The Alliance for Progress: Policy Continuation or Actual Reform?

Mario Mion

Western Michigan University, mmion37@yahoo.com

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THE ALLIANCE FOR PROGRESS

Policy Continuation or Actual Reform?

Honors College

Western Michigan University
Kalamazoo, Michigan
Presented by

Mario R. Mion

8 March, 1967

Phillip Althoff, Advisor
Department of Political Science
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INTRODUCTION

The Alliance for Progress appears to falter within its own objectives. As such this is not unique to this aid program; other programs have encountered difficulties in their operation. However, the extent of the Alliance's failure to meet its stated goals raises the question of the efficacy of the program itself and, what is more significant, of the intent of the Alliance as a program of aid and as a tool for reform. In fact, the operational or mechanical difficulties per se are not surprising considering the obstacles involved. Traditionally divergent economic and political patterns and social attitudes, here in the United States and south of the "border," make it understandable that difficulties should be encountered in the implementation of the program. But technical problems can be solved, given the required willingness on both sides and the subsequent development of appropriate approaches and plans.

In fairness to the Alliance and to its main creator, the late President Kennedy, it must be noted that this program does emphasize an important if not essential factor, which so far had hardly been considered either by the Latin American countries, or by the United States: that of social reform. Moreover, it must be recognized that President Kennedy might have had sincere and straightforward motives when he
inaugurated the program. In line with this, we may rationalize that the Alliance has lost its initial optimism since the President's untimely death, thus resulting in the near-stagnant situation of today, a situation which is suggested by the mysterious silence of the nation's papers on this subject over the last several years.

Even allowing for the above assumption in defense of the program, the fact still remains that the Alliance for Progress is not fulfilling the hopes it had generated, nor does it seem probable that it will do so in the near future. There seems present an apathy which can hardly be promising of increased activity and much needed efficiency. The bright goals of improved conditions and of a meaningful measure of hope, as initially announced, appear ever more distant.

Critics of the Alliance are often told that they cannot expect too much too soon, that time is needed for results to show. This is true. Much criticism is based on impatience. But it is not only the lack of results that concerns us here. It is a number of attitudes and irregularities which need an explanation and a justification beyond the mere consideration of the difficulties presented by the Latin American situation. The factors involved in causing the overall difficulties in realizing the goals of the program are numerous, and more often than not, they are inter-related. While no one factor
can be singled out as the principal cause of the program's lack of success, the historical, geographic, economic and political context within which the program operates and the unorthodox implementation of it to date, seem to suggest certain specific, if "unofficial," reasons for the program to exist. These reasons obviously are not to be found in print, either in the Charter of the Alliance or in any other official document. Yet, they cannot be dismissed on that basis since their possible existence would alter the meaning of the Alliance and explain many of the questions surrounding it.

This paper, then, will attempt to analyze the program. It will attempt to discover the motives and attitudes behind its foundation and creation. That is, it poses the question whether the Alliance for Progress was instituted for the reasons officially stated, or whether it was actually instituted as a continuation of past policies, dictated by unfounded chronic fears and limited outlooks, rather than by a realistic appraisal of the problems at hand and by a long-range vision of the benefits which would result from their solution.
CHAPTER I

THE ALLIANCE FOR PROGRESS: 
THE OFFICIAL PROGRAM AND ITS ACCEPTANCE

Latin America's obvious need for economic assistance 
and social development had been recognized and indicated 
before the advent of the Alliance for Progress. A significant 
example of this was Operation Pan America, suggested in 1958 
by the then president of Brazil, Juscelino Kubitscheck. 
This proposal, however, was not acceptable to the United 
States, and thus was not acted upon. The Fund for Social 
Investment of the Act of Bogotá of 1960, reflecting the need 
spelled out in Operation Pan America, on the other hand 
was given concrete form by a 500 million dollar allotment. 
The money, however, was never appropriated. During the Inter-
American Economic and Social Conference held at Punta del 
Este, Uruguay, the Charter of Punta del Este was signed by 
the members of the Organization of American States on 
August 17, 1961, establishing the Alliance for Progress. This 
Alliance had been proposed by President Kennedy during an 
address to Latin American ambassadors convened for that 
purpose at the White House on March 13, 1961.

With the Alliance for Progress, President Kennedy proposed 
an unprecedented program of aid, far reaching in its ultimate 
scope. At least, this is the impression offered by the
declaration of Punta del Este. To quote the Charter:
"It is the purpose of the Alliance for Progress... to accelerate the economic and social development of the participating countries of Latin America, to achieve maximum levels of well-being..."\(^2\) The Charter further enumerates the following fundamental goals to be achieved within the coming decade:

1. "To achieve... a substantial and sustained growth of per capita income,... to attain levels of income capable of assuring self-sustaining development,... to reach these objectives... the rate of economic growth... should be no less than 2.5% per capita per year..."

2. "To make the benefits of economic progress available to all citizens of all economic and social groups through a more equitable distribution of national income..."

3. "To achieve balanced diversification in national economic structures, both regional and functional, making them increasingly free from dependence on the export of a limited number of primary products..."

4. "To accelerate the process of rational industrialization,... special attention should be given to the establishment and development of capital goods industries."

5. "To raise agricultural productivity and output..."

6. "To encourage... programs of comprehensive agrarian reform leading to the effective transformation..."
of unjust structures and systems of land tenure and use. . . ."

7. "To eliminate adult illiteracy, . . . to provide the competent personnel required in rapidly growing societies."

8. "To increase life expectancy at birth, . . . to increase the ability to learn and produce. . . ."

9. "To increase construction of low-cost houses. . . ."

10. "To maintain stable price levels, avoiding inflation or deflation. . . ."

11. "To strengthen existing agreements on economic integration. . . ."

12. "\(\sqrt{T} \) prevent the harmful effects of excessive fluctuations in the foreign exchange earnings derived from exports of primary products, . . . to facilitate the access of Latin American exports to international markets."

The framers of the Charter, in order to provide some practical guidance to the process of achieving the objectives listed above, emphasize that certain principles should be taken into account. These principles, considered necessary to the effectiveness of the program, should be basic to the program's undertakings and simultaneously reinforce the objectives themselves. The principles, as stated in the Charter, are:

1. The participating nations should prepare programs of economic and social development on a national basis.
2. These programs should be based on and carried out according to democratic principles.

3. Women should be placed on an equal footing with men, to provide them with the dignity they deserve and to best utilize their potential contribution to the nation's well-being.

4. Sufficient external financial assistance should be obtained to realize the goals of the Alliance. (The Charter here states that at least 20 billion dollars should be made available from all sources over a ten year period.)

5. Finally, the institutions of each nation, both in the private and in the public sectors, should be strengthened and improved, in order to increase their effectiveness.

The purpose of the program, then, is to accelerate economic progress and to achieve social justice in the Latin American countries through massive financial aid from the United States coupled with the principle of self-help, meaning the matching efforts of the Latin American nations themselves. In the relatively short time of ten years, the Alliance proposes to bring about large-scale changes to better the conditions, to realize the hopes, and to provide the well-being of millions of people who otherwise might never see the possibility of progress of any sort.

According to the directives of the program, a nation
desiring assistance must carry out studies of the need, type and scope of long-term development. The resulting program of development, requiring outside assistance, is then submitted to a panel of nine high-level experts, appointed by the Inter-American Economic and Social Council. This committee analyzes and evaluates the proposed plan. Should it deserve recommendation for further action, the committee reports it to the Inter-American Development Bank (the United States agency controlling the finances of the Alliance), which in turn will analyze and evaluate it and, if approving the plan, proceed with arranging of the necessary finances to carry it out. Then the program moves into the field for actual implementation.

In addition to the financial agency mentioned in the procedure described above, the Charter recommends that sources of financial and technical aid other than the United States be considered and used for providing assistance to the requesting nations. The Organization of American States, the United Nations Economic Commission for Latin America, and other specialized agencies of the United Nations are mentioned in particular.

The Alliance for Progress thus provides an unusually large source of funds, while at the same time demanding the active involvement of the participating nations, mainly in the
form of local reforms (for example of tax and agrarian systems), and in the preplanning of their economic and social innovations.

Considering the difficulties of the Latin American countries to raise capital funds for investment in their economic structures, due to their present low-level of savings, the acceptance of this promising program was understandably favorable. In the words of Tad Szulc: "Latin America's first reactions to President Kennedy's inauguration and to his March speech on the Alliance were enthusiastic... President Kennedy was described in emotional editorials and speeches as spiritual heir of Franklin D. Roosevelt, whose legend still lives throughout Latin America. The Kennedy election presaged a new and better era of Good Neighbor policies, Latin American writers declared in their newspapers."5 Commenting on the North American reactions, Szulc continues: "Enthusiastic support for the Alliance did come from Washington, both in the idealistic speeches by President Kennedy and in the more tangible earmarking of substantial funds for Latin America's social and economic development along paths never tried before by the United States alone or in cooperation with the region."6 The editors of the New York Times, commenting on the President's speech of March 13, and noting the social aims of the Alliance, stated: "Our policies for 150 years have been with these Latin American ruling classes
and not for the people of Latin America. They went on to say that if the policies set forth in the President's program were carried out, then the United States would not lose the Cold War in Latin America. In the issue describing the final day of the Punta del Este conference, the New York Times reported that the delegates of both the United States and Latin America referred to the Alliance as "a turning point in the history of the Americas." The conference itself was permeated by a "spirit of resolve," and the delegates defined the conference as "a complete success."

The editors of the New Republic, while cautioning against the difficulties ahead, called the program "encouraging," and the principles emphasized in it as the basis and fundamental guidelines for the Alliance as "excellent,"

Former President José Figueres, of Costa Rica, stated: "There can be no doubt that the United States is ready to assume the leadership that history has conferred on it."

Thus the level of acceptance was generally favorable both in the United States and in Latin America at the time the Alliance was announced and officially constituted. But there were also voices of skepticism. These no doubt reflected the long standing diffidence of the weaker nations of Latin America towards the mighty neighbor of the North, and perhaps they anticipated what was to come. Perhaps they
felt already then that the program's noble goals were not politically or economically realistic nor feasible within the period given. Perhaps this early realization on their part caused their later lack of enthusiasm, which the United States today, as a nation, still refuses to comprehend or to appreciate.
CHAPTER II

THE ALLIANCE FOR PROGRESS IN ACTION

Before evaluating the Alliance for Progress itself and drawing any conclusions as to its political implications, it will be useful to present a more accurate description of the program so that a better understanding of it may be obtained.

