THE ALLIANCE FOR PROGRESS: A STUDY
OF THE IDEOLOGICAL APPEAL OF
DEMOCRATIC DEVELOPMENT

A Thesis
Presented in Partial Fulfillment of the Requirements
for the Degree Master of Arts

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1964

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CHAPTER I

INTRODUCTION

The Alliance for Progress marked a new stage in the long development of United States policy toward Latin America. Like its predecessors, the program was addressed to the problem of political instability in the hemisphere, a situation that invited the intrusion of undesired foreign influences and jeopardized sizeable United States economic and security interests. The Alliance represented a new approach to that old problem. In place of a discredited policy of unilateral policemanship and its resented moral and economic bullying, the United States was proposing to strike at the roots of the problem with a vast program of economic and social assistance. Not only was this in accord with the urging of Latin American statesmen, but it satisfied an enlightened American view that stable democracies can only rise on secure foundations of social and economic advancement. Thus, the Alliance set forth its dual objectives: the promotion of self-sustaining
economic growth, and the establishment of stable democratic systems based on respect for the freedom and dignity of the individual.¹

That these goals were compatible, if not mutually supporting, had been affirmed by the historical experience of the United States and had come to be a key premise in its ideological debate with communism. In August 1961, the representatives of 19 Latin American nations endorsed that belief in the charter inaugurating the Alliance program. The agreement on broad goals reached at Puata del Este, however, has not prevented the emergence of friction and resistance to the "self-help" reforms required by the Alliance, and underscored by the United States as the key to its success. With few exceptions, Latin American governments have demonstrated a marked reluctance to undertake the programs of land and tax reform, rationalization of fiscal practices, and encouragement of domestic and foreign investments on anything approaching the scale anticipated by Alliance planners.²

The conflict within the Alliance suggests that while the sources of political instability may be rightly traced to economic and social backwardness, solutions of the
problem cannot be found in economic programs alone. The political and psychological requirements of generating the social energy and mobilizing the political support necessary for the implementation of those programs are no less important.

Recognition of the interplay of economic and political factors in development raises the crucial question of the nature of that relationship. Given the purely economic view of modernization as a progressive rationalization of economic organization and techniques, to what extent is this dependent upon a similar development in political organization and behavior? In the answer to this question, I shall argue, lies the heart of the conflict straining the Alliance program.

Statement of the Problem

There are two essential facts about the so-called revolution of rising expectations in Latin America. First, there is a swell of demands for decent standards of living which in the long run can only be met by a program of economic modernization. Second, this "revolution" carries with it none of those sentiments of sacrifice and restraint necessary to mobilize capital
and to make the structural reforms which are integral parts of such a modernization program. The problem is to transform a consumers' revolution into a producers' revolution while maintaining the framework of a liberal democratic society.

Some support for reforms can be gained through the differential distribution of immediate economic benefits. But the nature of the development process is such that it depends on the ability to operate independent of immediate, tangible rewards. Like any other revolution, the "revolution of rising expectations" needs an ideology capable of integrating the society and inspiring it to the level of sacrifice and effort required.

In the past, nationalism has been an effective integrating and energizing force. However, it has not been sufficiently creative and flexible to meet the demands of rebuilding what has been torn down. As an alternative to nationalism, the Alliance for Progress has offered a program and an ideology of modernization. It is the purpose of this study to evaluate the appeal of that ideology in terms of the central question asked earlier. To what extent does it demand a rationalization
of political organization, attitudes and behavior parallel to that required in the economic sphere? And, is that formula appealing or even acceptable to Latin Americans in view of their existing values and traditions?

To answer these questions, this study has sought to examine the different perspectives structuring United States and Latin American policies. The approach was (1) to examine the sources and nature of their different intellectual structures and to trace their influence in the historical development within and between the two areas; (2) to explore the relationship between these psychological patterns and the Alliance, its goals and problems; and (3) to evaluate the ideological appeal of the Alliance program against these considerations and against the alternative appeals of extremist movements.

The hypothesis will be advanced that a democratic development program depends for its success on the maintenance of traditional psychological and institutional patterns, and the adaptation to these of modern industrial techniques. This position is taken against that which argues modernity is dependent upon a radical
change in attitudes and styles of life, a change which brings political behavior closer to the pattern of economic behavior.  

Support for this position derives from two sources: the general theoretical considerations presented in Chapter II, and the historical data that makes up a good part of the rest of the study. The character of the problem is such that this kind of evidence seems most likely to support hypotheses about the future. However, it cannot, nor can any data, persuade the future to unfold that way.

Limitations of the Study

Latin America, it has been wisely pointed out, is a study in contrasts about which one generalizes only at fearful hazard. Although there are good grounds for speaking of a Latin American intellectual structure in its common background of language, religion, Iberian culture and its widely circulating literature and art, those facts cannot obscure the obvious exceptions arising from ethnic and racial mixtures, nor for the great contrasts in geography, natural resources and varying stages of economic development evident throughout the hemisphere.
It must be said, too, that this study has considered only the ideological aspect of economic development. Technical problems of development have been barely mentioned. Their impact on the probabilities of achieving stable democratic government are certainly great, but it would be a separate work to consider them adequately.

Finally, the breadth of the subject considered here has dictated that some limitations be imposed on the use of materials. Consequently, I have relied heavily on secondary sources.
NOTES

CHAPTER I


2 References to the state of progress in Alliance reforms make up part of Chapter V.

3 This is a popular view among economists and political analysts. A good statement of it can be found in The Emerging Nations, by Max F. Millikan and Donald L. M. Blackmer (eds), p. 19.
CHAPTER II

TOWARD AN ANALYTICAL FRAMEWORK

The object of this chapter is to establish theoretically the case for according ideology a full measure of attention in theories of human development and interaction. Its goals are two: to provide a functional definition of ideology as a set of principles defining the basis for and limits of community (or alliance) solidarity, and providing incentive for joint action; and to locate the source and strength of ideological commitments.

In pursuit of these goals, this study has drawn from the theories of Karl Mannheim, whose work on the situational character of all knowledge has particular relevance here, and from the work of a number of psychologists, sociologists, anthropologists and political scientists whose collective efforts contribute a systemic base upon which to ground Mannheim's insights.
Function of Ideology

Karl Mannheim's observations on the ontological functions and epistemological implications of that total pattern of beliefs and values which can be said to characterize the thinking of a particular historical-social group provides a useful view of the function of ideology.¹

According to Mannheim, an ideology expresses the general motivational pattern of a culture. It describes a group's world view which invests group activities with meaning and purpose. For the analyst, this ideology serves "...to integrate the units of conduct and to enable (him) to see in a configurative context the observational elements which otherwise would remain discrete."²

Efforts at transcending this aspect of behavior in the interest of arriving at universal, cross-cultural generalizations inevitably end in distorting reality, either by removing the rational aspects of behavior from their non-rational matrix, or by substituting one's own ideology as a matrix of universal validity. In either case, this approach leads to the substitution of purely functional-mechanical patterns for cultural patterns. It can only "posit as its end some such purely phychical
or social optimum condition as, for example, 'the most frictionless functioning.' 3

This methodological emphasis on abstract generalization and formal relations has been the general approach of the natural sciences. Even there, however, there is no epistemological purity owing inspiration to the Muse alone. There remains always, and as a minimal condition of the very act of coherent thought "that irreducible residue of purpose." 4

The scientific approach is valid and useful for purposes of constructing mechanical-functional models of material universes. But what meaning and purpose is to derive from them, depends on other kinds of judgments based on other, i.e., ideological, modes of thought. These models in the social sciences are useful nevertheless for providing efficient solution for certain problems in economics and public administration. As a general substitute for political judgment, however, Mannheim finds them wholly inadequate. Practical policy questions must have reference to the concrete sphere of daily life which alone can provide the qualitative detail essential to reasonable interpretation and decision. 5
Throughout his work, Mannheim stresses an essential point: all knowledge and all styles of thought are relational to a particular historical-social position and background, and that their truth and validity is necessary only within that bounded world of experience. This is not to assert the relativity of truth, as Mannheim tirelessly points out, but only that the content of any given body of truths represents only one view of the world, and the criteria used to validate that view only one set of standards. Yet, while the "good" and the "rational" are never self-evident categories, there can be agreement between cultures on certain broad value goals, e.g., economic welfare and political freedom. It is between the expression of values as goals and the realization of meaningful programs of action toward those goals that a host of qualitative detail awaits in ambush for good intentions.6

In summary, Mannheim defines ideology as a set of historically and socially conditioned values and attitudes which function as a "system of meaning" in integrating and guiding behavior. For the individual and society this ideology provides a generalized perception of the
world, delimits the range of good and rational courses of action, and bestows legitimacy upon ultimate decisions.

Source of Ideology

Mannheim's definition is useful, but it leaves unanswered some of the persistent questions surrounding the use of the concept. Specifically, it does not tell us why one "system of meaning" is preferred over another which may just as plausibly and perhaps more profitably account for a particular configuration of social and historical conditions. Nor does it specify what forces sanction and preserve the voluntary compliance given those ideological injunctions against the appeals of competing ideologies and the competition of material interests. This is the problem, pointed out by David Minar in his survey of uses of the term, of making a systemic connection between the concept and the behavior it seeks, in part, to explain.7

The problem of relating value systems to behavior has long occupied the attention of anthropologists, psychologists and sociologists. Interest has generally focused on the role of socialization in molding lasting patterns of social behavior and transmitting those patterns to other generations. A sharp division in these
studies has arisen over the question of how much importance to attach to primary family experiences as against the factors and learning that intervene between them and later social and political behavior. This division has led on the one hand to the kind of mechanical-functional theories depreciated by Mannheim, and on the other toward an undue emphasis on tradition.

Both schools view personality development in similar terms as learned patterns of handling the stimuli of instinctually given drive energy. In order to maximize satisfactions of those drives, the child accepts the restrictions placed upon him by his parents. Habit and prudence harden the personality in the prescribed form. The weakness noted in many of the early psycho-cultural studies has been their minimization of learning situations outside the family which may expose the individual to quite different and contradictory behavioral norms. If the personality is merely a system for maximizing biological satisfactions in a social setting, it has been argued that it will be drawn to break the crust of early habit when put in less restrictive circumstances. This hypothesis has tremendous importance in considering the possibilities
and processes of social change. From it derives a faith in manipulating social and political behavior through the introduction of new techniques and ways of living which promise improvements in the opportunities and realities of biological (material) satisfactions. Intensive advertisement of these new benefits may be required to arouse individuals and groups to break the slumber of tradition and habit, and force may have to be applied to overcome the resistance of those few persons and groups for whom the old ways still offer greater advantages. But the principal force working for change is the attraction of new and bountiful prospects of a materially better life.

