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BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE
SUB-COMMITTEE ON LATIN AMERICA, JUNE 3, 1958

I appreciate the opportunity of appearing before your committee today because I recognize the significance of the inquiry you are undertaking. There is no area of the world more important to us than Latin America. The Department welcomes your inquiry which I am certain will help to bring into focus for the American public, for the Executive Departments, and for the Congress, the need for all of us to be aware of what is happening in this part of the world, and the nature of our own vital interests which are involved.

Before proceeding with the inquiry, Mr. Chairman, I would be grateful if you will allow me to comment briefly on the significance of the Vice President's recent tour of eight South American countries, and on the character of our interests and relations with the countries of Latin America. I hope that these comments will help give perspective to the proceedings which will follow.

In the first place I am concerned that the sensational and even dangerous character of certain incidents which occurred on the Vice President's trip have obscured what Mr. Nixon himself, as well as those of us from the State Department and Mr. Waugh, President of the Export-Import Bank, who accompanied him, consider to have been the positive and beneficial accomplishments of the trip. As the Vice President has said, violence and attempted violence is front page news while quiet accomplishment is page 8 news. It is no failing of the press that this is so - it is in the nature of the interests of the reading public. Nevertheless, it remains for us today to headline the page 8 news of the Vice President's trip so that it may, by this committee and through it by the American people, be evaluated against the other.

To do this, let us review the activities and effects of the Vice President's visit in each of the countries on his itinerary. We should keep in mind that in each country he had opportunity to meet with and discuss with government leaders the vital issues affecting our relations. We should also keep in mind that in each country he had opportunity to meet with in fair and friendly debate citizens of those countries from all walks of life. Everywhere - and I must stress the word everywhere - he was accorded a genuinely friendly and warm welcome by those people, broadly representative of their nations, who received him, and who had not been influenced by a small, insidious and organized minority to commit inhospitable or violent acts against him. Among all such people - government leaders, labor leaders, students, newspapermen, businessmen, intellectuals and the man in the street - we are confident that the Vice President's visit will be long and favorably remembered. As we are likewise confident that among the women and children

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of these countries - in their homes, schools, hospitals and orphanages - the sympathetic, understanding visits of Mrs. Nixon will be appreciated and not forgotten.

In Uruguay, the Vice President's visit was outstandingly successful, both from the point of view of his discussions with government leaders and his contacts with the people. Mr. Nixon, in an unscheduled visit to the University, won the applause and friendly support of the student body in general, overcoming the small number of Communist-oriented students who attempted to mar his otherwise enthusiastic reception in Montevideo. This action, and his open, positive presentation of American aims, ideals and policies, was widely acclaimed in the Uruguayan and international press as an important step toward breaking down the Communist-inspired attitudes implanted with some success among the politically-minded student body.

Similarly successful were the Vice President's meeting with Uruguayan labor leaders as well as a hitherto unpublicized meeting with a group of Uruguay's most prominent political leaders, representative of the entire spectrum of opinion, and publishers, who welcomed being consulted by him on the issues of United States-Uruguayan relations. In his talks with government officials themselves, Mr. Nixon explored the problems affecting our governmental relations as well as the interests of American business in that country. Our Embassy in Montevideo has reported that the resulting clarification of these problems will have an important bearing on their early, positive solution. Among the problems discussed were those affecting various American business interests in Uruguay; United States trade policies in relations to specific Uruguayan commodities; United States attitude toward dictatorships in Latin America; and the significance and implications of the Soviet economic and trade offensive.

In Argentina, the Vice President's primary mission was to represent the President and the American people at the inauguration of the new Argentine President, Dr. Arturo Frondizi. This was an historic occasion for the Argentine people, representing as it did for them, the restoration of democratic institutions after many years of dictatorial denial, and two years of careful preparation under a caretaker government interregnum. We have every reason to believe that the Argentine people recognize in our choice of the Vice President to represent us, a demonstration of our sympathetic interest in and support for this great milestone in their history.

The Vice President's welcome in Buenos Aires was overwhelmingly friendly. Although his route on the long drive from the airport to the heart of the city had not been pre-announced, he was enthusiastically greeted by thousands along the way.