The Alliance for Progress has certain objectives stated in its Charter. To achieve these objectives, the United States assigns certain amounts of financial aid on a yearly basis. This chapter will examine the sums of money provided in order to establish the extent of these in relation to the problems faced by the Alliance, and to establish whether the means available to the Alliance are sufficient or not to accomplish its goals. Some of the merits then, and some of the shortcomings of the Alliance will be the topic of this chapter.

A. Extent of the Alliance for Progress

Judging the overall program, there is no denying that the Alliance for Progress is the greatest effort ever attempted to produce change in Latin America. The twelve objectives listed in the Charter and the five accompanying principles
constitute the most comprehensive blueprint ever devised for the needs of the region. As has been noted earlier, special emphasis is being given to a most sensitive and heretofore rather overlooked area, that of social development. With this program the needs of the people, of the masses at the lower socio-economic level, are finally recognized. The people—any nation's major asset—are included in the total picture of concern; they are seen as a factor deserving serious attention from the promotors of reform. Traditionally only the aspects of economic deficiency were recognized and dealt with.

A particular merit of the Alliance for Progress is to have this double objective. It attempts to cure the problems of an economic nature as well as those of a purely social nature. Rather than focusing on one only, the Alliance operates in both fields, and it does so simultaneously. Thus, ideally speaking at least, the Alliance avoids overstressing one area of activity at the expense of the other, as has been the case so many times in the past. If we look at Russia, for example, and at the decades immediately following the Revolution of 1917, we can see at what immense cost the industrialization of that country was accomplished, in terms of human sacrifice, physical suffering and all-around deprivation. If in Latin America we proceed on the assumption that progress is desirable, in fact needed, and if it is also
desirable that violence and suffering be avoided, it then seems rather obvious that the emphasis on social development, coupled by equal emphasis on economic progress, is a highly justified and legitimate approach.

From the financial aspect alone, the extent of aid provided by the Alliance for Progress is unprecedented. It is common knowledge that the United States concentrated its foreign aid efforts in the years following World War II on the rehabilitation of Western Europe, especially through such programs as the successful European Recovery Program. The urgency of massive economic assistance to Western Europe during those politically dangerous years is not argued here. However, it remains true that Latin America received little attention at the time from its northern neighbor, even though then it deserved and needed attention as much as it does now.

In fiscal year 1960, for example, the year preceding the Alliance, the United States provided only 189 million dollars of foreign aid to all of the Latin American nations. But in 1961, with the advent of the Alliance for Progress, the amount of foreign aid increased to over 700 million dollars. The table below shows the expenditures of United States funds under the Alliance for the years indicated.

This sudden increase obviously does reflect a greater awareness on the part of the United States of the growing problems existing in Latin America. At the same time, it
TABLE I
NET DISBURSEMENT OF AID\(^{13}\)
(In Millions of Dollars)

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<th>Fiscal Year</th>
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<td>1962</td>
<td>587</td>
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<tr>
<td>1963</td>
<td>576</td>
</tr>
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<td>1964</td>
<td>447</td>
</tr>
<tr>
<td>1965</td>
<td>632</td>
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seems to indicate, in support of that awareness, a deeper committment of the United States towards the betterment of the conditions in Latin America. In conclusion, it can safely be said that the Alliance for Progress is the most far-reaching and extensive aid program—both in purpose and in the actual means provided—ever made available to Latin America by either the United States or any other outside source.

B. Accomplishments of the Alliance for Progress

Looking at the positive side of the Alliance, there are concrete results testifying to the active operation of the Alliance during the few years of its existence. According to a report of the Inter American Economic and Social Council evaluating the progress of the Alliance through the first two years of its operation, a total of 1.2 billion dollars had been expended. This amount includes aid contributions from all sources, of which about 1 billion dollars originated from the United States. In addition, the Inter American
Development Bank committed 400 million dollars during this same period. The Council's report goes on to indicate that actual progress has been made in various fields. Specifically, it states that an 8% increase in manufacturing output has been obtained, even though this increase is concentrated in the more advanced nations, and a 2.5% increase has been obtained in agricultural output. Unfortunately, the report is not broken down in a more detailed measurement of the specific progress realized in particular areas of endeavor. Even though the tone of the report is rather general, the huge sums expended would tend to indicate that some progress must have been made somewhere.

President Kennedy, observing the second anniversary of the Alliance for Progress, gave some indication of real accomplishments by enumerating a number of achievements realized over the two year period. According to the President, 140,000 new housing units had been built, a number of slum clearance projects had been initiated, 8,200 new class rooms had been constructed, 700 new water systems were in use, land-reform and tax-reform programs had been adopted, 160,000 agricultural loans had been made and 4 million school books had been distributed. Moreover, 9 million children in 18 countries had been fed through the Food for Peace Program. Other, but undetermined progress had been made in areas such as common-market agreements, price of coffee stabilization.
and road construction. Again, there is indication here of concrete performance. Yet, it remains disturbing that no specific figures are available to illustrate more clearly how the vast sums of aid can be accounted for.

Nathan A. Haverstock, also evaluating the first two years of the program, reports more or less the same progress. He adds that, by this time, all the nations of Latin America, with the exception of Haiti, had, or were preparing plans for social and economic development on a nation-wide basis. Of these national plans seven had been approved or were being considered by the appointed committees working under the supervision of the Organization of American States. In addition, Haverstock speaks of "encouraging progress," but he too does not offer a more detailed report. In fact, the ambiguity of his statements ("had or were preparing," "seven programs had been approved or were being considered"), suggests the attempt of offering an encouraging picture where, in reality, it is probably not quite possible for him to do so.

Victor L. Urquidi, evaluating the Alliance's progress during the first two years, does not boast of any great accomplishments. On the contrary, this writer, more sympathetic towards the program than most, asks that the progress obtained so far be considered, and warns that "enough time should be allowed to judge the results."
In 1964, measuring the three year effort, President Johnson reported additional progress made possible through the Alliance. He stated that 900 credit unions had been established, that 220,000 housing units had been built, that 23,000 school rooms had been built, and that a number (undetermined) of potable water systems had been made available.18

In the years following, we may well assume that further progress has been made in Latin America and that such progress might be credited to the Alliance for Progress. However, comprehensive reports on the Alliance's accomplishments during the later years are lacking. Little is available from official sources, except the figures of total expenditures which have already been noted. These figures though, while impressive, are not indicative per se of what has been achieved with the money they represent. This might suggest that something is seriously amiss with the operation of the program and with its performance. The fact that our newspapers and magazines cannot offer a listing of completed projects and of goals realized seems to confirm the suspicion that the program is not as successful as the finances invested in the effort would indicate.

If the goals and objectives of the Alliance for Progress are not being reached, the conclusion can only be that the Alliance is failing as an assistance program. It is rather obvious that if successes had been obtained, those parties
interested in the program, such as the United States Government, would publicize those successes. In the absence of such information, the conclusion stated above must be quite valid and certainly realistic.

The disappointing performance of the Alliance is due to two specific factors. One is the difficulties encountered in the field while implementing the program. These range from simple misunderstandings to enmity, lack of cooperation, friction, etc. These may be defined as "mechanical" problems which could easily be dealt with given the desire to do so. Related to this, and to some extent the cause of it, is the second factor which is the concept behind the Alliance itself, the nature of which this paper attempts to identify. This will be attempted in the following chapter, when analysing the political implications of the Alliance.

C. Sufficiency and Limitations of the Alliance for Progress

Even though it cannot be denied that the Alliance for Progress is the greatest effort yet attempted to correct the ills of Latin America, it may still be reasonably asked: Is the Alliance sufficient in scope and means to deal with the problems it wants to eliminate? A direct answer to this question is difficult to give. After all, how can any government or agency accurately list and measure the problems
of all the Latin American nations? And beyond that, how can a sum of money be fixed and declared to be the amount needed for eliminating the causes which produce social injustice and poverty in those nations? Also, what standards are to be used to measure and define the ills of the area?

Obviously, the answer to the first question can only be a qualified one, but even so it tends to be negative. If one considers that the population of Latin America is about 200 million people and that the Alliance, ideally speaking at least, offers 2 billion dollars of aid per year, this would result at about 10 dollars of aid per capita per year. Admitting that this is not a valid evaluation of the productive capacity of the aid supplied, it still seems reasonably indicative of the relative insufficiency of the program's means. According to similar calculations, the aid extended to Western Europe by the United States under the Marshall Plan, came to about 9 dollars of aid per capita per year for the program's duration. Considering the degree to which Western Europe was already industrialized at the time of the Marshall Plan, the technical know-how and the resources and skills at its disposal, the aid extended to it was far greater in quantity than that extended today to the underdeveloped and semi-stagnant nations of Latin America. The $10 figure of aid per capita per year, moreover, is
arrived at on the assumption that $2$ billion per year are made available to Latin America. As Table I indicates, this is not the case and therefore the $10$ figure is extremely higher than the actual financial aid provided. On this basis, it is doubtful that the Alliance for Progress can be successful with the means available to it and in the time given.

Not only does Latin America lack the economic and political infrastructure Western Europe had when assisted by the United States, but at times the economies of Latin America are regressive rather than progressive, due to the population increase and to the fluctuations of prices on the world markets. The economies of Western Europe were largely independent of outside influences; this is not true of Latin America. Finally, the cost of capital is increasing, making it harder for the Latin Americans to raise the capital they need for development and expansion, and therefore making the goals of the Alliance quite unrealistic if not impossible to obtain.

Thus, whereas the aims of the Alliance are undoubtedly commendable, it seems that the means assigned to it to realize its purposes are far from adequate.

The lack of sufficient funds with which to work automatically becomes the main limitation of the Alliance for Progress. In 1963, the then Vice-President Lyndon B. Johnson
stated the case as follows:

Most important of these lessons is the fact that, for the job before us, our resources are not comfortably abundant. What we have to work with is enough if we carefully and wisely use it to create the growth now which will free the growth of the future.19

The very ills of Latin America constitute a further limitation to the success of the Alliance. Latin America lacks the skills, the facilities and the technicians to implement the various projects of the Alliance. For example, Nathan A. Haverstock said that after two years seven plans of national development had been approved or were being considered. It seems more correct to say that after two years only seven such plans were being or had been approved. This may indicate the lack and need of economists and other technicians needed to prepare long-range development programs.

