

10-10-2013

# The (Far) Backstory of the U.S.-Colombia Free Trade Agreement

Stephen Meardon

*Bowdoin College*, [smeardon@bowdoin.edu](mailto:smeardon@bowdoin.edu)

Follow this and additional works at: <https://digitalcommons.bowdoin.edu/econpapers>



Part of the [Economic History Commons](#), and the [International Economics Commons](#)

---

## Recommended Citation

Meardon, Stephen, "The (Far) Backstory of the U.S.-Colombia Free Trade Agreement" (2013). *Economics Department Working Paper Series*. 5.

<https://digitalcommons.bowdoin.edu/econpapers/5>

This Working Paper is brought to you for free and open access by the Faculty Scholarship and Creative Work at Bowdoin Digital Commons. It has been accepted for inclusion in Economics Department Working Paper Series by an authorized administrator of Bowdoin Digital Commons. For more information, please contact [mmcderm2@bowdoin.edu](mailto:mmcderm2@bowdoin.edu).

# The (Far) Backstory of the U.S.-Colombia Free Trade Agreement

Stephen Meardon<sup>1</sup>

Department of Economics  
Bowdoin College  
9700 College Station  
Brunswick, ME 04011-8497

Version of October 10, 2013

## Abstract

In two pairs of episodes, first in 1824 and 1846 and then in 1892 and 1935, similar U.S.-Colombia trade agreements or their enabling laws were embraced first by protectionists and then by free traders. The history of the episodes supports the view that although political institutions exist to curb *de facto* political power, such power may be wielded to undo the institutions' intended effects. The doctrinal affinities and interests of political actors are more decisive determinants of the free-trade or protectionist orientation of trade agreements than the agreements' texts or legal superstructures. The long delay from signing to passage of the current U.S.-Colombia Free Trade Agreement is another case in point.

**JEL codes:** F13, F53, N40, B00

**Keywords:** International trade agreements, reciprocity, Colombia, free trade, protectionism

---

<sup>1</sup> Email correspondence to [smeardon@bowdoin.edu](mailto:smeardon@bowdoin.edu). I thank the Fulbright Commission of Colombia and the Facultad de Economía of the Universidad de los Andes for material assistance in support of my project, and Jon Goldstein, Fabio Sánchez, and Miguel Urrutia for their helpful comments. Any errors are mine.

## **The (Far) Backstory of the U.S.-Colombia Free Trade Agreement**

### **1. Introduction**

The U.S.-Colombia Trade Promotion Agreement, also known as the U.S.-Colombia Free Trade Agreement, was signed in November 2006. The United States Congress passed legislation implementing it in October 2011. The five years from the agreement's signing to its passage is a long time for any particular trade deal, but it is a brief moment in the longer history of U.S. trade deals with Colombia. That history – call it the far backstory of the agreement – goes back to 1824, when the first U.S. commercial treaty with a Western hemispheric partner was signed in Bogotá. It includes three other momentous episodes in the interim.

The backstory adds nuance to a longstanding discussion about the political economy of bilateral trade agreements. Such agreements could aid free traders by working as “a strategic device to manipulate the political economy environment and to harness it in a war against protectionist forces” (Bhagwati and Irwin 1987: 125). Or they could work as a device for the diversion of trade and thus aid protectionist forces. So holds the discussion's consensus. The devil, one supposes, is in the agreements' details, which may be construed to include not only their texts but also their supporting institutions. The nuance added by this essay is that the supposition may be wrong. The devil may lie in details outside the agreements' texts and institutional superstructures.

Put differently, although the history of U.S.-Colombia trade deals supports the consensus view that bilateralism may promote the interests of either free traders or protectionists, that is not why it matters. The history matters because it points up the ambiguity of bilateralism even while holding constant the trade partners, and, what is more, holding more or less constant the deals' textual provisions and institutional superstructure. In two pairs of episodes, first in 1824 and 1846 and then in 1892 and 1935, similar U.S.-Colombia trade deals or their enabling laws were embraced first by protectionists and then by free traders. The upshot is that in order to understand which doctrinal position a given deal promotes and why, identifying the partners, reading the text, and being mindful of the supporting institutions (e.g. Irwin 2002) may not suffice. The intentions and ideological affinities of the players carry a good deal of weight regardless of the rules of the game.

We are left with a twist on Daron Acemoglu and James Robinson's (2008: 285) argument

that, although political institutions generally curb *de facto* political power, “some specific dimensions of political institutions can be undone by the greater exercise of *de facto* political power.” Acemoglu and Robinson refer to the effective undoing of *changes* in institutions of democratic decision-making. But their argument applies as well to the effective undoing of *persistence* in institutions of trade policy-making, including trade deal-making. The far backstory of the U.S.-Colombia FTA shows how. It also sheds light on the agreement’s five-year delay in coming to fruition.

No similar history has been published, although several bodies of literature inform this essay and a few works overlap it in part. The first category includes important contributions to the general tariff history of United States (Taussig 1892; Stanwood 1903), the diplomatic history of U.S. territorial expansion and trade with Latin America (Bemis 1943; Wood 1961; Pletcher 1962, 1973, 1998; LaFeber 1998), the economic and tariff history of Colombia (Ospina 1955; McGreevey 1971; Ocampo 1984; Kalmanovitz 2003; Ocampo and Montenegro 2007), and the general history of diplomatic relations between the two countries (Parks 1935; Randall 1977, 1992). The second includes an excellent but brief survey of the history U.S. reciprocity policy (Irwin 2002), and longer studies that are more limited in the kinds of reciprocity admitted (Laughlin and Willis 1903) or the time period canvassed (Setser 1937; Terrill 1973; Steward 1975; Butler 1998). It includes also three other works that occupy nearly the same place as this essay in all the foregoing historical literature, albeit for a briefer periods of U.S. reciprocity with Colombia (Huck 1991; Delpar 1999) or for reciprocity with a different partner, namely Mexico (Riguzzi 2003).<sup>2</sup> This essay draws from them but tells a different story.

Parts 2 and 3 of the essay concern two treaties signed in 1824 and 1846 with similar contents but different proponents and purposes. Part 4 centers on a proposed executive agreement of 1892 that yielded only acrimony; Part 5, on an agreement of 1935 with related institutional foundations but different motives and consequences. Part 6 concludes.

## **2. The Treaty of 1824**

The first U.S. commercial treaty with an independent American republic was signed in Bogotá on October 3, 1824, near the end of John Quincy Adams’s tenure as Secretary of State to

---

<sup>2</sup> Huck’s (1963) unpublished Ph.D. dissertation on the first three decades of U.S.-Colombia reciprocity also deserves mention here.

President Monroe. The date of ratification, six months later, came in the first days of Adams's own presidency and Henry Clay's leadership of the State Department. Adams and especially Clay advocated tariff protection for U.S. import-competing goods.<sup>3</sup> How their protectionism related to the treaty is the question to be considered here.

Although Clay was newly installed in his position, his advocacy of a closer commercial relationship between the United States and Spanish America was longstanding. No sooner had peace been restored to Europe with Napoleon's final defeat in 1815 than the victors began a "scramble for the spoils of Bonaparte's empire," as Clay had put it (*Annals of Congress* 1818: 1494). Collectively, the kingdoms of Great Britain and Europe maneuvered to stifle the republican aspirations of Spanish America. Individually, they sought to win control for themselves – or, failing that, to block transfer of the provinces' sovereignty to anyone else. From the beginning of the Spanish American struggle for independence, its leaders looked to the United States as the exemplar of New-World republicanism and received popular sympathy in return (Rivas 1915: 7-8, 14-15). Clay, then Speaker of the U.S. House, had proposed that the United States should grant the new republics not only sympathy but also recognition. Political recognition would be given practical effect by stronger commercial ties (Clay [1818] 1843: 90-93).

Promoting a republican hemisphere by moral suasion and commercial ties was a central pillar of Clay's "American system" (Campbell 1967). It was consistent with President Monroe's famous message of 1823, which held the circumstances of U.S. relations within the hemisphere to be "eminently and conspicuously different" from those outside of it.<sup>4</sup> In Clay's view, and likewise in John Quincy Adams's, the pillar of U.S. hemispheric stewardship and the better-remembered one of tariff protection were mutually reinforcing.<sup>5</sup> The U.S.-Colombia treaty of 1824 was the outgrowth of that view.

To be sure, in promoting hemispheric solidarity Clay had begun with moral not commercial arguments. Spanish America, he declaimed to Congress in March, 1818, was

---

<sup>3</sup> On Clay's protectionism ca. 1824, see Stanwood (1903, v. 1: 200-224). On Adams's, which is not a subject of such clear and lengthy public record, see Taussig (1892: 74).

<sup>4</sup> *American State Papers: Foreign Relations*, vol. 5, no. 360, 18<sup>th</sup> Cong., 1<sup>st</sup> Sess. (2 Dec. 1823): 250.

<sup>5</sup> Bemis ([1949] 1973: 362) describes how Adams's view of the United States' role in the hemisphere, which had long been more limited than Clay's, had broadened by 1823: by then "the opposing Latin American policies of Adams and Clay had approached each other" to the point that "all difference had melted away on the issue."

subject to a “stupendous system of colonial despotism” (*Annals of Congress* 1818: 1477) entailing both violent repression and commercial restriction. Not even the United States had suffered such tyranny before braking from its master. Spanish America was an abused and neglected relation who asked merely for recognition from her republican kin; the U.S. was obliged to offer it.

But soon he came to practical considerations. Great Britain and Spain had barred access to the ports of the West Indies and Spanish America to all but the ships of the mother countries, and had governed their agriculture so as to serve imperial rather than colonial interests. Such was the system of the Old World. In contradistinction, the system of the New was identified not only with republican forms of government but also with dissolution of the fetters to international navigation and the establishment of laws serving the needs of each country. The benefits for the United States of the Spanish-American provinces’ adoption of such a system – which, two years later, he would call explicitly the “American system” (*Annals of Congress* 1820: 2228) – were manifest. Although for the moment the U.S. produced few products of importance to them, nevertheless, once their ports were opened without discrimination, the advantage in shipping would lie with the burgeoning U.S. merchant marine. “Our navigation will be benefitted by the transportation,” said Clay, “and our country will realize the mercantile profits” (*Annals of Congress* 1818: 1486).

Opponents, Clay acknowledged, would object that the benefits to mercantile interests would be offset by Spanish America’s rivalry to U.S. agricultural interests. The objection was “narrow, and selfish, and grovelling,” he declared (*Annals of Congress* 1818: 1486). But he deigned to answer it. The Americas offered the United States precious metals, cocoa, coffee, sugar, and assorted other articles – of which, by Clay’s calculations, less than two percent, consisting mainly of cotton, competed with U.S. products (*ibid.*: 1484-1486; see also Table 1). And while agriculture would not lose in the bargain, manufactures would gain. U.S. manufacturing exports were already “respectable” and were “constantly augmenting”; their destinations were mainly within the Americas (*ibid.*: 1485).

[INSERT TABLE 1 HERE]

The treaty of 1824 with Colombia (then “Gran” Colombia, encompassing Venezuela and Ecuador as well as New Granada) was designed to give the legal framework to promote those results. The treaty’s centerpiece was Article II, which stipulated the most-favored-nation (MFN) principle. Because the principle would later be embodied differently in U.S. commercial treaties, its embodiment in Article II bears quoting. The U.S. and Colombia promised reciprocally “not to grant any particular favor to other nations, in respect to commerce and navigation, which shall not immediately become common to the other party, who shall enjoy the same freely if the concession was freely made, or on allowing the same compensation if the concession was conditional (Malloy 1910, vol. 1: 293).