One situation which arose in the course of this visit - the Vice President's late arrival for the inauguration ceremonies - did not constitute a marting feature. Actually, two unforeseen circumstances were involved: (1) the friendly enthusiasm of crowds along the way who so detained the Vice President that he was late in reaching the legislative palace and even had difficulty making his way inside when he arrived, and (2) the fact that the ceremony itself was begun a few minutes before the

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scheduled hour of 10:00 a.m. As a matter of fact, we have a press photograph of the President already making his inaugural address, before a clock in the background showing three minutes to 10:00.

But the Vice President's trip to Buenos Aires was not exclusively ceremonial. There, as elsewhere, he undertook substantive discussions with government leaders, and friendly contact with the people. Significant among the latter was the Vice President's enthusiastic reception by over 2,000 labor union members at an asado (Argentine barbecue) at a labor sport camp near Buenos Aires. In private discussions with the new leaders of Argentina, Mr. Nixon gave assurance of our Government's keen interest in and support for the success of their democratic progress, and of our desire to be constructively helpful in the solution of basic problems affecting their economic recovery and development. Their needs for electric power, the restoration and expansion of transportation equipment, and the development of petroleum resources figured, among other topics, in their discussion. We are confident they have at least laid the groundwork of understanding, from which more fruitful and constructive cooperation between the United States and Argentina may result.

In Paraguay the Vice President was acclaimed wherever he went, in what many Paraguayans termed the most enthusiastic reception ever accorded a foreign dignitary. He was met by cheering throngs at every turn, addressed a special session of the legislature held in his honor, and talked with the people as is his custom. In speaking to President Stroessner at a dinner given in his honor, the Vice President underlined the importance of the establishment of democratic principles and institutions in Paraguay. The President revealed his awareness of dictatorial charges made against him, and later, in a press conference for United States newsmen accompanying Mr. Nixon, President Stroessner expressed his willingness to move toward greater freedom for the Paraguayan people.

No one could mistake the warmth and friendliness of the Vice President's reception in La Paz, Bolivia. This country, scene of some of the most violent political episodes the continent has ever witnessed, and still beset by economic problems perhaps more serious than those facing any country in the hemisphere, expressed its gratitude to the Vice President in no uncertain terms for the moral support and economic assistance which the United States has given Bolivia in the last four years. The five-mile route from the La Paz airport to the city was lined with cheering crowds who welcomed Mr. Nixon with placards, miniature American flags and showers of confetti reminiscent of the Wall Street ticker-tape parades. Here, as elsewhere, he met with labor leaders, "opinion" makers, students and, by no means the least of all, the man in the street. At the Municipal Palace he was made an "honorary campesino" (peasant), and was decked out with the typical wool poncho and wool cap with ear flaps. Later, at a special celebration organized by skilled workers, Mr. Nixon entered into the spirit of the occasion where derbied Indian women were dancing. With government officials, Mr. Nixon held important discussions on the severe problems attendant to efforts to solve

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Bolivian economic problems, the stimulation of private investment, the compensation for expropriated property, and the character and scope of American aid.

It was in Lima that the first serious incident of the trip occurred. However, as the Vice President himself has observed, it was perhaps inevitable that the unexpected character and violence of the incident caused it to be magnified out of all proportion. It has thus unfortunately obscured the real nature of his generally cordial welcome in Peru and the mortification and shock of Peruvian officials and the vast majority of Peruvian people over the actions of a small, organized and influenced minority.

This is not to suggest that there are no problems with Peru. There are problems and they are difficult. And by exploiting these problems, the Communists were able to organize in Peru, in spite of the historic friendship between Peru and of the United States, the first of two attacks on the Vice President's mission and on his person.

I shall not go deeper at this time into the nature of this attack, nor into its apparent causes. I would, however, like to comment on other aspects of the Lima visit which, I hope, will bring it into perspective, in all fairness to ourselves and to the people of Peru who were not represented, by the actions of a tightly organized minority.

As I have said, with the exception of the incident at San Marcos University, and later in the square before his hotel, the Vice President was cordially received by the Peruvian people. His reception at the Catholic University, where he made an unscheduled call following the scene at San Marcos, was genuinely friendly. So was his reception by the people at the port of Callao, and by labor leaders and other groups with which he met. Finally, in his discussions with Peruvian officials, he was able to review the serious issues - largely economic problems relating to Peruvian exports affected by United States trade policies - which have produced resentments and frictions in recent years.