Anthropologists, who by and large are to be found in the opposing camp, do not seem to dispute the theory of personality development on which this hypothesis rests. But they have taken issue with the weight assigned tradition. Traditional values and ways of living are viewed as part of a "living unity of culture" which provides continuity to the life of the individual and equips him with the resources for integrating, evaluating and controlling his behavior. Any technical change which proceeds unmindful of this function of values will result
in serious disruptions which threaten the mental stability of the individual and the integrity of the society.¹¹

This approach in its emphasis on the qualitative detail of cultural patterns accommodates the kind of study urged by Mannheim. But, it is just this emphasis, or perhaps overemphasis, that militates against the possibility of social change through broad and impersonal programs of political action. The programs for change put forth by anthropological observers commonly stress the need for nursing the tradition-bound through detailed, personal community work into more modern moods.¹² The object appears to be to disturb the traditional value structure as little as possible even as new ways are devised for handling demands. Where one school has downplayed the role and force of traditional values, the other has tended to overlook the need for political generalization.

Between these two positions, it must be observed, policy makers usually grope their way to a middle course of action. That is to say something for the political art, but it is less than a testament for political science. A number of recent attempts have been made to forge a
framework which might overcome the deficiencies of the two positions discussed. One of those attempts by Donald McIntosh of Columbia University suggests a promising approach for bringing the art and the theory of politics closer together.\textsuperscript{13}

Culture, McIntosh points out, develops as a means for man to control his environment and to harness it in the service of his needs. One aspect of it deals with the control over nature which leads to the development of technology and a set of attitudes which permits the utilization and further development of those technological tools. These rational forces, however, have not been successful in establishing control over culture itself, and one of the major problems of modern societies has been the tension between advancing technologies and other social institutions, including political and legal forms. This problem arises not from the failure to bring the forces of rational control to bear on this aspect of culture, but from the fact that this dimension of culture is not amenable to that kind of manipulation.\textsuperscript{14}

In explaining the nature of this difference and indicating the ways in which social institutions develop,
McIntosh makes use of traditional psychoanalytic categories, but deploys them in a unique way.

His major assumption is that "cultural development of a civilization is mirrored in many ways by the psychological development of the individual."\(^{15}\) The psychic system develops, just as culture, as a means for controlling the environment and bringing it to terms with instinctual needs. In this development, the twofold division found in culture is duplicated with the ego seeking to exercise rational control over the environment, and the superego striving to subject the whole psychic system to a set of internal, moral (non-rational) controls. And, again as with culture, the psychic system undergoes tensions, conflicts and breakdowns as the two interests collide.

The relationship between the psychology of the individual and the dynamics of a cultural or national group is more than mere analogy. The values incorporated in the superego generally reflect those of the society and are transmitted to the individual through the social institutions of family, peer group, school, church, etc. In drawing the parallel, the major qualification that must be made concerns the different ways in which individuals and societies handle tensions. Society has no
mechanism for repression as are available to the individual although it will be shown below that it is not without some means for this purpose. In both cases, however, tensions whether repressed or manifested tend to be dysfunctional to the system by compromising its ability to adapt the environment to its needs. 16

The superego, as the repository of moral rights and wrongs in the individual psyche, derives its force not from any inherent qualities of the normative injunctions themselves, but from the association of those values with the satisfaction of biological needs. In this, McIntosh agrees with the major assumption of the positions mentioned earlier when he notes, "... the aim of any drive, whether in the superego, ego or id, is biological satisfaction. The object of (these drives) is the product of genetic and environmental factors."17 However, he makes an important distinction not always observed in development theories.

As the child responds to his inner urgings with undifferentiated demands upon the environment, parents react by giving it certain objects (warmth, food) which
demonstrate a capacity to satisfy those drives. The child thus comes to adaptively associate drive aims with objects and patterns of behavior (at first crying, but later more differentiated approaches even to the most sophisticated forms of technological innovation) that connect the two. It is in this process of learning to fit means and ends that the child learns a new kind of connection, one which is related to his biological drive structure, but different from it. As parents administer the needs of the child, they demonstrate certain signs of affection which come to be independently valued by the child apart from the biological relationship which originally enforced that connection. The development of this kind of value is crucial for the teaching of moral rules, for it marks the establishment of a fundamentally different kind of drive aim. Whereas the strictly biological drives are connected with particular objects and unfettered in their operation by any but instrumental considerations, this new psychological component has a generalized mental state as its object, one which cuts across the operation of other drives and is often in conflict with them.¹⁸ Nor is this
affective drive any less persistent and intense than biological drives because of its derivative character.

This drive then sanctions the imposition of moral rules on the child. To win the love of his parents, or to avoid the deprivation of it, the child finds it instrumental to imitate their behavior closely. As this identification proceeds through the major development periods of childhood (weaning, toilet training, the oedipal transition) it:

... is carried through to the extent that the parents, or more strictly speaking the moral aspects of the parental images, are incorporated as a distinct aspect of the psychic system. The introjected parental image serves as a means of controlling threatening impulses. This moral code, in turn, commonly reflects the normative structure of society. The superego is thus the key link between the psychic system and the social system. Psychologically it is a method for handling anxiety. Sociologically it is a means for establishing and transmitting the normative order, the backbone of culture.19

This internalized superego structure becomes more or less self-operative within the individual sanctioning its injunctions with feelings of guilt and anxiety, or more positively, with feelings of narcissist self-gratification. The positive aspect of these sanctions is perhaps more important than the negative, for it introduces into the psyche the whole complex of motives
associated with values such as self-affirmation. Nor do these acquired values lose out in competition with primary biological values, but may hold a superior position between the two. 20

The potential conflict between these relatively autonomous psychic subsystems of the id and the superego falls to the ego to resolve. Its functions are three-fold: integrating the dual demands into a coherent pattern of behavior; adapting the environment so that it meets the total needs of the individual; and asserting this pattern of behavior against the resistances of others. These are the so-called organizing, reality, and aggressive functions of the ego. 21 While conflict is potential between these constituent subsystems, it is by no means inevitable. The restrictions imposed by the superego are in fact of great assistance to the ego in holding the demands of the id within manageable bounds. Further, superego values provide the basis for all cooperative group efforts in dealing collectively with the environment. In addition there are large neutral areas of behavior in which the superego has little direct concern.

Necessarily, however, there is tension between a
system which proceeds on the basis of "rational self-interest" and one whose aim is affection-evoking behavior. This conflict seems to lie at the base of the cultural tensions encountered in technical change.\textsuperscript{22} To some extent, the ego is able to act adaptively toward the requirements of the two systems with the resources at hand. However, in periods of great change, it is faced with a problem of finding new resources. It can act contrary to the moral commands of the superego in servicing the needs of the ego and id drives, but only to the extent that it is able to tolerate the rising level of tension that must follow such a course. A more stable approach is for the ego to work to advance the strictures of the superego to a higher level of generalization, one which will permit a greater extension and flexibility in the application of those principles to concrete circumstances.\textsuperscript{23} In this, the ego is handicapped by the existence of unconscious values which are not readily accessible to rational, symbolic manipulation. On the sociological and political levels, this submerged part of the superego is paralleled by the existence of intensely held convictions which tend to lie outside the pale of discussion.\textsuperscript{24}
Within the framework of values accessible to it, the ego (or on the political level the leadership element) cannot substitute behavior patterns freely according to their instrumental value in a particular circumstance. It must work within the existing normative structure. Charismatic leaders who are generally capable of effecting greater changes than would normally be possible are similarly bound by this restriction.

Although the power of a charismatic leader may be enormous, it always operates within the framework of a normative system, not over it. The values of a charismatic leader find a response only if they are already in the process of formation and related to old values which already are beginning to strain the old normative system.25

Max Weber's classifications of types of legitimacy—traditional, charismatic and legal-rational—can be seen as expressions of the varying levels of generality reached by different normative systems. At the traditional level, norms are detailed, spelling out in great profusion ways of performing tasks and relating to other members of the society. It is unable to accommodate diverse cultural strains nor to flexibly respond to the contingencies of changing environmental factors. This may be contrasted
to the legal-rational system in which the normative structure is generalized and codified into a few broad principles. Changing circumstances permit the cognitive processes to participate in fitting those statements to the needs of the times. Toleration of diversity and inconsistencies is greatly increased. Charismatic leadership can provide a bridge between these two levels of development. Working in something like the important psychoanalytic principle of transferrence, charismatic leaders, or movements, in a sense recreate the parents' primary role as objects of affective identification. With this basic resource he is able to rework the value structure, and often to dredge out of the unconscious values previously inaccessible to manipulation. 26

There can be no assurance that such a leader or movement will become the agent of progress. He might well work for a regression to earlier patterns. But he is a useful alternative to the slow, incremental changes that work themselves out in the course of time, or the sometimes violent sunderings of the traditional fabric and the reestablishment of society on new value grounds.
The major points of this chapter can be summarized as follows:

1. Ideological commitments are related to and act with the force of biological drives.

2. These commitments form an autonomous structure within the psyche which must be balanced against other drives in the determination of courses of action.

3. The values of the superego reflect the normative structure of the society. This normative structure functions in much the same way as the superego in controlling social behavior.

4. Technical change usually requires that this normative structure be raised to greater levels of generalization to permit the flexible application of instrumental techniques. This value structure, however, is not susceptible to manipulation through rational or instrumental arguments.

5. One important way for a group to peacefully make the transition from one level to another is through the agency of a charismatic leader or movement.

From these observations, it seems clear that to adequately interpret the possibilities and directions of change, one must have reference not alone to material problems and general goals, but to configurations of values which condition decisions and response. Against this consideration, the behavioral patterns and norms thought to be indispensable to an economically progressive
society should be viewed. Wilbert E. Moore summarizes them as follows:

Impersonality: judgment of merit and performance, not social background or irrelevant qualities.
Specificity of relations in terms of both context and limits of interaction.
Rationality and problem solving.
Punctuality.
Recognition of individually limited, but systematically linked interdependence.
Discipline, deference to legitimate authority.
Respect for property rights.
Loyalty, limited by specific contexts and reciprocal rights.
Achievement and mobility aspirations.
Emulation of excellence.²⁷

This set of attitudes and orientations are the counterpart of the structural changes that are considered necessary if rapid economic and social development is to be achieved and maintained. How are they to be fostered?

If, as it is argued, these values will flow from experience with rationally oriented and organized institutions, the problem is shifted to a political level and becomes, how can leaders undertake the initial reforms, the central question of this study.²⁸ The point of this chapter has been to suggest that solution of the problem requires first that the leadership element be committed to these values and not to some alternative values, and
that it be able to manipulate existing social values in that direction. The limits of tolerance for such change have been noted.

The considerations of this chapter indicate the critical importance of winning the loyalty and participation of society for any peaceful technical change. This requirement entails the introduction into the development equation of an affective element that is at odds with the rationally based motives of such reforms. It involves, too, continuity and coherence with existing patterns which, depending on the content of those patterns, may also contradict the requirements of a modern system.

Chapter III will attempt to describe the patterns of values which have conditioned Latin American and United States development and to indicate how these patterns have facilitated or hindered the emergence of modern economic and social institutions.