For present purposes three observations should be made about the MFN principle as written above. First, it inscribed non-discrimination into the commercial relations of the U.S. and Colombia, but only in the limited sense of each country’s eschewal of discrimination against its treaty partner vis-à-vis all other countries. Each country reserved the right to discriminate against its treaty partner in favor of itself. That is to say, MFN did not imply national treatment of the partner’s commercial agents or ships – nor of the partner’s goods, as free trade would require. Second, therefore, although the MFN clause was compatible with more liberal commerce between the U.S. and Colombia, the extent to which it promoted that end was bound to depend on circumstances outside of the clause itself. The circumstances include most importantly how much each country’s general tariff and maritime policies discriminate against the most-favored nation, and the likelihood that each country’s future tariff concessions to other partners will indeed be extended to the original treaty partner as the MFN principle would seem to demand.

Third, the MFN principle as written in Article II did not, in fact, even demand that each country’s future tariff concessions to others should be extended to the original partner. The conditional clause at the end of the article appears to make room for such extensions; in practice it made them unlikely. With conditional MFN, favors granted afterward to another nation by treaty could always be construed as having been made only on condition of all other articles in the treaty. The favors would have to be made extensive to the original treaty partner, therefore, only on condition of the partner’s assent to a complete set of identical articles. A country’s treaties with its several partners differed in a sufficient number of articles, and in sufficient detail, that such an event could scarcely ever happen.

Understanding this implication of the conditional clause, U.S. Secretaries of State ensured that it appeared in almost all of the country’s MFN treaties from independence through the end of the 19<sup>th</sup> century. What was more, in those relatively few MFN treaties in which the clause was absent, U.S. authorities insisted nonetheless on a conditional interpretation – and did so with such consistency that conditionality of MFN came to be known as the “American” view (Herod 1901: 13). The ablest exponent of the view was none other than John Quincy Adams (ibid.: 12-13). His motive, consistent with his protectionist inclinations, was *not* to make reciprocal commitments that might result in general reductions of tariffs on U.S. imports and thus expand simultaneously the field for the principal U.S. exports (which comprised mainly agricultural goods, provisions, and lumber).<sup>6</sup> It was to pursue other objectives while keeping U.S. merchandise tariffs high – and even increasing them, as Congress did with the protectionist tariff of 1824, which Adams was understood to favor (Stanwood 1903, v.1: 241; see also Table 2).

[INSERT TABLE 2 HERE]

Those other objectives, besides the diplomatic ones, were the promotion of U.S. manufactures and (even more) navigation. The benefits of a treaty, Adams told Richard C. Anderson, his chargé d’affaires in Bogotá, lay in Americans’ prospects as “*carriers* to and for [Colombia] of numerous Articles of Manufactures, and of foreign produce” (Adams to Anderson, 27 May 1823: 298).<sup>7</sup> In order to improve the prospects he sought, first, an end to Colombia’s rebate of between 5% and 7.5% on the *ad valorem* duties levied on goods imported directly from Europe (including Great Britain) – a rebate that was not applied to goods imported

---

<sup>6</sup> For the year ending 30 Sept., 1825 (the first in which data for U.S. exports to Colombia were reported separately from those to other former Spanish South American colonies), approximately \$54 million of the \$67 million of total exports of U.S. products to all destinations were agricultural (including \$37 million of cotton and \$4.5 million of wheat, flour, and biscuit), \$4 million were lumber and other basic wood products, and \$3 million were manufactures – of which \$790,000 were soap and tallow candles and \$720,000 were leather, boots, shoes, and saddlery. Exports of U.S. products to Colombia were but \$1.1 million or 2% of the total. Of that value, \$217,000 consisted of flour, \$140,000 soap and tallow candles, \$97,000 of pork, hams & bacon, lard, and hogs, \$57,000 of tallow, hides, horned cattle, \$42,000 of furniture, and \$40,000 of boots and leather shoes. Exports of foreign products from the U.S. to Colombia were approximately the same value as exports of U.S. products to that country, but the products were largely fabrics, including \$240,000 of cotton goods and \$207,000 of linens. See Senate Doc. 76, 19<sup>th</sup> Cong., 1<sup>st</sup> Sess. (31 March 1826).

<sup>7</sup> In U.S. Department of State (1801-1906), v. 9, emphasis in the original. The letter is reproduced in U.S. Senate Doc. 68, 19<sup>th</sup> Cong., 1<sup>st</sup> Sess. (22 March 1826): 127-149.



from the United States whether indirectly or directly.<sup>8</sup> According to the Colombian Minister of Foreign Relations, it was intended to promote direct trade between Europe and Colombia and thereby European recognition (ibid: 286).<sup>9</sup> Adams appreciated the ultimate aim but not the instrument. The MFN provision of Article II would prohibit it, thus guaranteeing U.S. trade at least nominally a more level footing.

Second, Adams sought assurance that “free ships shall make free goods.” He explained the principle in detail in subsequent instructions to Anderson (Adams to Anderson, 29 June 1824: 184; 14 July 1824: 189-194).<sup>10</sup> Vessels of either partner – “free” in the sense that they were expressly permitted to enter ports of the other partner, although not necessarily without paying duties – would not be expropriated by the other partner, nor would their legitimate cargo be expropriated, even if some part of the cargo included the products of enemy countries or contraband of war. The principle would be inscribed in Article XII. The Colombian government, averse to limiting its prerogatives as a belligerent against a hostile European Holy Alliance, opposed it, but the U.S. had its way.

The other twenty-nine articles of the treaty were mainly elaborations or applications of Articles II and XII. So they worked mainly to the same effect. They left both parties entirely free to pursue a protectionist policy; they allowed the United States to promote selected industries, especially manufactures, while eliminating the most explicit acts of discrimination against U.S. ships in Colombian ports and their seizure in Colombian waters.

The model for the treaty was the first U.S. commercial treaty with any partner whatsoever, namely France, in 1778. To Adams, it was the epitome of “independence, equal favors, and reciprocity” (Adams to Anderson, 29 June 1824: 290).<sup>11</sup> So too was the treaty with Colombia. How Adams and Clay understood more specifically what the treaties epitomized should now be clear. Samuel Flagg Bemis ([1949] 1973: 468) characterized the policy of

---

<sup>8</sup> Adams described this provision of Colombian law as an “additional” duty on “all articles imported from any part of America” rather than a rebate on articles imported directly from Europe. The difference would be immaterial if it were not for Adams’s imprecision in this instance about direct versus indirect trade. My description is taken not from Adams but from Colombia’s *Codificación Nacional* (Bogotá: Imprenta Nacional, 1924), tomo 1, p. 58 (Ley de 28 de Septiembre, 1821, Art. 12).

<sup>9</sup> Recognition by Great Britain was widely held to be the greatest prize (Rippy 1929: 192). According to the figures of McGreevey (1971: 35-36), converted to common currency values using the U.S.-U.K. exchange-rate data from Officer (2008), the value of U.S. exports was roughly between one-third and one-half that of Great Britain between 1827 and 1830.

<sup>10</sup> In U.S. Department of State (1801-1906), v. 10.

<sup>11</sup> In U.S. Department of State (1801-1906), v. 10.

Adams's secretaryship and presidency as "reciprocal freedom of commerce with all nations and colonies." The characterization is accurate only by narrow definitions of "freedom" and "commerce." The U.S.-Colombia treaty stipulated, albeit conditionally, nondiscrimination in importation of goods and in shipping between the other party and all other partners.<sup>12</sup> In that sense the treaty provided for greater liberalism in shipping – but not exchange of the goods to be shipped. It fostered more equal treatment of intermediaries, irrespective of nationality – but not greater freedom for consumers or producers. Even allowing for those concessions to expediency that are inevitable in a political system of checks and balances, Adams's program did not resemble remotely what then or now would be called "free trade." "A level footing for commercial services" would be more apt.

The treaty of 1824 succeeded in most, but not all, of Adams's and Clay's designs. It hastened European recognition of Colombian independence (Parks 1935: 103-105), and, notwithstanding growing doubts in the United States about General Simón Bolívar's commitment to republicanism as well as the viability of republicanism without him (Rivas 1915: 69-71; Parks 1935: 151-158), it helped to maintain Colombia's attachment to that form of government by lending moral support to its advocates. The treaty also proved to be perfectly compatible with the protective tariff of 1824, and even the "Tariff of Abominations" of 1828, which raised the average U.S. tariff to approximately sixty percent by 1830.<sup>13</sup>

On the other hand, the treaty did not, as Adams and Clay had hoped, put the U.S. on a footing that was truly level with that of any other Colombian trade partner. So it was not long before U.S.-Colombia commercial negotiations commenced again.

---

<sup>12</sup> In his instructions to Chargé Anderson, Adams acknowledged that there was "a principle of still more expansive liberality" than nondiscrimination vis-à-vis all other partners (MFN), namely, nondiscrimination vis-à-vis natives (national treatment), and that application of such a principle with respect to navigation was "altogether congenial to the spirit of [U.S.] institutions" provided that it was admitted universally (Adams to Anderson, 27 May 1823: 290-291, in U.S. Dept. of State, 1801-1906, v. 9). But he deemed it prudent, given political circumstances of the moment in the United States, to exclude consideration of national treatment during negotiations with Colombia (ibid.: 294). Even if Adams's qualified appreciation of national treatment were accepted as part of his policy, the point would remain that the liberality of the policy pertained in effect to navigation and not trade in goods.

<sup>13</sup> The average tariff is defined here as the ratio of total customs duties to the value of either dutiable imports or total imports. The data are taken from U.S. Bureau of the Census (1975), series U207, U208, U210.

### 3. The Treaty of 1846

The reason for the 1824 treaty's failure to fulfill completely the hopes of its U.S. authors was the same as that of its considerable success. It was the leeway for both parties to adopt policies that were neither expressly entertained nor plainly proscribed by the treaty's text but were surely at odds with its spirit. Colombia's government happened to be adept at using that leeway.

Colombian trade policy at the time discriminated among foreign suppliers of goods and services, as well as between foreign and domestic suppliers, in multiple dimensions. Take for example a U.S. vessel's shipment of U.S. soap and tallow candles – manufactures baser than Adams and Clay envisioned but among the few that were actually exported to Colombia. Under the tariff law of 1821, Colombia subjected the shipment to a net 25% import duty, a significant but not extraordinary degree of protection. But Colombian soap and candle producers were not the only ones protected. If the merchandise came in a Colombian rather than a U.S. vessel, the duty was 20%. If similar merchandise came from Europe rather than the United States, and if it was transported to Colombia directly (without passing through any other port) in a foreign vessel, then too the duty was 20%. If it came from Europe directly in a Colombian vessel, the duty was 12.5%. The discrimination of which Adams complained was part of this larger tangle. Colombian duties discriminated in favor of domestic as opposed to foreign producers, domestic as opposed to foreign shipping, and direct commercial intercourse with Europe as opposed to the United States.

In 1823, in anticipation of the treaty negotiations, the Colombian government brought the tariff law into conformance with the treaty's expected MFN stipulation.<sup>14</sup> This was accomplished simply by rewording the law to afford the same treatment to shipments arriving from the United States as from Europe, all else equal. Thus *de jure* discrimination against the United States ended.

