

# United States Depression Diplomacy and the Brazilian Revolution, 1893-1894

WALTER LAFEBER\*

THE PANIC OF 1893, which soon turned into a full scale depression, had many well-known effects on the American domestic scene. Less well known is the influence it exerted on the making of American foreign policy during the second Cleveland Administration. Secretary of State Walter Quintin Gresham had learned from his service as a Federal Judge to fear economic depressions, for he knew that they led to bitter labor-capital relations. He saw in the business decline which followed the 1893 panic "symptoms of revolution."<sup>1</sup> Gresham was able to use his position as formulator of American foreign policy to combat these symptoms.

The Brazilian Revolution, which broke out in September, 1893, became one of the new Secretary's most difficult problems. Though it has since faded in importance in American diplomatic history, at the time this rebellion was front page news. Mrs. Gresham later recalled in the biography of her husband that "we heard much about it at the time," and "almost daily the Brazilian minister, Salvador de Mendonça called at our apartments."<sup>2</sup> The United States was particularly interested in the Brazilian situation because it had signed a reciprocity agreement with the newly-formed Brazilian Republic on February 5, 1891. This agreement became "the most important application of reciprocity which actually took place under the McKinley tariff."<sup>3</sup> The treaty had, however, received a bad recep-

\* The author is a member of the history department in Cornell University.

<sup>1</sup> Walter Quintin Gresham to Wayne MacVeagh, May 7, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress, Washington, D. C. The author is indebted to Dr. Fred H. Harrington, Vice-President of the University of Wisconsin, for his searching criticism of this paper. The interpretations, of course, are the author's.

<sup>2</sup> Matilda Gresham, *The Life of Walter Quintin Gresham, 1832-1895* (Chicago, 1919), II, 777. A Brazilian account of the rebellion's outbreak is in João Pandiá Calógeras, *A History of Brazil*, trans. and ed. Percy Alvin Martin (Chapel Hill, 1939), pp. 290-291.

<sup>3</sup> James Lawrence Laughlin and H. Parker Willis, *Reciprocity* (New York, 1903), p. 208.

tion in Brazil. Only resolute stands taken by Brazilian presidents, first Deodoro, then Floriano Peixoto, had prevented the Brazilian Congress from killing the bill.<sup>4</sup> The rebellion was led by political enemies of Peixoto, some of whom bitterly opposed him on the issue of this treaty.<sup>5</sup>

Elements of the Brazilian Navy formed the core of the insurgents. Led by Admiral Custodio de Mello, the rebels boarded three war ships and a number of merchant vessels and set siege to the harbor of Rio de Janeiro. Land forces fought pitched battles in southern Brazil, but the rebellion was to be decided in this harbor. Admiral de Mello's strategy was simple: keep as many foreign ships as possible away from the harbor so that the customs houses, upon which the Government largely depended for revenue, would soon become bankrupt. Gresham thus had to do two things. He had to get American ships into the harbor for the double purpose of keeping American trade flowing and strengthening the pro-United States elements in Brazil. Further, he had to withhold belligerent status from de Mello or else the United States would be forced, by declaring a position of legal neutrality, to allow de Mello to blockade the harbor, stop trade, and probably overthrow the Peixoto government. Gresham's trouble was compounded when it appeared that several European nations, especially Great Britain, clandestinely helped the insurgents.

The American Minister to Brazil, Thomas S. Thompson, observed strict neutrality at the outset. He refused to confer with Peixoto,

<sup>4</sup> Lawrence F. Hill, *Diplomatic Relations Between the United States and Brazil* (Durham, N. C., 1932), pp. 265-272.

<sup>5</sup> The best account of the revolution and American participation in it is in Hill, *United States and Brazil*, pp. 265-281. John Bassett Moore, *A Digest of International Law*. . . (Washington, 1906), II, 1113-1120, covers the period from January 11 through February 1, 1894 in detail. Adequate accounts are Charles A. Timm, "The Diplomatic Relations Between the United States and Brazil During the Naval Revolt of 1893," *The Southwestern Political and Social Science Quarterly*, V (September, 1924), 119-138; also Charles E. Martin, *The Policy of the United States as Regards Intervention* (New York, 1921), pp. 118-123. Timm relies on the printed volumes of *United States Foreign Relations*, while Martin uses Moore's *Digest* as his principal reference.