Top officials of the Peruvian Government, responsible journalists, and literally hundreds of Peruvians in all walks of life have in one way or another, directly or indirectly, expressed their deep regret for the incidents which marked the Vice President's visit. There is ample evidence that the Peruvian people see in these incidents a warning of the danger of Communist subversion, and the manner in which the character, aspirations and objectives of their great majority can be so distorted by a very, very small minority. There is evidence, in this regard, that the nucleus of demonstrations in Peru consisted of no more than 50 to 75 people (the same people in each case), and that the real leaders were probably no more than 8 or 10.

In Quito the Vice President's visit was an unqualified success and did much to improve and cement the good relations existing with Ecuador. This

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country, which has in the past been the scene of much political violence and upheaval, is now enjoying its third successive democratically elected administration. In addition to talks with Ecuadoran officials on economic matters, the Vice President had many contacts with the people. At a football game, for example, he was given a splendid ovation following his announcement of an award of a cup for the winner of the day's game.

In Bogotá the Vice President's reception was as friendly as anywhere on the trip, in spite of the charged political atmosphere of that country which had just elected a new and distinguished President following years of dictatorial rule, and which has been plagued with wide-spread guerilla war for many years. The streets from the airport to the city were lined with thousands of cheering school children dressed in their Sunday best. The small group of unfriendly demonstrators, who obviously tried to provoke incidents such as had occurred in Peru, was soon swallowed up and forgotten as the overwhelming majority of Colombians made evident their good will toward Mr. Nixon.

At a theatre Mr. Nixon was accorded a tremendous ovation by a packed house of labor leaders. His visits to the workers' sections of Bogotá, to a cafeteria serving some United States surplus foodstuffs, and to a nursery sponsored by the Colombian National Manufacturers Association, created an excellent impression. Finally, his discussions with the caretaker government, and with the newly-elected officials who will be inaugurated soon, helped, we are confident, to lay the basis of improved understanding between the United States and Colombia.

I shall say but a little about the visit to Caracas since I know it will be explored by your Committee. I would like to point out, however, that despite the dissatisfaction probably felt by many Venezuelans with certain economic and political aspects of our recent relations with their country, there is ample evidence that the violent attacks on the Vice President were organized and spearheaded by a small Communist minority. The Vice President himself has suggested that true Venezuelans would not jeer when their own national anthem was being played. This is the act of people with another allegiance. Nor would the true Venezuelan, who is imbued with the characteristic Latin American respect for womanhood and motherhood, engineer or participate in demonstrations endangering the life of a distinguished lady who was a guest in their country. These were the acts of people whose sentiments and allegiance have been distorted by alien concepts.

This fact was amply attested to when, on the following day, a parade of delegations representing Venezuelans in all walks of life called voluntarily on the Vice President at the Embassy to express their regret and, thereafter, to engage with him in serious, free discussion of the problems affecting our two countries. Thus, finally, some few Venezuelans at least were able to exercise the privilege of free discussion, which the Communist-inspired minority tried to deny.

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Now, before concluding this statement, if you will indulge me a bit longer, I would like to comment briefly on the political and economic importance of the United States relationship with Latin America. Just as what I have already said will, I trust, help to bring the results of the Vice President's trip a bit more into perspective, I hope that what I am about to say will furnish similar perspective for your inquiry into our relations with this part of the world by providing the highlights from which can be judged Latin America's importance to us - and our importance to Latin America.

Our interests in this area - and they are mutual - are broadly speaking political, economic and strategic. My concentration on these, for the sake of brevity, should not obscure, however, the ever-increasing importance of cultural contact, and the efforts being made in both directions to bridge the cultural gap produced by differences in historic evolution, by language barriers and the like. Nor would I wish to omit mention of our common spiritual ties in the Americas which help to make of this hemisphere a bulwark of the Free World.

A glance at the map will show how interdependent the United States and the 20 other American Republics are for their security. We form a distinct geographic unit, relatively remote from the rest of the world. Together we have a wide variety of natural resources to make us self-sufficient in all important respects, if necessary.

Therefore, while a free and cooperative Latin America is a decided asset to our own security - and a friendly, strong United States a decided asset to Latin American security - the converse in either case makes one a serious liability to the other. It is thus to the interests of us all that we develop as a politically compatible association of free nations, economically productive and progressive, and militarily capable of defense against any aggressor.