Yet *de facto* discrimination continued, as Colombian customs officials collected an additional 5% *ad valorem* duty on goods imported in U.S. vessels when the goods were not produced in the United States. William Henry Harrison, who was briefly U.S. Minister to Colombia for President Andrew Jackson, saw the impediment that the duty entailed for the U.S. carrying trade as “almost constituting a complete prohibition” (quoted by Rivas 1915: 76). The

---

<sup>14</sup> See *Codificación Nacional* (op. cit.: 58, 262-264) regarding decree no. 93 of June 23 and law no. 132 of August 5, 1823, respectively.

legal basis of the duty has been a matter of perplexity for almost two centuries. Thomas P. Moore, who succeeded Harrison from 1829 to 1833, professed his inability “to ascertain whether this practice is founded on law, on arbitrary usage, or on the caprice or cupidity of the collectors” (Moore to Minister of Foreign Relations, 4 Nov. 1831); the Colombian ministers of whom he inquired could do no better (*ibid.*; also Minister of Foreign Affairs to Moore, 9 and 14 Nov. 1831).<sup>15</sup> The likeliest basis was the construal by Colombian officials of their country’s tariff law, which specified levies upon “goods, imported in foreign vessels that proceed ... from Europe or the United States” (*Ley de 13 de Marzo*, 1826), to imply not only that the goods as well as the vessels should “proceed” from Europe or the United States, but also that they should do so in the sense of their being produced within either place, and, what was more, in the sense of their being produced within the particular place between them whence the vessel arrived.<sup>16, 17</sup> Of all the more-or-less reasonable ways of construing the law, this would arguably have been on

---

<sup>15</sup> The correspondence from and to Moore may be found in House Doc. No. 46, 22d Cong., 1<sup>st</sup> Sess. (10 Jan. 1832): 4, 5, 9. Historians have shared Moore’s perplexity without admitting (or perhaps apprehending) it. Parks (1935: 170) cites Rivas (1915: 76) as locating the legal basis of the additional 5% in a decree of May 8, 1829. But the citation, which is repeated by Huck (1991: 220), is mistaken: Rivas refers to an extra duty of 5% on all goods imported in foreign vessels, not on goods of different nationality than that of the ship carrying them (see the text of the decree in Carrillo Batalla [1986, Tomo II: 407-412], including particularly Article no. 12). Díaz-Callejas (1997: 169-171), too, finds the cause of the U.S. complaint about “discriminatory duties” in the decree of May 8, 1829. In his case the mistake is to imply that the U.S. complaint was fundamentally about lack of national treatment. Ospina (1955), in his otherwise detailed history of Colombian tariff policy, acknowledges that the equal treatment of the U.S. and Great Britain inscribed in Colombian law was “more apparent than real” (115), but does not specify the legal basis of the extra 5% duty at issue. He implies that Colombian tariff law granted equal treatment to goods proceeding directly from Europe or the United States only “under the same conditions” (*ibid.*) – including, presumably, the condition of the goods’ nationality being the same as the ship’s. But neither the tariff law of August 5, 1823, which he cites, nor that of March 13, 1826, which superseded it, contains such language. See *Codificación Nacional* (*op. cit.*: 262-264) and Carrillo Batalla (1986: Tomo II, 13-22).

<sup>16</sup> In Colombia’s *Codificación Nacional* (*op. cit.*), Tomo II: 204-206. Article 8 of the law, for example, reads in Spanish, “Los mismos efectos [including the aforementioned soap and candles], importados en buques extranjeros procedentes de colonias, pagarán un 25 por 100, y de Europa o de los Estados Unidos, un 20 por 100.”

<sup>17</sup> Another possible basis of the discrimination was that United States’ ships tended to stop in colonial ports prior to their arrival in Colombia while European ships arrived directly from the United States or Europe. This explanation would have the advantage of corresponding clearly to the Colombian tariff law. The problem with it is, first, that it does not correspond to the complaints of U.S. officials (Moore to Minister of Foreign Relations, 4 Nov. 1831, in House Doc. 46, 22d Cong., 1<sup>st</sup> Sess. [10 Jan. 1832]: 3-5; Sec. of State Edward Livingston to Pres. Andrew Jackson, 9 Jan. 1832, *ibid.*: 2; Sec. of State Forsyth to U.S. Chargé d’Affaires to Venezuela, J. G. A. Williamston, 15 April 1835, in U.S. Dept. of State, 1801-1906, *op. cit.*, Venezuela, vol. 1: 8); second, that it would require further explanation of why it was more important for U.S. ships than for European ships to make a stop in colonial ports before proceeding to Colombia.

the lesser end of the spectrum. It would surely have been the least obvious; the most advantageous to Great Britain, whose vessels could be laden wholly with British exports; and the most injurious to the United States, whose vessels, for lack of variety in U.S. manufactures, were laden with mixed cargoes of U.S. flour and manufactures together with re-exported British, French, and other goods (Moore to Secretary of State Edward Livingston, 21 Nov. 1831).<sup>18</sup>

During the political turmoil of the early 1830s, as Ecuador and Venezuela separated from New Granada (here to be called Colombia, the name readopted by the diminished country in 1863), Minister Moore's diplomacy was successful in eliminating temporarily the discriminatory 5% duty. The occasion was his arguing that the United States was due equal treatment with Central America, with whom Colombia had entered into a treaty in 1825 guaranteeing reciprocal national treatment for all cargoes, domestic or foreign, so long as they arrived in the partner's vessels by direct navigation (U.S. House Doc. 46, 22d Cong., 1<sup>st</sup> Sess.: 6-8).<sup>19</sup> The Colombian government accepted the argument on condition of receiving the same favor the United States. Moore communicated his government's reciprocation of it, and it was duly granted by executive decree on November 21, 1831 (ibid.: 10-11). The decree satisfied U.S. wishes, and more: the complaint about effective discrimination against the United States vis-à-vis *Europe*, particularly Great Britain, was addressed by abolishing the discrimination against the United States vis-à-vis *Colombia*, at least in direct navigation.

To the dismay of U.S. officials, the Ministry of Finance decided that the decree was unauthorized and brought about its repeal after only one year of operation. Secretary of State John Forsyth smelled the influence of "the importunities of the Representative of His Britannic Majesty" (Forsyth to Chargé d'Affaires Robert B. McAfee, 1 May 1835: 15).<sup>20</sup> But several years later, a new chargé, William M. Blackford, identified the deeper reasons for the discriminating duty's tenaciousness. On the one hand, many Colombians had a deep-seated fear that abolishing it "would throw the whole of the commerce of the country into our [U.S.] hands" (Blackford to Secretary of State Daniel Webster, 3 June 1843).<sup>21</sup> On the other, many more held

---

<sup>18</sup> In House Doc. No. 173, 22d, Cong., 1<sup>st</sup> Sess. (16 March 1832): 11.

<sup>19</sup> The treaty may be found in Uribe (1920: 38-42).

<sup>20</sup> In U.S. Dept. of State (1801-1906), v. 15.

<sup>21</sup> In Senate Ex. Doc 5 (Confidential), 28<sup>th</sup> Cong., 2<sup>nd</sup> Sess., 26 Feb. 1845, p. 15; which document may be found in U.S. Senate, Committee on Foreign Relations (1816-), 29B-B8.

the “delusive idea” that preserving it would foster a Colombian merchant marine (Blackford to Webster, 18 March 1843).<sup>22</sup>

During the remainder of President Jackson’s administration and the succeeding ones of Van Buren, Harrison, Tyler, and Polk, the State Department sought a new treaty abolishing the discriminating duty once and for all. This was to be done not by trying to state or enforce more adequately the United States’ MFN standing, but by securing a firmer standing altogether. As Secretary Forsyth explained, MFN as provided by Article 2 of the treaty of 1824 proved “in practice to be uncertain and illusory”: so it could be “with the best intentions on both sides,” and so it surely would be “with a desire to disregard the spirit of the article by either” (Forsyth to John G. A. Williamson, chargé d’affaires to Venezuela, 15 Apr. 1835: 9). The aim was full national treatment in navigation. The model was the United States’ treaty of 1828 with Brazil, guaranteeing that each country’s duties would apply equally to imports brought by vessels of either country, regardless of the origin of their cargoes (Forsyth to McAfee, 1 May 1835).<sup>23</sup>

At the same time, another U.S. aim in the region was coming clearly into view. The Isthmus of Panama had long been the site of interest from Europe, the United States, and Colombia in a permanent route uniting the oceans, whether by macadamized road, railroad, or canal. In the 1830s, interest intensified. Panama’s stirrings of independence from Colombia was a reminder of the contingency of the Isthmus’s political attachment to Bogotá. An important faction of influential Panamanians favored independence, which they proposed to secure by way of a protectorate under Great Britain, France, or the United States (Martínez 1972: 60). Each of those powers endeavored anxiously to stop the others from winning control of the Isthmus, and with it trans-Oceanic commerce. No less anxious was the government and political class of Colombia, for whom sovereignty over the Isthmus implied the collection of whatever rents might be garnered from an Isthmian passageway.

The combination of the U.S. aims regarding navigation and the Isthmus, Colombian worries about Isthmian sovereignty, and changed political circumstances in both the U.S. and Colombia beginning in 1845 finally broke the treaty logjam. In the United States, the Democratic Party took control of both the Senate and the executive office. President Polk’s program was the acquisition of all of the southwest of the present-day United States, including California. His

---

<sup>22</sup> In U.S. Dept. of State (1820-1906).

<sup>23</sup> In U.S. Dept. of State (1801-1906), v. 15. Forsyth directed McAfee to adopt as his own the instructions to the U.S. chargé in Venezuela, John G. A. Williamson (Forsyth to Williamson, 15 Apr. 1835, op cit.).

anticipation of acquiring California made the construction of an Isthmian passageway, and the rights of U.S. citizens to use it, matters of special urgency. In Colombia, a new president assuming office simultaneously with Polk, Tomás Cipriano de Mosquera, drew his breath from the same ideological winds that would soon produce Great Britain's abolition of the Corn Laws and the United States' liberal Walker Tariff (Mejía 2007: 35). The consequences were a significant reduction in Colombian tariffs and a fraying attachment to the discriminatory 5% duty (Mejía 2007: 35-36; Ocampo 2007: 299).

The second consequence, however, had an additional cause. Colombian resentment toward Great Britain had been mounting since British naval actions earlier in the decade challenged Bogotá's sovereignty north of the Isthmus on the Mosquito coast.<sup>24</sup> While the Colombian government protested the moves, it also gave authority in 1843 for its chargé d'affaires in London to negotiate with one or more of the governments of Great Britain, France, the United States, Holland, and Spain, either to construct a canal, ceding such tolls as would be necessary to reimburse the expenses of construction, or to guarantee the neutrality of the canal while construction and operation of was undertaken by a private company. In either case the proposed treaty would recognize Colombian sovereignty over the canal territory.<sup>25</sup> When the British government rebuffed both the treaty and Colombia's claims concerning the Mosquito coast, Colombian opinion took a turn. Discrimination for Great Britain and against the United States lost official favor (Parks 1935: 198-200). The United States had not even to ask for the abolition of the discriminating duty. In return for a guarantee of sovereignty over the Isthmus, President Mosquera's Minister of Foreign Affairs, Manuel María Mallarino, offered it upfront (enclosure, Chargé Benjamin A. Bidlack to Secretary of State James Buchanan, 10 Dec. 1846).<sup>26</sup>

The official interests of the United States and Colombia at last coming into alignment, the treaty proposed by Mallarino was signed on December 12, 1846 (Malloy 1910: 302-314). The United States obtained the abolition of discrimination by way of national treatment in navigation (Article IV). National treatment for re-exportation from each country in vessels of the other was also explicitly allowed. But these provisions were no longer ends in themselves: now they

---

<sup>24</sup> See Blackford's dispatch to Secretary of State John C. Calhoun, 26 July 1844, and the enclosed statement of the Colombian Minister of Foreign Affairs on British incursions on the Mosquito coast, in Manning (1935: 608-618).