A good Brazilian account is Calógeras, *History of Brazil*, pp. 290-294. Also see Pedro Calmon, *Historia de la civilización brasileña*, traducción del original de Julio E. Payró (Buenos Aires, 1937), pp. 390-392, which considers mostly the fighting on the mainland and neglects foreign participation. Pedro Calmon, *Brasil e America; Historia de Uma Política* (Rio de Janeiro, 1944), p. 79, mentions and gives judgment on American actions during the revolt. A detailed account is Felisbello Freire, *Historia da revolta de 6 de setembro de 1893* (Rio de Janeiro, 1896), pp. 1-186. See also citations in Hill, *United States and Brazil*, pp. 280, 208-313.

None of these accounts, American or Brazilian, attempts to explain the reason for the American policy adopted after January 6, 1894.

but did call for American ships to protect United States commerce and citizens. This was the only time Thompson was neutral throughout the revolution, however, for influenced by the American business interests of Rio, he took a strong pro-Peixoto position. He soon asked United States naval commanders to bring American goods to shore, even if force had to be employed in accomplishing the task.

His requests were based upon instructions from Gresham which arrived on October 11, though Gresham had carefully refrained from mentioning the use of any force.<sup>6</sup> As a result of Thompson's requests, a split ensued between him and the American commander, Admiral George F. Stanton, who disagreed on the use of force to protect American goods.<sup>7</sup> Stanton then overstepped his bounds when he visited de Mello on board an insurgent ship and was promptly recalled.<sup>8</sup>

His replacement, Commander Henry Picking, followed Stanton's policy, splitting with Thompson and with the American Consul General in Rio, William T. Townes, over the attitude to be taken towards the insurgents.<sup>9</sup> Gresham stepped into the breach. On October 25, he refused an insurgent request for belligerent status.<sup>10</sup> This was followed by a statement of policy on November 1. Since there had been no belligerent status accorded, and since there was "no pretense" that Rio was blockaded, Gresham declared that American ships could land their cargo on lighters which could go on into shore, provided that the lighter "in doing so does not cross or otherwise interfere with Mello's line of fire."<sup>11</sup> In this note, Gresham developed the policy which could achieve both of his objectives: he provided for the landing of American goods, but he also maintained at least a semblance of neutrality by saying that the goods should not land if in landing they interfered with the course of the revolt. This loophole was to cause Gresham much trouble. For longer than a month, this policy worked satisfactorily. American vessels had little trouble landing their cargo, though other nations met some difficulty.

<sup>6</sup> Secretary of State Walter Q. Gresham to Minister Thomas S. Thompson, October 11, 1893. The National Archives of the United States (hereafter cited as NA), General Records of the Department of State, Record Group 59 (hereafter only the number will be given), Instructions.

<sup>7</sup> Thompson to Gresham, November 10, 1893. NA, RG 59, Despatches.

<sup>8</sup> Secretary of Navy Hilary Herbert to Admiral George F. Stanton, October 23, 1893. The National Archives of the United States, War Records Division of the Office of Naval Records and Library, Record Group 45 (hereafter only the number will be given), Cipher Messages Sent (1888-1895).

<sup>9</sup> United States Consul General William T. Townes to Commander Henry Picking, November 6, 1893. NA, RG 45, Area 4 file.

<sup>10</sup> Gresham to Thompson, October 25, 1893. NA, RG 59, Instructions.

<sup>11</sup> Gresham to Thompson, November 1, 1893. NA, RG 59, Instructions.