The value of close political relationships which have developed over the years, and the heartening, persistent progress of all Latin America toward ever more democratic forms of government, which promises to increase our compatibility and area of understanding, evidences itself in a multitude of ways. In world history there is no comparable example of such a harmonious relationship between a group of smaller, less developed nations and a larger, more powerful neighbor.

Consider, for example, the security afforded these nations by the firmly established and respected principle of non-intervention which is the cardinal feature of our relations with Latin America. Consider the atmosphere for free give and take which it provides, in which our interests may be pursued on a basis of absolute equality and mutual respect, regardless of size and military might. Consider also, in the context of the entire free

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world, the importance of American solidarity in defense of the policies and principles to which we are all committed. This has made itself felt decisively in the UN, the OAS, and other world consultative bodies. I need not emphasize to you that in addition to the example this affords for peoples in other areas of the world only newly emerged to independence and national formation - who live dangerously close to the shadow of a totally different kind of world power - this solidarity has more than once provided the margin by which crucial free world issues have been upheld in these forums.

Just a few facts, I believe, will serve to highlight the importance of our economic interdependence. Our trade with Latin America is almost as large as our trade with Europe - larger than our trade with Asia or Africa - larger than our trade with any other single area. Almost 29 percent of all our imports (\$3.7 billion) came from Latin America in 1957 and about 24 percent of all our exports (\$4.7 billion) went to that area in that year. Unlike some other parts of the world, almost all of these exports to Latin America are paid for - only slightly more than one percent represents grant aid. As for the Latin American countries, they depend on us as the major market for their exports (44.2 percent in 1957) and as the primary source of their imports (48.8 percent in 1957). But, so much for amount. What does this trade involve?

Coffee, sugar and other foods account for somewhat more than one-half of Latin American shipments to the United States. Copper, lead, zinc, tin, iron ore and a wide variety of other strategically important metals total about 19 percent while petroleum accounts for about 18 percent. Compared to their total production, this represents a market in the United States for more than three-fourths of their copper, two-thirds of their coffee, one-half of their raw wool, and two-fifths of their petroleum.

In the other direction, Latin America buys from us about 35 percent of our exports of automobiles and trucks, about one-third of our exports of chemicals, electrical machinery and iron and steel mill products, over one-fourth of our exports of industrial machinery and textiles, and about 17 percent of our exports of foodstuffs.

Finally, there are the private investments that go with trade. They now total \$8.5 billion in Latin America, which is about 40 percent of all our investment abroad, an amount exceeded only by our investment in Canada. While these investments have increased at an average rate of about \$500 million in recent years, the figure was \$600 million in 1955. These investments moreover, produced about \$5 billion worth of goods in 1955, and accounted for the production of almost a third of all Latin American export products in that year. They employed 600,000 Latin American people in 1955, and made a net contribution to the Latin American balance of payments of about \$1 billion the same year.

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If this trade and economic interdependence is important to us today, think of the future - and the not too distant future at that. Today our populations are almost in balance at about 180 million persons in the United States and the same number in Latin America. But the rate of growth in Latin America is about 2-1/2 percent per year as against only 1.4 percent in the United States. At this rate, by the year 2,000, our own population will be about 250 million - the population of Latin America will be over 500 million. Consider this in terms of economic, political and military power, and of markets and trade and investment. Consider also the strategic, geographic relationship involved. The importance of the area, and the importance of mutual interdependence in every field of contact becomes only too self-evident.

One last point. It is high time that Americans in general discover Latin America. It is high time that they have brought home to them some of the facts which I have sketched, and the far more profound picture which I am confident this Committee's inquiry will produce. This is no longer an area of sambas and maffana, to borrow the Vice President's language, as it is so often picturesquely portrayed. It is an area of dynamic progress and vigorous people. It is an area which can produce and support metropolitan complexes like Buenos Aires, Rio de Janeiro, Saõ Paulo and Mexico City - which together with New York and Chicago are the six largest cities of the hemisphere. It is an area whose governments and peoples look to us for leadership and support - whose ideals and aspirations are more and more akin to our own - and who, we are confident, would vastly prefer to walk the path of peace and progress with us rather than with any other nation.

These are the factors which have played a dominant role in our thinking about the area and in the continuing review of our policies toward it. The Vice President's first-hand observations have naturally added impetus to this review. And we anticipate further contributions to this process from the inquiry your important Committee is making today into our Latin American policies. I am confident, however, that you will find that our bipartisan policies for Latin American relations are, by and large, sound in concept and in principle.

I thank you.