The consequences of the lack of technical personnel, services, and facilities can be seen in the construction of "Ciudad Techo," a brand new city near Bogotá, Colombia. (This is the low-cost housing project which was inaugurated by President Kennedy in December, 1961.) In 1962, services such as sewers, water and electricity were lagging behind the building program, causing the new city to quickly resemble a slum area. The slum atmosphere was reinforced by the lack of commercial centers, schools or social activity centers. Much of the city, moreover, was built on a self-help basis. This, for lack of adequate technical assistance and super-
vision, resulted in the construction of many shacks rather than homes.  

It is only fair to note, however, that these difficulties, with time and patience, may be overcome if there are available and sufficient means to deal with them. But as noted above, presently this is not the case.

D. Present Response to the Alliance for Progress

The initial acceptance of the Alliance for Progress, both in the United States and in Latin America, was quite enthusiastic. As the program progressed, however, attitudes changed to the point that in many quarters the program is regarded as yet another "gap-filler," rather than the ambitious partnership which was to socially and economically revolutionize the nations of Latin America.

Tad Szulc, in a comprehensive study of the Latin American scene, notes the declining support given the Alliance, even by those who most desperately need its help:

Likewise the Alliance has evoked no marked response from the political leadership in the Hemisphere--with the exception of the top governing levels in such countries as Venezuela, Colombia (under the Lleras Comargo regime), and Costa Rica, which have traditionally been sympathetic to the notion of democratic social revolution. Most of the democratic parties in Latin America have remained cool to the cooperative notion of the Alliance, partly because of disbelief in its future and partly because both the United States and the Latin American governments have made no real effort to relate the domestic problems and anxieties
in each country to the overall idea of a revolutionary partnership under the Alliance for Progress.21

Miss Elva Calmette, a faculty member here at Western Michigan University and a native of Peru, visits her country every summer, giving her the opportunity to learn first-hand the effects of the Alliance. She states that the Alliance has long been considered a failure. The attitude is that the Alliance is seen as an extension of the State Department of the United States, and is therefore to be distrusted. In view of past inter-American relations, this feeling is quite understandable. But it also warns of the difficulty of obtaining a positive response and active cooperation if the basis is composed of justified diffidence on one side, and ambiguity of purpose on the other.

Ex-President Juscelino Kubitscek of Brazil, after a tour of Latin America, reported: "I found an absolute lack of faith in the Alliance and its results among the popular classes." In Chile Eduardo Frei stated: "The Alliance was simply inoperative." In Colombia, a supporter of the Alliance, ex-President Lleras Camargo, complained that: "one cannot see anywhere in Latin America the spirit of enthusiasm that the Alliance requires." In Argentina the Foreign Minister found that the Alliance: "remains suspended as a hope and has not penetrated either as a mysticism or as a concrete plan, although to be successful it must do both."22
Comments from various leaders and officials in the United States run much the same way, indicating that the Alliance is now considered a great disappointment, if not an outright failure. Again, it may be said that too much is expected too soon. Yet five full years have passed since the program was started. Is it not legitimate then to ask why the program is malfunctioning? Should it be surprising that the very concept of the Alliance and its motivations are being questioned? The next chapter will deal with these questions and will attempt to analyze these motivations in the light of the actual results and capabilities of the Alliance for Progress and in the context of inter-American relations.
CHAPTER III

THE ALLIANCE FOR PROGRESS AS A CONTINUATION OF PAST POLICIES

Viewing the Alliance for Progress in the total context of inter-American relations, that is, within the framework of geographic, political and economic conditions within which it is contained, the Alliance results as something other than a mere act of charity. It is not simply a gesture of good will or the expression of a dedicated effort to provide solid foundations to a vacillating continent. It seems, rather, that the ultimate and specific purpose of the Alliance is to satisfy certain immediate interests of the United States. Thus the Alliance is not simply a means of bringing well-being to the Latin American nations, but, by providing Latin America with a "relative" level of well-being, it emerges as a tool to guarantee and maintain the safety, the security and the well-being of the United States.

This is neither a surprising nor uncommon notion in the field of international politics. As such, it is quite understandable and expected for that matter. In fact, a concept similar, but not identical, to that of the Alliance for Progress was operative behind the Marshall Plan in respect to the role of Europe vis-à-vis the United States. The difference in the case of Western Europe is that Western
Europe quickly regained its pre-war levels of economic activity, and in fact surpassed them, thus becoming self-sufficient, and consequently to a large extent non-dependent, politically, upon a foreign power or any other outside control.

However, in the case of Latin America, what is disturbing is the fact that Latin America is not economically self-sufficient, and, therefore, largely dependent upon foreign economic systems, mainly that of the United States.

The Alliance for Progress operates in this sphere of economic and political dependency. Considering the actual extent of the program and noting that the United States is its main sponsor, the Alliance for Progress appears to be used by the United States only to that extent required by its own necessities. For this reason the Alliance acquires a suspect aura of deception which causes the program to stumble upon the offended feelings of the Latin Americans, and, therefore, to offer the opposition and the lack of cooperation the Alliance now faces. Sadly enough, because of the Latin American response, many are quick to denounce their "ingratitude," their "lack of political maturity," etc., as a consequence of which there follows much misunderstanding, friction, and ill-feelings on both sides.

At this point though, it may be well to clarify what has been stated so far, to look at the Alliance in a more
analytical manner, and to present a more organized discussion.

A. Parallel between the Alliance for Progress and Previous Inter-American Relations

The history of inter-American relations presents a clear pattern of United States' economic and political dominance over the Latin American nations. Perhaps it would be incorrect to use the label of "imperialism" in defining the Monroe Doctrine since there was no direct action involved, at least not when it was announced, and since the doctrine itself was rather vague in terms of its extent and limitations. It did not commit the United States to specific action, military or otherwise, in case of European intrusion in the Latin American area or in the northwestern area of our hemisphere, even though in later years it was to be used to justify on a "legal" basis our military and economic interventions.

But in remains true that it was a unilateral declaration, that the concept was formulated and promulgated to safeguard the security of the United States, and that the security of the Latin American area resulted only as a by-product (admittedly a positive one), of the doctrine's main purpose. Even if political reality and pragmatism justified the above, we must still realize that already in 1823 there was underway that process of United States' disregard for the feelings of sovereignty and of individual and national dignity of the Latin
Americans, a process which today produces an anti-yankee Castro or the nationalism of the proudly independent-minded Mexicans.

The occupation of Cuba in 1898, justified only partly as a move to liberate the Cubans from oppressive Spanish rule, along with the occupation of Puerto Rico, Guam and the Philippines, signaled the beginning of United States' active intervention in the affairs of other nations, when such action was deemed necessary to protect north American security and interests. Our assistance in the bloodless revolution of Panama in 1903, which resulted in Colombia's loss of the isthmus and in the construction of the canal so strategically important between the two oceans, our military intervention in Nicaragua in 1912, our military intervention in Haiti in 1914, our intervention in Santo Domingo by treaty in 1905 and militarily in 1916, and our more recent direct involvements in the affairs of Guatemala, Cuba and again Santo Domingo, are but an escalation of the pattern established in Cuba in 1898. The basis of justification, at first, was to eliminate the menace of possible European intervention and, later, to protect our interests from Latin American financial incompetency. Our occupation and excursion in Mexico (Vera Cruz, 1914; Northern Mexico, 1916) were part of that same urge for self-protection. It should be noted in passing that these military expeditions had a precedent in the
similarly motivated Mexican War of 1846-48, even though territorial conquest was the main issue then.\textsuperscript{23}

In addition to our interests in the sugar, banana, copper and oil industries in the nations mentioned so far, our interests in the oil industry of Venezuela and Colombia, in precious metals in Central America and Peru, in copper in Chile, and, until recently, in the rubber industry of Brazil have made political pressure a very common aspect of our past relations with the Latin Americans.

That this aspect of dominance and control was not causal but intended, is evidenced by the inconsistency of the United States in recognizing the various changing governments of Latin America. The Obregón government of Mexico, regularly elected in 1920, for example, was not recognized until 1923 as a result of an article of the Mexican Constitution of 1917, restricting the activities of foreign investors and denying their "right" of protection from their own nations.\textsuperscript{24} After the military coup of 1962 in Perú, the United States refused recognition of the new government, only to recognize it some time later; it may be significant that the United States in 1962 had well over 800 million dollars invested in Peru, and, therefore was not too anxious to rock the boat.\textsuperscript{25}

On the other hand, the United States is quick to recognize those coups and governments which follow "unfriendly" or
"uncooperative" ones. This was the case in Argentina in 1962. José María Guido was recognized as head of the government, even though he illegally succeeded President Frondizi, who was forced out of power.\textsuperscript{26}

Generally speaking then, the picture of Inter-American relations cannot be said to be one of mutual respect or trust. To the contrary, the economic interests of the United States, especially of the extractive industries, have dictated a policy of one-sided control and dominance to assure sufficient political stability and an all-around favorable climate for the establishment and development of North American economic activities in Latin America.

If this has been the pattern in the past, a pattern which persists today, as demonstrated by United States' control of fully one-half of the Venezuelan oil industry, why then should the Alliance for Progress be of a sudden and different nature?\textsuperscript{27} In fact, how can the Alliance be different if its very implementation must per force clash with United States' economic interests in Latin America? How, in other words, can the United States call for a social and economic reform in Latin America, as the Charter of the Alliance would have it, when the same United States practically has the power of life and death over much of the area, and when it does not allow this power to be altered or diminished?

The Alliance appears as an appeaser to check the animosity
of the Latin Americans and their increasing demands. It has been noted in the previous chapter that the Alliance for Progress is a larger effort than ever attempted before. This is true, but this is also easily understandable if it is noted that the problems and needs of Latin America are greater than ever before. For example, Latin America has the highest rate of population increase in the world, and, thus, a growing food problem. In 1930 the population of Latin America was 108 million people. In 1965 the population had increased to 243 million, at a rate of increase of 2.8% per year. Food production, however, is not increasing at the same high rate. At times, this rate is even regressive, as in Uruguay and Brazil in recent years. The per capita acreage of farming land is low in Latin America which, in addition to the low-level of farming mechanization, makes it very difficult for the Latin Americans to maintain a progressively sufficient food production. To increase that production is a difficult task indeed.