As the goods rolled through the customs houses, de Mello's chances grew dim. By late November he had suffered losses in land skirmishes and had lost prestige.<sup>12</sup>

In general, the American press backed up Gresham's attitude, though it put his policy in more active terms than he had himself. The Springfield *Republican*, the Boston *Daily Advertiser* and the Philadelphia *Recorder* agreed with the New York *Tribune* which stated that the "plain duty of the Cleveland Administration" was to support the existing government and so discourage such "revolutionary outbreaks and political anarchy." The Chicago *Journal* and Omaha *Bee* warned Europeans that if foreign help played a part in attempting to restore the Brazilian Monarchy, then Peixoto "could command both the moral influence and the physical power of this country" for his defense.<sup>13</sup> Several newspapers, however, expressed doubt whether Peixoto was capable of governing the nation. The St. Louis *Globe Democrat* and Baltimore *Herald* believed that the restoration of the Empire might not be a step backward since "a new empire could not in any event be worse for the people than the present military dictatorship has been."<sup>14</sup> At least one newspaper, the Detroit *News*, went further. It believed that Washington was "not so neutral" as "it wanted the public to believe it was." Not only was the Administration helping Peixoto through trade, but the *News* emphasized the well known fact that New York shipyards were busy building a "formidable" navy for him. This, the *News* feared, was "more suggestive of the way the Confederate Navy recruited its navy-yards during our war."<sup>15</sup>

In early December the rebel cause was suddenly strengthened by the defection of Admiral Saldanha da Gama. He previously had been a neutral, and, since he had strong monarchical tendencies, he brought with him many who wanted to restore the pre-1889 rule. Moreover, he apparently greatly influenced the naval commanders, both American and European, in their assessment of the situation, for their attitude towards the insurgents quickly changed.

An agreement had been worked out which provided that the rebels would not shell the city of Rio as long as the Peixoto government

<sup>12</sup> Thompson to Gresham, November 23, 1893. NA, RG 59, Despatches.

<sup>13</sup> *Literary Digest*, VIII, No. 4 (November 25, 1893), 277; *Public Opinion*, XVI (November 2, 1893), 117; *ibid.* (January 11, 1894), 352. See also Hill's citations of newspaper opinion, *United States and Brazil*, p. 280.

<sup>14</sup> *Public Opinion*, XVI (January 4, 1894), 329; *Ibid.* (February 22, 1894), 495.

<sup>15</sup> *Literary Digest*, VIII, No. 4 (November 25, 1893), 277. See also the *Nation's* strong denunciation of any possible American intervention: January 4, 1894, p. 3.

would not fortify the hills above the city.<sup>16</sup> On December 5, Thompson, on the urgings of "fifteen leading American merchants," complained to Gresham that da Gama had shelled the city, but that Commander Picking and the other commanders had refused to enforce the agreement. Picking accused the Peixoto government of provoking the attack.<sup>17</sup> This was followed by an announcement from da Gama on December 14 that he would stop the landing of merchandise by force if necessary.<sup>18</sup> The commanders, led by Picking and the British commander, immediately acquiesced. Thompson vehemently replied that Picking was bound by Gresham's orders of November 1 to protect American cargoes. But Picking used the same reference, responding that he refused the protection "in obedience to directions from my Government," pointing out that the goods should be landed only when there would be no firing.<sup>19</sup>

Picking elaborated on this in a telegram to the Navy Department on December 23. In this cable, he reminded his superiors that Gresham's note had directed him to provide protection only if the discharging cargoes did not cross the line of fire. He then pointed out the flaw in Thompson's and Gresham's positions:

I desire to protect absolutely all the United States commerce but cannot do this in the discharging berths without affording aid materially to the side of the Brazilian Government and interfering with the operations of insurgents. I study carefully the interests of sixty-five million citizens to prevent serious complications as against the interests those citizens connected with nine United States merchant vessels which may be delayed only for a short time longer. . . .<sup>20</sup>

Though the State Department knew about the strengthening of the insurgents through the defection of da Gama, and also about Picking's new policy before December 15, Gresham did little until January 6,

<sup>16</sup> Soon after the rebellion began, Peixoto received "decisive assistance from the foreign squadrons stationed in the harbor" at a "critical moment." The commanders declared that Rio, as an open, unfortified city, was not liable by international law to bombardment. "This decision . . . was like a bolt from the blue." Admiral de Mello had assumed that a bombardment would bring Peixoto to terms. "His most powerful weapon was wrested from him." Calogeras, *A History of Brazil*, p. 292.

<sup>17</sup> Thompson to Gresham, December 5, 1893, NA, RG 59, Despatches. Thompson to Gresham, December 31, 1893. NA, RG 59, Despatches. Admiral da Gama replaced de Mello as rebel commander and the latter moved south to help insurgent armies.

