peace, and of the hope that peace, which has been broken on other continents, will be restored, and that conditions will be realized soon through which the productive activities of peace in science and learning, in art and letters, in international commerce and trade, can be resumed between nations.

Never so much as now has there been need for mankind to realize that it is the part of wisdom for nations to live as good neighbors in an ordered world.

In the critical years which preceded the actual outbreak of war in Europe, the American Government consistently, and not without some measure of success, placed the weight of its moral influence behind the cause of peace. Time after time, the voices of the President and the Secretary of State were raised in appeals for calm, objective consideration of troublesome problems which divided some nations and for use of reason instead of resort to force in the solution of international controversies. Time and again, spokesmen for our people called upon the responsible leaders of other countries to pause and reflect what war would mean in terms of human suffering and of menace to the modern civilization. Repeatedly these spokesmen emphasized the importance of observing fundamental moralities as rules of conduct between nations as, in most parts of the world, they govern the relationships between man and man.

Outstanding among the various statements of the principles which we firmly believe to be essential to orderly international relations was the comprehensive statement issued on July 16, 1937 by the Secretary of State. That statement dealt not only with the political but also with the economic phases of international relationships. At this moment I shall limit myself to a brief summarizing of the general political principles on which Secretary Hull laid stress. I shall speak later of the economic principles involved.

Secretary Hull said that this country constantly and consistently advocates maintenance of peace, exercise of national and international self-restraint, and abstention by all nations from the use of force in pursuit of policy and from interference in the internal affairs of other nations. He reaffirmed this country's advocacy of adjustment of problems in international relations by processes of peaceful negotiation and agreement, our advocacy of faithful observance of the principle of the sanctity of treaties, and our belief in such modification of treaties as may from time to time be required by orderly processes.

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In view of events which were then taking place in the Far East and of the successive aggressions that have taken place in Europe in the two and one half years since then, especially significant were these words: "We believe in respect by all nations for the rights of others ..."

It is a source of most profound regret that these principles to which so many governments promptly expressed their adherence have not been universally applied in practice and that widespread hostilities have become, unhappily, facts.

In surveying the fundamentals of this country's foreign policy let us note, first of all, the substantial and encouraging results it has produced in our relations with other American Republics. In 1933, at the Montevideo Conference, we signed with 19 other American states a convention which contained, among other important provisions, a condemnation of intervention in the internal or external affairs of other nations. In 1934, we abrogated the Platt Amendment and thereby voluntarily renounced our right of intervention in Cuba. In 1934, we withdrew our marines from Haiti and gave our adherence to the Argentine Anti-War Pact. In 1935, we participated with five other American Republics in successfully mediating the Chaco war between Bolivia and Paraguay and during the next few years we assisted in the negotiations which culminated in 1938 in the signing of a definitive peace treaty. In 1936, we suggested the convocation of the Inter-American Conference for the Maintenance of Peace which was held at Buenos Aires and which resulted in the establishment of means for consultation in case the peace of the Western Hemisphere were threatened. In 1937, we extended our good offices, in conjunction with other American Republics, to Honduras and Nicaragua with reference to a boundary dispute and to Haiti and the Dominican Republic with reference to a dispute resulting from the deaths of Haitian citizens in the Dominican Republic. In 1938, we participated in the Eighth Inter-American Conference, held at Lima, which so signally reaffirmed the continental solidarity of the American Republics. Finally, in the recent Panama meeting, to which I shall refer again, this country actively participated in the successful consultation by the republics of this hemisphere with regard to the serious problems, affecting their mutual interests, that had arisen as a result of the outbreak of war in Europe.

I cite these illustrations of specific recent steps in the execution of the Good Neighbor policy as indicating the steady growth of confidence between our country and its southern neighbors. This course of action has brought rich rewards to all concerned. In these days of national animosities and open warfare, it is an achievement of which the nation may justly feel proud.

With the outbreak of war in Europe, your Government has been faced with many inescapable problems. When war makes its appearance anywhere in the modern world, the safety and security of all countries everywhere, including our own, are endangered. Perhaps no other people desires

more that does our people to avoid entanglements and conflicts--an attitude strongly counseled by our forefathers. Perhaps no other government is more acutely conscious than is ours of the desire of its people to be spared the horrors of armed conflict. It is not enough, however, for our Government to give verbal expression to the desire of the American people for security and peace; our Government must face the actualities of a menacing situation and must act to ensure our security and to safeguard the various rights and interests of our people.

