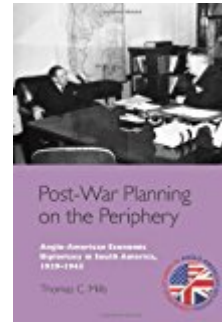




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Factions and Frenemies: Anglo-American Wartime Diplomacy in South America

The so-called special relationship between the United States and Great Britain was first labeled as such by Winston Churchill in his 1946 Iron Curtain speech delivered in Fulton, Missouri, on the heels of World War II. Most scholars portray this relationship as one of remarkable rapport in economic, political, and cultural realms, particularly within the context of world affairs in the twentieth century. And while that diplomatic fellowship certainly has a long history—dating back to the nineteenth century—the collaboration between the two major powers reached new heights during the last half of the twentieth century against the backdrop of the Cold War. What seems clear both from Churchill’s declaration and from the body of scholarship on Anglo-American relations that has emerged since then is that U.S.-British diplomacy reached new levels of closeness during the Second World War and that era helped to define the trajectory of the “special relationship” in subsequent decades.

Post-War Planning on the Periphery: Anglo-American Economic Diplomacy in South America, 1939-1945 by Thomas C. Mills engages in the existing scholarly discussion of the nature of the special relationship between

the United States and Great Britain and opens new avenues for considering both the origin and the nature of economic relations between the two global power in the latter half of the twentieth century. Based on the author’s 2009 PhD dissertation at Brunel University, this recent monograph on Anglo-American diplomacy complicates our understanding of the special relationship on several levels. First, Mills considers the dynamic of U.S.-British economic relations within the context of each nation’s commercial and trade activities in South America. In that region, Mills demonstrates that economic diplomacy between the United States and Great Britain was rife with tension and rivalry even as the two nations collaborated closely in World War II. Mills offers a nuanced interpretation of Anglo-American relations that allows him to reconsider existing scholarly assumptions about that relationship. Specifically, he argues that economic diplomacy in South America did not follow the traditional pattern established in other areas of the world, where U.S. leaders advocated multilateralism and equal access to markets and raw materials while British leaders preferred to maintain the closed trade system that had emerged in the interwar years. Instead, in South Amer-

ica the British took the lead in pushing for multilateralism and open trade policies while the administration of Franklin Roosevelt sought to establish a higher degree of economic exclusivity. Mills's focus on South America is another contribution to existing interpretations of diplomatic history. Mills labels Latin America a previously neglected region—an assertion that bears weight both in terms of policy discussions during World War II and in the historical literature that has since emerged. His study of Anglo-American economic diplomacy in South America is certainly an addition to the existing scholarship that will be welcomed by diplomatic historians and Latin Americanists alike.

Mills organizes his study chronologically, with a preliminary chapter outlining the background of U.S.-British relations throughout the nineteenth century and early decades of the twentieth century. He also provides the historical context of the two powers' economic activities in South America leading up to the outbreak of World War II. While this section does not offer new information, it does provide a concise synthesis of the historical trends that guided U.S. and British economic policy in Latin America over the course of nearly a century and a half. Mills points out that the British were long interested in establishing a commercial stronghold in South America even prior to the Wars for Independence of the early nineteenth century that resulted in South American nations breaking away from European colonial rule. And while U.S. leaders declared the Monroe Doctrine in 1823 to establish a preference for U.S. rather than European supremacy in Latin America, the development of trade networks in South America played out quite differently. While the United States devoted resources and attention to developing its own western frontier throughout the nineteenth century, British interests began investing in transportation, banking, utilities, mining, and other industries in South America—particularly in Brazil, Chile, and Argentina. It was not until the end of the century that U.S. political and business leaders began prioritizing expansion into Latin America. The economic depression that hit the United States in the 1890s, combined with the so-called closing of the frontier, compelled those leaders to begin turning their attention outward and Latin America's proximity made that region a logical focus. Mills asserts that U.S. efforts to extend its economic influence in Latin America were most successful in Central America and the Caribbean, and in the early twentieth century the British advantage in South America remained. It was not until the global trade disruptions during and after World War I that U.S. influence in South America managed to

grow in a meaningful way. During the worldwide economic depression of the 1930s Germany began making significant inroads into the South America market while U.S. leaders aimed to cultivate goodwill through reciprocal trade agreements. As a result, British interests had taken a backseat to U.S. interests in most South American nations by the time World War II started in 1939.

Subsequent chapters are organized according to the debates and negotiations over South American trade that unfolded between U.S. and British leaders after the war began. Chapter titles indicate the themes that dominated those debates, and date ranges are conveniently provided in parenthesis to assist the reader in following the chronology. The first two years of the war were dominated by U.S. criticisms of British trade practices in South America and British attempts to address those criticisms. Tensions between the two powers during this period were largely tied to the establishment of blacklists. The U.S. and British governments both created lists of Latin American companies with suspected ties to Nazi Germany and cut off trade with those companies. Other criticisms surfaced over stipulations in the Lend-Lease aid package granted by the United States to the British. In both instances the British attempted to quell critics by acceding to U.S. blacklist demands and by curbing exports of some materials to South America. By 1941 British exports to South America had fallen and while Mills acknowledges that it is difficult to tie this trend directly to U.S. criticisms, the decline is indeed significant and indicates the tendency of British leaders to make concessions at a time when U.S. cooperation was deemed vital.