<sup>18</sup> Thompson to Gresham, December 14, 1893. NA, RG 59, Despatches.

<sup>19</sup> Picking to Herbert, December 23, 1893. NA, RG 45, Area 4 file.

<sup>20</sup> Picking to Herbert, December 23, 1893. NA, RG 45, Area 4 file.

1894.<sup>21</sup> The Secretary of State evidently feared that the insurgents were gaining in power, and he wanted to be on the right side when the battle ended.

But Gresham was soon shaken from this wait-and-see attitude. He received word from Thompson that the Brazilian government had two affidavits showing that Great Britain was helping the rebels, and that this pro-da Gama policy was being followed in the hope that the insurgent leader would reinstall the monarchy, once he overthrew the Peixoto regime. The Brazilian Minister in Washington confirmed this information. Gresham especially feared the withdrawal of the British fleet protection, for he believed it would be a prelude to recognizing da Gama's belligerency.<sup>22</sup>

This rumored British action only pointed up a more important threat to American interests, however. If the insurgents, encouraged directly and indirectly by British elements, eventually overthrew the Peixoto government, American trading interests would be in serious danger. Many of the insurgent leaders could not see advantages for Brazil in the 1891 reciprocity agreement. If helped to power by European interests, these leaders would certainly discriminate against American products. At this same time, December, 1893, this agreement was being abrogated in the United States Congress. The proposed substitute, however, the so-called Wilson Tariff, was being framed with the express intention of obtaining even more South American markets. For example, the new measure greatly helped American exporting industries by providing them with free raw materials so that they could compete more easily in world markets.<sup>23</sup>

<sup>21</sup> On that day, he not only sent the orders to Picking, but again refused da Gama's request for belligerent status. Gresham to Thompson, January 6, 1894. NA, RG 59, Instructions.

<sup>22</sup> Gresham to Ambassador to Great Britain, Thomas F. Bayard, December 18, 1893. NA, RG 59. Also, Montgomery Schuyler, "Walter Quintin Gresham," *The American Secretaries of State and Their Diplomacy*, ed. Samuel Flagg Bemis (New York, 1928), VIII, 253-254.

<sup>23</sup> Wilson, in introducing the bill on the floor of the House of Representatives, said at the outset that the measure had been framed "in the shadow and depression of a great commercial crisis." He was certain that the way to demolish the depression was to lighten taxation and loosen "the fetters of trade." If this was done, "we will not only supply our own country, but we will go out and build up other great countries with our products." *Congressional Record*, Appendix, 53d Cong., 2d sess. (Washington, 1894), pp. 193-195. Laughlin and Willis are emphatic in stating that the Wilson Tariff, as proposed by the House, did not end reciprocity, though it repealed that particular clause of the 1890 tariff. It explicitly held that those agreements made under the 1890 tariff should be continued, and provided what Democratic leaders termed "true reciprocity" by abolishing the United States threat of retaliation available under the 1890 tariff. It thus went "even further" than the 1890 act. Laughlin and Willis, *Reciprocity*, pp. 235-242.

Gresham's beliefs coincided with the philosophy of the Wilson Tariff. So eminent a member of the Republican Party that he had been a serious contender for the 1888 Presidential nomination, he had dropped his life-long affiliation with that party in order to stand with the Democrats on the tariff issue in 1892.<sup>24</sup> He believed that the United States had to become a low tariff nation because its factories were producing too much for the home market, and if foreign markets could not be found to keep these factories in operation serious labor trouble would result.<sup>25</sup> With these beliefs, Gresham had a ready explanation for the 1893 panic and the ensuing depression. Unlike many people in 1893, he believed that the shortage of money was not the main reason for the hard times. He outlined his view of the causes, and the remedy, in two remarkable letters written in the summer of 1894. In one, he defined, for his own satisfaction, what had caused the panic:

. . . we cannot afford constant employment for our labor. This is owing, in part, to the rapid increase of labor-saving machinery, but in greater measure to high protective tariffs. Our mills and factories can supply the demand by running seven or eight months out of twelve. It is surprising to me that thoughtful men do not see the danger in the present conditions.<sup>26</sup>

In the other letter, Gresham prescribed the remedy for this situation:

Our manufactures of all kinds should have free raw materials,—that is to say, all such imported materials as they need in their business should come in free. This would . . . enable our people to compete in foreign markets with Great Britain. Sir Julian Pauncefote said to me the other day that he feared it would be an evil day for Great Britain when the United States changed its economic policy.<sup>27</sup>

The success of the Brazilian insurgents and the loss of much of the Brazilian market would be a serious setback if Gresham's remedy was to revive American industry.

