



**Max Paul Friedman, “There Goes the Neighborhood: Blacklisting Germans in Latin America and the Evanescence of the Good Neighbor Policy,” *Diplomatic History*, Volume 27, Issue 4 (September 2003): 569-597.**

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Friedman’s article pursues two goals. First, it introduces the Black Lists, a so far overlooked important aspect of World War II economic warfare, into the historiography of U.S.-Latin American relations. Second, motivated by the findings of this research, the article asks for a reexamination of the Good Neighbor period. Friedman argues that the architects of the Good Neighbor Policy violated their own word, as stated in the agreements of the Buenos Aires Conference. The article concludes that the Good Neighbor Policy “this exceptional period upon which we look with nostalgia as a golden age in hemispheric relations was actually much more of a piece with traditional U.S. behavior that goes back to the Monroe Doctrine and forward to the present day” (568). This is an enticing statement that, if backed by the appropriate sources would constitute a major revision of scholarship.

The article starts with an overview of literature about the German threat, focusing on many secondary sources. It cites the German and American monographs that say there hardly was a threat and does not even try to engage the hundreds of books that showed the opposite. British, Spanish or Japanese works are not included. It does not take a fresh look at the now available primary sources that deal with the threat issue. Was the 1930s, the Good Neighbor era in U.S. foreign policy, about U.S. capitalist greed as the article argues, and not the Nazi threat? Was it really a battle over markets for profit between the United States and Nazi Germany? Current scholarship agrees that it was about the destruction of the international system that Versailles had created and the battle over its replacement. Major contenders were communist internationalism, the Stalin’s Soviet Union, a backward looking corporate Vatican and its Catholicism and a racial or fascist state where economic activity was uncoupled from the profit motive. In those states money was used to fund Germanic and Japanese exclusive racial zones where horrid social and genetic reconstructions took place. It was a global event and Latin America played a critical part in it on a variety of levels.

The article’s main argument is inspired by Hans Juergen Schroeder’s work from the 1970s. Schroeder originated the idea that economic rivalry was key to the understanding of U.S.-German relations in Latin America and Europe’s Southeast after 1933.<sup>1</sup> Detlef Junker contributed by looking at world market struggles between Germany and the United States.<sup>2</sup>

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<sup>1</sup> Hans Juergen Schroeder, *Deutschland und die Vereinigten Staaten 1933-1939, Wirtschaft und Politik in der Entwicklung des Deutschamerikanischen Gegensatzes*, Wiener: F. Steiner, 1970. (Translated Title: *Germany and the United States 1933-1939: Economy and Politics in the Development of Opposing German - U.S. Positions*).

<sup>2</sup> Detlef Junker, *Der Unteilbare Weltmarkt: Das oekonomische Interesse in der Aussenpolitik der USA 1933-1941*, Stuttgart: Klett, 1975. (Translated Title: *An Undivided World Market: the economic interest in the foreign policy of the U.S. 1933-1941*).

A closer look at Schroeder's sources, reveal a sufficient but still very selective source base, often a reliance on statements about economic activity and a little bit political economy, but not independent economic analysis. Recent books about British foreign economic relations toward Nazi Germany and the United States but also the Morgenthau papers give abundant evidence that the Allied powers bent over backwards to keep Nazi Germany a capitalist trading power in the 1930s. Rather than eliminating their economic competition a steady stream of economic emissaries tried to entice German policy makers to come back to the practice of capitalist trading methods. Nazi political leadership rejected these overtures over and over again. Then it dawned on U.S. policy makers and consuls in the field that the German talk about trade was just a pretext to win time for rearmament. De facto capitalist rivalry had never taken place, and economic warfare was on long before a first shot was fired.

German economic activity in Latin America was not trade for trade's sake during this period. There was no German trade offensive, only a deceptive campaign to use trade as a pretext to earn foreign currency for militaristic state goals, but less and less private profit. It is hard to believe, but Nazi economic policy had destroyed independent ethnic German independent trade by the end of 1934, while it maintained its capitalist facade. Records of German trade diplomats from this period no longer correctly reflect what was going on. In a way many of them tried to save the Nazis from themselves by plunging into a more traditional imperial export offensive, only to be disregarded by Berlin. German diplomats in Latin America tried to start a trade rivalry only to be brushed aside by Goering and his economic support effort for war and racial reconstruction.

The article is surprisingly quiet about the German legacy of World War I. Records show that already in World War I, the German Naval Intelligence had used sophisticated economic disintegration and disinformation techniques inside Latin America and the United States to disrupt and weaken the line of supply of the Allied powers. German Americans were a key tool in this 1916 effort. Now scholarship about the 1920s has shown that German ethnic disintegration work lived on at least in Europe. U.S. foreign policy at that time was too noble to address the issue aggressively. It turned out to be a big mistake.

During World War II many of these methods were used again, plus new ones, sometime by the same people who participated in World War I. In World War I, most German-Americans were not informed by the Emperor's government that they had been instrumentalized in a way that had not been their choosing, nor had it been in their personal interest. Even the Weimar Republic camouflaged aggressive ethnic policy. Why should the Third Reich instruct ethnic citizens in North and South America how it was using them?

The fact is that Nazi policy did use ethnic disintegration work in every territorial conquest in Europe. So did Japan in mainland Asia. De Jong's book about the Fifth Column did not debunk the Fifth Column myth, as Friedman states (571), rather he cautioned readers not to rush to judgment and to wait until more documents allow a reevaluation.<sup>3</sup> Today they are available, but the article does not use them to evaluate changes in the Good Neighbor policy. Instead of focusing on confusing ups and downs from 1936 to 1941, the article jumps to statements by U.S. policy makers from 1942. By then half the world was fascist. Not until the 1960's missile crisis and 9/11 would there be greater peril to the U.S. mainland.