As you well know, when the war broke out, we had on our statute books legislation which had been designed to establish certain rules governing the conduct of the Government and the people in the face of unpredictable events. Among these were the arms embargo provisions of the law which were potentially dangerous, in as much as it was impossible to tell where they might lead us in unforeseen circumstances. Accordingly, the Administration invited Congress to resume a reconsideration of this question begun last summer and to devise new legislation, designed to go as far as legislation can toward keeping our United States from becoming involved in conflict.

The Congress, I am happy to be able to say, attacked the problem in a truly realistic and far-sighted manner. It has modified our neutrality legislation so that no longer is there an artificial distinction between the sale of finished articles, on the one hand, and of the raw materials and foodstuffs, which are likewise sinews of war, on the other; so that American vessels cannot become exposed to perils resulting from military operations and from various controls established by the belligerents; and so that our goods can still be exported but not under conditions which would involve dangerous risks for the country and people of their origin.

I am confidently of the opinion that by this action of our Congress the possibility of this country's being drawn into this war is immeasurably decreased; more, that there is virtually no chance of the United States becoming involved unless we are challenged beyond endurance by overt acts of violence directed against us by a warring government.

Pursuant to the new legislation, the President has proclaimed as a combat area, into which American vessels and American citizens may not legally enter, the waters adjacent to belligerent European territory. The President has also issued a proclamation under Section 1 of the new statute naming the states involved in war, thus bringing into effect, among others, those provisions of the statute which forbid American vessels to carry passengers or materials to certain belligerent ports, which require the transfer of title to exports shipped to such ports; and which prohibit the granting of loans or credits for belligerent governments. He has, further, issued a proclamation restricting the use of American ports or territorial waters by submarines of the belligerent powers. The Secretary of State, by virtue of authority vested in him by the President's proclamations or by special provisions in the

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Act, has issued various regulations which define in detail those transactions which are not affected by the transfer of title provisions, which prescribe certain exceptions as to entrance of American citizens or vessels into the designated combat area and as to travel by American citizens on belligerent vessels, which deal with arms necessary for the preservation of discipline on American vessels, and which govern solicitation and collection of contributions for use in the belligerent nations.

Another objective of the Administration from the moment war broke out has been to devise, with the Governments of the other American Republics, measures which would safeguard our--and their--neutral position, would lessen mutually the economic dislocations in the Western Hemisphere resulting from the European war, and would assure the maintenance of peace in this Hemisphere. A consultative meeting took place at Panama, at which the United States was represented by the Honorable Sumner Welles, the Under Secretary of State. Mr. Welles has asked me to convey to you his sincere regret that he is unable to be present here tonight. The declarations which issued from the consultation at Panama, among other things, stated the unanimous intention of the twenty-one Republics not to become involved in the European conflict; laid down the rules of conduct which these Republics proposed to follow in order to maintain their neutrality and to insure that their rights as neutrals are respected; and provided for the creation of an Inter-American Financial and Economic Advisory Committee which will consider the most practical means of obtaining stability of the monetary and commercial relationships between the American Republics in accordance with those liberal principles of international trade which have been accepted generally among the American nations and which should again serve as the basis for expanded world trade when order and peace have been restored.

War is chaos. Reconstruction after a great war, as we have clearly seen in our time, is a stupendous task. In no field is the task more difficult and more fraught with obstacles than in the field of economic relations. Narrow nationalisms create obstacles to that normal and healthy trade which alone enables all peoples to make full use of the world's natural resources and to benefit to the full from scientific discoveries and technical progress. Dislocations have to be repaired and maladjustments have to be corrected. International trade has to be restored to its normal channels and purchasing power within and among nations has to be set free.

After the last great war the governments of the world failed to recognize some of the fundamental conditions of recovery and embarked on policies which, by failing to prevent economic warfare, contributed materially to those economic maladjustments that have marked the post-war period with its recurring economic crises and its increasingly frequent outbursts of violent aggression.

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Today, in consequence of the outbreak of the present war in Europe, we are faced by two sets of economic problems. In the first place there is the problem of our general economic relationships with nations during the course of the war itself. In the second place, thought must be given to the conditions which will arise upon the termination of the war when the period of reconstruction begins.