Chapter IV will focus on the interaction of these two patterns in the history of Inter-American affairs. The conflicts revealed there should underline the nature of the conflicts in the Alliance for Progress.
NOTES

CHAPTER II

1 Ideology accordingly is used here in the neutral sense of that set of values and ideas which serves to organize and legitimize a political and social system. Mannheim prefers the word "perspective" at times to avoid the problems introduced in Marxist analysis that ideologies are conscious or unconscious deceptions.


3 Ibid., p. 302.


5 Ibid., pp. 109-110.

6 Ibid., p. 280.


8 For a discussion of this problem, see Herbert Hyman's small volume, Political Socialization (Glencoe, Ill., 1959), and Gabriel Almond and Sidney Verba, The Civic Culture, 1963.

9 Daniel Lerner's The Passing of Traditional Society, (Glencoe, Ill., 1958) provides the sharpest statement of this view. He sees "psychic mobility" as a natural outgrowth of exposure to the influences of modern life. The so-called "demonstration effect" in economic theory assumes the same kind of effect. See John Kautsky's introductory essay in Political Change in Underdeveloped Countries (New York: John Wiley & Sons, 1962), for a view of the political changes that occur with economic development and the differentiation of group interests.

11Ibid., pp. 288-303.

12This is perhaps too gross a judgment derived as it is from a limited reading in the field and discussions with anthropologists. Some sense of this community-work orientation can be found in the essays in Social Change in Latin America Today (New York: Vintage Books, 1960).


14Ibid., p. 619.

15Ibid., p. 619.

16Ibid., p. 629.

17Ibid., p. 623.

18Ibid., p. 626.

19Ibid., p. 621.

20A good general discussion of the socialization process can be found in Frederick Elkin, The Child and Society (New York: Random House, 1960).

21McIntosh, op. cit., p. 621.

22Mead, op. cit., p. 288.

23McIntosh, op. cit., p. 621.

24Mead, op. cit., p. 300

25McIntosh, op. cit., p. 630.

26Ibid.
CHAPTER III

PATTERNS OF VALUES

Inter-American treaties and resolutions traditionally invoke the spirit of a common Christian-democratic heritage as the basis for hemisphere cooperation. The purpose of this chapter is to examine the reality behind that sentiment.

In focusing on the role of religious backgrounds in conditioning the attitudes of a social group toward its secular institutions, this study has followed in some respects the work of Max Weber who postulated that every major religious group develops its own unique orientation toward all aspects of life, and that these orientations influence strongly the daily lives of all adherents and the institutions they establish. It is to be conceded, as Weber did, that socio-economic and historical conditions influence the particular expression of that orientation. But to a large extent that orientation is independent of conditions.
The importance of religious values is also recommended here by the affective nature of its sanctions. It is a lasting source of legitimization where family and other social institutions may change.

Two Traditions

The fundamental difference in Anglo and Hispanic-American backgrounds is their respective Protestant and Catholic religious backgrounds. This fact has played an important role in the histories of the two areas and in their receptions of modern democratic ideas.²

Catholic theology rests on the science and philosophy of Aristotle as synthesized by St. Thomas Aquinas. The Aristotelian-Thomistic theory is a doctrine of unity—unity of man with himself, with other men, the world, and with God. The soul is considered the form of the body, its principle of organization and the final cause which shapes its growth and development. To Aristotle, this essential nature of man was a rational principle, one which differentiated him from all other specific things and all other generic forms. Through the process of privation, or the knowledge of opposites, Aristotle determined the evolution of man as following a process whereby
that final cause (rationality) worked itself out against
the resistance of matter from a state of potentiality to
one of actuality. By the study and contemplation of other
forms, man comes to know these forms in their universal
character, thus comprehending their essence in his own.
The highest development of man comes with the knowledge
of all forms and the contemplation of that final cause of
the universe, the Unmoved Mover or that which St. Thomas
joined to the theory as God. It is God as the first and
final cause of the universe, as that all-embracing rational
principle which by His mere Being induces form and order
in a universe of otherwise undifferentiated prime matter.
From this theory derives a view of man which reconciles
the individual to himself and to all about him according
to a definite principle of virtue and hierarchy of authority.

Modern Protestant theory by contrast reflects the
influence of Cartesian and Lockean psychology which in
turn was inspired by the Newtonian scientific discoveries
which it was held outdated Aristotelian science. Here,
the everyday world of sense experiences was postulated to
be a private sphere of activity separate from the public
world of mathematical time and space. With Locke, the
relationship of body and soul is no longer the united, inseparable one of Aristotelian-Thomistic thought, but separate substances interacting in a universe of substances. Soul is only one such substance different from material substances in its ability to register sense impressions caused by the impact of atomistic material substances. A blank tablet to begin, its form and development is determined only by these impacts which produce a variety of individual, but unrelated forms. While the material substances act according to the atomistic, mechanical laws of nature, there is no form or principle of organization for mental substances except that they are free and equal. On this view of the world, Locke is able to give a scientific underpinning to religious freedom and toleration sought by non-conformist Protestant sects, and to erect his political theories.

Two patterns of legitimization can be seen in these different world views. For Locke, who sees men as discrete, self-sufficient individuals, the principle of social organization is a matter of aggregation to be ruled by a numerical, but limited sovereign, the majority.
The majority is bound by the obligation to respect and protect the essential freedom of man, but otherwise can undertake certain common goals as determined by convention. Aristotle and St. Thomas, on the other hand, conceived of a corporate, hierarchically structured society whose rule and principle of organization was virtuous reason. The society serves a moral purpose and hence can be considered an organic body. The Lockean man has his essential identity outside the community and indeed the community's chief function is to preserve the integrity of that individual identity, which means first the protection of his private rights and property. Aristotle's political animal draws his only meaning and purpose from and within the embrace of the polis.

These two systems of thought, each defining a different public good, and prescribing different sets of social and political institutions for the better implementation of that good, underlay the founding of the civilizations established in the new world. John Locke's philosophy provided much of what came to be incorporated in the American constitution, while the Spanish Conquest brought Latin-Catholic culture to the countries of the south.
When Locke developed his new psychology and philosophy, Protestant England had already divorced itself materially from the Catholic fold. The new ideas, with their refutation of Aristotelian-Thomistic doctrines of unity, found an easier reception than they were afforded later in Catholic countries, notably France. Nor did Locke press the religious implications of his ideas as Voltaire, and later Hume and Bentham were to do. He maintained his own conventional religious views assigning separate roles to church and state—the one to provide for the salvation of the individual's soul, and the other to protect the secular integrity of that soul.

The reception of Lockean ideas in Catholic countries was to have a more extreme impact. With no Reformation to prepare the way for the acceptance of the principle of diversity, the secular philosophy of Locke tended to invest itself with revolutionary implications and a total rejection of the earlier Catholic basis of consensus. Catholic Latin America received many of these democratic ideas through the writings of Voltaire, Rousseau and the French Encyclopedists, who themselves had read Locke
against Catholic backgrounds. The result was a violent reaction against the Church which had no counterpart in the north. But, unprepared by the Protestant compartmentalized view of the world, and lacking any resource for it save conversion, it meant a continuation of the Catholic pattern of thought as well as the projection of religious passion into political affairs. The coupling of religious and political attitudes made it difficult to conceive of a divided or limited authority, or to devise any stable patterns for the transfer of that authority.

Character Types

The distinction noted here between the atomistic-contractual basis of American thought, and the pluralist-corporativist thought of Latin Americans seems to describe fundamental psychological patterns which have been bequeathed from generation to generation through the socialization processes of family, school, church, literature, history, and social institutions. Underlying this socialization is the essential sanction of affective estimations of self worth not only by the standards of society, but of God. It must be granted that over this basic pattern
are lain a host of other values and interests which vary from individual to individual and country to country according to particular socio-economic and historical conditions. But these other interests are shaped and legitimized by affective commitments, one important such commitment being the religious. From this perspective, the value pattern of the conservative, land-owning oligarchy in Latin America is essentially the same as their most extreme liberal opponents. In this sense, the two positions mark extreme points along an ideological continuum, but the qualitative character of that continuum is the same.

The different character types and traits that as a matter of course are noted in comparative studies of the United States and Latin America tend to corroborate the implications of the cultural factors sketched above. Latin Americans, it is observed, are religiously individualistic, yet authoritarian in their social patterns; spiritually and aesthetically turned; possessed of the idea that authority is indivisible; prone to stress matters of form and inner quality over functional considerations; highly personal in their associations and
volatile in politics. By contrast, Americans are held to be independent as opposed to individualistic; conformists to equalitarian legal and moral standards, pragmatic, and technically oriented.7

More precise attitudinal studies have recently lent additional weight to that generalization. Robert E. Scott in a study of the "Modernization of Political Culture in Mexico," found his respondents highly subject-oriented toward authority, but with a strong ambivalence in that orientation characterized by both strong dependency needs and rejective and rebellious tendencies. This ambivalence he found pervading all Mexican social institutions including family, school, work group and governmental-political systems.8

Gabriel Almond and Sidney Verba in an extensive cross-national attitude study found Mexicans a similar paradox.9 They discovered "a striking inconsistency in the Mexican data (which demonstrated) high frequencies in subjective political competence . . . coupled with the lowest frequencies of all five countries in political performance (as measured by political information scores,
voluntary association membership and political activity.)" Mexicans were found to be highly "affective oriented" toward the political system as a whole as manifested by its output and symbolized by its leadership. Very little sense of trust was evidenced in rational political groupings such as interest groups or political parties for the pursuit of limited political interests. The dysfunction of this cluster of attitudes for the maintenance of a stable and effective democratic system was acknowledged.

**Political Institutions**

Political consensus in the United States rests on Lockean principles of the sanctity of individual rights and property. Richard Hofstadter notes:

The sanctity of private property, the right of the individual to dispose of and invest it, the value of opportunity, and the natural evolution of self-interest and self-assertion within broad legal limits into a beneficent social order have been staple tenets of the central faith in American political ideologies... The business of politics is to protect this competitive world, to foster it on occasion, to patch up its incidental abuses, but not to cripple it with a plan for common action. American traditions also show a strong bias in favor of equalitarian democracy, but it has been a democracy in cupidity, rather than of fraternity. 10

It may be argued that it is in great measure because a private sphere has been set aside and guaranteed
against encroachment, that a rational and smoothly functioning political system has been possible. To preserve the integrity of that consensus, the institutional mechanism of government was so designed as to assure a continuing check and balance on the system. The Bill of Rights, separation of powers, and the principle of federalism all reflect the Lockean terms of the American contract. Private enterprise and a market economy are its economic counterparts.

The public philosophy of the United States has greatly debased the currency of laissez faire that was instrumental in underwriting business expansion in the early part of the century. The philosophic revisions of Locke made by Hume, Bentham and Mill, and the Keynesian innovations in economics has served to widen the scope of governmental action. But, as Hofstadter points out, "even when some property right has been challenged ... the challenge, when translated into practical policy, has actually been urged on behalf of some other kind of property."