<sup>25</sup> The instructions may be found in Manning (1935: 601).

<sup>26</sup> In Manning (1935: 630-631).

amounted to an assurance that no other power would win exclusive privileges in trans-Isthmian commerce. The assurance was elaborated in Article XXXV, which also contained the crucial U.S. guarantee of “the perfect neutrality” of the Isthmus. The guarantee required the United States to use its power “positively and efficaciously” to prevent any interruption of the free passage of goods and people over the territory – and, “in consequence,” to maintain Colombia’s sovereignty over it. In later years Colombians would see the guarantee as having precisely the opposite consequence (Diaz-Callejas 1997). For the moment, however, the guarantee met resistance not mainly in Colombia but rather in the United States, where it awakened old apprehensions of “entangling alliances” (Parks 1935: 208-209).

Yet there were even greater apprehensions about the treaty than those stirred up by Article XXXV. When at last the treaty was ratified by the U.S. Senate on June 3, 1848, a full year and a half after its signing, only four of the twenty-nine senators voting in favor were from the Whig Party, which counted Adams and Clay among its elder statesman. Of those four, none was from farther north than Pennsylvania. Of the seven voting against, six were Whigs and one a Free Soiler, none from farther south than New Jersey.<sup>27</sup> All of them, for and against, saw the treaty rightly as part and parcel of the program for territorial expansion pressed by President Polk and the Democratic Party – a program intended to extend the potential domain of slavery. By their lights the text of the treaty mattered less than the intentions of the administration that negotiated it.

#### **4. The spurned proposal of 1892**

Before the U.S. Civil War, the doctrinal pendulum swung between free trade and protection without much consequence to U.S.-Colombia reciprocity. Administrations in both countries and of both doctrinal inclinations pursued commercial treaties of basically the same form, centered on the MFN principle in goods trade and MFN or national treatment in navigation. After the Civil War, despite some challenges, protectionism prevailed for nearly half a century. Its prevalence entailed changes to U.S.-Colombia commercial relations. And yet the changes did not go in the direction of restricting trade.

---

<sup>27</sup> Roll call and U.S. *Senate Exec. Journal* 1848, 3 June; *Biographical Directory of the United States Congress*).



The Morrill Tariff of 1861, together with three more acts through 1865, raised duties steeply. In 1848, total customs duties were 23% of the value of merchandise imports and 26% of dutiable merchandise imports. By 1866 the figures were 42% and 48%.<sup>28</sup> The duties garnered revenue for prosecuting the war; they also stimulated the United States' nascent and import-competing manufacturing industry.<sup>29</sup> The protective doctrine of the time articulated rationales, and sought legislative means, for cementing the gains to manufacturing and promoting their growth. Doing so involved, in two distinct senses, a diversion.

First, duties on food staples and raw materials could be reduced so as to divert the political will for comprehensive tariff reductions. As the moderate protectionist (and then Congressman) James A. Garfield put it in 1870, without a "reasonable reduction" of tariffs the backlash against them would "soon seriously shatter our whole protective system" (*Cong. Globe*, 41<sup>st</sup> Cong., 2<sup>nd</sup> sess., appendix: 272). So the Tariff Act of 1870 added unmanufactured lumber, "india" rubber, rags for paper-making, and cinchona bark quinine-making to the free list, and reduced substantially the tariffs on other items. Free rubber and cinchona were a boon to Colombia, but it was the other reductions that mattered more, especially coffee. Then coffee was added to the free list two years later, and likewise cocoa, so as to give consumers a "free breakfast table" (Tarbell 1912: 63, 78-79). Hides were added as well, as were bananas in 1883. Thus was established by the end of the 1880s a seemingly paradoxical state of affairs. By assent of protectionist legislators, and without the Colombian government having to offer a single concession, every single one of the top 5 U.S. imports from Colombia entered duty-free.

Second, protectionists embraced the use of reciprocal-trade deals to divert Latin American imports of manufactures from Great Britain and Europe to the United States. For most protectionists the embrace entailed an awkward shift of policy and doctrine. The reciprocity deals that were needed were not the old most-favored-nation kind. They were a new kind that garnered positive discrimination in favor of the United States, and granted it reciprocally to the partner, by stipulating preferential duties that each party would levy on the other's products. A treaty to that effect had been tried with Canada in 1854 and protectionists had widely condemned it. In the 1870s protectionists began to see things differently, at least where tropical countries were concerned. Such countries, according to protectionist apostle Henry C. Carey (1876: 8),

---

<sup>28</sup> See Carter et al. (2006: Ee429-430).

<sup>29</sup> The proportion of the labor force engaged in manufacturing went up by more than a third, to 19%, between 1860 and 1870 (Carter et al. 2006: Ba815-Ba816, Ba821).

offered “commodities for which [U.S.] soils, or climates, are not well fitted,” so arrangements fostering their purchase in exchange for U.S. manufactures could be mutually beneficial.<sup>30</sup>

The new view was inscribed in several treaties, first during the administration of President Grant and later that of President Arthur. But lingering skepticism among some protectionists and gathering opposition from free traders stalled most of the treaties in Congress. Their stalling somewhere on the way to enactment was hard to circumvent because their stipulation of particular tariffs qualified them as revenue acts. As with any revenue act, and unlike other treaties, the approval of not only the Senate but also the House was needed – a high hurdle. Only the controversial treaty of 1875 with Hawaii, allowing that country’s sugar to enter the U.S. duty-free in exchange for reciprocal preferences for a host of U.S. goods, while expressly prohibiting Hawaii to make the preferences extensive to any other country, overcame all the obstacles and became law. Treaty projects with Mexico, Spain (for Cuba and Puerto Rico), Santo Domingo, Great Britain (for the West Indies), El Salvador, and Colombia all failed at one stage or another.<sup>31</sup>

Opponents of the treaties had two main reasons for voting against them. The reason of liberal traders was given in the adverse report of the House Ways and Means Committee on the failed Mexican treaty of 1883. The Committee, then dominated by Democrats, urged Congress to “reform and reduce the tariff and neither offer nor ask special treaties or provisions from any nation, but openly, fairly, and honestly ... compete for the trade of all nations” (House Rept. No. 2615, 49<sup>th</sup> Cong., 1<sup>st</sup> sess.: 5).<sup>32</sup> The other main reason for voting No, although incongruent with the first, was given in the same report. Mexico offered no concessions with respect to cotton textiles, a manufacture that U.S. *protectionists* hoped to promote. And why *should* anyone expect Mexico to concede anything? As with Colombia, most of what the United States imported from Mexico already entered duty-free. So it could hardly have been surprising that Mexico “refuses the only concession which would in a measure compensate for what she receives” (ibid.: 5).

---

<sup>30</sup> As quoted in Meardon (2011b: 329). See also Crapol (1973: 53-55).

<sup>31</sup> Crapol (1973: 126) and Pletcher (1962: 179) alike refer to negotiations with Great Britain, El Salvador and Colombia, as well as the other countries named. But among all those countries, El Salvador and Colombia do not appear in Wiktor’s (1976-1994) compilation of unperfected treaties. Those two treaty projects collapsed during negotiations.

<sup>32</sup> Quoted in Spanish from another source by Márquez (2012: 15).

The obstacles to reciprocity in the 1870s and '80s were pregnant with lessons. Protectionists had already seen the futility of using commercial treaties to divert goods trade unless the treaties stipulated preferential tariffs, not just MFN treatment. Now they saw the difficulty of getting such treaties through the U.S. House of Representatives as well as the Senate. And they saw the unlikelihood of negotiating significant concessions, even from relatively weak partners, when the reciprocal concessions wanted by the partners were inscribed from the get-go in the U.S. tariff schedule. If reciprocity was to be undertaken for protectionist ends, then it had to be undertaken differently.

By the turn of the 1890s, Secretary of State James G. Blaine's plan to achieve those ends was to forego treaties altogether. Better to avoid their "delay and uncertainty" and vest power in *the President* to declare U.S. ports free to the entry of goods from partner countries that did the same for U.S. foodstuffs, lumber, metals, machinery, and other products (Sen. Ex. Doc. No. 158, 51<sup>st</sup> Cong., 1<sup>st</sup> sess.: 6). Thus was conceived section 3, the "reciprocal trade provisions," of the Tariff Act of 1890. Although coffee, tea, and hides would remain on the free list (and sugar and molasses added to it), the President was authorized to levy an alternative schedule of higher duties on those products, so long as they originated from any country whose treatment of U.S. products was, in his judgment, "reciprocally unjust and unreasonable" (26 *U.S. Stat.*: 612).

The authorization was effective January 1, 1892. Some countries hastened to head off an adverse judgment before that date: by the end of 1891, Blaine had extracted agreements for the modification of the tariff laws of Santo Domingo, Cuba, Puerto Rico, El Salvador, and Guatemala (*ibid.*: 472). Colombia took a different tack, and waited. A week after the deadline, Blaine informed the Colombian minister to the United States, José Marcelino Hurtado, that waiting would do no good. The President deemed Colombia's treatment of U.S. goods unequal and unreasonable. Section 3 of the new tariff act would be invoked if "some satisfactory commercial arrangement" were not reached by mid March (Blaine to Hurtado, 7 Jan. 1892, in *U.S. Dept. of State 1894*: 2-3).

On behalf of his government Hurtado offered several responses. He led with his weaker ones – which, nevertheless, were not easily dismissed. Colombia's tariff law, for instance, was no more burdensome to the United States than it was to Great Britain, France, and Spain (Hurtado to Blaine, 25 Feb. 1892, *ibid.*: 5). For some goods of interest to the U.S., like manufactures of wood, iron, and steel, it was no burden at all. They entered duty free.

Admittedly, for goods not on the free list, tariffs were high, but the purpose of high tariffs was to raise revenue. Tariff discrimination against the United States would be valid grounds for complaint, but the height of nondiscriminatory tariffs was not (*ibid.*: 10). Thus by Hurtado's lights the United States' complaint was really an unjust interference in Colombian governance.

Then came his stronger argument. Even if Colombia's tariffs were too high, U.S. retaliation with discriminatory tariffs on Colombian goods would violate U.S. treaty obligations. For under the treaty of 1846, Hurtado reminded Blaine, his country was guaranteed MFN treatment.

Until the United States followed through with the threatened retaliation, Hurtado did not emphasize the last argument. Then President Harrison issued the proclamation of higher duties on Colombian goods effective March 15, 1892. Thereafter Hurtado wrote repeatedly, indeed relentlessly, that the United States was in violation of Article II of the treaty of 1846. He did so, it is interesting to note, *not* mainly in reference to the more favorable treatment afforded to Santo Domingo, Cuba, Puerto Rico, El Salvador, and Guatemala, from whom the United States had extracted agreements. Instead he took a position more difficult to assail. He referred to the favorable treatment afforded to Argentina, Uruguay, Mexico, the Dutch Caribbean colonies, Chile, and Peru, from whom the United States had not extracted agreements, and yet against whom the United States did not retaliate. "Under these circumstances," he insisted, "the favor which is gratuitously and freely granted to other nations, as above set forth, should immediately become common to Colombia, who can not be deprived the enjoyment thereof without the violation of express treaty stipulations" (Hurtado to Blaine, 25 March 1892, *ibid.*:18).