During the period of hostilities, we shall have special problems arising from our trade with belligerents and more general problems with respect to our economic relations with neutral nations. In dealing with the belligerents it is our intention to be truly neutral, that is to trade in all commodities with both sides within such limitations as may derive from our desire to eliminate or reduce danger to our nationals, our goods and our ships, and the legitimate limitations which may be imposed by the belligerents themselves in strict accordance with the rules of war. In dealing with non-belligerent nations we shall seek to maintain our economic relationships on a basis as nearly normal as possible. In dealing with certain neutral nations of Europe we shall have to avoid imprudent risks, but every effort will be made to keep the trade channels reasonably open. So much for the immediate problem which, we all realize, has many complex angles and will require at all times the most delicate handling.

Looking to the future, when the hostilities come to an end, we must draw wisdom from study of the errors of the past and must cooperate with other countries in a determined effort toward a sound and healthy reconstruction of international economic relationships. We must help to restore trade relations on a rational basis of non-discriminatory treatment, following the course outlined by our trade agreements program--which despite vast obstacles has achieved substantial results and has demonstrated to all countries a universally applicable and practical means of freeing trade from the restrictions that have all but strangled it in recent years. Only thus may free enterprise in all nations have full opportunity to foster an enriching interchange of the products of the world's diverse skills and variegated natural resources. In short, we must be prepared, by assisting in the promotion of healthy economic relationships at home and abroad, to play our part toward creating and maintaining a more stable basis for peace.

As Secretary Hull has said: "There is no more dangerous cause of war than economic distress, and no more potent factor in creating such distress than stagnation and paralysis in the field of international commerce". It must be our constant aim, when peace is restored, to bring about an adequate trade revival, which will raise the standard of living of peoples throughout the world and ease political tensions.

Our most earnest desire is to see such international relationships established and conducted that peace will be

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the natural and normal condition among nations. The problem of establishing conditions which will assure a satisfactory peace everywhere will have to be attacked in a comprehensive manner, not only from the angle of economic stabilization, to which I have already referred, but from the angles of political adjustment as well. These problems are inter-dependent and closely integrated.

Only twenty years ago, statesmen representing the nations of the earth sat down together at the end of the preceding great cataclysm to prepare the way for an enduring peace. There was hope then of the emergence of a more enlightened civilization and a new world order. International justice and fair dealing were to be the guiding principles. We know only too well that what was hoped for was never realized. We know, too, that since that day international relationships have deteriorated: such depths were reached that brutality and appeals to force have become commonplace. It is our sincere hope that the next peace conference will function to better effect, will approach its problems with as little passion and prejudice as is humanly possible, and will give adequate consideration to the true interests of the whole human race.

As regards the Far East, it will be recalled that, in 1921, the nine powers having the greatest interest in the Far Eastern problems, including the United States, met at Washington, and, after months of discussion, in which many concessions were mutually made as contributions to a general agreement, treaties were signed (and were subsequently ratified) which provided for the regulation of the situation in the Pacific and the Far East in such manner as to diminish existing friction and to guard against recurrence of serious issues in subsequent years.

In recent years, these treaties have become vitally affected by the unfortunate developments that have occurred in the Far East. Our Government stands on the objectives, the spirit and the provisions of these treaties. This does not mean, however, that we are not disposed to discuss with all the nations having interests in the Far East reasonable proposals which may be advanced for sympathetic and intelligent reconsideration of the situation in that region of the world. We hold, however, that any revision which may take place must be achieved by due processes of international law, in accordance with treaty provisions, and with due consideration for American rights and interests, rather than by unilateral action on the part of any one power.

There are some in this country who suggest a moratorium for the established principles of our foreign policy until the kaleidoscope of the modern world has come to rest. New groupings abroad, they say, call or may call for changes in our own policy. To these I say with conviction that no arrangements between other nations can cause the people of this country to abandon the principles to which we have been committed by instinct and by tradition from the earliest days of our national existence; that our Government cannot and must not admit the right of any country

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arbitrarily to disregard the rights by law and by treaty of this country and its citizens; and that no changed groupings of foreign countries will cause this country to desist from its advocacy of orderly processes in international relationships.