It is illustrative to note Latin American experience with borrowed United States constitutional forms.
Following the end of the wars of independence which raged between 1810 and 1825, there was a widespread tendency to adopt U.S. institutional patterns and constitutional provisions. With few exceptions, the systems quickly degenerated into caudillo rule. Constitutions proved unsuitable for the Latin American environment as governments "swung violently from dictatorship to short-lived periods of freedom (sometimes bordering on anarchy) and back to dictatorship again." It has been estimated that Venezuela has had 26 revisions or rewritings of its constitution, the Dominican Republic 23, and Bolivia 15 to cite only a few examples.

More important than these manifestations of failure, however, are the patterns of government that have worked. Generally considered, these effective political patterns have had to cope with three kinds of problems: the indivisibility of authority, the transfer of power, and the promotion of community interests.

One of the historic battles fought in Latin American politics has been over the question of whether or not the nations should adopt unitary or federal forms of government. Where federalism was the victor, it usually
ratified separatist tendencies and paid realistic homage to the barriers to unity presented by geographical difficulties and underdeveloped transportation and communication systems. However, as the central government came to possess those physical abilities necessary for the suppression of regionalism, it was quick to do so. Five nations—Brazil, Mexico, Colombia, Venezuela and Argentina—today still honor the principle in name, but it has long ceased to have political significance. The national governments have usurped tax revenues and assumed strong administrative controls over the regional units. In addition, most have the power to intervene in the governing of the states, to dissolve the administrations of provincial governments, and to appoint their own "interventors" until new elections can be called.

Another tradition of Latin American governments is strong man rule whether in its caudillo or strong president variation. The former rules outside formal constitutional restrictions while maintaining that symbol of legitimacy in figurative force. The latter governs within the framework of the constitution but traditionally has found it necessary to exercise its special provisions
for rule by decree and suspension of constitutional liberties in times of crisis. There are many legislative hedges against the abuse of these powers, but as a general rule no parliament has been able to balk the executive who claims the need for those powers in order to rule. Attempts at modifying them through the adoption of parliamentary systems—tried in Chile, and more recently in Brazil—have not been notably successful. Two other solutions to the problem have been tried. Under the leadership of Jose Battle y Ordonez, Uruguay adopted a nine-man executive council to replace the president. Colombia more recently has experimented with rotation in office between the candidates of the two major parties. In these cases, some stability has been achieved, but it is less than certain that the policy compromises will permit the government to take the effective kind of action needed to meet the problems of the country.

Few of the countries in Latin America can be labeled stable today, and none has escaped the violent overthrows, the "continuismo" of presidents, nor the election frauds that have accompanied the transfer of power from one
political group to another. Where the problem has been solved, it tends to represent a "deal" between opposing power groups as in Uruguay and Colombia, or the rise of a dominant political party against which no effective opposition can be raised, as in Mexico. Political development to date in Latin America would seem to suggest the Mexican example as the most effective pattern for other states to follow. However, it is problematical whether or not such a one-party system would maintain its dedication to democratic values in the process of mobilizing the country's resources for economic development. The transformation of the Cuban revolution is a case in point.

A further innovation in the constitutions of Latin America must be noted. That is the highly idealistic expression of the social duties of governments to be found in almost every constitution. The 1917 Mexican document is generally hailed as an historic first, predating the documents of the Bolshevik revolution. However, the "Law of the Indies" propagated during the Spanish rule of Latin America provides an early precedent.20
The pattern of political development in Latin America can be seen from these brief remarks to contrast sharply with that of the United States. Authority is lodged in a central ruling figure who commonly discharges his extensive powers without the encumbrance of legislative controls. Development of what Gabriel Almond has called "the capillary structure of democracy"—that network of parties and interest groups capable of feeding and processing demands from the electorate to the rulers—has lagged.\textsuperscript{21} In its place is an unbroken personal bond.

While there is an abundance of personalist parties, traditional or ideological parties, and institutional interest groups such as the church, and the military, the emergence of aggregative parties capable of bringing together large numbers of interests under a single banner has been slow to materialize.\textsuperscript{22} Some such parties do exist, of course. John J. Johnson has made a study of these groups finding them to be highly aggregative of large numbers of specific interests. However, as Johnson indicates, these "middle sector" groups cannot be equated with the American middle class. They are less aggregative in this sense than integrative and even
isolative in character. The strains he notes as emerging
in those coalitions stem from the task of providing for
the undiluted interests of all the major constituent
groups, a policy which has led to the inevitable clash
between labor members and the new technical skill groups
and industrialists interested in programs of economic
rationalization.\textsuperscript{23}

Overview

The psychological and institutional patterns out-
lined here are not, of course, hard and fast evidence
that change is impossible. Certainly change can and has
occurred within the patterns, and may, to a degree, in-
volve changes in the patterns themselves. However, the
point of this chapter and the one preceding it has been
to show that political progress to date in Latin America
has not marked any great dilution of the patterns of
political relationships and interaction that have been
traditionally accorded legitimacy.

The belief that modernization can effect basic
changes in these patterns minimizes the strength of the
affective element involved, and tends to view a pattern
of integration in terms of levels of sophistication and differentiation, rather than in terms of its content. Leonard Binder of the University of Chicago has summarized this objection well:

Modernization may be correlated with mass communication, consumption and even with the prevalence of certain personality types; but integration depends upon the content communicated. The characteristics of modernity—rationality, differentiation, specialization, mobility and all the rest—are contentless. Observation, furthermore suggests that integration involves relating the old to the new, that it depends upon the reinterpretation of traditional symbols . . . and depends upon the skill of the elite in reinterpreting those traditional symbols so as to permit themselves sufficient scope to modernize. 24

These two patterns of integration have asserted themselves in the development of Inter-American relations. The requirements of each have tended to clash in that experience and to create a dilemma which has survived to plague the Alliance for Progress. The nature of that dilemma will be the subject of Chapter IV.
NOTES

CHAPTER III


2For the discussion that follows, I have relied heavily on F. S. C. Northrop's The Meeting of East and West (New York: The Macmillan Co., 1960).


5These differences in national interests led Mannheim to the sub-category of group ideology.

6This point is suggested by Frank Tannenbaum, "Toward An Appreciation of Latin America," in The United States and Latin America, Herbert Matthews (ed). (Englewood Cliffs: Prentice-Hall, Inc., 1959), especially his comments on pp. 56-57.


8Cited in Almond and Verba, op. cit., p. 493.

9Ibid., p. 495.

Ibid.


Ibid., p. 124.

Ibid., pp. 126-7.


This possibility has been raised in the case of Uruguay. Philip Taylor characterizes its political institutional structure as a "prolific extended family." See "Interests and Institutional Dysfunction in Uruguay," in the American Political Science Review, Vol. LVII, No. 1 (March, 1963).

Frank Tannenbaum, "The Political Dilemma in Latin America," in Foreign Affairs, April 1960, pp. 497-516.


Almond, op. cit., the Civic Culture.

23 John J. Johnson, *Political Change in Latin America: The Emergence of the Middle Sectors* (Stanford: Stanford University Press, 1958). Johnson's own warning that these middle sectors are in no way comparable to a middle class tends to be lost sight of by those referring to the study.

CHAPTER IV

INTER-AMERICAN RELATIONS

The Alliance for Progress can be seen in perspective only against the background of Inter-American relations as they have developed since the Latin American wars of independence. In that development, the assertion of the different ideologies of integration characteristic of the two areas at the national level presented a dilemma for the conduct of effective hemisphere relations. The pragmatic, associationist policy of the United States found itself aligned against the ambivalent Latin American approach which moved from an integrationist, idealist model to one characterized by nationalism and isolationism.

The purpose of this chapter is to trace the unfolding of these different policies through the history of relations between the two areas. Its object is to show the relevance of traditional psychological patterns to the present problems of the Alliance.
Doctrine of Intervention

United States interest in Latin America is historic. Reflecting on that fact, Secretary of State Henry L. Stimson noted in 1931:

That locality has been the one spot external to our shores which nature has decreed to be the most vital to our national safety, not to mention our prosperity.¹

Security and prosperity have been the key interests of the United States in Latin America, and it has been around these two issues that Inter-American affairs were to revolve.

The United States first took official action to protect its interests against the incursion of European powers into the hemisphere with its Monroe Doctrine of 1823. Even before that date it had enunciated the No Transfer Resolution of 1811 declaring the rumored sale of Florida to England by Spain as unacceptable in principle to this country. It served, as did the latter message explicitly closing the hemisphere to European intervention, to provide moral support for Latin Americans then in the midst of their independence struggle. Coupled with the early U. S. recognition of the new
governments, the doctrine kindled a strong sense of fraternity in Latin American minds.²

The Monroe Doctrine's expression of the special identity of the new world was widely shared in Latin America. However, in contrast to the unilateral policy of the United States, Latin Americans were proposing a far broader approach to protecting hemisphere sovereignty. Simon Bolivar's convocation of Latin American states to draft a treaty of confederation was for the purpose of binding all parties to a pact of mutual defense. All nations, by its terms, would be committed to the peaceful settlement of disputes, and all would agree to submit those quarrels to the Assembly of the Confederation for arbitration. In addition, the treaty provided that any member which substantially changed its form of government would be excluded from the organization, to be admitted again only by the unanimous consent of all members.³

The Bolivar spirit has been referred to in Latin American literature as the "amphictyonic" period. This term had reference to the associations among independent Greek city states to protect a shrine in which they had
a common religious interest. Periodically, they would hold religious festivals and commercial fairs at the shrine.

This simple pattern of association among independent states fitted the needs of the Latin American countries which at that time likewise sought to benefit from union without sacrificing individual sovereignty. But to qualify as an amphictyonic, a religious element was also necessary. And this, in the Latin American context, was provided by the ideal of an America united, independent and democratic, where the noblest aspirations of humanity would find their fullest expression. This mystique of America lay at the heart of the amphictyony, and as anyone who has participated in Pan American gatherings well knows, it persists to this day . . ."4

In both of these approaches was inherent the idea of a regional system of states. But the separate conceptions of what that association would entail also marked the birth of a basic conflict which was to find expression throughout the evolution of Inter-American relations.

Until the turn of the century, the United States remained largely indifferent to the fate of its southern neighbors, and even somewhat hostile, as Herring notes, to the land of the Black Legend.5 It maintained a policy of recognition authored by Jefferson which accorded diplomatic rights to any government with de facto control of the country and with the ability to discharge its
international obligations. It was a fitting policy for a country with a revolutionary background of its own, and a rejoinder to the doctrines of legitimacy maintained by the Concert of Europe.6

By the end of the nineteenth century, however, the luxury of pursuing a detached policy of encouragement toward Latin America was undermined by an increasing United States economic and security interest in the area. By 1897, U.S. investments south of the border accounted for about one-half of its total $700 million in foreign investments. This sum had reached $1.6 billion by 1914.7 That era also saw the United States feeling its way in international affairs as a new world power. The area of Latin America seemed to many as the natural sphere of U.S. interests.