Moreover, there is a greater awareness in Latin America, as in the rest of the world, of the potential availability of modern facilities, of goods and gadgets. The privileged classes especially are aware of, and demand the commodities produced by the technologically more advanced nations. These of course have to be imported, causing further stress on the already precarious conditions of their balance of payments.
The less fortunate, unable to read but certainly able to see the luxuries of the few, desire themselves such commodities as they can afford. Small transistor radios, for example, are becoming more and more common.

Consequently, the need for foodstuffs and the demand for goods from abroad is constantly increasing. Similarly, if the traditional degree of control is to be maintained over the area by the United States, the "appeaser" must be increased proportionately.

Another observation which may be made of the Alliance derives from the timing of the program. The Alliance for Progress was instituted soon after the 1959 revolution of Cuba. Castro's movement aimed at restructuring the social and economic edifice of his island. This could only be done by eliminating the traditional system, and replacing it by a new and national system. Thus, the Batista dictatorship and the United States support making it possible had to be and were sacrificed in the process. The result, as might be expected, alienated the United States whose investments were confiscated. Yet Cuba needed outside help to survive and rebuild; it needed markets, especially for its sugar. It seems then, that Castro had no other choice but to accept the only offer of help available to him— that of Russia. But in the United States Cuba was seen, and still is seen today, as a menace to its security and to its protective,
intervention-prone foreign policy, rather than as a local effort of national affirmation and self-determination.

One may well conclude, then, that the Alliance is also a reaction to the Cuban situation in order to avoid similar occurrences elsewhere in Latin America. The fallacy of such a reaction is that it tends to consider the symptoms of the situation only. It does not go back to the original cause of the problem, a cause which cannot be cured by an X number of dollars.

B. Interdependence of the Economies of the United States and Latin America

The fact that the United States has been, and is, an industrial producer is quite obvious. The United States is fortunate to have many of the raw materials it needs to maintain and to support its great industrial complex. Those raw materials available within the United States are not, however, sufficient in quantity, nor do they include all of the types needed. It is at least doubtful if the United States could survive in total isolation and maintain the same high levels of productivity. Certain foodstuffs and certain mineral products must be imported from abroad.

Latin America plays an essential role in the economy of the United States, as a supplier of these primary goods. At the same time Latin America is also largely dependent upon
the United States for its markets. Asia and Africa lack the buying power to function as viable markets. Europe tends to raise tariff barriers and to grant privileged conditions to its own ex-colonies, thus excluding Latin America's producers. A comparison of the statistics below illustrates Latin America's dependency upon the United States, since almost 50 per cent of its total exports go to the United States.

TABLE II

EXPORTS FROM LATIN AMERICA TO THE WORLD\textsuperscript{30}
(In Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,640</td>
<td>8,570</td>
<td>9,150</td>
<td>9,730</td>
<td>10,580</td>
</tr>
</tbody>
</table>

TABLE III

EXPORTS FROM LATIN AMERICA TO THE UNITED STATES\textsuperscript{31}
(In Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,607</td>
<td>3,961</td>
<td>3,928</td>
<td>4,018</td>
<td>4,148</td>
</tr>
</tbody>
</table>

Selling one's products on a single market is not necessarily disadvantageous. But Latin America's dependency is aggravated furthermore by two additional factors. One is that the economy of Latin America is largely controlled by United States holding companies, which through their
extensive financial control affect and influence the total milieu of Latin American societies. The table below lists the direct private investments of the United States in Latin America.

### TABLE IV

**UNITED STATES' INVESTMENTS IN LATIN AMERICA**

(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>1963</th>
<th>1964</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America (Total)</td>
<td>8,662</td>
<td>8,932</td>
</tr>
<tr>
<td>Mexico, Central America and West Indies</td>
<td>2,062</td>
<td>2,292</td>
</tr>
<tr>
<td>Mexico</td>
<td>907</td>
<td>1,035</td>
</tr>
<tr>
<td>Argentina</td>
<td>829</td>
<td>883</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,132</td>
<td>994</td>
</tr>
<tr>
<td>Chile</td>
<td>768</td>
<td>788</td>
</tr>
<tr>
<td>Colombia</td>
<td>465</td>
<td>520</td>
</tr>
<tr>
<td>Peru</td>
<td>448</td>
<td>460</td>
</tr>
<tr>
<td>Uruguay</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Venezuela</td>
<td>2,808</td>
<td>2,808</td>
</tr>
<tr>
<td>Other Countries</td>
<td>150</td>
<td>186</td>
</tr>
</tbody>
</table>

*Included in "Other Countries"

These direct investments constitute a large proportion of the Latin American economies, resulting in the subserviency of these to the economy of the United States. The degree of this and the degree to which Latin Americans are divested of the authority to control their own resources is clearly indicated in the following passage by the author and journalist John Gerassi:

*Latin America's Gross National Product is about $60 billion. United States private investments in Latin America is slightly over $10 billion—on paper. These*
investments control 40 per cent of Latin America's Gross National Product, that is $24 billion—more than all Latin American budgets put together.\textsuperscript{33}

The significance here is that, to the extent to which the United States' holdings control the Latin American economies, Latin America has no other choice but to direct her exports to the United States. Moreover, when United States' control of a particular industry is major, it follows that price control is in other than Latin American hands. A case in point is the Venezuelan oil industry. According to John Gerassi United States' companies control 73.84% of the oil operations in that nation. A 41.12% alone is controlled by the Creole Petroleum Corporation, which in turn is 93.12% owned by the Standard Oil Company.\textsuperscript{34} Should this company decide to diminish its operations in Venezuela, in favor of its operations elsewhere, it could do so. The government of Venezuela would not have the power to block such a decision, and the damage to its highly dependent economy would be as real as it would be unavoidable.

The second aggravating factor for Latin American economies is similar to the one just mentioned. This additional dependency factor is based on the very nature of Latin American exports, admittedly no original fault of the United States. That is, since the Latin American economies are based on exports which are largely of raw materials and foodstuffs rather than of manufactured goods,
these exports are directly dependent upon the price fluctuations of the world markets. Table V shows not only the nature of these exports but also to what extreme extent many nations are sustained by a single product, which only increases the actual and potential instability of their economies.

TABLE V

NATURE OF LATIN AMERICAN EXPORTS AND PERCENTAGE OF TOTAL EXPORTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Leading Export</th>
<th>% of Total Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Meat</td>
<td>24%</td>
</tr>
<tr>
<td>Bolivia</td>
<td>Tin</td>
<td>73%</td>
</tr>
<tr>
<td>Brazil</td>
<td>Coffee</td>
<td>53%</td>
</tr>
<tr>
<td>Chile</td>
<td>Copper</td>
<td>66%</td>
</tr>
<tr>
<td>Colombia</td>
<td>Coffee</td>
<td>68%</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Coffee</td>
<td>50%</td>
</tr>
<tr>
<td>Cuba</td>
<td>Sugar</td>
<td>81%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Sugar</td>
<td>56%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Bananas</td>
<td>63%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Coffee</td>
<td>48%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>Coffee</td>
<td>59%</td>
</tr>
<tr>
<td>Honduras</td>
<td>Bananas</td>
<td>41%</td>
</tr>
<tr>
<td>Mexico</td>
<td>Cotton</td>
<td>20%</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Cotton</td>
<td>40%</td>
</tr>
<tr>
<td>Panama</td>
<td>Bananas</td>
<td>33%</td>
</tr>
<tr>
<td>Peru</td>
<td>Fishmeal</td>
<td>20%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Wool</td>
<td>52%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>Petroleum</td>
<td>92%</td>
</tr>
</tbody>
</table>

This table should sufficiently demonstrate how a sudden decrease in price on the world markets of a particular export item may affect a nation so greatly dependent upon that export item. Ironically, the over-production of that item within the exporting nation may be a major factor for a
price decrease. This has been the case with coffee, for example, in the past.

The interdependency of the Latin American and North American economies can further be demonstrated by showing the percentage of Latin American imports arriving from the United States compared to total imports. Close to half of Latin American imports do come from the United States, which means that Latin America is a very significant market for United States' manufactured products. It also means that the dependency of Latin America is proportionately increased because of the double importance of the area to the United States—as a supplier and as a market.

### TABLE VI
**EXPORTS FROM THE UNITED STATES TO LATIN AMERICA**
(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>1955</th>
<th>1960</th>
<th>1962</th>
<th>1963</th>
<th>1964</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3,416</td>
<td>3,769</td>
<td>3,581</td>
<td>3,581</td>
<td>4,166</td>
</tr>
</tbody>
</table>

### TABLE VII
**IMPORTS OF LATIN AMERICA FROM THE WORLD**
(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>1956</th>
<th>1960</th>
<th>1962</th>
<th>1963</th>
<th>1964</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7,930</td>
<td>8,350</td>
<td>8,780</td>
<td>8,710</td>
<td>9,540</td>
</tr>
</tbody>
</table>

The purpose here is not to analyze the Latin American
economies per se. The relevancy of the analysis, rather, is seen when a comparison is made between the overall picture of the Latin American economic situation—its structure and its very close ties to the United States—and the Alliance for Progress. It seems rather evident that the crucial predicament of Latin America is within its social and economic structure and its subservient foreign relationships. That is, redistribution of power and wealth seems essential to solve the social and economic imbalance of the area. The economic situation, as has been shown, is largely dependent on the nature of her products and on the extensive control over these from abroad.

The social structure within Latin America is such that only a small proportion of the population enjoys the benefits of each nation's economic activities. Harvey O'Connor estimates that in Venezuela only 10% of the people benefit from the oil earnings, whereas the rest of the nation must struggle to exist. In Peru, much as elsewhere, a very small and affluent minority maintains its condition of privilege and wealth through ownership of the land. In other words, a minority of the populations enjoys high standards of living, whereas the majority of the people live at or below subsistence levels. Maurice Halperin argues that the majority of Latin Americans are actually experiencing a decrease of income, rather than an increase. He considers
the problematic social and economic structure to be directly related to the dependency mentioned above:

The problems of land tenure and utilization, of basic industrialization and external vulnerability are facets of the larger problem: the economic and political ramifications of the region's controlling function which is the export of raw materials under terms and conditions determined outside the region.39

Present inter-American relations are maintaining present conditions. To bring about a measure of social justice and a more equal distribution of income, necessitates a drastic change in the feudal-like structure of Latin America. If the population is to enter the economic and social picture of each nation, they must be allowed to hold their share of power and wealth. The Alliance for Progress, with its limited means, cannot radically alter the present structure, in spite of its avowed purpose. It was never meant to do so.