Naturally, American exporters to Brazil concurred with Gresham's analysis of the situation. In late December and early January the

<sup>24</sup> Gresham to W. B. Slemons, October 1, 1892, Gresham MSS, Letterbook, 1893-1895, Library of Congress.

<sup>25</sup> Gresham to Judge D. P. Baldwin, August 17, 1893, Gresham MSS, Letterbook, 1893-1895, Library of Congress.

<sup>26</sup> Gresham to John S. Cooper, July 26, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress.

<sup>27</sup> Gresham to Judge Charles E. Dyer, May 2, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress. It is interesting to note here that the Wilson Tariff, as it emerged from the House and entered the Senate in May, 1894, provided for the free raw materials which Gresham believed to be so vital. All that American industries now needed was an avenue into new markets and protection in the old. This was the job of the State Department.

State Department received numerous letters and telegrams from these exporting firms. One of the most influential requests for aid came from W. S. Crossman & Brothers. This had a personal letter attached from Isidor Straus, one of Gresham's close friends.<sup>28</sup> Perhaps the most urgent request was a message received from William Rockefeller, President of the Standard Oil Company. Rockefeller's company was undergoing a vigorous and bitter competitive war with Russian oil throughout the world, and in France and Prussia, two of the leading oil markets in the world, Standard was emerging as second best. Consequently, it had turned southward, especially to Cuba and Brazil. Now the trade with Brazil was threatened.<sup>29</sup>

On January 6, Gresham assured Straus that American interests in Brazil would be protected.<sup>30</sup> The same day Gresham had a cable sent to Picking telling him to "induce" the insurgents to "designate a place" where neutral vessels could load or unload.<sup>31</sup> The Standard Oil request arrived at the State Department January 8, and the following day Thompson received cabled orders similar to Picking's.<sup>32</sup> Gresham followed this the next day with instructions to Thompson which stated that unless all foreign shipping suffered common restrictions, "no substantial interference with our vessels, however few, will be acquiesced in."<sup>33</sup> These orders were coupled with a change of naval commanders, Rear-Admiral Benham replacing Picking. The *San Francisco* (Benham's flagship) and the *New York* arrived shortly after and the American Navy became the most powerful fleet in the harbor.

Benham told da Gama on January 24, that he had no right to establish a blockade and warned that "American vessels shall not be molested in any manner whatever."<sup>34</sup> The new United States commander then told American merchants to begin landing their goods. On January 29, da Gama challenged this new policy. Benham, warned of da Gama's move, sent the *Detroit* alongside a merchant vessel which was moving for shore. An insurgent ship fired a blank shell at the bow of the merchant vessel, and the *Detroit* responded with a shell,

<sup>28</sup> Gresham to Isidor Straus, January 6, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress.

<sup>29</sup> William Rockefeller to Gresham, January 4, 1894. NA, RG 45, Area 4 file.

<sup>30</sup> Gresham to Isidor Straus, January 6, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress.

<sup>31</sup> Herbert to Picking, January 6, 1894. NA, RG 45, Cipher Messages Sent (1888-1895).

<sup>32</sup> Gresham to Thompson, January 9, 1894. NA, RG 59, Instructions.

<sup>33</sup> Gresham to Thompson, January 10, 1894. NA, RG 45, Area 4 file. In Moore, *Digest*, II, 1113, this instruction is dated January 11, 1894.