Blaine and his successor as Secretary of State, John W. Foster, brushed off the argument. Blaine rejected the allegation that the United States was discriminating against Colombia, for "the law cited applies the same treatment to countries whose tariffs are found by the President to be unequal and unreasonable" (Blaine to Hurtado, 31 May 1892, *ibid.*: 25). As for Hurtado's reference to Argentina, Uruguay, et al.: notwithstanding the United States' inability as yet to reach an agreement with them, "it may be stated that the negotiations so far conducted with them have not been attended with the same unsatisfactory results which have marked our efforts to reach an agreement with Colombia" (*ibid.*: 25). In short, the theory that the U.S. remained faithful to its MFN commitment hinged on Colombia's singular unreasonableness – as evidenced

by Blaine's opinion that Colombia was unlikelier than other countries to offer a deal to his liking. No special Colombian sympathies are required to say the theory was pretty tenuous.

To Hurtado it was worse than tenuous. He protested at length against the "unwarranted and unjustifiable violations" of the treaty of 1846; he demanded not just a remedy but reparations (Hurtado to Foster, 28 July 1892, *ibid.*: 34). But the protest only set Secretary Foster more solidly against him. To Foster, hearing the United States so "arraigned" confirmed Colombia's unreasonableness: "You must ... readily comprehend, Mr. Minister, how great an obstruction exists in your note of July 28 to any friendly settlement of the reciprocity question" (Foster to Hurtado, 8 Sept. 1892, *ibid.*: 38).

Relief for Colombia came after the fall election and the substitution of Grover Cleveland for Benjamin Harrison in the White House. The Democratic platform of 1892 denounced the "sham reciprocity" of the 1890 Tariff Act, which, it claimed, pretended to foster trade while really suppressing or diverting it. But undoing the Harrison administration's reciprocity diplomacy was more complicated than opposing it. Rather than accepting publicly the validity of the Colombian case, the Cleveland administration found it expedient to simply push for a new tariff act repealing section 3 of the previous one. Congress acquiesced.<sup>33</sup> With the Wilson Tariff Act of 1894 the United States returned to a nondiscriminatory tariff, rendering moot the demand for a remedy. That was good enough for Colombia's government, which dropped the demand for reparations.

The post-Wilson Act improvement in U.S.-Colombia trade relations was tempered by two other consequences of the trade-policy maneuvers of 1890 to 1894. One was the example set by United States' extraction of concessions from its partners not mainly by offering concessions in exchange, but by leveraging the favorable tariff treatment already afforded. It had been done threateningly by the Harrison administration. In Colombia's case, it had been done ineffectively and in violation of treaty obligations. But in no fewer than nine cases, it had worked. Even free traders took note.

The other consequence was a lingering suspicion among the United States' hemispheric partners, especially Colombia, that Uncle Sam negotiated in bad faith. What did a trade deal with the U.S. imply, when its government could construe the text contrary to the plainest (and

---

<sup>33</sup> The majority of the House Committee of Ways and Means, however, did mention in its report on the tariff bill the "apparent justice" of the Colombian claim (*American Economist*, vol. XIII, no. 1 (5 Jan. 1894): 8).

traditionally American) understanding? When a settled bargain could be effectively renegotiated at the United States' will?

### 5. The agreement of 1935

Such suspicion abroad was the backdrop of the first major report of the permanent United States Tariff Commission, established under President Woodrow Wilson in 1917. The commission determined that the country's admixture of conditional and unconditional MFN treaties, preferential treaties, and executive tariff bargains was a recipe for discord. "Concessions are asked; they are sometimes refused; counter concessions are proposed; reprisal and retaliation are suggested; unpleasant controversies and sometimes international friction result" (U.S. Tariff Commission 1919: 10). At a moment when the United States' general foreign-policy objective was to build a post-war order that would reduce international friction, a new model for U.S. commercial relations was required.

Reciprocity along the lines of the McKinley Act, which was "in reality simply a penalizing measure" (ibid.: 193), did not seem to fit the bill. In 1923, President Harding and Secretary of State Charles Evans Hughes reckoned they found a congenial substitute in a program of commercial treaties centered on the unconditional MFN clause. But meanwhile the ebb and flow of the general tariff law left most U.S. imports from Colombia, as from other countries of the hemisphere, duty-free.<sup>34</sup> So the problem of getting hemispheric partners to lower barriers on U.S. exports was pretty much the same as President Harrison and Secretary Blaine faced thirty years before. And so was the solution: a penalizing measure. Section 317 of the Fordney-McCumber Act of 1922 authorized the President to levy additional duties of up to 50% *ad valorem*, or even to issue an outright ban, on goods imported from countries discriminating against the United States. The Harding administration and subsequent ones wielded the stick of Section 317 together with the carrot of unconditional MFN treaties. In order to wield the stick effectively they sometimes did it menacingly (Meardon 2011a).

---

<sup>34</sup> Under the Underwood Tariff the ratio of total duties to the value of total imports, and of duties to dutiable imports, had fallen considerably, to 9% and 29%. The protectionist Fordney-McCumber Act of 1922 raised them to 15% and 36% (Carter et al. 2006: Ee429-Ee430). Imported straw hats, which had become Colombia's fourth largest export to the U.S., saw a 10 percentage-point increase in their *ad valorem* duty, to 35% (Tables 1 and 2). But tariff increase for straw hats was the exception.

Enactment of the Hawley-Smoot Tariff of 1930 hardly made the U.S. stance less menacing, but other foreign-policy initiatives of the late 1920s and early 1930s were at least intended to do so. The United States' repudiation of the Roosevelt corollary of the Monroe Doctrine during the tenure of President Hoover and Secretary Stimson laid the foundation of the Good Neighbor policy. The policy was embraced early and vigorously by President Franklin D. Roosevelt upon his inauguration in 1933. It was inscribed later that year with Secretary of State Cordell Hull's signing of the Convention on the Rights and Duties of States in Montevideo (Mecham 1961: 113-114). There, to its Latin American partners, the United States formally pledged adherence to the rule that "states are juridically equal" and "enjoy the same rights"; that each state had "equal *capacity*" to exercise its rights, no matter the "*power* which it possesses" to ensure their exercise (ibid: 115, emphasis added).

As it applied to military intervention, the pledge was significant. It was less so as applied to trade policy, where it did not address the matter at hand so much as imagine it gone. The conventioners had conjured a "capacity" that made "power" irrelevant. This was fantasy. It could not be denied that each state had the right to arrange its trade policy as it saw fit. But neither could it be expected that the U.S. would arrange its policy without concern for its own advantages, nor could it be disputed that the trade of the U.S. was less important to itself than to its partners. In the latter fact lay power, and in the former the reality that the United States would use it.

It *could* be reasonably expected that the United States would not wield its power abusively, as it had done with Colombia under the McKinley Act. The expectation might have seemed more likely to be fulfilled if U.S. tariff law and negotiations were guided by some fixed principle: say, non-discrimination. But a fixed principle was not enough. Certainly that one was not. The reciprocity negotiations under the McKinley Act had been guided by the principle of non-discrimination against the United States. Those under the initiative of Secretary Hughes had been guided by the principle of reciprocal non-discrimination, as inscribed in mutual grants of unconditional-MFN status. As the Tariff Commission had foreseen in its report of 1919, the effect of adopting any particular principle really depended "upon the honesty, consistency, and rigidity or liberality with which the application is made to conform to the principle" (U.S. Tariff Commission 1919: 42). To Latin Americans, the United States' good-neighborliness in respect to trade policy would be seen not in the text of any new agreements but in their context.

In the first year of FDR's presidency the context was an abundance of uncertainty about even the general direction of U.S. trade policy, let alone its application. Hull was a committed free trader whose thinking on the subject hearkened back to the Democratic party of his youth in the 1880s and 90s (Allen 1953). The President's closest advisers – the “Brains Trust” centered originally around Columbia University law professor Raymond Moley – were more inclined toward “putting first things first,” subordinating international trade to domestic recovery. Roosevelt fingered Moley to be Assistant Secretary of State even as he promised Hull, as Secretary, a free hand (Steward 1975: 13-16; Butler 1998: 15-22). What it all signaled for U.S. trade policy was hard to know.

Hull envisioned a diplomatic initiative for worldwide tariff cuts. What he got from President Roosevelt was consent to negotiate several reciprocity treaties that would be submitted to Congress by the usual process. Hull acquiesced and started with Colombia.

The “great interest” that Colombian President Enrique Olaya Herrera was reported to have in the project cooled when the United States' aims were clarified. State Department cables to the U.S. chargé in Bogotá inquired about “reductions which Colombia is prepared to accord to American products in return for leading Colombian products remaining on the free list” (U.S. Dept. of State, *Foreign Relations* 1933: 219). By this time, “leading Colombian products” meant coffee, which constituted no less than three-quarters of U.S. imports from that country (Table 1).<sup>35</sup> But coffee had now entered duty free for half a century (Table 2). Once again, the United States was playing for tariff concessions in return for a guarantee of the status quo. What had changed was mainly that the stakes were higher than ever for Colombia, whose exports had come to be remarkably concentrated in a single commodity.

To President Olaya it seemed a hard bargain (U.S. Dept. of State, *Foreign Relations* 1933: 227). Likewise to the Colombian press, including editorialists at the leading bogotano newspaper, *El Tiempo*.<sup>36</sup> Nevertheless they accepted their lot. As one editorialist put it, “Colombia could hardly feel disinclined to negotiate with the nation that, among other things, buys four-fifths of her coffee” (*El Tiempo*, 9 Dec. 1933: 4).

---

<sup>35</sup> The other Colombian products enumerated in the treaty were: bananas, balata, platinum, emeralds, ipecac root, raw reptile skins, tagua nuts, and tamarinds (Unsigned State Dept. memo, “Memorandum: Colombia,” 28 June 1934, p. 6. FDR Papers, OF 313, Box 1).

<sup>36</sup> See issues of *El Tiempo* dated 28 Nov., 30 Nov., 1 Dec., 3 Dec., 5 Dec., and 7 Dec., 1933.



The treaty's text was not released while ratification was pending. But it was known to include a list of a handful of products imported by the United States from Colombia, most importantly coffee, that would be declared exempt from all import duties, excise taxes, or prohibitions; and a list of about 150 products imported by Colombia from the United States, mainly industrial but some agricultural (including the foregoing and especially sensitive hog-lard), upon which duties would be either reduced or bound at current rates. There were reciprocal unconditional-MFN commitments for all products, listed or unlisted. And there was reciprocal freedom to make further concessions to other countries, so long as the MFN commitments were kept (U.S. Dept. of State, Foreign Relations 1933: 245-254).<sup>37</sup>

U.S. negotiators insisted particularly on the unconditional MFN provision (ibid.: 240-241). Because the U.S. was the Colombians' principal supplier of the 150 or so products whose duties Colombia agreed to reduce or bind, any future reductions for those products would redound to the United States' advantage (ibid.: 247). Conversely, because Colombia was among the Americans' principal suppliers (if not the sole principal supplier) of the products the United States agreed to keep on the free list, and because the number of those products was small, the U.S. retained a good deal of power to bargain similarly with other countries.

At the treaty's signing on December 15, the State Department and the Colombian mission in Washington issued a joint statement upholding it as "a practical example of the policy of 'neighborliness' in the American continents" (U.S. Dept. of State 1934: 6). A notable historian of U.S.-Colombia relations proclaimed it "a triumph for Mr. Hull" (Parks 1934). In fact, the question of the United States' neighborliness was unsettled and Hull's triumph unratified.