In 1889 the United States took the first steps in associating itself with the nations of the new world in a regional system. Under the leadership of Secretary of State James Blaine, the Pan-American system was drawn up, but it was to embody the United States model of integration and not the idealistic plan envisaged by Bolivar.8
The purpose of the new organization was to provide a forum for the settlement of legal disputes and for the regulation of commercial activities. No mention was made at the conference of arrangements for mutual defense or for the enforcement of political norms which were key provisions of the Bolivar plan. The Latin Americans were successful in obtaining a resolution for the establishment of an Inter-American Development Bank, but the realization of that agency was to wait until 1958.9

In the decades that followed, the United States found itself caught in a web of its own spinning. On the one hand, it found it increasingly necessary to involve itself in the affairs of Latin American republics in defense of its growing economic and security interests. On the other, it was met with strong resistance in the conferences of the Inter-American system which "often had all the earmarks of a Latin American alliance against the United States."10 This dilemma became more and more acute for the United States as it found the unilateral use of armed force, and the employment of diplomatic and economic sanctions restricted by the need to court Latin American support and cooperation in the defense of the
hemisphere against new threats from European powers. 11

The Roosevelt Corollary of 1904 had marked an important expansion of the Monroe Doctrine. Building a wall against European intervention in the new world would be of little use without filling the vacuum created by some force working for "law and order." In order to see that European powers had no "legitimate" excuse for entering into the affairs of the hemisphere, as well as to protect its own interests, the United States took it upon itself to see that property rights, and other alien rights granted by international law would be respected. Political instability and economic backwardness clearly threatened to undermine these traditional guarantees.

U.S. forays into the internal affairs of the Caribbean republics—Cuba, Haiti, the Dominican Republic, Nicaragua and Panama—between 1904 and 1933, are interesting cases of the first American efforts to reform and stabilize Latin American governments. In each case, the two-fold objective was to restore order to the finances of the countries and to train military forces in each state to maintain stability.
In all five cases the immediate results were beneficial, and in all five cases the long-range results were nil or worse. We put political power into the hands of the military and made them invincible. 12

Under William Howard Taft, the U.S. sought to substitute dollars for bullets in an effort to stabilize the situation with a policy less offensive to the Latin Americans and to important sectors of United States public opinion. Dollar diplomacy ranged from outright bribes to massive relief projects on the assumption that an economically satisfied elite would be far more tractable to "reason" and that some of the largesse would trickle down to submerge the more revolutionary impulses of the masses. 13

President Wilson's "New Freedom" stressed a third dimension of U.S. policy. Not only was policy to be concerned with the stability and legal and financial integrity of the republics, but it was to express the American interest in the kinds of government that were established in the area. He declared his belief that the old order was dead, and that the United States must act to thwart those who would uphold the old status quo in favor of those elements seeking the blessings of
liberty. Wilson was to discover that "to teach the Latin Americans to elect good men" was to be as great a problem and source of antagonism in the hemisphere as trying to compel or bribe such behavior.

The Mexican revolution presented the greatest challenge to his policy. Under strong pressure from oil interests and other U.S. property holders to intervene in behalf of the rights of property threatened by the Mexican Constitution of 1917, Wilson resisted in favor of economic and moral pressures. In so doing he was to presage the abandonment of armed intervention in Latin America as an official United States policy.\(^{15}\)

One of the means through which the United States sought to induce responsible behavior on the part of the Latin Americans during this period was its doctrine of recognition. As enunciated originally by Jefferson, the American Doctrine made no distinction as to types of government. Under Roosevelt and Taft, however, it became the practice to demand written guarantees that governments coming to power not only have the capacity to control its country's affairs, but the "willingness" to abide by
its international obligations. Wilson added yet another stipulation, that such new governments come to power through constitutional processes and enjoy the support of the majority of its people.¹⁶

Throughout this interventionist period, all Administrations availed themselves of whatever policy tools—military, economic, moral, diplomatic—seemed necessary for the protection of United States interests. However, beginning with Wilson, there was an unmistakeable movement away from force as a legitimate instrument of policy toward other means more in keeping with national democratic ideals, and with the sentiments of Latin American governments.

The change of course begun by Wilson was continued under Coolidge and encouraged by Latin American statesmen meeting with their American counterparts in Pan-American conferences. The issue was raised in sharp terms at the Sixth Inter-American Conference at Havana in 1928. Although the United States there avoided committing itself formally to the principle of non-intervention, the end of the policy was clearly in sight.¹⁷ Steps in its final liquidation were not long in coming.
Beginning with the Clark memorandum of 1928 forsaking the Roosevelt Corollary to the Monroe Doctrine (but not the Doctrine itself, which was maintained as an instrument of self-defense), they proceeded with the gradual drawbacks from U.S. involvement in the Dominican Republic, Haiti and Nicaragua. The Platt Amendment was abrogated in 1934, a revision in the Panama Canal treaty was negotiated in 1936 eliminating many of the reserved U.S. rights to intervene in that country, and in 1939 the Senate ratified a treaty with Panama abolishing our protectorate. In March, 1941, the United States ended its treaty rights in the Dominican Republic. 18

Before its final commitment to the principle of non-intervention at the Seventh Inter-American Conference at Montevideo in 1933, the United States showed its willingness to abide by the terms of that agreement in its action during the Cuban Revolution of 1933. Although it assisted in getting dictator Gerardo Machado out of the country, and rung the island with naval forces, the U.S. restrained itself in the actual use of force to protect American property rights. With this implicit confirmation of the non-intervention principle came an attempt to fashion a
new policy for meeting the threat to United States interests represented by revolutions and political disorder. That was what one author has called "an extension of the new deal into foreign affairs." In one sense, of course, the action was not new, but it marked a change in emphasis. The expectation was that a reinvigoration of the Cuban economy would settle much of the revolutionary zeal that had followed in the wake of the economic depression of the 1930s. Out of it came a sugar marketing allotment plan, the reciprocal trade agreements, and the second Export-Import Bank. The program, it should be noted, did not involve any attempt to reconstruct or diversify the Cuban economy, but was limited to building floors under existing arrangements.

The United States formally adhered to the principal of non-intervention in 1933, a commitment which was subsequently "hardened" at the Buenos Aires conference in 1936. It was at the earlier conference that the contradictions inherent in strict adherence to the principle were pointed out. Dr. Ferrara of Cuba, warned the conference that the supposed benefits of freedom and self-determination might well become the means for protecting
and perpetuating tyranny in the hemisphere. At the same meeting the Mexican delegate, J. M. Puig de Cassauranc, stated that the major issue in the hemisphere was no longer intervention but the socio-economic revolution that was already making itself felt. 

Subsequent events were to bring both points home sharply. Beneath the legal facade of the non-intervention question, lay the fact arising from the military and economic supremacy of the United States in the hemisphere that intervention was impossible. Even inaction, as Ramon Grau San Martin was to charge in 1934, was intervention if only by inertia. A second side to that coin was that most Latin American governments desired non-intervention of the United States in some circumstances and for some purposes. The questions confronting practical policy were: What was to be considered intentional and what unintentional intervention? Were trade and fiscal policies a form of intervention? What were the criteria by which acceptable forms of intervention were to be judged? Was the policy of recognition practiced by the United States to be dealt with as a case of intervention? Was the sale of arms to Latin American
governments a means of saddling unwilling populations with dictatorships?

The principle of non-intervention was important for spelling out the forms of illegitimate kinds of intervention, but the critical problem was in defining a new basis for legitimate action. In this, there was bound to be clashes over real economic, diplomatic and military interests. But, more important since it determined the capacity of the states of the hemisphere to work together in a regional system, was the need to define the political ground for such action.

In the revolutionary eras of the 1930s and the 1950s, the United States was to feel the horns of this dilemma. The issue typically divided itself between United States concern for its economic interests on the one hand, and on the other, concern for its security.

In 1938, the United States engaged in a lengthy dispute with Mexico over the rights of that government to expropriate the oil property of American citizens without full and rapid compensation. The Cardenas government insisted on the inherent right of confiscation when that action was necessary for social purposes.
Secretary of State Cordell Hull, without denying the right of confiscation, demanded prompt and adequate compensation as part of the long established rights of international law. The fortuitous presence of United States officials sympathetic to the Mexican viewpoint, as well as a growing menace of Nazism which threatened to gain a foothold in the hemisphere, settled the problem short of a major disturbance. In the process, the traditional American position on the rights of property had suffered a major modification, and the lines of many future encounters were drawn.

The Bolivian revolution of 1952, which resulted in the expropriation of a large U.S.-owned tin company, brought a less anxious American response. After playing a wait-and-see game until after the Bolivian government agreed in principle to settle the company's claim, the United States came to the support of the revolutionary government with an economic assistance agreement. Here, too, U.S. policy was wedged between its desire to see justice done by property, and the need to foreclose any opportunity of Communist penetration of the situation
which seemed possible after the Soviets offered to assist the Bolivians in building their own tin refinery.²⁴

The Guatemalan episode of 1954, and the Cuban revolution of 1959 saw the same issues at stake. But, rather than dividing United States policy, the threat of property confiscation was coupled with what was thought to be actual Communist presence in the situation. On this reinforced ground, the United States took action, both unilaterally and through the Organization of American States.²⁵

The machinery for regional action on problems confronting the hemisphere had been designed in the early post war years to provide an alternative to the now discredited unilateral intervention by the United States. One essential aspect of it was the Treaty of Reciprocal Assistance signed at Rio de Janeiro in the summer of 1947. This treaty, which declared that aggression within the hemisphere or from without was to be considered aggression against all, provided for collective diplomatic, economic and military action on the vote of two-thirds of the members. Only military action was left to the discretion of individual members, other sanctions were to be obligatory.²⁶
It was to this treaty that the United States appealed at the Tenth Inter-American Conference in Caracas, Venezuela in March 1954, when it sought a resolution condemning international communism. The resolution carried with the votes of the dictators of Argentina, Peru, Colombia, the Dominican Republic, Cuba, Nicaragua and Venezuela. Uruguay at the conference suggested a condemnation of all totalitarian regimes, a motion which for obvious reasons failed to win the support of the United States. A second concern of most Latin Americans represented at the conference was that any real struggle against communism had to begin with an attack on the economic and social ills on which it thrived. This too failed to bring an affirmative American response.

A similar resolution against the Castro regime was sought at the Sixth Meeting of Consultation of the Ministers of Foreign Affairs in August 1960 at San Jose, Costa Rica. There the United States bolstered its position by supporting a resolution condemning the Trujillo regime, and offering some $600 million in assistance. Nevertheless, it was disappointed to receive only a weak
and uncertain condemnation of extracontinental intervention in Latin American affairs, a resolution that did not mention Castro or Cuba by name. At a subsequent meeting at Punta del Este in January, 1962, twenty states agreed to the principle of the incompatibility of Marxism-Leninism with the objectives of the Inter-American system. Five states—Argentina, Bolivia, Chile, Ecuador and Mexico—abstained on the vote to exclude Cuba from the system; Cuba voted no. Argentina, under pressure from military elements, later severed relations with Castro.