<sup>34</sup> Benham to da Gama, January 24, 1894. NA, RG 45, Area 4 file.



not a blank, into the side of the rebel ship. The *Detroit* commander then told the insurgents that if they fired again, "I will sink you." There was no more firing.<sup>35</sup> On February 1, Gresham approved Benham's action, cabling Thompson, "I trust you are in accord with Benham for he has acted within his instructions."<sup>36</sup>

From this point on, the rebellion drifted into oblivion.<sup>37</sup> Benham's action brought the other naval commanders into accordance with his policy. They had no choice, for it was either get on the side which was obviously being strengthened by the American policy, or stop the United States convoying by force.<sup>38</sup> Two more times da Gama asked for belligerent status, but the requests were refused by Gresham.<sup>39</sup> The European powers, led by Britain, followed Gresham's example.<sup>40</sup> The State Department, however, took no chances. During the month of February, five of the American South Atlantic Squadron's fleet of six ships were stationed in Rio harbor, remaining there in spite of yellow fever which was scourging the area and which had forced all of the other foreign ships, with the exception of one Portuguese vessel, to leave.<sup>41</sup> The insurgents put up token resistance throughout April, then left for refuge in Portugal.

Two interpretations have been placed upon this action. President Cleveland, in his Annual Message in 1894, asserted that from the

<sup>35</sup> Benham to Herbert, February 1, 1894. NA, RG 45, Cipher Messages Received (1888-1895).

<sup>36</sup> Gresham to Thompson, February 1, 1894. NA, RG 59, Instructions. Benham's policy (and Gresham's approval of it) has been condemned in all the accounts stressing American policy which this writer has found. John Bassett Moore enters into a detailed legal discussion on the subject and concludes that the American position "can hardly be considered satisfactory." (Moore, *Digest*, II, 1119.) Charles E. Martin calls Benham's action "a direct intervention in the conflict . . . [which] operated to the disadvantage of [the insurgents]." (Martin, *Policy of the United States*, p. 123.) Charles A. Timm believes that American action "was in effect an aid to the cause of the titular government." (Timm, "Diplomatic Relations Between the U. S. and Brazil," p. 137.) Lawrence Hill states that "American policy . . . very definitely strengthened the cause of the Peixoto faction." (Hill, *United States and Brazil*, p. 280.) Minister Thompson realized that the action of January 24 and 30 was a break with former policy. See Moore, *Digest*, II, 1119.

<sup>37</sup> On this vital point (the United States in reality ending the rebellion), see Calmon, *Brasil e America*, p. 79; John W. Foster, *A Century of American Diplomacy* (Boston and New York, 1902), pp. 466-467; Hill, *United States and Brazil*, p. 291; A. Curtis Wilgus, *The Development of Hispanic America* (New York, 1941), p. 327. Admiral de Mello himself later declared that Benham's interference provided the turning-point of the revolt. See *Public Opinion*, XVI (March 29, 1894), 515.

<sup>38</sup> Thompson to Gresham, February 1, 1894. NA, RG 59, Despatches.

<sup>39</sup> Gresham to Thompson, February 5, 1894. NA, RG 59, Instructions.

<sup>40</sup> Bayard to Gresham, February 7, 1894. NA, RG 59, Despatches.

<sup>41</sup> Newspaper clipping, *London Times*, March 2, 1894, enclosed in Bayard to Gresham, March 2, 1894. NA, RG 59, Despatches.

revolution's outbreak, the Administration realized that the situation called "for unusual watchfulness." Consequently, the American naval force was strengthened, and "this precaution, I am satisfied, tended to restrict the issue to a simple trial of strength between the Brazilian Government and the insurgents." Cleveland believed that "Our firm attitude of neutrality was maintained to the end."<sup>42</sup>

Historians and international lawyers who studied this episode in later years disagreed with Cleveland. They concluded that the American action taken during January, 1894, determined the winner of the Brazilian revolt.<sup>43</sup> In the five days of January 6 to January 10, there took place an almost complete reversal in the American wait-and-see policy of September through December, 1893. Mrs. Gresham in her biography is clear in attributing the cause of this policy change to business pressure.<sup>44</sup> The Secretary of State realized in early January that American trade was suffering, and that if the insurgents won, it would suffer even more. Such an occurrence could impair and discourage vital segments of the American economy, hamper recovery and breed those "symptoms of revolution" which Gresham feared.