The signing was followed shortly by other signal events in U.S. trade policymaking, one of them mostly favorable for Hull's designs, another decidedly not. The Secretary's persistence, as well as his successes in the Montevideo conference and with Colombia, convinced President Roosevelt to back legislation that would authorize foreign trade agreements in advance without any subsequent congressional action. Specifically, the legislation allowed agreements for the reduction of U.S. duties (or, it bears noting, their *increase*) by up to 50% of existing rates. It also provided that the duty changes would "apply ... to all foreign countries," which was consistent with the agreements' inclusion of an unconditional MFN clause. With minor amendments, the

---

<sup>37</sup> The gist of these provisions, if not the fine details, were made public through the press, e.g. "Cuales Artículos Afecta el Tratado con Estados Unidos, *El Tiempo*, 26 Dec. 1933: 3.

Reciprocal Trade Agreements Act (RTAA) became law on June 12 (48 *U.S. Stat.*: 943-945). The conventional historical view of the RTAA sees it as “a new institutional foundation” for trade policymaking that eventually cleared a path for the U.S. and the world toward postwar trade liberalization (Schnietz 2000, p. 417).<sup>38</sup>

This essay will argue that the conventional view of the RTAA overstates its importance. In any case, though, its enactment threw up a barrier to the Colombia treaty. Thereafter, the easier way to enact the treaty’s provisions would be to reframe them as an agreement under the RTAA. To do so would occasion some degree of renegotiation, which, depending on the degree, could cause consternation in Colombia.<sup>39</sup> But that seemed a small bump in the road for State Department officials, who figured on the whole the new way was better.

While the RTAA itself cheered Hull and his deputies, at least one element of its institutional architecture worried them. In response to Hull’s own urging for “an adequate and coordinated method of dealing with commercial policy questions,” the President had already established in November 1933 an interdepartmental Executive Committee on Commercial Policy. In March 1934 he added a new member: George N. Peek, Roosevelt’s Special Adviser in Foreign Trade.<sup>40</sup> Peek was the worrisome element. His view of the problem of U.S. and world trade was completely different from Cordell Hull’s. As Hull surveyed the international scene, he saw “skyscraping trade obstructions that bristle on every economic frontier,” evidence of economic illiberalism that had “almost become a disease” (U.S. Senate 1934: 5). While Hull’s remedy for the disease was to quit exposure to the toxin, Peek’s was more in the way of an antibody. To him, inspection of the nation’s balance sheets for international transactions revealed export surpluses that happened to be unpromising for the promotion of exports. The surpluses were financed by net U.S. capital outflows that were “compelled” by widespread exchange controls. Exporters faced political impediments to receiving hard currency payments

---

<sup>38</sup> See also Butler (1998), Zeiler (1999), and Irwin, Mavroidis, and Sykes (2008). Hiscox’s (1999) view, which complicates the conventional one, is more consistent with the account in this essay.

<sup>39</sup> The necessity of modifying the treaty so that it would conform to the requirements of agreements under the RTAA was spelled out by the legal adviser to the State Department in a memorandum of May 26. See Gellman (1966: 67, note 41).

<sup>40</sup> Correspondence between the Secretary of State and the President establishing the functions and membership of the Executive Committee of Commercial Policy is recorded under the date October 27, 1933, in the FDR Papers, OF 971, Box 1. A diagram by Peek of the government’s trade bureaucracy, titled “Government Offices Interested in Foreign Trade,” may be found in his “Letter and Recommendation to the President on Foreign Trade” dated August 31, 1934, *ibid.*

in foreign markets; the volume of exports that could be supported without such payments was small. Some “positive action” by the government was required, for otherwise, foreign governments would continue to channel their countries’ hard currency earnings toward priorities other than the purchase of U.S. exports. What was needed was “constructive stimulation and direction for the current movement of goods and services”: to wit, countervailing exchange controls, and thereby “a program of selective imports and exports with particular countries” (“Report No. 1 on Foreign Trade,” Exhibit No. 2, May 1934, FDR Papers, OF 971, Box 1).

Come June, Peek found a more appealing pitch for his program, now more apple pie than antibody. “Yankee trading,” he called it in another radio address. The sensible way “through the maze of restrictions and barriers which now impede our trade” was simply to practice “the old Yankee method of bartering – goods for goods, equal value given and received, a fair bargain on both sides” (Peek 1934: 2).

In order to understand Hull’s eventual triumph and how it affected U.S.-Colombia trade relations, it is essential to note that President Roosevelt’s signing of the RTAA on June 12 still did not secure that triumph. Nor did it destroy Peek’s program. Although the State Department construed the act to authorize trade agreements based on the unconditional MFN clause, there was quite another way to construe it. The act’s stipulation that any changes in U.S. duties inscribed in trade agreements would “apply ... to all foreign countries” has already been noted. But there was a qualification. The act also stipulated that the President could suspend any such changes as they applied to countries undertaking “discriminatory treatment of American commerce” or “other acts or policies” which he perceived as working against the act’s purposes (48 *U.S. Stat.*: 944). As Peek would write to the President later that fall, the act was designed in the first place for “expanding foreign markets for the United States” (*ibid.*: 943). Numerous practices of other countries worked against that purpose, including exchange restrictions, debt defaults, violations of MFN commitments to the United States through negotiation of barter agreements with third parties, and failures to reciprocate any favors received in consequence of U.S. trade agreements with third parties (Peek to Roosevelt, 12 Nov. 1934, in FDR Papers, OF 971, Box 1). In this manner Peek showed that the RTAA could be construed reasonably to authorize trade agreements based on the conditional rather than the unconditional MFN clause. Conditional MFN agreements would not have been sufficient to implement his program of countervailing exchange controls and international barter, but they could easily have been

deemed consistent with it. In short, even after the signing of the RTAA, the course of U.S. trade policy was up for grabs between policymakers with sharply contrasting visions. And so were trade relations with Colombia.

The State Department gave formal notice of its intent to negotiate a trade agreement with Colombia under the RTAA on September 5, 1934 (Gellman 1966: 69). The debate about the contents of that particular agreement, as well as implementation of the trade-agreements program in general, intensified. Peek continued to argue vigorously against unconditional MFN and for making trade agreements contingent on satisfactory settlement of “blocked exchanges” (Peek to Hull, 22 Sept. 1934, FDR Papers, OF 971, Box 1).<sup>41</sup> Such a contingency would entail new obligations for Colombia, which practiced exchange control. The responsible subcommittee of the Executive Committee on Commercial Policy thus amended the draft agreement with a new article – which was then excised at the request of the State Department (Peek to Assistant Secretary of State Francis B. Sayre, 7 Dec. 1934, enclosure, FDR Papers, OF 313). In effect, State had taken the position that the agreement should be drafted with as little renegotiation as was legally possible. One reason was anxiety about the risks of delay or failure of ratification by Colombia. But there was a bigger reason. While Hull, too, was troubled by exchange controls, he determined that “the wisest policy” sought gradual liberalization of exchange by other means. He avowed his extreme reluctance “to see any arrangements adopted that make any such outcome more difficult or more tardy” (Hull to Peek, Oct. 5 1934, as quoted in letter of Peek to Sayre, 7 Dec. 1934, *ibid.*).

Peek protested. Making no headway in his protests to the Executive Committee, he appealed to the President. He reported “an impasse in the absence of any final ruling by you as to policy under the Reciprocal Trade Agreements Act,” particularly in respect to unconditional MFN and exchange controls (Peek to Roosevelt, 12 Dec. 1934, OF 971, Box 1). But rather than wait for a ruling he continued trying to engage the President decisively on his side. In a report of late June, Peek mapped out the labyrinth of “exclusive bilateral agreements” and controls that U.S. trade partners had erected and that would continue to distort trade under Hull’s proposed program (“Foreign Restrictions and Agreements Affecting American Commerce,” 30 June 1935, FDR Papers, OF 971). The implication was that Hull was bound to fail even on his own terms.

---

<sup>41</sup> See also Peek to Roosevelt, 12 and 14 Nov. 1934, FDR Papers, OF 971, Box 1.

Roosevelt forwarded Peek's report to the State Department with an invitation to respond. But he did not wait for the response to settle the controversy. The decision, which he had made in increments since the past December, was for Hull against Peek.<sup>42</sup> Regretting the difference of opinion and requesting the continued benefit of his services, the President nevertheless advised his Special Adviser to "get a vacation" (copy, Roosevelt to Peek, 25 July 1935, FDR Papers, OF 971, Box 2).

Hull's formal reply to Peek's report justified the President's decision by trumpeting first principles. Although Peek was right to worry about the proliferation of exclusive agreements, "the remedy lies not in withdrawing into a conditional policy, but in increasing the number and widening the scope of our reciprocal unconditional obligations." The United States should not respond with exclusive agreements of its own, for, "being generally discriminatory, they provoke retaliation, and, in the end, diminish rather than increase the sum total of world trade." The Roosevelt administration's economic program, "instead of pursuing this narrow and destructive trade policy, points in the opposite direction." As it must do, for "if some country does not thus take the lead another economic collapse ... will be almost certain" (Hull to Roosevelt, 18 Aug. 1935, FDR Papers, OF 971, Box 2).

The foregoing blasts signaled Cordell Hull's real triumph. The word is apt for his accomplishment, whether or not one approves of it: a significant redirection of U.S. trade policy, against firm opposition, toward an end he had sought for most of his political career. The argument here is that the RTAA was utterly insufficient for the triumph. It may not even have been necessary. The triumph was owing to Hull himself and the free-trade doctrine animating the RTAA under his leadership. The institution could very well have been, and nearly was, animated by a doctrine of protection and retaliation. After all, its main provisions, which comprised executive authority, a carrot of dubious appeal, and a stick of possible menace, resembled the reciprocity provisions of the protectionist McKinley Act. In both instances the gist was congressional pre-approval of tariff reductions that were neither far reaching nor far below the existing U.S. tariff schedule for the goods mainly at issue, and possible penalties for

---

<sup>42</sup> Butler (1998, ch. 5) narrates the President's denial of support in December 1934 and again in April 1935 for a proposed cotton-barter agreement that Peek negotiated with Germany. Peek and Hull alike considered such commodity agreements inconsistent with the unconditional MFN principle and thus irreconcilable with the trade agreements program as Hull envisioned it. The President's siding with Hull in the matter foretold the outcome of the larger controversy.

partners who declined to deal. And the same carrot and stick, albeit without the same executive authority, were held out in the decade before FDR's administration by the Republican ones of Harding, Coolidge, and Hoover.

To be sure, the result of Hull's triumph was not free trade. It was the modest expansion of U.S. trade for a short while during the interwar years, without much resort to threats of retaliation and without validating the worst apprehensions of bad faith. The U.S.-Colombia trade agreement was signed on September 13, 1935 in nearly the same form that was agreed to two years before (U.S. Dept. of State, EAS 89). That was progress in light of the record of the preceding half century.

## **6. Conclusion**

In one contribution to the growing literature on institutions and economic development, Ha-Joon Chang (2010) suggests that institutions are neither as determinative nor as constraining as they are imagined in theory. In order to understand how they do function, "our [institutional] theories need to be more richly informed by real-world experiences – both history and modern-day events" (Chang 2010: 23). This essay follows the suggestion into the domain of trade policy, particularly bilateral trade deals. The history of U.S.-Colombia trade agreements from the 1820s to the 1930s gives insight into how the institutions of trade agreements affect their orientation toward free trade, protectionism, or something else.