In both cases, the United States proceeded to take action against the violators of hemisphere principles, successfully in the case of Guatemala, disasterously in Cuba. The reluctance of the Latin American governments to take action against Cuba (it will not be known how the Organization would have responded to the call for action against Guatemala, since the Arbenz government had already been toppled before it could consider the matter) seems to have derived less from its fear of violating the principle of non-intervention than its desire not to put themselves in opposition to a popular revolutionary movement.
This positive aspect of the question was given voice in Charter of Bogata signed in 1948 and widely held by Latin Americans as the constitution of the organization. It provides for the peaceful settlement of disputes through the consultation procedures of the American Treaty of Pacific Settlement which provides for procedures of compulsory settlement, through a conciliation commission or by reference to the World Court.33

Several other documents make up the organic laws of the regional organization. They include the Declaration of the Rights and Duties of Man which proclaims the inherent rights of education, health, social security, and political rights, as well as the social duties of work, of serving the community and supporting social welfare; an Inter-American Charter of Social Guarantees outlining labor standards; and numerous resolutions and articles, among which was one reaffirming the American Doctrine of Recognition without reservations or prior obligations to abide by particular commitments.34

The attitudes and social patterns evident in these provisions reflect long-standing Latin American traditions. Seen against the extreme statement of the principle of
non-intervention to be found in Article 15 of the Charter of the Organization of American States, they are projected as an alternative to the traditional basis for the ordering of international relations.\textsuperscript{35}

United States' preoccupation with the struggle against communism has led to what Herbert Matthews calls an ineffective blow "at the roots in Moscow instead of the branches in the individual countries."\textsuperscript{36} Emphasis has been on the international aspects of communism, and on the legal and military requirements of blocking its progress toward domination of the hemisphere. One of the chief objectives of the United States in the Inter-American system has been to mobilize Latin America behind "American principles" in presenting a solid front to the Communist menace. For their part, Latin Americans have shown themselves more than willing to offer resolutions and declarations of their own, but have found United States support for their ideas of "American principles" slow in coming. As a world power with commitments around the globe, it is to be expected that the United States will entertain different perspectives and interests that cannot be readily harmonized with the interests of Latin
America. Still, a large part of that conflict arises from a basic division in values and perspectives that are unrelated to any particular world position. The nature of these values, which can be seen in the development of the Inter-American system, are clearly reflected in the Alliance for Progress.

Overview

Resentment of United States interference in the affairs of Latin American republics has raised the principle of non-intervention to a position of paramount importance in Inter-American relations. This narrowly-defined doctrine of national sovereignty presents serious obstacles to the establishment of a viable hemisphere system of states. The excessive legalism of the Latin American position is the negative side of a coin which bears on its back the imprint of traditional Latin American values and perspectives on the proper ordering of political communities. These values challenge the validity of the principles of integration that have been the basis of most international intercourse in the past, and which the United States by traditions of its own is compelled to defend.
In the attempt to take positive steps toward hemisphere cooperation these conflicts reveal themselves in a way unseen in the earlier struggles over the essentially negative question of national independence. The Alliance for Progress brings out those tensions most clearly.
NOTES

CHAPTER IV


4 Ibid.

5 Herring, *op. cit.*, p. 794.


7 Ibid.

8 Herbert L. Matthews, "Diplomatic Relations," in *The United States and Latin America*, p. 141.

9 Ibid.

10 Ronning, *op. cit.*, p. 158.

11 The threat of facism in the hemisphere was a major goal for the Good Neighbor policy. See Wood, *op. cit.*, p. 228.


14Ibid., p. 100.
16Ronning, op. cit., p. 21.
17Ibid., p. 65.
18Herbert Matthews, op. cit.
19Ronning, op. cit., p. 65.
21Ronning, op. cit., p. 83.
22Wood, op. cit., p. 204.
23Smith, op. cit., p. 89.
24Ibid.
25Ibid.
27Matthews, op. cit., p. 143.
28Ibid.
30Ibid.
31Ibid.

34 "No State or group of states has the right to intervene directly or indirectly in the internal affairs of any other state for any reason whatever. The foregoing principle prohibits not only armed force, but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements." Ronning, *op. cit.*, p. 48.

35 The Bolivar spirit seems no less dim in Latin American policies for age.

CHAPTER V

THE ALLIANCE FOR PROGRESS

The Alliance for Progress was proposed as a fundamentally new approach to Latin American problems following increasing evidence of dissatisfaction with United States policies in the hemisphere. This chapter will examine the Alliance program with an eye to distinguishing its basic orientations, the Latin American response to it, and some of the elements in the resultant frictions that today threaten the success of the project.

Birth of the Alliance

The successes of the Organization of American States in the settlement of intra-hemisphere disputes have been notable since 1948.¹ However, these accomplishments represented only the negative side of the goals proposed in the Charter of Bogata. Latin American governments facing severe economic dislocations in the post war import adjustments of the United States began to insist
that the O.A.S. undertake a joint attack on the economic problems of the hemisphere. With the exception of modest contributions to the specialized agencies of the Pan-American Union, and a generally low level of loans through the Export-Import Bank, the United States had been generally aloof to those demands.\(^2\) At the Caracas conference in 1954, Latin American leaders had shown a greater interest in securing support for commodity stabilization programs, aid for industrial development and technical cooperation. It was not until the Nixon visit to Peru and Venezuela four years later, and an increasingly truculent attitude on the part of Castro that the United States demonstrated a willingness to institute a Pan-American "crash program" comparable to its Marshall Plan for Europe.\(^3\)

Throughout its period of association in the regional organization, the United States policy toward economic development had been largely one of "let private capital do the job."\(^4\) The major share of its direct assistance was channeled through the Export-Import Bank and the World Bank, both of which used their lending
capacity to induce sound fiscal and monetary practices in order to create favorable investment climates for the attraction of private development funds. The International Monetary Fund, which between 1957 and 1961 provided loans of $453 million to cover Latin American balance of payment difficulties, also exercised its influence in behalf of financial reforms.  

Quite a different economic ideology was espoused by Latin Americans who found an active and well-financed ally in the United Nations Economic Commission for Latin America (ECLA). This organization, founded in 1948, comprised representatives from the twenty Latin American nations in addition to delegates from all Western powers having material interests in the hemisphere—the United States, Great Britain, France and the Netherlands. Headed by the distinguished Argentine economist, Raul Prebisch, the commission developed a definite ideological personality, one pleasantly received by Latin Americans.

In opposition to the "better business" philosophy of the United States and the other major international lending agencies, ECLA espoused a new approach to Latin American development. The first aspect of its two-fold
program dealt with international trade. Noting the unequal terms of trade between suppliers and users of raw materials, it urged price supports and other stabilization measures in the international market. The balance of payments problem chronically suffered by monocultural nations was attributed not to unsound financial practices so much as the unjust terms of international trade. According to its view, the principal cause of inflation lay in the unequal gains between the "central" industrial powers and the "periphery" supplier countries.⁸

The second part of the ECLA program called for close government supervision of investment and consumption movements to assure that the best uses would be made of available resources. In addition to such state programming, import substitute production should be encouraged through tariff protection schemes, and the expansion of internal markets through common marketing arrangements.⁹

As favorable to Latin American views as these recommendations appeared to be, they were not greeted with unanimous support by Latin American governments who found it politically difficult to undertake the financial reforms and other measures, which in any case were seen
to depend upon the active cooperation of their chief trading partner, the United States.\textsuperscript{10}

The ECLA program represented a strikingly different approach to the question of what causes underdevelopment and what should be done to correct it. The American position traditionally had put the onus of responsibility on the characterological and institutional values which discouraged private investment and initiative. Its solution was the prescription of a healthy, if temporarily painful, reformation. ECLA, on the other hand, reflected the newly-rising Latin American nationalism in blaming the advantage-taking, if not exploitation, of the developed nations. It too called for reforms, but in the behavior of the developed nations.

This same divergence of thought can be seen in the so-called "structuralist" versus the monetarist dispute over inflation.\textsuperscript{11} Holding to the latter position, American analysts have tended to equate fiscal integrity as the \textit{sine qua non} of stable and balanced development. Only by relaxing exchange controls and by trimming excessive governmental budgets, can the wholesome atmosphere required by private enterprise be provided.
The structuralist school has maintained that development depends upon working within the system as it exists. The goal is a long-range program aimed at ultimate correction of the imbalances in the system, but the political and economic means for this reformation must be mobilized within the range of appeals and practices that are socially possible. To adopt a monetarist position, entailing the leveling of heavier taxes upon upper brackets of income, the elimination of much of the strictly social welfare benefits in government budgets, and the rationalization of administrative techniques and relationships, would be to assume a political stance which alienates the expectations of the lower classes, generates opposition within the upper and upper middle classes, and invites military intervention as the solution to the resultant instability.  

It is also pointed out that the rationalization of fiscal practices and the implementation of land and tax reforms cannot depend for support on the prospect of immediate increases in the standard of living, since most of the new savings must be plowed back into capital formation investment.

A further obstacle to rational reform has been
noted in the need to find labor-intensive employment opportunities for over-abundant, and under-employed populations. Reforms designed to initiate heavy private investment would tend to decrease the opportunity of satisfying this potentially volatile element. Thus, where investment climate is good, money goes into modern, labor-saving production which heightens the already pressing political problem.  

In all of these technical arguments, however, it has been recognized that the ultimate cause of underdevelopment has been not the shortage of capital nor even the existence of backward practices and institutions. What is most lacking is that set of social attitudes and incentives which makes capital accumulation a positive value, and which surrounds the achievement and efficiency criteria of social action with an aura of respect and honor.

There must be entrepreneurship, technical knowledge, managerial expertise, appropriate government policies, and above all else, people who are energetic and willing to adapt their social customs and work habits to the requirements of modern production.

Against this background, the Alliance for Progress was proposed as an alternative to the revolutionary Marxist-Leninist program of Cuba. The severe economic
difficulties in which Castro found himself in the first years of his revolution have not proved the case against his experiment, since many of the problems he encountered stemmed from active United States efforts to sabotage the revolution. It remained the positive and unfulfilled task of United States policy to prove the superiority of the democratic model of development in practice, as President Kennedy told the Latin American diplomats in Washington in 1961.\textsuperscript{16}

The Alliance grew out of a proposal made by Brazilian President Juscelino Kubitschek in the summer of 1958, calling for an "Operation Pan America" to wage war on poverty in the hemisphere.\textsuperscript{17} At the Bogata Conference in 1960, the then Undersecretary of State, Douglas Dillon expressed the United States' willingness to undertake such a broad attack on "the poverty, ignorance, and lack of social justice which even in this twentieth century world still oppresses so many of our fellow citizens in Latin America."\textsuperscript{18} He pledged that the United States would put up a sum of $500 million for the implementation of broad programs of social reform, including housing, education,
health and land reform. Yet, there was to be no mistaking the United States' conditions for this aid as will be pointed out later. It was clearly to be an American-styled operation, which captured the substance of the Kubitschek plan, but not its spirit.