Thompson agreed with this assessment. He wrote Gresham on February 1, 1894, that Europeans, especially the English, sympathized with the insurgents. He accounted for this "partly through the gradual increase of American trade with Brazil, and the corresponding decrease of their own." He believed that it could not be denied that the reciprocity agreement between the United States and Brazil had given American merchants "a leverage of which all Europeans are extremely jealous."<sup>45</sup>

The Bureau of American Republics issued similar statements to the American business community in one of its monthly bulletins. It noted that the American naval action in Brazil would "lead to still closer commercial relations between the two nations, and to a considerable increase in their commerce with each other." It concluded that "American merchants and manufacturers have now an undisputed advantage in the competition" for Brazilian markets.<sup>46</sup>

<sup>42</sup> James D. Richardson, *A Compilation of the Messages and Papers of the Presidents, 1789-1897* (Washington, 1898), IX, 524.

<sup>43</sup> Hill, *United States and Brazil*, p. 280; Foster, *A Century of American Diplomacy*, pp. 466-467; see also authorities listed in footnote 34.

<sup>44</sup> Gresham, *The Life of Walter Quintin Gresham*, II, 778.

<sup>45</sup> Thompson to Gresham, February 1, 1894. NA, RG 59, Despatches.

<sup>46</sup> Bureau of American Republics, *Special [Monthly] Bulletin*, II (March, 1894), 22-26; see also David N. Burke, Minister to Brazil, to Cleveland, June 11, 1894, Cleveland MSS, Library of Congress, Washington, D. C. Burke fully agreed with the Bureau's opinions. The Bureau had been established by the Pan-American convention of 1889-1890. It was made an integral part of the

Perhaps more important, the policy of trade protection was to have consequences for the Monroe Doctrine. The American policy formulated during the Brazilian Revolution can be viewed as a forerunner of the policy used when the British landed troops on a vital strategic area close to the proposed site of the Nicaraguan canal in 1894. Again, it increases the meaning of American action during the Venezuelan boundary dispute in 1895 and 1896. In all three instances, the United States feared that European footholds would lead to the injuring of American commercial opportunities in Latin America.<sup>47</sup>

Moreover, the quelling of the Brazilian uprising was followed by basic policy discussions in Washington in regard to American policy toward Great Britain. Senator John T. Morgan, Chairman of the Senate Foreign Relations Committee, had discussions with Gresham on this subject in March and April of 1894. In outlining the purposes of these meetings, Morgan wrote that "the time is ripe in Congress for vigorous action in respect of [*sic*] the obligations of Great Britain and a firm denial of her pretensions in several directions."<sup>48</sup> It may be concluded that the Brazilian trouble and the British movements in Nicaragua stimulated the State Department and Congressional leaders to attempt to form a basic policy which could deal with feared British and European encroachments in Latin America in the future.

The entry of the economic depression into American foreign policy, the reinvigoration of the Monroe Doctrine, and a re-examination of basic American policy towards European interests in South and Central America were the major results of the Brazilian Revolution, as far as United States history is concerned. For these reasons, it can be suggested that the causes and effects of events which took place in American foreign policy during the depression period of 1893-1896, (notably the startling growth of the American battleship navy, the

American State Department. Though ostensibly set up as an agency to disseminate reciprocal trade information between Latin America and the United States, in effect it was an agency to gather commercial information for United States investors and industrialists.

<sup>47</sup> See Gresham to Isidor Straus, January 6, 1894, Gresham MSS, Letterbook, 1893-1895, Library of Congress; also Gresham to Bayard, December 18, 1893, NA, RG 59, Instructions; Schuyler, "Walter Quintin Gresham," VIII, 253-254. Also see the interesting interpretation of the Brazilian episode advanced by several congressmen in *Congressional Record*, 53d Cong., 2d Sess., p. 6995; *Ibid.*, 53d Cong., 3d Sess., p. 2307.

<sup>48</sup> Morgan to Gresham, March 29, 1894, Gresham MSS, Library of Congress. The effect of the Brazilian Revolution upon "true American doctrine" is outlined in detail by William A. McAdoo, Assistant Secretary of the Navy, in a speech in 1894 which is printed in *Proceedings of the United States Naval Institute*, XX, No. 2 (1894), 399-422.

tariff of 1894, the Hawaiian, Brazilian and Nicaraguan incidents and the Venezuelan boundary troubles), may be examined in a comprehensive view, with the depression serving as a stark and somber background.