One of the immediate needs of Latin America is that she be able to control her own resources and use them for her own benefit. Instead, much of her riches are drained away from the area. This situation is aggravated by the lack of confidence of the Latin Americans in their own economies, and the consequential flight abroad of much of Latin America's own and badly needed capital. The amount of capital leaving Latin America cannot be measured accurately. There are fears however, that it may equal the funds injected by the Alliance in Latin America.40
The Alliance for Progress is incapable of curing the fundamental ills of Latin America. Nor does it seem that the United States be willing to do so. A total reform of social and economic structures would directly affect the economic interests of the United States in the areas, as well as of those groups which help to maintain the status quo. These are mainly the land owners, which have been mentioned briefly, and the military to which we will refer in the next section.

For example, land reform would mean to touch banana, coffee, and sugar plantations, in which the United States holds major controlling interests in various nations. To allow local control and utilization of mining products, would mean affecting United States' oil interests in Venezuela and copper interests in Chile. To allow nationalization of those investments would obviously mean higher prices.

It is no secret that a real reform would result in the nationalization of the mining operations and plantation systems. Carlos Fuentes, the Mexican novelist who was not allowed to speak on American television, quotes a Peruvian oligarch as saying: "If the gringos force us to divide the land, we will answer by expropriating their mining companies." Realizing that the United States, and other foreign investors for that matter, are not going to relinquish
voluntarily their control and their benefits from the present relationships with Latin America, it becomes difficult to imagine how the Alliance for Progress can accomplish the program of change and progress called for by the Charter.

How can "self-sustaining growth" be achieved when the present pattern of exploitation is not altered in favor of the Latin Americans? How can "social justice" be achieved and a more "equitable distribution of national income" obtained when the present power structure is not allowed to be altered? How can "rational industrialization" be "accelerated" when no sufficient capital remains in Latin America to even initiate the industrialization process?

The resulting impression is that the Alliance was not designed for real unlimited growth and progress. Rather, it seems designed to maintain the state of Latin American dependency and to retard the possible competition of an industrialized and self-determined area. The Alliance can at best prevent the chronic and expanding problems of Latin America to grow beyond control. And even that is not guaranteed. Castro's revolution shows the impatience fermenting in Latin America. It is doubtful if the Alliance is sufficient to avoid other Castros.

With the patterns and attitudes of the past persisting into the present and seemingly into the future as well, it seems unlikely that the Alliance for Progress can do peacefully
what Castro unavoidably must do violently.

C. The Peculiarity of Military Aid

There has never been a major war in Latin America, with the exception of the struggles for independence from Spain. Nor could one be generated from within the area as long as the supporting machinery is absolutely lacking, as presently is the case. Should Latin America be attacked from without, the area would automatically be defended by the United States, whose powerful military organization provides a protective shield around the Western Hemisphere. This defense is practically guaranteed since an outright and direct attack from a foreign power upon a Latin American nation is virtually an attack upon the well-being and the security of the United States itself. The United States has gone to war for lesser provocations than a direct attack on its own security. Witness the involvement of the United States in South Viet Nam where the "threat" to its security is at least debatable. For this reason there should be no doubt that the United States would defend itself when threatened in Latin America.

Yet, while this defensive capability and the willingness to use it are present, the United States continues to send military aid to the Latin Americans, who can hardly afford or hardly need such aid. The sending of military aid appears
as a calculated effort to maintain the status quo in Latin America, by sealing an alliance with the military power groups there through aid, who in turn are supported by the land owners. Both these groups of course desire to maintain the status quo as well, which benefits them, at the exclusion of the lower classes which constitute the majority of the population.

It is a known fact that military groups have traditionally been conservative, and it is quite understandable that they should oppose any attempts at reform since this would endanger their own power bases. What is not understandable is how the Alliance can call for social reform (which would dictate a diminishing of the power of the military groups and of their control over national affairs), and, on the other hand, how military aid is still being sent south in direct support of those military groups who stand in the way of reform!

The following statement, made by an official of the Department of Defense should leave little doubt as to why aid is provided to Latin American military establishments:

The strategic importance of Latin America to this country cannot be over-estimated. Latin America is a major source of essential raw materials and a major market for US products. Its nations have been our traditional allies in peace and war and their friendship is necessary to effective US use of the Atlantic and Pacific sea lanes in the event of any major hostilities. The existence of hostile governments in Latin
America would be a grave menace to the United States should we become engaged in warfare on any considerable scale anywhere in the world. The denial to this country of the resources of the area for any extended period would have grave consequences to the United States, both in the prosecution of war and in recuperation from war damages.

Today, Latin American political, economic, and social instability is a serious danger. Cuba has shown us what can happen.

The President's alliance for progress was conceived to meet these circumstances. Extremists both left and right can be counted upon to use every means including subversion, terrorism, and civil war to defeat the effort to bring the alliance for progress to fruition.

The role of the security forces in Latin America, both police and military, therefore, assumes paramount importance. If the alliance for progress is to have its chance, governments must have the effective force required to cope with subversion, prevent terrorism, and deal with outbreaks of violence before they reach unmanageable proportions. They must be able to sustain themselves against the attacks by the international Communist organization and its indigenous members.

This statement is fairly typical of the attitude of government officials, an attitude which can see and evaluate Latin America only as a direct appendage to the United States. This attitude, of course, is in direct contrast with the concept supposedly embodied in the Alliance for Progress, again supporting the view expounded in this paper.

John D. Powell, analyzing the relationship between militarism in Latin America and military assistance provided by the United States, notes that the majority of military aid is in the form of outright grants, rather than loans. Powell states that "the capacity of each member of the armed
forces to apply physical violence has been enhanced $X$ by the U.S. military assistance program." He adds that "it is difficult to escape the conclusion that it $\text{military aid}$ is a contributory cause of militarism in Latin America. Further, that the shift in emphasis from hemispheric security to internal security capabilities will make the Latin American military better trained and equipped than ever to intervene in the political systems of their nations $\text{sic.}^43$ Powell deplores this because he feels that military interventions only weaken the political process and become an obstacle to social reform in the name of "political stability."

Here again, the Alliance per force clashes with the Military Assistance Program as it does with other special interest groups on both sides of the "border." The ultimate goals of the Alliance and of the Military Assistance Program are in direct opposition to each other. Yet military aid has not diminished since the advent of the Alliance for Progress.

D. No Intent to Reform behind the Alliance for Progress

This chapter has attempted to demonstrate how the Alliance for Progress cannot avoid failing to accomplish its objectives. Since the problems of Latin America and the particular relationship of the area to the United States were known before the creation of the program, it is clearly
implied here that the Alliance for Progress was not meant to bring social and economic revolutions to Latin America.

The obvious contradiction and ambiguity contained in the following statement by the veteran foreign service officer John M. Cabot, proves the point: "Whereas our policy seeks to promote reform and social justice in Latin America, the need to protect our large economic stake inevitably injects a conservative note into our policies."^44

Many observers from Latin America are much more explicit in their evaluation of the Alliance. The Mexican author and critic Luis Cardoza y Aragón writes: "The Alliance for Progress is a form of neocolonialism, to deter the anti-imperialistic revolution in Spanish America."^45 Leopoldo Zea, a professor in philosophy and author, also from Mexico, observing the United States' military intervention in the Dominican Republic, writes: "To lift up, to stimulate these nations of Latin America will mean broader opportunities for economic development within the United States itself."^46

A harsher indictment comes from Edmundo Flores, a Mexican and a member of the American Technical Aid Mission to Bolivia, who sees the Alliance as a conservative element rather than as progressive one. He states: "The Alliance was not created to realize effective, structural, irreversible reforms. Its purpose was exactly the contrary, that is to introduce technological and administrative improvements to
avoid fundamental changes."[47]

The list of criticism could go on; there is enough to draw upon. More important than the amount, however, is that the writers do not see the Alliance for what it claims to be. They see the Alliance as a tool of the United States with which to continue a situation which is profitable to it.

Ironically enough, or perhaps the word should be tragically so, that very same program is for some too much to bear for very different reasons. The editors of Business Week state the case as follows:

Another disquieting prospective is the adverse impact on private investment that can be expected from the Administration's policy of actively sponsoring social reform in the emerging nations. . . . Social reform, if pushed too fast, is sure to lead to higher tax rates and wage rates, and often to outright harassment of businesses. [48]

Thus, whereas on one side the Alliance is accused of being protective of foreign investments and interests, on the other it is seen as dangerous in that it may initiate social reform and economic justice. To these people the "pursuit of happiness" apparently applies to only a limited number.

The Alliance for Progress, then, operating in the presence of conflicting economic interests, unsupported by parallel programs to eliminate the conflicting factors, and restricted by the political pressures which keep Latin America in a subservient position cannot be, nor is it in actuality,
a program of reform. It is a continuation of past inter-American policies. It is dictated by limited and short-range outlooks and by the fear of having a competitor next door rather than a client. It disregards the feelings and the rights of the Latin Americans; it refuses to comprehend their peculiar situation and their frustrated hopes for dignity and self-affirmation.

As the Alliance helps to maintain the present pattern of servility, rather than to bring about progress and justice, it may well be one of the causes for the disturbances to come. The Alliance for Progress, for its very nature and duplicity, in spite of possible good intentions, is a failure of the foreign policy of the United States.
CHAPTER IV

LATIN AMERICA TODAY: A DEFEATED CONTINENT

The Wars of Independence of the early 1800's were very significant for Latin America. After 300 years of colonial status, Latin America gained political and economic independence from Spain and from Brazil. The ties that kept the region servant to the Crown were broken. There existed now the possibility to build nations from colonies, to evolve from colonial dependencies to self-governing social, economic and political units.

Today, after almost a century and a half, one wonders if nations were built since that time in Latin America. A quick survey of the area is far from encouraging. It reveals deficiencies in almost every field of activity: in distribution of income, education, sanitation, urban development, and agriculture, to name but a few. It shows shortcomings and excesses, lack of capability to lack of willingness, and lack of results. In other words, the picture is one of imbalance, of contrasts and of extremes. Considering the years gone by since the birth of the republics it seems reasonable and unavoidable to ask why this deplorable situation persists today, and why it seems so difficult to alter and improve this situation.

The problem which Latin America is today seems to have
been caused mainly by two reasons. One is inherent to the area and its people and is actually a complex of factors; the other is external to the area and has become operative only in more recent years.

The present chapter will outline these factors and the resulting consequences with which the Alliance for Progress is faced and which constitute a barrier to its success.