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<sup>3</sup> L de Jong, *The German Fifth Column in the Second World War*. Chicago: Univ. of Chicago Press, 1956

Next we learn basic facts about the creation of the Black lists. But the lists are not interpreted in the context of Hitler's conquest of Europe and much of Asia by Japan. The use of neutral countries, the role of Spain and Argentina, is not considered.

The primary source base for this history does offers new important voices and genuine new insights into intra agency debates of the U.S. administration. Unfortunately, the same source base is too limited to interpret fifteen years of Good Neighbor policy. For this purpose it is ethnocentric and unbalanced as it uses 80 percent U.S. sources. Most of them are from the obvious RG 59 and the Roosevelt Presidential Archive. Embassy Post records from RG 80 are not considered at all. U.S. Intelligence sources cited are often intelligence digests, but not field reports or embassy submissions. Even though this paper is supposed to be about economics, financial records, currency studies, economic journals, and books about British financial as well as Japanese economic methods as part of the war do not show up at all. One could almost believe there was an isolationist Western Hemisphere not a global war. It is delightful to see a few sources also from the Archivo Historico de Quito and the Colombian Ministry of Foreign Relations. As far as Latin America and German ethnic communities is concerned, Ecuador and Colombia were not representative for the ethnic German communities in Brazil, Argentina and Chile, not even significant. The article thanks the political archive of the German Foreign Ministry, but cites not even a handful of German primary sources.

Instead, the power of argument in this article is generated by the negative feelings that linger after reading the offensive statements by leading U.S. policy makers and the painful outcry of local people in South America. At first, these extreme statements incense because of their aggressiveness. At second view, it becomes apparent that most of them are from the period between January and May 1942, the most uncertain, most extreme period of the war. It was right after Pearl Harbor when total war became reality not peacetime economic warfare tit for tat!

When U.S. policy voices are considered they are used without historical context. On page 577 a document from January 13, 1942 is described as "a normal contemporary report." January 13 was four weeks after Pearl Harbor, not a normal period. When a U.S. voice argues for the "commercial and financial annihilation" of the Axis powers this rage turns out to be from January 2, 1942 (p.587) More important, one should not stretch these two statements backward and apply them to 1936. It is a tarnish with a thin brush counting only two hairs. An instructive misplaced use of sources are the cited oral history interviews. The author deserves praise for going to the horse's mouth, asking ethnic Germans in Latin America how they saw their reality change for the worse, due to Allied policy. Of course, as he showed, most had no bad intentions and could not relate to the economic madness pushed onto them by Berlin's actions. But the expression of their anger and pain over being a victim of great power struggles, does not justify to put reflexive blame on United States policy makers, nor does it vindicate ethnic Germans from playing an often involuntary part in their all out fight against economic and political liberalism. German ethnic communities in Latin America were full of victims but also a surprising number of perpetrators. Periods of war are not seminars in constitutional rights.

The article never puts the anger and power of these statements into any chronological context. Instead they stand there as some abusive hegemonic discourse. A little bit more critical source analysis would have gone a long way. Even better, if these documents would have been compared with internal German or Japanese documents about aggressive currency and trade policy in ethnic

settings abroad, the U.S. policy makers profound dilemma and Catch-22 would have become apparent. They do exist, but they are not considered here.

The last part of the article is a fascinating collection of Latin American voices condemning U.S. policy. Most are outraged voices from Colombia and Ecuador and personal anguished statements from ethnic Germans. The author describes how much the Black Lists destroyed local and regional economies inside Latin American economies after 1942. Of course, this is correct. And yet they were a blunt tool, designed for global reach that tried to cover all bases at a time when World War II was almost lost, not a business support program with sector specific back up devices.

Throughout the article there exists the feeling that the Good Neighbor Policy was supposed to have remained unchanged. Is there something wrong with the change in the Good Neighbor Policy? Was change a sign of defeat or economic conspiracy? World War II, this most complex historical event of the 20th century changed many policies in many countries. It is unfair and naïve to assume that Good Neighbor statements and signatures from 1933 should not change in response to the ups and downs of this cataclysmic process. German, Japanese, Catholic and Soviet policy adjusted during this time whenever it was necessary. Latin American leaders signed papers at conferences between 1933 and 1940 and violated them the same day, if necessary. Course changes in the Good Neighbor policy were not signs of deception, cunning or mal-intent, but reaction to the fascist menace in its many forms and British economic policy.

The suggestions that this all boils down to a simple market battle is a trivialization of an event so open ended that only a historian might have the hubris not to see the outrageousness of creating a logical narrative chain from the omniscient narrator perspective. 1933-1945 was not a history seminar where people took turns speaking and acting. Diplomacy and treaty signing was and is not an end in itself, but a tool.

The debate about unilateralism seems to be a little bit beside the point, as after 1900 no country could remain an island any longer. After 1900, historians continued to pretend that countries are like people with separate bodies, sometimes connected, sometimes not. But Brazilian and Peruvian leaders certainly wished U.S. involvement in the 1930s in their domestic financial affairs, while they rejected military intervention. They were eager to experience the involvement of private U.S. airlines and hoped for U.S. tourists. They were content to work with the U.S. naval attaché.

In the end, the article remains an excellent introduction to the issues around the Black list. Friedman closes an important gap and provides a window in the desperation of 1942. But the article does not provide any compelling evidence to reinterpret the Good Neighbor period, nor why 1936 was the same as 1821 or today.

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