In March 1961, President Kennedy announced an even broader program, offering to finance $20 billion over a ten-year period for development projects. That sum, part of which would come directly from U.S. public loans, and part from other international agencies, was anticipated to be only about twenty percent of what would be needed. The remaining $80 billion was expected to be mobilized by Latin American republics, which in the Act of Bogata had recognized the need to "maximize domestic savings through reforms in the land-tax structure, and the improvement of fiscal and financial practices." These "self-help" commitments were stressed by President Kennedy in his speech before Latin American diplomats and later to Congress: "Its effectiveness depends on the willingness of each recipient nation to improve its own institutions, make necessary modifications in its own social patterns, and mobilize its own domestic resources."
Administration of the Alliance was to rest in part in the hands of the Inter-American system, formally assuring the cooperative basis of the venture.22 A panel of nine high-level experts working in cooperation, but independently of the Inter-American Economic and Social Council, would help prepare plans which would be presented to the Inter-American Development Bank and other lending agencies for approval. The United States retains a seat on the bank, of course, and has representation on all other agencies with the advantage of a weighted vote. Annual reviews of the program's progress will be prepared by the Inter-American Economic and Social Council, the Inter-American Bank, and ECLA which will also lend its assistance in various planning and advisory roles.

A major share of the program decisions rests in fact with the United States which carries on bilateral programs through its Agency for International Development (AID) and the Import-Export Bank. In addition, a great deal of the private investment funds that are needed to complete the development financing is expected to come from United States investors.
Specific self-help measures called for in the Charter of Punta del Este are:

Improvement of human resources through expanded self-help in health, education and technical training programs; providing adequate remuneration for work performed, and encouraging managerial and entrepreneurial talent; establishment of effective systems of labor relations and procedures for consultation and collaboration among public authorities, employer associations, and labor organizations; and improving public administration.

More efficient use of natural resources.

Strengthening the agricultural base, including land reform, and provision for the services needed to support such reform programs.

More effective, rational and equitable mobilization of financial resources through the reform of tax structures, including fair and adequate taxation of large incomes and real fiscal administration. Promotion of price stability, rational budgets, reasonable interest rates and private savings.

Encouragement of foreign investments, and of attractive markets for the sale of products.²³

Progress of the Alliance

The second annual progress report of the Inter-American Economic and Social Council was able to fit some fairly encouraging statistics into an otherwise dim picture of the Alliance's progress. It reported some impressive gains against the overwhelming backlog of social and economic problems including the construction
of 140,000 housing units, 8,200 classrooms, 900 hospitals and health centers, the granting of 160,000 agricultural loans, and the printing of four million text books.\textsuperscript{24}

Other favorable signs were reported in the development of the Latin American Free Trade Area and the Central American Common Market; vigorous loan activities by the Inter-American Development Bank which has authorized some $620 million in loans since it was opened for business in 1960; a $131-million development project in the poverty-stricken Brazilian Northeast; land reform programs in Venezuela, and road building in Bolivia.\textsuperscript{25}

The gains must be seen against the "non-gains" and losses for the two years of the program. Of particular importance for the future of the program was the dramatic decline in the rate of private investment from the United States. From a total of $1.5 billion in 1957, the figure fell to below $300 million in 1962. Public aid took up most of the slack, increasing from approximately $500 million in 1953 to $1.4 billion in 1962.\textsuperscript{26} In view of the expressed dependence of the Alliance on the role of private capital, however, the decline in private investment represented a serious setback for the program. The
flight of Latin American capital to investments overseas was an even more serious sign of trouble, since part of the decline in American investments could be attributed to the completion of certain major investment projects in Peru, and to special conditions affecting the petroleum industry in Venezuela. The outflow of Latin American funds has been estimated at some $11 billion dollars since the end of World War II, and more than $2 billion since Castro. For the same period, American investments amounted to only $4.5 billion. 27

The deteriorating investment picture could be blamed in part on the threat of land and tax reforms. The irony of the situation was that neither reform was among the conspicuous achievements of the hemisphere, as the I-A ECOSOC reported in its second annual report, after noting it in its first. Nor was fiscal administration greatly improved. 28

Perhaps the biggest loss, however, was in the faith that had attended the launching of the Alliance in 1961. Despite a two-year disbursement total of $2.3 billion, the Alliance was under heavy fire in Congress and in Latin America. 29 By the end of 1962, only five countries
had submitted development plans to the Alliance planning staff.

In 1963, two former Latin American presidents, Alberto Lleras Camargo, and Kubitschek issued a report criticizing the Alliance for its approach to the development problems of Latin America. Both agreed that the "Alliance must be given back its original character," which meant the program ought to be more on the lines originally suggested by Kubitschek. They proposed the creation of an executive agency for the Alliance, one which would oversee the entire operation, including making the decision on how well each country "including the United States, fulfills the commitments it assumed at Punta del Este."

The report was accepted by the United States, but in endorsing the new Inter-American Committee, it made the reservation that control of long-range commitment of funds in the project must remain in its hands.

In touching on the lack of mystique (and even of understanding as Camargo was to write later) in the program, the report came to a critical problem. Did economic development require a particular kind of
political action and behavior to be successful? Was it necessary to exchange one model of social and political integration for another as the Alliance seemed to suggest?

Karl Deutsch suggests the historical dimension of this error:

Western political theorists have seen the essence of the 'rule of law' in its power to make life predictable. Yet, time and again, the Western world has been surprised that its rule of law seems to be rejected by large numbers of people outside the West despite the obvious benefits of predictability which it seemed to bring to them... People may have rejected the Western style 'rule of law' quite often because it predicted a future of poverty, insecurity or subordination which they could not accept, or because it did not predict their future at all.32

American demands for social reforms as a condition of economic assistance seems to have missed this counsel. It is perhaps enough for U.S. Coordinator of the Alliance Teodoro Moscoso to urge Latin Americans "to go to the people with these problems of planning,"33 or for Secretary of State Dean Rusk to assure that "people can be called upon for the sacrifices which development demands when they are convinced that everyone is sharing those sacrifices and that there will be a just distribution
of the progress which sacrifice brings." But, it has not seemed enough to Latin American leaders who have recognized the lack of political capital for that task.

Lleras Camargo has insisted that the Alliance be returned to the ECLA model of development, and that the United States repair the "disfiguration" of the Alliance which has made it appear as "merely another phase of the policy of the United States toward Latin America."

For, as should be known, the Alliance for Progress was the crowning confirmation of a Latin American policy (italics mine) seeking to effect a change in the traditional postures of the United States of America with regard to the southern portion of the hemisphere. . . 35

Nor was he alone in this line of criticism.

Raul Prebisch expressed his fear that unless Latin America were permitted to develop in its own pattern, it may well choose a non-democratic path to modernization:

Latin America has to project its own image--its authentic image--in this process of development. We have to shape it according to our own ways of feeling and thinking and our own concepts of action. We cannot repeat or imitate the historical course of the capitalistic development of the most advanced nations. Consequently, we have to find our own path with our own creative powers. 36

Jose Figueres echoed those sentiments, warning that there was an urgent need for the Alliance to change its
course, and begin to appreciate the nature of its political problems if it is to be salvaged. Brazil's President Goulart expressed doubt about the whole undertaking, and Peru's President Belaunde Terry went on record as believing the Alliance had more concern for the protection of American private investments than for people.

Behind these pessimistic appraisals of the Alliance, lay a judgement by Latin American leaders which may not be entirely accurate, but nevertheless describes the nature of the Alliance crisis well. In the words of Chile's Felipe Herrera, president of the Inter-American Development Bank, in a 1962 Washington speech:

In practice, the Alliance has placed particular emphasis on the economic aspects, even though any process of economic and social development is, in the last analysis, a political undertaking in which the creative forces are mobilized in the society . . . In my opinion, postponed consideration of the political problems inherent in the Alliance is one of its chief limitations and may impair its chances of success.

President Kennedy's warning to Latin Americans that "those who make peaceful revolution impossible will make violent revolution inevitable," may have been as well directed to the Congress and to the Administrative
directors of the Alliance program. For the demand that Latin America undertake reforms to encourage private initiative was as great an obstacle to peaceful change as the adoption of attitudes prejudicial to the climate of private investment.

The Alliance was scarcely a year old when controversy in Congress and the press over the apparent failure of Latin American countries to help themselves began to mount. Representative Otto Passman assailed a Kennedy request for legislative authorization to use $3 billion over a four-year period as a give-away and suggested it might be better to let some of those countries go communist than to continue supporting irresponsible governments. Expropriation of American-owned telephone properties in Brazil set off a Congressional howl, as did the threatened expropriation of oil interests in Peru and Argentina. Conservative Republicans were particularly agitated by the apparent violations of the Punta del Este agreements concerning the attraction of foreign investment. But, they were joined by a cross-section on the Hill and in the press. Influential Senator William Fulbright of the
Senate Foreign Relations Committee advised during hearings on the 1962 foreign aid fund requests that "... if a country is not willing to make firm commitments for undertaking specific reforms, we should say we are not interested." Senators Wayne Morse, and Bort Hickenlooper, returning from the 1962 Punta del Este conference, attacked the Latin American nations for their cynical trading of support of United States policies against Castro for promises of foreign aid and a generous patience with slowness of reforms. Back from the same meeting, Senator Margaret Chase Smith attacked those nations who had refused to be "cynical" opportunists and declined to support United States policy for any price. She demanded an end of all aid for those countries.

The press, which Lleras Camargo charged was one of the chief distorters of Alliance aims, also expressed concern. The Christian Science Monitor, reacting to the withdrawal of a reform-minded United States diplomat from Chile at the Chileans' insistence, said the action threw doubt on the sincerity of that government's pledge to undertake reforms.
The New York Herald Tribune characterized the Chilean attitude as 'Give us the cash and go away.' Patience, the Reporter cautioned, is not inexhaustible.

But, it was patience that was sought by the Administration, who no less committed to the principle of reform, saw a greater need to adjust our expectations on a more realistic scale.

This whole concept (of reform) in the Alliance is delivering a shock to existing institutions. . . These resistances are going to be real. . . This is a matter which will have to be nursed along country by country within the political and other possibilities of the time.

At another point in his testimony, however, Secretary Rusk made it clear that the conditions for the attraction of private investment funds was the key to Alliance success, and the reforms necessary to bring this about its immediate goal.

The distinction between the different patterns of economic development advocated by the United States in its Alliance program, and by Latin Americans in the ECLA approach was not unconnected with political patterns.