A. The Spanish Inheritance

Spain occupied and exploited Latin America for more than 300 years. During this time, the role of Latin America was to supply Spain with the products it had to offer so that Spain could forge and occupy its place in the European arena of competing powers. (Much of this and the following applies also to Brazil in relation to Portugal.)

Remembering that Spain stumbled upon Latin America and that Spain was not prepared to organize and direct so vast an empire, it is surprising that the empire lasted as long as it did. If it managed to last so long, it was able to do so primarily because of the degree of authority and severity used by Spain in ruling the colonies. Legislative and most administrative authority remained in the hands of the Crown which dictated the policies, rules and regulations for the Latin American dependencies. No degree of autonomy
was permitted or exercised in the colonies, except on an illegal basis or at the lower local level. The Church was used by the Crown to re-enforce and "legalize" Spain's presence in the New World and to assure the continuation of the highly profitable relationship between the colonies and the mother country.

The social structure of Spain, rigid and austere in its divisions, was brought to Latin America from Spain as another device to maintain the channels of power under the control of the monarchy residing across the Atlantic. Equality, government by representation and other such liberal concepts were never a part of Latin America's colonial experience.

The significance of all this is that Latin America, on the eve of Independence, was totally unprepared for conscious self-government and for the responsibility imposed upon it by the bravely gained freedom. (In some of the colonies it is at least doubtful, however, whether freedom was actually being sought. It seems that it came to them by accident more than by design, as was the case in Bolivia.)

Latin America in the 1820's completely lacked the necessary economic and political infrastructure to evolve into a stable and progressive family of nations. Spain had deprived Latin America not only of the necessary self-functioning governmental structure, but also of self-consciousness, of
self-identity and of a path, a vision of the future. The result was confusion and uncertainty. Conflicts arose between the factions expousing federalism and the factions expousing centralism, between those calling for a new monarchy and those favoring some form of representative government. The first few years of Independence saw a variety of experiments in nation building, none, however, capable of bringing tranquility and discipline to the troubled new nations.

This state of affairs encouraged the heads of the military to exercise the needed leadership of the various civilian governments. These military leaders represented the only fairly stable force in Latin America. They had the support of the armies, loyal to them personally more than to an institution or a concept such as democracy. They were also aided by the traditional respect for authority by power. Even today the respect for law in its angle-saxon understanding is not a strong point of the Spanish character. The uncontested position of the early leaders, coupled perhaps by the Latin American admiration for machismo, was the beginning of a long series of caudillos, dictators and military juntas.

Caudillismo, and regionalism as well, is still present in Latin America today. So is much of the original inheritance from Spain, including an almost feudal social structure with all its inequalities, and the reluctance or the incapability
on the part of the people, due to lack of training, to assume the responsibility of governing, of making laws and of obeying them.

This inheritance from a time passed, rigidly maintained in a changing world, undeniably has contributed to the instability and to the lack of progressive elements in modern-day Latin America.

The peculiar riches of Latin America further contributed in creating the problems being witnessed today. There are a variety of products in the area, but not within any one nation. This situation of unbalanced resources is aggravated by the failure to industrialize before or after Independence, which in turn restricted the potential trade within the area.

The monoculture and the nature of the raw-materials of Latin America, and the resulting economic difficulties, have already been noted in this paper. Rather than repeating them, it should suffice to say that the economic instability and insecurity has continuously hampered the development of political stability. Moreover, the failure to develop economically and to gain self-sufficiency in time became the invitation which attracted and facilitated the coming of the foreign investor on the Latin American scene.

B. The Presence of the Foreigner

The degree of foreign control—economic, political and
occasionally military—has been discussed in the previous chapter and need not be repeated here. However, it is necessary to emphasize at this time that the state of dependency is related to the state of instability so characteristic of Latin America.

The foreign investor, having considerable political influence due to his economic control over local resources, is usually "allied" to the local elite groups. Both share the same interests in maintaining the status quo in Latin America. The dominant classes, composed of the owners of large estates and plantations, the owners of mines and of the related processing industries, the military and to some extent the Church, have a vested interest in the situation as it stands. To introduce liberal and progressive legislation, and especially to enforce such legislation, would be detrimental to their privileged position, and of course their income. Strong unions, wage-increases, taxation and the like, irritate the elite as much as the foreign investor. These, then, form a conservative force, ready to block or defeat any progressive force which would alter their present social structure and the economic framework to which it is directly related. The efforts by these conservative elements to preserve the present profitable economic and social situation results in the political instability often disturbing the Latin American scene. Coups d'etat are mainly a function of
this effort, and the usual purpose of these is to replace a too liberal and daring government with a more "traditional" one, that is, one which will protect the status of the groups in power, including the interests of the foreign investor.

As a result of this, respect for governmental procedures, and long-range economic planning cannot be obtained in an environment where such respect is not exercised by the very dominant economic and political elements in the area: the elite and the foreign investor supported by his government.

Respect for law cannot be obtained where the law is altered or interpreted according to the needs of the moment. Dictators are in the habit of suspending constitutional rights at a moment's notice, in complete disregard for the spirit of the law. The governments protecting the foreign investor have officially recognized and thus supported many a dictator in Latin America. Trujillo in the Dominican Republic and Batista in Cuba are two famous examples of such recognition and support by the United States.

Social justice cannot be obtained within a class structure favoring the few at the expense of the many, within a class structure which is being maintained, as has been indicated previously, in order to maintain the profitable situation derived from it.

Hope in the future cannot be had in a situation which denies the reality of today and disregards the seriousness
of that reality. The foreign investor, allied to the power groups of Latin America, helps to maintain those conditions and to that extent is responsible for them.

C. The Alliance for Progress in the Context of Today's Latin America

The history of Latin America caused the region to be unprepared for nationhood when Independence was finally achieved. The condition of unpreparedness has been continued by the misuse of the area's resources by local and foreign commercial enterprises. The result today is that the Alliance for Progress cannot operate in a climate of cooperation and trust. The cooperation and trust are not there. Years of abuse and the nature of the Alliance itself impede any probability of success for the program.

Local initiative has long been discouraged by the apparent futility to engage in anything progressive. Such attempts are usually blocked in time by the local conservative elements and by the traditional opposition to reform and progress too often typified by the statement of the editors of Business Week mentioned earlier.

The Alliance for Progress is to the Latin Americans but one more act of patronage, one more appeal to patience, one more request to let the democratic process solve the problems afflicting them. But to the Latin Americans democracy by now means capitalism, and to them capitalism means
exploitation. *Capitalism* is the system of the foreigner and is equated with economic oppression and the social injustice it embodies.

Friction, distrust and alienation are part of the obstacles the Alliance faces in the field. In view of past and present history, this is understandable. But more important than this, it is regrettable that the Alliance represents a continuation of policies dictated by shortsightedness and immediate self-interest. It is all the more regrettable because these policies emerge from an otherwise great nation, a nation which has been and hopefully still is capable of broadmindedness and generosity. The United States has been to many a symbol of freedom and growth, a concrete proof that progress, given the minimum conditions necessary, can be obtained. The United States is a living example that hope and sacrifice can be meaningful, and that these can, even though admitting the exceptions still to be solved, bring about those standards and those conditions which are basic to the dignity and to the integrity of man.

Knowing the capabilities of the United States, it is highly disappointing that such a nation should not be willing to seek more realistic and more sincere solutions to a problem which does concern it, a problem which should never be considered impossible to solve, as some would have it.
CHAPTER V
OF THE NECESSITY FOR CHANGE IN THE ATTITUDE
OF THE UNITED STATES TOWARDS LATIN AMERICA

This paper has attempted to demonstrate from various perspectives that the Alliance for Progress does not have the capability to cope with the problems of Latin America. Even admitting that the Alliance includes some well intended efforts, the conclusion that it is a device to maintain a state of continuing dependency can hardly be avoided. Having arrived this far, their remains now the need to point out some of the realities operating in the field of inter-American relations and the error of continuing such policies which ultimately will be detrimental to the United States as well as to Latin America.

This chapter will offer some suggestions in line with the realities of the Latin American situation, suggestions which are believed to be in the interest of both Latin America and the United States. They are offered in the belief that the continuation of present policies will lead to further negative, if not destructive, results and on the assumption that it is preferable to avoid these and to favor, instead, such processes which will direct the energies of this continent towards positive, constructive and mutually beneficial relations.
A. Latin America: The Reality of the Present

Latin America needs extensive change if it is to develop in any significant way. It seems also safe to say that Latin America wants change and that its people will labor and struggle to obtain the change which will lead to improved conditions. The example of Mexico, while not completely successful, still indicates that there is both the capability and the willingness for change in Latin America.

Unfortunately, the past stttitudes and policies of the United States have not reflected a real understanding of Latin America's plight nor an appreciation of the desire for change. Presently, the Alliance for Progress is not a reversal of United States' policy, as this paper has attempted to show, and therefore the Alliance program does not recognize the full extent of the Latin American impasse.

Yet, the Latin American problem is there. The potential threat of grave disturbances to come is visible in the signs of unrest breaking through the apparent curtain of passivity and resignation. Guerilla activities here and there indicate that unrest is fermenting. Frequent student demonstrations reflect the demand for action and the impatience for results which now are nowhere to be seen. More than these, Castro's Cuba clearly demonstrates the degree
of desperation being reached under the present systems of government and the conditions afflicting the people. Cuba indicates the willingness of the people to force their way out—violently if necessary—to obtain the justice that has been denied them;

These are signs of a reality which the minority groups of Latin America and the United States as a nation refuse to recognize. In the face of even only the potential damage to the economic interests of the United States, it is foolish to do so. In the face of those results—violence and further unavoidable injustice—which present conditions are bound to produce, such refusal is irresponsible.

Some will argue that Castro-type revolutions are not the wave of the future of Latin America. They point out that the masses of Latin America do not have the political consciousness, the organizational discipline or the actual means to successfully carry out a revolution. If this is the case, and it cannot be totally refuted, there remains the problem of small but impatient groups of dissenters and ardent reformers. These individuals cannot find the means to express or to develop their aspirations for change and renewal within the fixed structures of their nations. Thus, out of frustration and with a vague hope of success through extra-legal means, they carry their activities to the hills.
Such guerilla groups have been noticeably active in Peru, Colombia, Bolivia, Venezuela, Guatemala, Nicaragua, Honduras and Brazil. If these groups do not have a reasonable chance of success, they will persist in a series of futile and painful acts of sabotage and terrorism, distorting their own efforts in the process. Motivated and angered by their frustration they will continue on a road of disruptiveness which will only increase the efforts to oppress them. On the other hand, increased persecution tends to increase resistance to it, and thus to increase the cost of the struggle on both sides.