As the war progressed and particularly after the United States formally entered the war, British diplomatic officials became increasingly suspicious of U.S. intentions in devising trade policies in South America. British officials sought to use the new wartime partnership as a springboard for more collaborative economic policies in South America. But unilateral moves in Latin America by U.S. policymakers fed British concerns that U.S. leaders intended to exclude the British from full economic participation in Latin America during and after the war. British officials, attempting to engage their U.S. counterparts in dialogue about a full and equal partnership in South American trade, were often met with equivocation and avoidance by U.S. diplomatic leaders. British concerns intensified as U.S. delegates to the 1942 inter-American conference in Rio de Janeiro pushed for greater economic solidarity in the Western Hemisphere. Through his analysis of various episodes of conflict and dissension between U.S. and British diplo-

mats, Mills concludes that factions within the Roosevelt administration supported divergent and often contradictory agendas with respect to Latin American trade relations. Internationalists within the administration were often impeded by Latin Americanists within the State Department who promoted a type of “economic Monroe Doctrine” and by officials within temporary government agencies who were unconcerned with supporting British multilateralism after the war. Leading the charge for the former was Sumner Welles, who served as undersecretary of state and became one of Franklin Roosevelt’s principal advisors on Latin American affairs. Nelson Rockefeller and the Office of the Coordinator of Inter-American affairs epitomize the latter. Mills also includes valuable insight into the influence brought to bear by U.S. businesses interests in promoting the supremacy of U.S. trade in Latin America during and after the war.

By the end of the war, British leaders were exerting increasing pressure on the Roosevelt administration to accommodate multilateralism in Latin American trade by calling for a “self-denying ordinance.” British leaders sought an agreement whereby neither the United States nor Great Britain would pursue a trade advantage in Latin America at the expense of the other. They insisted that only such an arrangement would ensure a stable economic world order in the postwar era. And while U.S. officials were agreeable to the concept of a self-denying ordinance in theory, the realities of U.S. diplomatic bureaucracy and new diplomatic developments in South America—such as the efforts to compel Argentina to join the Allied powers—prevented such an agreement from taking shape. Mills uses the case study of the electrification of the Central Brazilian Railway to illustrate these developments. While U.S. and British diplomatic leaders pledged to support the notion of a self-denying ordinance as early as 1943, State Department officials worked quietly behind the scenes to ensure that the lucrative contract for the major infrastructure project went to a U.S. firm at the expense of British economic interests. Such developments quite late in the war indicate that U.S. economic diplomacy in South America deviated significantly from the pattern of multilateralism that seemed to define U.S. trade policies. Ultimately Mills explains this phenomenon as the result of competing factions within the Roosevelt administration. Thus, the book is as much a study of various historical characters within U.S. wartime government as it is an assessment of diplomatic trends.

Mills has produced a quality piece of scholarship and

a valuable contribution to the scholarly discussion of Anglo-American relations during World War II. While the book should be commended for its strengths, some areas for possible improvement should be noted. Mills refers to economic policy in South America in general, but he tends to limit his discussion to Brazil and Argentina—a fact he acknowledges in the book’s introduction. He explains this tendency by pointing out that U.S. and British diplomatic leaders focused their attention primarily on these two countries, largely because these were the two largest economies in South America during World War II and because by the 1940s, Great Britain retained its economic influence primarily in these two countries. But Mills is also quick to assert that economic competition between the United States and Great Britain in Argentina and Brazil largely “shaped the policies of both countries towards the region as a whole” (p. 26). Given that assertion, Mills would be well served to incorporate a more thorough compendium of U.S. and British attitudes toward the rest of Latin America. Additionally, Mills dismisses Central America and the Caribbean (one presumes that he includes Mexico under these labels) as areas the British had essentially surrendered to U.S. influence. But this reviewer would like to propose that the central argument of his study—the question of multilateralism versus closed trade policies—makes these regions equally important. Mills’s argument could have been strengthened if he had considered policy discussions toward Latin America more broadly. Furthermore, his research—while impressively thorough in terms of U.S. and British sources—omits any archival or scholarly sources from South America. The author addresses the perils of portraying Latin America as passive minion within the larger scene of diplomatic negotiations between two major powers when presenting the geographic scope of his study. The voices of Latin American “actors” appear from time to time in the book, but always through the filter of U.S. and British diplomatic records. This reviewer would suggest that South American archives and scholarly studies would enhance what is already a very strong study by providing additional Latin American perspectives.

These suggestions for improvement should not detract from the contributions this study makes to the field of diplomatic history in general and Anglo-American relations in particular. Indeed, Mills has successfully opened many avenues for future research into the diplomatic networks that operated during World War II.

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