The insight is that the influence of political institutions on the actual orientation of trade policy is less decisive than is commonly imagined. In the history told here, economic doctrines and the interests they promote have been more decisive, bending institutions to one end or another depending on which doctrine or interests hold sway. The conditional MFN treaty between the U.S. and Colombia of 1824 was consistent with protectionism, by John Quincy Adams's lights, and by Henry Clay's it fostered that end. But by 1846 a similar U.S.-Colombia treaty was opposed by Adams's and Clay's Whig Party, and even by Adams and Clay themselves. The problem was not that protectionist Whigs came around to disapprove of the form of the treaty but that predominantly free-trade Democrats took it up and invested it with a new purpose. The purpose happened not to be free trade but the expansion of U.S. territory, which most free traders saw as a kindred cause, and thereby the domain of slavery.

Similarly, the McKinley Tariff Act of 1890 included “reciprocity” provisions that gave President Harrison and his Secretary of State, James G. Blaine, the authority to negotiate agreements with countries exporting certain primary goods for the reduction of those countries’ tariffs on U.S. goods. The authority included a retaliatory measure that the President could apply if the other countries did not negotiate to his satisfaction. The act’s advocates and opponents alike saw the reciprocity provisions as protectionist, and with good reason. They sparked indignation abroad, especially in Colombia, which declined to meet U.S. terms and met retaliation instead. Several decades later, however, a new act with a similar grant of executive authority for trade agreements caused noticeably less indignation abroad. There was still some, to be sure, including in Colombia, which signed a new agreement with the U.S. in 1935. But it was muted by comparison to 1892. The difference lay not in mainly in the act but in the interpretation of it by Secretary Hull, whose doctrinal allegiance was to liberal trade.

The historical account thus corroborates Acemoglu and Robinson’s (2008) argument that although political institutions exist to curb *de facto* political power, sometimes the reality is different: *de facto* power is wielded to undo political institutions. Where the institutions of trade agreements are concerned, “sometimes” are oftentimes.

For further corroboration one may look to the current U.S.-Colombia Free Trade Agreement. Most of the five years from its signing to its passage are attributable to a three-year detour from the three-month timeline that the U.S. Congress had stipulated for its consideration under “fast track.” In the longer history of U.S. trade agreements (and disagreements) with Colombia, such flexible interpretation of the trade-agreement rules is more in keeping with the norm than in violation of it.<sup>43</sup> So is the flexibility manifest in the FTA’s effective amendment, despite fast track’s no-amendment principle, to include a labor side-agreement that was anathema to its original proponents.<sup>44</sup> Policy makers have always been able to bend the

---

<sup>43</sup> The details of the 2002 Trade Promotion Authority Act, under which the U.S.-Colombia FTA was negotiated, are laid out by Hornbeck and Cooper (2011). Villareal (2011) discusses briefly the House resolution suspending the expedited procedures of TPA in the U.S.-Colombia case. The suspension was in force from April 2008 to June 2011.

<sup>44</sup> The labor agreement may be found in “Colombian Action Plan Related to Labor Rights” (7 April 2011), published by the Office of the United States Trade Representative (<http://www.ustr.gov/uscolombiatpa/labor>, accessed 24 July 2013). For an opinion of the labor agreement held by longstanding proponents of the FTA, see “Trumping Trumka,” editorial, *The Wall Street Journal*, 19 April 2011.

institutions of trade agreements in the direction of their political and doctrinal predilections, even when the required contortions have been great.

## References

- Acemoglu, D. and J. A. Robinson. (2008) The Persistence and Change of Institutions in the Americas, *Southern Economic Journal* 75 (2), pp. 281-299.
- Allen, W. R. (1953) The International Trade Philosophy of Cordell Hull, 1907-1933, *The American Economic Review* 43 (1), pp. 101-116.
- Annals of Congress*. (1789-1824) Washington, DC.
- Bemis, S. F. (1943) *The Latin American Policy of the United States: An Historical Interpretation* (New York: Harcourt, Brace and Company).
- Bemis, S. F. ([1949] 1973) *John Quincy Adams and the Foundations of American Foreign Policy* (New York: W. W. Norton & Co).
- Bhagwati, J. and D. A. Irwin. (1987) The Return of the Reciprocitarians – U.S. Trade Policy Today, *World Economy* 10 (2), pp. 109-30.
- Biographical Directory of the United States Congress*. (1774-2005) House Document No. 108-222 (Washington, DC: Government Printing Office).
- Butler, M. A. (1998) *Cautious Visionary: Cordell Hull and Trade Reform, 1933-1937* (Kent, Ohio: Kent State University Press).
- Campbell, R. B. (1967) The Spanish American Aspect of Henry Clay's American System, *The Americas* 24 (1), pp. 3-17.
- Carey, H. C. (1876) To the Friends of the Union Throughout the Union, in: William Elder, ed., *Miscellaneous Works of Henry C. Carey*, vol. 2. (Philadelphia: Henry Carey Baird & Co., 1883).
- Carrillo Batalla, T. E., ed. (1986) *Legislación Económica y Fiscal del Régimen de Simón Bolívar*, 2 vols. (Caracas: Academia Nacional de Ciencias Económicas).
- Carter, S. B., S. S. Gartner, M. R. Haines, A. L. Olmstead, R. Sutch, and G. Wright, eds. (2006) *Historical Statistics of the United States, Earliest Times to the Present: Millennial Edition* (New York: Cambridge University Press).
- Chang, H.-J. (2010) Institutions and Economic Development: Theory, Policy and History, *Journal of Institutional Economics* 7 (4), pp. 473-498.



- Crapol, E. P. (1973) *America for Americans: Economic Nationalism and Anglophobia in the Late Nineteenth Century* (Westport, CT: Greenwood Press).
- Delpar, H. (1999) Colombia: Troubled Friendship, in: Thomas M. Leonard, ed., *United States-Latin American Relations, 1850-1903: Establishing a Relationship* (Tuscaloosa: The University of Alabama Press), pp. 58-80.
- Díaz-Callejas, A. (1997) *Colombia-Estados Unidos: Entre la Autonomía y la Subordinación, de la Independencia a Panamá* (Bogotá: Planeta Colombiana Editorial S.A.).
- Gellman, I. F. (1966) *The Abortive Treaty that Failed: United States-Colombian Reciprocal Trade Policies, 1933-1936*, M.A. Thesis, Department of History, University of Maryland.
- Herod, J. R. (1901) *Favored Nation Treatment: An Analysis of the Most Favored Nation Clause, with Commentaries on its Uses in Treaties of Commerce and Navigation* (New York: The Banks Law Publishing Co.).
- Hiscox, M. J. (1999) The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization, *International Organization* 53 (4), pp. 669-698.
- Hornbeck, J. F. and W. H. Cooper. (2011) Trade Promotion Authority and the Role of Congress in Trade Policy, CRS Report RL33743 (Washington, D.C.: Congressional Research Service).
- Huck, E. R. (1963) *Colombia-United States Commercial Relations, 1821-1850*, Ph.D. Dissertation, University of Alabama.
- (1991) Early United States Recognition of Colombian Independence and Subsequent Relations to 1830, in: T. Ray Shurbutt, ed., *United States-Latin American Relations, 1800-1850: The Formative Generations* (Tuscaloosa: The University of Alabama Press), pp. 197-227.
- Irwin, D. A. (2002) Reciprocity and the Origins of U.S. Trade Liberalization, in: Jagdish Bhagwati, ed., *Going Alone: The Case for Relaxed Reciprocity in Freeing Trade* (Cambridge, Mass.: The MIT Press), pp. 61-84.
- Irwin, D. A., P. C. Mavroidis, and A. O. Sykes. (2008) *The Genesis of the GATT* (New York: Cambridge University Press).
- Kalmanovitz, S. (2003) *Economía y Nación: Una Breve Historia de Colombia* (Bogotá: Grupo Editorial Normal).

- LaFeber, W. (1998) *The New Empire: An Interpretation of American Expansion, 1860-1898* (Ithaca, New York: Cornell University Press).
- Laughlin, J. L. and H. P. Willis. (1903) *Reciprocity* (New York: The Baker & Taylor Co.).
- Malloy, W. M. (1910) *Treaties, Conventions, International Acts, Protocols and Agreements Between the United States and Other Powers, 1776-1909*, Senate doc. 357, 61<sup>st</sup> Cong., 2d sess. 2 vols. (Washington, DC: Government Printing Office).
- Manning, W. R., ed. (1935) *Diplomatic Correspondence of the United States: Inter-American Affairs, 1831-1860*, vol. 5: *Chile and Colombia* (Washington: Carnegie Endowment for International Peace).
- Márquez Colín, G. (2012) El Tratado de Reciprocidad de 1883: ¿una oportunidad perdida?, *Historia Mexicana* 61 (3).
- Martínez Delgado, L. (1972) *Panamá: su Independencia de España – su Incorporación a la Gran Colombia – su Separación de Colombia – el Canal Interoceánico* (Bogotá: Ediciones Lerner).
- McGreevey, W. P. (1971) *An Economic History of Colombia, 1845-1930* (Cambridge University Press).
- Meardon, S. (2011a) On the Evolution of U.S. Trade Agreements: Evidence from Taussig's Tariff Commission, *Journal of Economic Issues* 45 (2), pp. 475-484.
- (2011b) Reciprocity and Henry C. Carey's Traverses on "the Road to Perfect Freedom of Trade," *Journal of the History of Economic Thought* 33 (3), pp. 307-333.
- Mecham, J. L. (1961) *The United States and Inter-American Security, 1889-1960* (Austin: University of Texas Press).
- Mejía Arango, L. (2007) *Los Radicales: Historia Política del Radicalismo del Siglo XIX* (Bogotá: Universidad Externado de Colombia).
- Ocampo, J. A. (1984) *Colombia y la Economía Mundial, 1830-1910* (Bogotá: Siglo Veintiuno Editores).
- Ocampo, J. A. and S. Montenegro. (2007) *Crisis Mundial, Protección e Industrialización* (Bogotá: Grupo Editorial Norma).
- Ocampo, J. A. (2007) Librecambio y Proteccionismo en el Siglo XIX, in: Ocampo and Montenegro, op. cit., pp. 279-336.
- Officer, L. (2008) Dollar-Pound Exchange Rate from 1791 (MeasuringWorth.com).

- Ospina Vasquez, L. (1955) *Industria y Protección en Colombia, 1810-1930* (Medellín: E.S.F.).
- Parks, E. T. (1934) The Colombian Treaty: a Triumph for Mr. Hull, *World Affairs* 97 (1), pp. 48-50.
- Parks, E. T. (1935) *Colombia and the United States, 1765-1934* (Durham, North Carolina: Duke University Press).
- Peek, G. N. (1934) Foreign Trade and Yankee Trading, Press Release No. 2, Special Adviser to the President on Foreign Trade, in: FDR Papers as President, OF 971, Box 1, 9 June.
- Pletcher, D. M. (1962) *The Awkward Years: American Foreign Policy Under Garfield and Arthur* (Columbia: University of Missouri Press).
- Pletcher, D. M. (1973) *The Diplomacy of Annexation: Texas, Oregon, and the Mexican War* (Columbia: University of Missouri Press).
- (1998) *The Diplomacy of Trade and Investment: American Economic Expansion in the Hemisphere, 1865-1900* (Columbia: University of Missouri Press).
- Randall, S. J. (1977) *The Diplomacy of Modernization: Colombian-American Relations, 1920-1940* (Toronto: University of Toronto Press).
- (1992) *Colombia and the United States: Hegemony and Interdependence* (Athens, Georgia: The University of Georgia Press).
- Riguzzi, P. (2003) *Reciprocidad Imposible?: La Política del Comercio entre México y Estados Unidos, 1857-1938* (Toluca, México: Instituto Mora).
- Rippy, J. F. (1929) *Rivalry of the United States and Great Britain Over Latin America (1808-1830)* (Baltimore: The Johns Hopkins Press).
- Rivas, R. (1915) *Relaciones Internacionales entre Colombia y los Estados Unidos* (Bogotá: Imprenta Nacional).
- Roosevelt, F. D. Papers as President (FDR Presidential Library, Hyde Park, New York).
- Schnietz, K. E. (2000) The Institutional Foundations of U.S. Trade Policy: Revisiting Explanations for the 1934 Reciprocal Trade Agreements Act, *Journal of Policy History* 12 (4), pp. 417-444.
- Setser, V. G. (1937) *The Commercial Reciprocity Policy of the United States, 1774-1829* (Philadelphia: University of Pennsylvania Press).
- Stanwood, E. (1903) *American Tariff Controversies in the Nineteenth Century*, 2 vols. (Boston: Houghton, Mifflin).