But this oppression may cause the persecuted to become martyrs of their ideals and thus enhance the probability of success as the people extend to them their sympathy and support. Should this happen, and should they come to power, the revolutionaries may well initiate a new wave of regimentation and harsh treatment to eliminate their former oppressors. This too is a reality of Latin America. This too should be avoided.

Latin America, as a neighboring supplier and market, and as an entity of people, of human beings, concerns the United States very much. To avoid facing the problem and to refuse to deal with it in a realistic and meaningful manner is but to accelerate the tempo of the coming crisis, whether it be a relatively quick and effective revolution, or whether it be a
long, disruptive and corrosive movement of underground subversive activities. The United States could engage in a constructive role in Latin America. It seems absurd that the path to defeat is being followed instead.

B. The Obligation to Help

There are both moral and practical reasons which compel the bigger nation to help the smaller. The actual process of help, however, demands a willingness to look honestly at the problems facing the area, to admit the negative effects from narrowly conceived policies, and to recognize the availability, the feasibility and the desirability of alternate modes of conduct.

The moral argument is based on a concept of universal justice which asserts that every human being is entitled to a fair share of the riches of the world and to that dignity befitting the status of man. It is based on the concept of man's equality, on the concept that no man has the right to enslave his fellow-man.

The indignity imposed on the oppressed is cast back upon the oppressor. A United States calling itself "enlightened," only contradicts itself in pursuing a policy refuted by its own creed. To maintain such policies may well erode the fiber, attack the integrity, and produce a cynicism inconsistent with the values upon which the United
States has been built.

All this is not to argue that the United States should suddenly retire completely from Latin America. This would obviously be naive. The cold reality of economics must still be reckoned with. The suggestion here is that within the confines of political and economic realism steps can be taken in the direction of mutually beneficial inter-American relations which are based on objective evaluations of present conditions and the destructive effects resulting from them.

The practical argument is presented by the known historian Arnold J. Toynbee, in a Weatherhead Lecture delivered in Puerto Rico early in 1962. He points out that revolutionary movements are "... the only movements in the world which offer to us a hope that our decision might be to save us from suicide for a life in the future in which all of us would constitute a single family." The reference, of course, is to mass suicide made possibly by the physical means for total destruction now available to man. Arturo Meléndez López, reviewing Toynbee's theory in relation to the Alliance for Progress and pointing out that Toynbee himself states that to live in a family implies the realization of social justice, concludes: "Either the world realizes social justice or it destroys itself." That is to say, failure to bring about social justice may provide the catalyst needed to bring about the alternate possibility, which is man's self-destruction.
Latin America is the neighbor of the United States. No one can argue that peaceful relations with the area are undesirable. To allow the full development of Latin America would be right and just in and of itself. But even from a position of strict self-interest, this would be profitable to the United States. The presence of a competitive producer would also mean the presence of a market having the buying power which could increase economic activities within the United States. Looking back at Western Europe as an example of a producer and a market, it is at least debatable that an industrialized and competitive Latin America would be damaging to the economy of the United States.

C. The Search for Progress in Latin America

There has been sufficient contact between Latin America generally and foreign elements to create an awareness of better conditions elsewhere in the world. The peasant or the Indian, who is most probably ignorant of the larger world around him, merely wants the means of subsistence which compared to his modest demands are still inadequate. But the middle groups, those who are aware of the outside world and of higher standards of living, are asking for the products of modern technology, products which are presently beyond their reach.

Together the people of Latin America are asking and
demanding that they be allowed to obtain that which is essential to satisfy their needs as human beings. Progress, economic and otherwise, is desired by all. How this progress is to be achieved depends greatly on how the area will be dealt with by the more powerful and richer nations of the world and by the leadership groups in Latin America.

Since the desire for progress is operative among the Latin Americans, it seems that the search for progress will have to be carried out somehow. If the search is denied to them by peaceful means, they may well be forced to follow a path of violence, however painful that may be. Frustration and desperation can be powerful motives for action. These actions may not necessarily be rational or follow intelligent plans; they will probably be impulsive and even become self-defeating at times. The point to be considered and recognized is that once the forces aspiring for change are in motion, they are difficult to stop or to control, except perhaps by outright military intervention. A movement which can gather the support and the enthusiasm of the people will go to great lengths to obtain the goals it has set for itself.

These energies, however, could be channeled before they are pressed into a course of force and harshness. They could be channeled to avoid the high price demanded by a revolution and the inevitable injustices it carries with it. But a vision is needed to do this. The pressure of progress
must be accompanied by a reasonable assurance that it can be obtained peacefully and that its rewards will be distributed in such a way that the people can participate in the process with a sense of purpose and expectation.

The United States, with the resources at its disposal, could aid in this process of change and progress. By fulfilling a constructive role the United States could gain the active support of the Latin Americans, economic and political support which would stimulate the economy of the United States along with that of Latin America. Moreover, the United States would then also deserve to be called "enlightened."

D. A Plan for the Future

A child must be provided with the means necessary for its growth. It needs food, drink, protection and guidance. However, the child must do its own growing, its body must accomplish the process which will bring it to maturity. Someone else cannot do the growing for the child. Along the same lines, no one can actually direct the growth of the child in a specific direction; no one can force the child to grow with this quality or with that attribute. The matrix is there. At most, the process may be retarded or distorted through interference which could diminish the physical or the psychological growth of the child. Similarly, to impose
certain conditions on a child and to expect it to fulfill these, prior to allowing it to receive the food it needs, would be cruel and unrealistic. To deny the child the food it cannot provide on its own would be inhuman but also self-defeating. The resulting retarded or crippled child would be a misfit, a weakling dependent upon others and thus a weight rather than a useful contributor to his society.

A nation is much like a child. It too needs "food," and the nation too must do its own "growing," forge its own character and provide itself with the temper needed to achieve maturity and responsibility. When a nation has been deprived of the "food" essential to its growth and when it has been hampered in the development of its maturity by outside elements, it is unrealistic to expect it to fulfill certain conditions imposed upon it from abroad. This is especially true when the conditions are alien to its nature and contrary to its character.

Latin America has been deprived of the resources--its food--needed for its growth. It has not been allowed to go through the training process necessary to arrive at levels of maturity and necessary to acquire concepts of responsibility. In both pre- and post-colonial times Latin America has been denied the opportunity to grow, retarded by outside interference, by its own environment and generally by its own leaders.
Today, Latin America still suffers from the crippling effects of the past, a past which continues into the present.

If Latin America will somehow attempt to develop and obtain the progress now wanting, it seems logical that Latin America will follow that avenue along which progress is possible. If one route is blocked, it will try an alternate route. If the desirable route, the peaceful one within a constitutional framework, is not open to Latin America, the alternate route, more or less violent, seems unavoidable.

Change by violence demands its price from those involved in the process of obtaining it. Avoiding the suffering and the sacrifice seems obviously desirable and should be possible. It could be possible, given the understanding of present reality by those responsible for it. Projecting the present deplorable conditions into the future at rates of increase paralleling the estimated increases of population, and recognizing the potential danger of total revolutions and their consequences, it seems rather imperative that the peaceful route of change and progress be kept open and be made available where non-existent.

Keeping this in mind, the following suggestions are offered in the belief that violence can be avoided and that the policies based on the suggestions will be advantageous to both North and Latin America.
1. Latin America must be allowed control, use and gain from its own resources. Latin America must have the "food" basic to its growth. This obviously implies the relinquishing by foreign nationals of their control and investments. However, this must be accomplished on a gradual basis, since a sudden severance would produce chaos and a diminishing of output. An effort to make reasonable but low payments for expropriated properties would force fiscal responsibility upon Latin Americans and at the same time preserve the needed respect and friendly attitude of the foreign nations involved.

2. Technical and financial aid, upon request, should be extended to Latin America. Presently much of the Latin American economy is directed and operated by foreign technicians. To displace these technicians would cause the collapse of many industries. Efforts should be made to train local technicians who could then replace the ones presently employed, and in turn teach others to continue the process. Financial aid should be granted until the capability of capital-saving has been reached. This is essential in the creating of a self-sustaining capacity to grow and to develop.

3. Agriculture obviously must be encouraged to provide for a growing population. A sufficient food supply is the foundation of any viable economy. Modernization of agricultural methods, fertilization, irrigation, soil conservation and crop diversification are badly needed in all of Latin America.

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Funds and technical assistance should be channeled to this sector. A tract of land is not sufficient to create a farmer out of a landless peasant; he still needs the tools and the initial credit to become efficient and to produce a surplus. Sufficiency in the production of food stuffs would free considerable amounts of capital now used to import food products from abroad. This capital could then be diverted and invested within the economy and thus supply added incentive.

4. Diversification of economic activity should be encouraged. Essential is the initiation of basic manufacturing industries to provide the tools needed in the industrial and other sectors of the economy. This is a key factor in eliminating the chronic state of dependency of Latin America from foreign industrial producers.

5. Education should be provided to the people of Latin America, especially in those areas and at those levels which would most contribute to local self-sufficiency. Secondary and technical schools have been long neglected when they should be high on the priority list. The opportunity of education is by itself one of the main stimulating factors in the building of a nation by the nation's own people.

6. Military aid must be suspended to reduce the controlling and interfering power of the various armies. The diminished role of the military groups would facilitate
the political process and increase the chances of political stability. Internal stability in turn would provide the process of growth, the freedom it needs and would increase the feeling of confidence by national and foreigners alike in the governments of the various nations.

7. Internal political disputes should not be interfered with from abroad by either direct or indirect interventions. In other words, the sovereignty of the Latin American nations should be respected. This would help in fixing the responsibility of political and economic activities upon the Latin Americans themselves and give them that sense of pride and cooperation needed in the effort of developing and achieving progress.