Finally, there is another essential problem with which the United States is vitally concerned, namely, the problem of limitation of armaments. This country cannot afford; no nation, however wealthy in natural resources and in its mastery of productive efficiency, can afford indefinitely to devote large portions of its substance to the piling up of sterile armaments. At the same time we cannot afford; no nation can afford, while some powerful nations continue to arm heavily, to permit its measures of defense to lag behind. Our country no less than others has, therefore, a vital interest in furthering by all appropriate means a world order in which armaments can be reduced to reasonable levels.

It must be clear that limitation of armaments should be a potent factor in restoring confidence and eliminating international mistrust when peace is made. It must, however, be equally clear that there can be expected no real disarmament until the basic factors of political and economic discord between nations have been remedied.

In conclusion, may I summarize briefly what I regard as the cardinal points of our American foreign policy at the close of this year, 1939:

(1) It is the earnest desire of our Government to remain at peace;

(2) It is our hope that peace will be restored on other continents;

(3) While war is in progress we are determined, in collaboration with the other Governments, to keep the Western Hemisphere neutral and free of warlike activities and to give in our relations with the other American Republics practical effect, no less than in peace-time, to the Good Neighbor Policy;

(4) Where, and when, practicable we shall seek to promote a sound and healthy reconstruction of international economic relationships;

(5) With strict regard to American interests, we shall seek to assist, by every practicable means, in the establishment of conditions which will assure stable peace;

(6) We stand ready to discuss with other nations having interests in the Far East, in accordance with treaty provisions and by due processes of international law, the situation in that part of the world;

(7) We are ready to discuss with other nations the problem of limitation of armaments by international agreement.

In a word, we urge a return to liberal international practices and to those standards of justice, fair dealing, good faith, and order under law which offer the only reliable foundations for enduring peace among nations, and we are prepared to assist toward return to and improvement of such practices and standards.

And now, if I may, I should like to say a few words about the peculiar significance of all this for the great New England region. History and tradition have made an interest in international affairs part and parcel of the life and development of the New England states. For many generations, the Yankee ships sailing from your ports were familiar to the Seven Seas. From their daring enterprise, you have drawn much of the wealth that made you great, and a potent factor in the progress of the entire nation. With the growth of manufacturing industry, the products of your initiative and skill have made New England known and appreciated, not only in our own developing country, but in the whole world.

International trade and commerce are an integral part of the relations among nations. To your region, therefore, as much as to any other region of our country--and more than to many others--the question of war and peace, the question of the kind of world we live in, the question of the expansion or curtailment of the productive activities of peace in international relations are of vital and intimate concern. That is why, in speaking before such an audience as yours, I have sought to canvass all outstanding phases of our country's foreign policy, for in the formulation and carrying out of that policy New England has aprofound and abiding interest.

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Just a word, before I finish, about one particular aspect of that policy. The trade-agreements program, which is an important cornerstone of our foreign policy, has an immediate bearing on the life and development of the New England states. Your industries are vital to the well-being of the nation as a whole. Hence, in making tariff adjustments in the agreements we have negotiated, we have taken the utmost care not to expose to injury any branch of your production--just as we have done this with respect to all other regions of the country. At the same time, we have striven, and striven successfully, to reopen and enlarge foreign markets for your characteristic products.

The producers of various types of industrial machinery in Connecticut, Massachusetts and New Hampshire have benefited by trade concessions obtained in 14 agreements. The producers of electrical machinery in Massachusetts, Rhode Island and Connecticut have secured better markets in 16 countries. Connecticut's typewriter manufacturing industry has better markets in 15 countries. The producers of machine tools in Vermont and Connecticut profit by concessions obtained from 5 countries. The rubber products industry in Rhode Island and Massachusetts is better off because of concessions obtained from 19 countries.

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Better markets have been secured in 8 countries for the paper and allied products industry of Maine and of the other New England states engaged in the manufacture of such products. New England's famous textile industry and her manufacturers of leather products have been benefited by concessions in a large number of countries.

These are a few outstanding examples. I could multiply them if time permitted. I could go into the problem of the expansion of our domestic market for American products resulting from the business improvement attendant upon increased exports. All these benefits to the nation as a whole and to every region of the country have been amply demonstrated by the experience of recent years.

Whether viewed from a national or a regional point of view, a policy of peace, resting upon a vigorous promotion of healthy international economic relations, is one in which a region like yours has a vital stake.