- Steward, D. (1975) *Trade and Hemisphere: the Good Neighbor Policy and Reciprocal Trade* (Columbia: University of Missouri Press).
- Tarbell, I. (1911) *The Tariff in Our Times* (New York: Macmillan).
- Taussig, F. W. (1892) *The Tariff History of the United States*, 2<sup>nd</sup> ed. (New York: G.P. Putnam's Sons).
- Terrill, T. E. (1973) *The Tariff, Politics, and American Foreign Policy, 1874-1901* (Westport, Conn.: Greenwood Press).
- Uribe, A. J. (1920). *Anales Diplomáticos y Consulares de Colombia*, Tomo Sexto (Bogotá: Imprenta Nacional).
- U.S. Bureau of the Census. (1975) *Historical Statistics of the United States, Colonial Times to 1970*, Bicentennial ed., part 2 (Washington, D.C.: U.S. Government Printing Office).
- U.S. Department of State. (1930-1946) Executive Agreement Series [EAS] (Washington, D.C.: U.S. Government Printing Office).
- U.S. Department of State. (1801-1906) *Diplomatic Instructions of the Department of State, 1801-1906*, Series M77, U.S. Department of State Papers (United States National Archives, College Park, Maryland).
- U.S. Department of State. (1820-1906) *Despatches from U.S. Ministers to Colombia, 1820-1906*, Series T33, U.S. Department of State Papers (United States National Archives, College Park, Maryland).
- U.S. Department of State. (1870-1946) *Papers Relating to the Foreign Relations of the United States*, Washington, DC: U.S. Government Printing Office.
- U.S. Department of State. (1894) Import Duties on Certain Products. ("Report submitted by the Secretary of State inclosing correspondence between the governments of the United States and Colombia, Venezuela, and Haiti ...") Senate Ex. Doc. No. 56, 53<sup>rd</sup> Cong., 2d Sess.
- U.S. Senate, Committee on Finance. (1934) Reciprocal Trade Agreements: Hearings. 73<sup>rd</sup> Cong., 2d Sess., Thursday, April 26.
- U.S. Senate, Committee on Foreign Relations. (1816-) Committee Papers (ARC ID 559842). Center for Legislative Archives (National Archives, Washington, D.C.)
- U.S. *Senate Executive Journal*. (1789 -) (Washington, D.C.)
- U.S. *Statutes at Large*. (1789 -) (Washington, D.C.)

- U.S. Tariff Commission. (1919) *Reciprocity and Commercial Treaties* (Washington, D.C. Government Printing Office).
- Villareal, M. A. (2011) The Proposed U.S.-Colombia Free Trade Agreement, CRS Report RL34470 (Washington, D.C.: Congressional Research Service).
- Wiktor, C. L. (1976-1994) *Unperfected Treaties of the United States of America, 1776-1976* (Dobbs Ferry, N.Y.: Oceana Publications).
- Wood, B. (1961) *The Making of the Good Neighbor Policy* (New York: Columbia University Press).
- Zeiler, T. W. (1999) *Free Trade, Free World: the Advent of GATT* (Chapel Hill: University of North Carolina Press).

**Table 1: U.S. imports of top 5 Colombian items, by value, various years**

<b>1824-25</b>			
Net US imports of gold and silver from COL:	\$181,059	From all countries:	-\$2,646,290
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Indigo	\$408,888	25%	28%
2. Dye-wood	\$309,875	19%	35%
3. Coffee	\$281,641	17%	5%
4. Cocoa	\$257,679	16%	50%
5. Hides	\$241,244	15%	11%
<b>1845-46</b>			
Net US imports of gold and silver from COL:	\$32,100	From all countries:	-\$127,536
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Hides	\$21,690	62%	unspecified
2. Unenumerated duty-free (indigo/cochineal)	\$10,153	29%	unspecified
3. Dye-wood	\$1,080	3%	0%
4. Sugar	\$872	2%	0%
5. Cocoa	\$618	2%	1%
<b>1867-68</b>			
Net US imports of gold and silver from COL:	\$655,857	From all countries:	-\$69,557,607
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Silk (raw)	\$507,226	20%	20%
2. India rubber	\$456,341	18%	21%
3. Hides	\$318,855	13%	3%
4. Cochineal (dye)	\$250,915	10%	23%
5. Cinchona (for quinine)	\$228,845	9%	61%

**1888-89**

Net US imports of gold and silver from COL:		From all countries:	
	\$1,260,573		-\$67,963,318
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Coffee	\$2,170,963	51%	3%
2. Hides	\$886,309	21%	5%
3. India rubber	\$294,606	7%	2%
4. Cocoa	\$128,024	3%	6%
5. Bananas	\$98,900	2%	3%

**1910-11**

Net US imports of gold and silver from COL:		From all countries:	
	\$1,664,041		\$37,564,517
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Coffee	\$4,812,430	54%	5%
2. Hides	\$911,961	10%	9%
3. Bananas	\$887,928	10%	6%
4. Hats	\$714,449	8%	24%
5. India rubber	\$692,188	8%	1%

**1932**

Net US imports of gold and silver from COL:		From all countries:	
	\$3,281,205		-\$423,282,049
Gross US imports from COL of:	Value	% of US merch. imports from COL	% of total US imports of item
1. Coffee	\$46,477,360	76%	34%
2. Crude petroleum	\$7,742,208	13%	36%
3. Bananas	\$2,258,153	4%	9%
4. Platinum	\$447,549	1%	62%
5. Hats	\$146,811	0%	4%

**Sources:** Annual reports on the foreign commerce of the United States, U.S. Department of the Treasury (for 1824-25 to 1888-89), Department of Commerce and Labor (for 1910-11), and Department of Commerce (for 1930). See in particular U.S. Senate Doc. 76, 19<sup>th</sup> Cong., 1<sup>st</sup> Sess. (for 1824-25); U.S. Senate Doc. 7, 29<sup>th</sup> Cong., 2<sup>nd</sup> Sess. (for 1845-46); U.S. House Ex. Doc. 0, 40<sup>th</sup> Cong., 3<sup>rd</sup> Sess. (for 1867-68); U.S. House Ex. Doc. 6, pt. 1, 51<sup>st</sup> Cong., 1<sup>st</sup> Sess. (for 1888-89); U.S. House Doc. 1038, 61<sup>st</sup> Cong., 3<sup>rd</sup> Sess. (for 1910-11); and U.S. House Doc. 448, 72<sup>nd</sup> Cong., 2<sup>nd</sup> Sess. (for 1932).

Table 2: U.S. tariffs on imports from Colombia under major tariff acts, 1816-1930

Year	Bananas	Cinchona / Peruvian bark (for quinine)	Cochineal	Cocoa	Coffee	Dye-wood	Gold & silver coins, bullion	Hats	Hides, raw/salted	India rubber	Indigo	Petroleum, crude	Platinum	Silk, raw	Sugar, brown	Tobacco, unmanuf.
1816	n/a	n/a	n/a	2 c./lb	5 c./lb	Free	Free	30%	Free	n/a	15 c./lb	n/a	n/a	n/a	3 c./lb	15%
1824	"	"	"	"	"	"	"	50%	"	"	"	"	"	"	"	"
1828	"	"	"	"	"	"	"	"	"	"	20-50 c./lb	"	"	"	"	"
1832	"	Free	Free	Free	Free	"	"	30%	"	"	15%	"	Free	12.50%	2.5 c./lb	"
1842	Free	"	"	1 c./lb	"	"	"	35%	5%	30%	5 c./lb	"	"	50 c./lb	"	20%
1846	20%	15%	10%	10%	"	5%	"	30%	"	10%	10%	"	"	15%	30%	30%
1857	8%	Free	4%	4%	"	Free	"	24%	4%	4%	4%	"	"	Free	24%	24%
1861	Free	10%	Free	Free	"	"	"	30%	5%	Free	Free	"	"	"	0.75 c./lb	25%
1864	25%	20%	"	3 c./lb	5 c./lb	"	"	40%	10%	10%	"	10 c./gal	"	"	3 c./lb	35 c./lb.
1870	10%	Free	"	2 c./lb	3 c./lb	"	"	"	"	Free	"	20 c./gal	"	"	1.75 c./lb	"
1872	10%	"	"	Free	Free	"	"	"	Free	"	"	20 c./gal	"	"	1.75 c./lb	"
1874	10%	"	"	"	"	"	"	"	"	"	"	"	"	"	2.1875 c./lb	"
1883	Free	"	"	"	"	"	"	30%	"	"	"	10%	"	"	1.4 c./lb	"
1890	"	"	"	"	"	"	"	Free	"	"	"	Free	"	"	0.95 c./lb	"
1894	"	"	"	"	"	"	"	"	"	"	"	"	"	"	40%	"
1897	"	"	"	"	"	"	"	35%	15%	"	"	"	"	"	0.95 c./lb	"
1909	"	"	"	"	"	"	"	"	Free	"	"	"	"	"	"	"
1913	"	"	"	"	"	"	"	25%	"	"	"	Free	"	"	0.71 c./lb	"
1922	"	"	15%	"	"	"	"	35%	"	"	7 c./lb + 45%	"	"	"	1.24 c./lb	"
1930	"	"	Free	"	"	"	"	25%	10%	"	"	"	"	"	1.7125 c./lb	"

**Notes:** Rows with boldfaced entries and borders highlight tariff laws in force during all or part of a period of U.S.-Colombia commercial negotiations: 1824, 1846-48, 1891-94, and 1932-33. Cells shaded in gray show when certain Colombian goods were imported to the U.S. duty-free.

**Sources:** For the tariff act of 1816 up to that of 1846, U.S. House Doc. No. 227, 29th Cong., 1st Sess. (1846); for 1842 to 1864, U.S. Senate Ex. Doc. No. 2, 39th Cong., 2nd Sess. (1867). Appendix C; for 1816 to 1890, U.S. Senate Report No. 2130, 51st Cong., 2nd Sess. (1891); for 1890 to 1897, U.S. Senate Doc. No. 329, 55th Cong., 2nd Sess. (1898); for 1897 to 1909, U.S. House Doc. No. 948, 61st Cong., 2nd Sess. (1910); for 1913 to 1930, U.S. Senate Doc. No. 119, 71st Cong., 2nd Sess. (1930); and for all years, the texts of the tariff acts as reprinted by Northrup and Turney (2003).