In the 'ideal type' of development which the historical conjuncture assigns to the Latin American countries, it is impossible to omit the decisive role of the State and the political processes by which it is constituted. In
(the Alliance model) the functions of the State are principally arbitrations, and equalization. In the latter, they must be, first and foremost, orientation and programming.\textsuperscript{51}

These political patterns clearly reflect a relationship to the intellectual patterns that have characterized the areas through their histories. In Latin America, political success invariably has involved corporativist solutions, whether democratic in nature, or imposed by military force.\textsuperscript{52} The failure of the Alliance to provide an ideological spark for the Latin American drive for development was accompanied by a re-introduction of militarism in the hemisphere, and growing signs of a drift toward neutralism by several of the most important nations in the area.\textsuperscript{53}

The new wave of military interventions in Latin American politics created anew the old United States dilemma of striking a balance between its military interests and policies and its political preferences. In the post-war era, with the threat of communism replacing that of fascism, the United States continued to supply Latin American nations with military assistance. This program was linked to the Alliance for Progress in two capacities: to assist governments in maintaining internal
security, and to provide a corps of technically trained professional soldiers whose skills could be turned to "civic action" projects. In support of these goals, the United States provided $54 million in military assistance in 1961, $76 in 1962, and $77 in 1963.54

There could be little doubt that such protection was needed especially after the rise of Castro and the spread of his subversive activities in the area. There was no assurance, however, that those arms would not be turned against democratically-elected governments. As it turned out, they frequently were.

In August 1961, the Brazilian military ordered changes in the constitution curbing the power of the president before allowing Goulart to assume the office. The Argentine military, unhappy with the results of the March, 1962 congressional elections, jailed President Arturo Frondizi, nullified the elections, dissolved the congress, and took over the rule of the country through a puppet government. In April, 1962, army units joined the cabinet of Guatemalan President Manuel Ydigoras to dampen rising popular resentment against the government. The Venezuelan Navy, cooperating with leftist groups, made two abortive
attempts in 1962 to overthrow the reform-administration of President Romulo Betancourt. In July, 1962, the Peruvian military jailed President Manuel Prado, nullified the elections, and ruled the country through a junta. Finally, in the summer of 1963, military units threw President Carlos Julio Arosemena from power in Ecuador.\textsuperscript{55}

Perhaps the greatest setback for United States policy came with the \textit{coup d'état} against President Juan Bosch in the Dominican Republic on September 25, 1963. As the successor to the Trujillo regime, Bosch's government was in many ways the real hope of the Alliance. However, as Tad Szulc notes, neither Bosch nor his opponent in the election found it politically possible to bring the Alliance into their campaigns.\textsuperscript{56}

The rise of militarism posed the question of reform sharply. Was it more reasonable to continue to oppose such regimes in favor of civilian governments which indicated strong tendencies to move to the left, or to work with military forces on the thesis that they could bring about the kind of change sought under the Alliance with encouragement?\textsuperscript{57} Both courses of action held dangers. The Kennedy Administration showed no signs of having
resolved the problem in its reactions to the military takeovers. From a somewhat passive acceptance of the Argentine situation, it took strong action against the Peruvian junta, suspending diplomatic relations and holding up economic aid.58

Seen against the background of the goals of the Alliance program, developments in Latin America were clearly swinging violently from left to right with few prospects for the emergence of moderate elements dedicated to the evolutionary change envisaged at Punta del Este. The appeals of Fidelismo continued to excite movements for revolutionary change, and to induce determined reactions from forces favoring the status quo.
NOTES

CHAPTER V

1 For the record of successful resolution of threats to the peace, see Ronning, op. cit., pp. 40-63.


3 Ibid.


6 Prebisch makes an up-to-date statement of his views in Dreier’s, The Alliance for Progress, pp. 24-65.

7 This is the so-called "Engles Law" of international trade. Frankeloff has pointed out that the "center" "periphery" categories accurately characterize the sharp divisions between urban wealth and rural poverty in the domestic economy of most Latin American countries, and that if it is to be condemned on the international level, perhaps it should also be condemned on the national level.

8 Hirschman, p. 9-12, op. cit.
9 The Alliance for Progress cites the economic integration of Latin America as a goal. Title IV, Charter of Punta del Este, in Dreier's *Alliance for Progress*, p. 132.

10 Hirschman, *op. cit.*, p. 28.


12 Echavarria, *ibid.*, p. 41. Robert Heilbroner suspects that dictatorships will probably have to take over in many underdeveloped areas if development is ever to come about. See *The Great Ascent* (New York: Harper & Row, 1963), pp. 143-158. Zbigniew Brzezinski argues against any expectation that such a dictatorship once established will give way to the forces of democracy as the effects of development are felt. See "Totalitarianism and Rationality," in the *American Political Science Review*, Vol. 5, September 1956, pp. 751-762.

13 Heilbroner, *op. cit.*, pp. 49-70.

14 Ibid.


Ibid.


Title II, Chapter V, *op. cit.*, p. 124.

Title I, *op. cit.*, p. 122.


Ibid.

Ibid.


This report grew out of the October, 1962 meeting of Hemisphere Finance Ministers sitting in Mexico City to review the Alliance's first year progress. The report itself can be found in the New York *Times*, March 6, 1963.


Dreier, *The Alliance for Progress*, p. 92.
34 Ibid., p. 113.


36 Dreier, The Alliance for Progress, p. 92.

37 Ibid., p. 80.


43 Senate Foreign Relations Committee, Hearings on Foreign Assistance Act of 1962, p. 31.


46 Hanson, op. cit., p. 13.

47 Ibid., p. 12.


50 Ibid.

52 K. H. Silvert, "Political Change in Latin America," in The United States and Latin America, p. 65.


56 Szulc, op. cit., p. 252.

57 Two different arguments are advanced in support of continued military assistance. The first is purely military aimed at assuring internal security during the dynamic period of development. The other is economic seeing the military forces as a source of needed technical and administrative skills. It is the political rationale, however, that perplexes policy makers. See Lieuwen, op. cit., p. 14-15.

58 Ibid.
CHAPTER VI

CONCLUSION

Shortly after the inauguration of the Alliance for Progress in 1961, President Charles DeGaulle invited the nations of Latin America to join with France in forming a "united and renovated Latin world."¹ In his appeal, he stressed the common heritage of Latin peoples, as well as the absence of any French political ambitions in the area.

There was a political lesson, as well as an irony, in DeGaulle's proposal, which has since been followed up with plans to tour Latin America in 1964. United States' experience in "entangling alliances" had, since the end of World War II, been marked by many problems of coordination of aims and efforts, and conciliation of national differences. Of the many obstacles it encountered, two were particularly stubborn in their refusals to go away--DeGaulle and Latin America. The prospect of an alliance
between these two, whatever the likelihood of that connection, should jar American thinking.

It has been many years since George Kennan observed that:

To the American mind, it is implausible that people should have positive aspirations and ones they regard as legitimate, and more important to them than the peacefulness and orderliness of international life.2

Since that time, the American attitude toward other peoples and their aspirations seems to be less clothed in moral and/or legal justifications. But in its place has come a sense that the American system and principles of legal restraints and institutions are expressions of the logical and technical necessities of history. Economic modernization and rationalization inevitably must lead all nations to patterns of social participation similar to that of the United States. The appeal of Charles DeGaulle lies in the insistence that nations need not sell their identities for progress.

This study has sought to challenge the basis for that new American faith on the same economic and psychological grounds on which it rests. More positively, it has suggested that what has masqueraded as principles of
rationality is in essence the expression of the traditional American ideology. The political forms that have facilitated the growth and development of a highly productive economic system are facts of American history, but they should not be confused with facts of general historical application. The evidence of this study suggests that the success of the Alliance will depend on its ability to fill the political gap that has been opened by its insistence on the adoption of particular kinds of reforms for which there are no political resources in Latin America. It has been argued, therefore, that success for the Alliance hinges on maintaining in tact the traditional pattern of social relations and structure that have characterized the Latin American scene for more than a century. The goal of the Alliance should be to seek an orderly transition of these patterns to modern forms; in DeGaulle's term, it should be to "renovate" what already exists.

In this consideration, it cannot be forgotten that foreign affairs are not conducted in the altruistic spirit of helping the rest of the world. All that has been said of the need to take into political account the
values and traditions of Latin America should not obscure the fact that the United States is bound by values of its own, and is no less compelled to give expression to them. Many Latin American statesmen seem as oblivious of this, as they claim their American counterparts to be of their values and traditions.

There has been evidence from the leaders of both the United States and Latin America that they are more fully prepared to extend an appreciation of the other's values and to tolerate the delays and the paths of diversity that must accompany such self-determination. But the requirements of domestic politics has in both cases forced some hardening of ideological stances. There is hope, nevertheless, that some amount of "muddling through" on the part of these leaders will be enough to off-set many of the political restrictions placed on them. Yet, there are limits imposed by these restrictions which have their impact on the degree of tolerance that can be given delays in reform, or even the kinds of reform that are undertaken. Beyond a point, the United States is obligated to draw a line, as President Kennedy has suggested in the case of action toward Cuba, between its own self-determination and that of others.
The creation of an executive committee to oversee the administration of Alliance reforms is only an organizational answer to this problem of integrating national efforts. The underlying problem, and the one that will determine the success of the program, is that of coming to grips with political and psychological barriers to cooperation.
NOTES

CHAPTER VI

1 New York Times, February 22, 1961. It is interesting to note that in his difficulties with the members and would-be members of the Common Market, DeGaulle at first was a strong advocate of integration at all levels of government action. It was only after it became clear that he could not get integration on his terms, that he reacted in the fashion he did.


3 The apparent success of "Operation Bootstrap" in Puerto Rico would seem to contradict this hypothesis. Indeed, President Kennedy has referred to the Puerto Rican experiment as a model for the Alliance for Progress. See New York Times, January 19, 1961. However, the political strains that exist there should not be underestimated because of the surface calm as Juan García-Passalacqua notes in "Puerto Rico En La 'Alianza Para El Progreso'" in Journal of Inter-American Studies, October 1961, pp. 469-476.
### APPENDIX

U.S. Economic Assistance to Latin America
Obligations and Loan Authorizations
(July 1, 1962 - June 30, 1963 (in millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total U.S. Aid</th>
<th>A.I.D.</th>
<th>Social Progress Fund</th>
<th>Export-Import Bank</th>
<th>Food For Peace</th>
<th>Peace Corps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>972.4</td>
<td>555.9</td>
<td>124.8</td>
<td>91.2</td>
<td>185.5</td>
<td>15.2</td>
</tr>
<tr>
<td>Argentina</td>
<td>132.1</td>
<td>78.0</td>
<td>30.0</td>
<td>24.1</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Bolivia</td>
<td>68.3</td>
<td>35.7</td>
<td>10.5</td>
<td>---</td>
<td>21.4</td>
<td>---</td>
</tr>
<tr>
<td>Brazil</td>
<td>155.4</td>
<td>86.9</td>
<td>5.8</td>
<td>---</td>
<td>61.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Chile</td>
<td>89.0</td>
<td>41.3</td>
<td>4.9</td>
<td>15.5</td>
<td>26.5</td>
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</tr>
<tr>
<td>Colombia</td>
<td>126.5</td>
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<td>3.4</td>
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<td>2.8</td>
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BIBLIOGRAPHY

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B. BOOKS


C. PERIODICAL ARTICLES


D. STUDIES AND GOVERNMENT PUBLICATIONS


E. NEWSPAPERS