Democracy, as a political system, should not be imposed on or expected to develop in Latin America as a sine qua non for aid or recognition. Democracy is an alien concept to most Latin Americans. The more educated consider democracy unfeasible and impossible of success, as many experiments have shown. Thus, if a nationalistic or a socialistic movement should be active in Latin America, it should not be opposed from abroad on the sole basis of being different, non-democratic or non-capitalistic. Such political and economic systems are not by their nature inimical to outsiders, as is too readily believed. It would also be more realistic and useful not to equate nationalism with Communism, two
very different notions. Local demonstrations of discontent, movements of liberalization and generally disturbing activities should not be readily labeled Communist inspired or supported, nor should they automatically be defined as Communist attempts to take over a government and place it under the control of Moscow. More often than not they are an expression of local grievances and an attempt, however unsuccessful they may be, to correct the imbalance of social and economic conditions. Should both Communism and nationalism be present it is not predetermined that Communism will prevail. "Where nationalism and communism collide, it is communism that loses, and nationalism that wins."51 This, of course, should be understood in terms of a specific ideology versus the national interest. In a direct confrontation it is unlikely that the national interest be sacrificed for the ideology. The recent developments in Indonesia and the revival of nationalism in some of the satellite countries of Eastern Europe illustrate the lasting value centrality of nationalism. Russia's decision not to press the Cuban missile case in the face of United States' hostility indicates the priority given to national interest over ideology.

8. Financial and technical aid should be extended through a non-United States agency. This would remove the long standing stigma of economic imperialism connected with aid coming directly from the United States. Moreover, it
would remove the temptation to control and manipulate, on
the part of the United States, the aid funds for political
reasons, and thus remove a cause behind the lack of cooperation
on the part of the Latin Americans. The United Nations
would serve a better function here than, say, the Organization
of American States. This world-wide organization has a more
neutral image, and can expect a more substantial response
than the one tinted by shades of subserviency to the dominant
economic interests.

Aid funds, during at least the initial period, should
be extended as outright grants rather than loans. This would
provide Latin America with the initial capital needed to
start a capital saving process which ultimately would lead to

These measures alone, it is realized, would not solve
the problems of Latin America. As suggested earlier, the
"child" must still do its own "growing." This involves above
all the acceptance of political and social responsibility
on the part of the Latin Americans. In reference to this
particular problem, it seems that the removal of foreign
control over local resources will also remove a psychological
crutch which so far has impeded the formation of political
and economic responsibility. There is a tendency in Latin
America to blame the local ills on the foreign investor, whose
presence in a sense also legitimizes the local power structure
and the various regimes alternating themselves in power. The absence of foreign control and the turning over of the local resources and industries to local elements fixes the responsibility of success and growth on the Latin Americans themselves. This would be a strong factor inducing the maximization of these resources and the most useful employment of the gains derived from them.

There still remains the aspect of the traditional oligarchical forces in Latin America. This factor cannot be easily altered or adapted to new forms since it is rooted in years and years of privileged status. The higher classes will not easily or voluntarily renounce their position. It seems reasonable to state, however, that there is at least the possibility of peacefully altering the present power structure. The pressing demands of a steadily increasing population offers the top echelons a choice: either resist stubbornly or compromise and share both political and economic power. Efforts by landless peasants to occupy and cultivate land owned by wealthy proprietors have been common. So far the peasants have been forced off the land or held at bay by promises of agrarian reforms. If the proprietors recognize the possibility of losing their lands, as has happened in Cuba, they may probably reason and compromise.

The complete transfer of responsibility, in terms of national growth or stagnancy, from foreign to national elements,
will fall at least in part on the traditional holders of power. That is, the pressure of the nation's doing or undoing will focus on and affect the local power groups to the extent that no foreign "scape-goat" is available.

Another possible factor demanding change in the power structure may be coming from the workers and employees forming the in-between groups, that is those who are neither members of the lower, impotent classes, nor members of those classes where power now resides. Whereas it may be too early to speak of these as a middle class, due mainly to lack of numbers, it still seems probable that they may apply additional pressure for a redistribution of power and authority.

The hope that the latifundistas, the mine-owners and others who so far have enjoyed and preserved the benefits of their status, the hope that these will be able or willing to accept their share of responsibility is, of course, not assured. Far from it. But this hope has a possible basis in a phenomenon which has been developing in Latin America for a number of years. This phenomenon is the search of identity by the Latin Americans. After gaining independence from Spain and Portugal, it became difficult if not absurd to identify with that nation against which they had rebelled and by which they had been kept in a state of bondage. While it was relatively easy to negate the ties with Europe, it was not so easy to find a substitute with which to identify.
An original and local culture had not yet been developed by the creole element. Everything produced by or related to the Indian was scorned and judged inferior to the dignity and consideration of the "criollo."

In more recent years, however, the Latin American has come to recognize the beauty and value of what is authentically Latin American. There is a growing pride and identification with what is Latin American proper, with what is native, including especially the Indian heritage. This newly found identity and the expression of it can be seen especially in the artistic activities of the Latin Americans. In the field of the novel a great number of works have been written lately based on and in defense of the Indian and of Indian culture. In Peru, for example, Ciro Alegría's El mundo es ancho y ajeno is typical of the current. In Bolivia Alcides Argüedas' La raza de bronce is representative of the same tendency to elevate the Indian to his rightful place within the national character. In the field of painting the works of the Mexican Diego Rivera and his use of native themes are well-known. Incaic themes are distinguishable in the modern painting of Carlos Aitor Castillo from Peru. The famous mosaics of the University of Mexico reflect the same awareness of the indigenous inheritance and the growing recognition of this value and of its meaning to the people who live and hope in Latin America.
These are signs justifying a reliance on the Latin Americans' own sense of identity and of purpose. They are signs indicating the presence of positive and responsible forces in an area which for many years considered itself the inferior child of a splendid mother country.

A vision of progress and of growth may realistically be built upon those forces which find their strength in their own nation, especially if they can call these their own. Given the necessary help and a climate of cooperation and understanding from abroad, there is a fair chance of success in Latin America.
CONCLUSION

This paper questioned the nature and the motivation of the Alliance for Progress as an aid program of the United States to Latin America. By presenting relevant data and by evaluating the program in the light of its intended purpose, it has been shown that it is quite insufficient to obtain the goals stated in the Charter of the Alliance for Progress. To the contrary, it has been shown that, because of its very limitations and because of the context within which the program operates, the Alliance for Progress is actually very similar to and quite typical of the past attitudes and relations of the United States towards Latin America.

A condition of dependency on the part of Latin America has been its main feature in relation to the United States. The Alliance for Progress does not alter this condition of dependency. In view of the nature of the relationship between the United States and Latin America it cannot do so, and, therefore, it does not represent a new direction or a new approach of the foreign policy of the United States.

A nation, in order to maintain its greatness and its position of leadership, must be able to view and deal with the matters facing it in an intelligent and responsible manner, respecting the realities of the times and the
possible developments in the future. Considering the ill-effects to be had by continuing the present relationship with Latin America, and considering the capability, the energy and the vitality of the United States in practically every field, the case of Latin America could be a stimulating challenge to the United States as a nation. If this challenge were to be recognized and accepted, there is every probability that the United States would gain from the very incentives provided by the challenge. The gain would not be limited to a feeling of righteousness in being generous to a neighbor; it would also be very concrete in economic and political terms.

The intellectual and material resources, the educational and research facilities, the industrial and commercial elements, the technical and planning know-how, and even the relevant political institutions of the United States could find a purpose and a gain in the cooperative development of Latin America. The process of help would not consist only of giving. It would be more accurate to see it as investing in the future of both Latin America and the United States, as the building of the foundations on which inter-American relations could rest, be of mutual benefit, and certainly be more fruitful than they presently are.

The United States has a choice before it. The pragmatic and moral obligation viewpoints call for a drastic and immediate
change of United States' policy. Otherwise, this nation must be prepared to accept the consequences of the upheaval now brewing in Latin America.
FOOTNOTES

1 The concept of social reform, however, was presented once before, at the conference establishing the Act of Bogotá, in 1960, when the creation of a 500 million dollar Fund for Social Investment was proposed by the outgoing Eisenhower administration.


3 Ibid.

4 The United States at this time announced their commitment of over one billion dollars for the first year's operation of the Alliance for Progress.


6 Ibid., p. 256.


11 In Mexico City, for example, there were mixed reactions: "The reaction to the Kennedy aid plan ranged today from enthusiasm to a pessimistic conviction that nothing new had been stated." (The New York Times, March 15, 1961, p. 12.)


13 US Bureau of the Census, Statistical Abstract of the United States: 1966, 87th edition (Washington, D.C., 1966), p. 854. It is interesting to note here that these figures are higher than the corresponding ones published in the Abstract of the previous year. The figures are: for 1960, 189 million dollars vs. 194; for 1961, 707 million dollars vs. 710; for 1962, 583 million dollars vs. 587; for 1963, 559 million dollars vs. 576; for 1964, 434 vs. 447. The difference between the two editions of the Abstract is not explained by either edition and raises some doubts as to the reliability of either.
14 Inter American Economic and Social Council, "First Year of the Alliance for Progress: Evaluation by the Ministerial Representatives of the IA-ECOSAC," Department of State Bulletin, XLVII (December 10, 1962), 897. This progress report was presented at the Conference of the Inter American Economic and Social Council held at Mexico City, D.F., Mexico, on October 22-27, 1962.


18 Lyndon B. Johnson, "U.S. Reports on Success of Alliance for Progress," Department of State Bulletin, LI (November 16, 1964), 705. This report includes also remarks made on the same occasion by Thomas C. Mann.


21 Szulc, op. cit., p. 250.

22 All of these quotations are from Simon G. Hanson, "The Alliance for Progress: The Second Year," Inter American Economic Affairs, XVII (Winter, 1963), 3.

23 For sources of background historical material see the Bibliography.

24 See note 23.


34. Ibid., p. 369.


40. The concern for capital flight from Latin America was voiced at the Inter-American Economic and Social Council conference of 1962, mentioned earlier. In the report of that conference the following was stated: "The flow of foreign private capital to Latin America has diminished and there is
strong evidence of substantial capital flight from Latin America." This refers to Latin American capital, since existing foreign investments have not diminished significantly during the period under consideration.


42 Statement by General W.A. Enemark, Director Western Hemisphere Region, made during Congressional Hearings on the Foreign Assistance Act of 1962, Inter American Economic Affairs, XVI (Summer, 1962), 41-42.

43 John D. Powell, "Military Assistance and Militarism in Latin America," Western Political Quarterly, XVIII (June, 1965), 382.


45 Luis Cardoza y Aragón, "Guatemala," Cuadernos Americanos, CXIX (Nov-Dec, 1961), 212. (Trans. Mario R. Mion.)


50 Ibid.

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