

Page Denied

Next 2 Page(s) In Document Denied

CONFIDENTIAL

**SOME THOUGHTS ON UNITED STATES POLICY TOWARDS
LATIN AMERICA**

I believe we are at the end of an era in our relations with Latin America. We stand on the threshold of a new period; we face new problems; new tactics are required.

Cuba is the product rather than the cause of the factors which have brought about the change. To most qualified observers it has been all too apparent since 1945 that United States influence and prestige in the hemisphere has been in a state of steady and progressive erosion. I pick 1945 as the turning point because the "honeymoon" period in our relations was reached in 1932-1944 when Latin America was still grateful for the concessions to Latin American juridical doctrines which we had made in the 30's and early 40's, for United States sacrifices in blood and treasure to defend the hemisphere against the Axis powers and for gallant sacrifices in order to supply Latin American economies with their essential civilian wartime requirements.

But human

CONFIDENTIAL

CONFIDENTIAL

-2-

But human memory is short and the first signs of resentment began to appear when, with the Marshall Plan, we accorded European reconstruction priority over Latin American economic development.

Some Adverse Factors

There are a number of factors which have contributed to the decline of United States influence in Latin America during the last 15 years. I list only four of the principal ones here without extensive discussion:

Technological advances during and after the Second World War made the United States vulnerable for the first time to attack by extra-continental powers. This, coupled with the rise of Russia as a military giant, reduced our military position from one of pre-eminence in the hemisphere to that of a mere competitor. In addition, in the 30's and 40's we had severely restricted our ability to use our military and economic strength by accepting doctrines of non-intervention, self-determination and others which, while noble in concept, have been in practice applied to the United States but not to the Sino-Soviet bloc or even to other American states. For

CONFIDENTIAL

-3-

states. For example: Non-intervention is applied to the United States for assisting Cubans to fight for Cuban freedom; it is not generally applied to the fall of Cuba into the Sino-Soviet orbit or to Mexican assistance to Castro in organizing and launching his invasion of Cuba from this country. Self determination is defined not as the right of the Cuban people to determine their destiny but as the right of a dictator to destroy freedom in Cuba and align that country with the Sino-Soviet bloc in defiance of principles which constitute the very cornerstones of the inter-American system. And finally on the topic of power, the birth and growth of the influence of international organizations, with their doctrine of juridical equality (meaning an equal vote for everyone regardless of size or responsibility) has given rise to a false sense of power on the part of Latin Americans based on the notion that a "rule of law" now prevails in the world with the law determined by majority vote in which, for example, one-half of Americans are free to use their 20 vote bloc to impose the opinion on the other half which, because they

CONFIDENTIAL

-4-

because they reside in one country, have only one vote. The end result of all this is that the Sino-Soviet bloc, with whom we ^{are} engaged in a fateful struggle enjoys virtual immunity from non-intervention and other inter-American agreements which, on the other hand, severely restrict our freedom of action.

A second factor is the astonishing growth of population throughout Latin America coupled with rising expectations for rapid increase in per capita income and an unwillingness on the part of Latin American governments to lead their people, by word and deed, in the direction of the sacrifices which are clearly essential if these aspirations are to be met. Latin America, in spite of having squandered its large gold and dollar reserves accumulated during the war, has, except for the last year or two, enjoyed a satisfactory rate of economic growth. With a relatively static population and even a minimal effort equitably to distribute its growing national product, the average citizen would have already experienced a better life under existing economic systems. But the population growth, the

CONFIDENTIAL

CONFIDENTIAL

-5-

growth, the inability of Latin America to marshal its resources to meet the challenge, Latin America's unwillingness to move fast enough in the direction of social justice and its failure even to require broad scale honesty and efficiency from their public servants have created social and political pressures which will grow rather than diminish in the future.

In the third place, Latin Americans have a decided tendency to rationalize their failure to progress as rapidly as the United States by blaming us. Just as our southland believed in ante bellum days that the South's agrarian economy was exploited by the industrial North, so Latin America readily accepts Communist suggestions that we are the exploiters. Elaborate doctrines have been developed which assert, for example, there should be "parity" in prices between industrial products and manufactured goods. Latin American discrimination against U.S. exports are widespread. Nevertheless, United States subsidies of our agricultural products are resented as are United States' tariffs and quotas, the failure of the United States to accept even

CONFIDENTIAL

CONFIDENTIAL

to accept even more discriminatory treatment against its exports while giving preferential treatment to Latin American exports, and so on. These complaints are justified to the extent we preach free trade but protect uneconomic domestic production. Some of the criticisms of our agricultural policies are justified. But ~~they~~ ^{the criticisms of our economic policies} are in the main unwarranted.

Finally, there are old cultural and historical prejudices which Latin American politicians have exploited so often to gain votes that many of them are prisoners of their own propaganda, unable to discuss issues on their merits even with their own people. And there are cultural weaknesses as well. Among these are the traditional reluctance of the elite in Latin America to participate in the democratic processes for fear of exposing themselves and their property to attack. The Iberian custom of building political parties around personalities rather than principles and of contributing to the campaign chests of all candidates in the vain hope of buying the "friendship" of the next president is a startling

weakness in the

CONFIDENTIAL

-7-

weakness in the context of the Sino-Soviet campaign to dominate the hemisphere. For example, the campaigns of Arbenz in Guatemala and Castro in Cuba were not ^{principally} ~~wholly~~ financed by Communists, foreign or ~~is~~ indigenous; they were financed ^{in the main} by the millionaire coffee and sugar growers in the vain hope that they as individuals would be spared regardless of what happened to their class. To all of this must be added the absence of a sense of social responsibility on the part of the wealthy - a resistance to change of any kind, a failure to organize and unite in opposition to small, Communist-led minorities, and a tendency to feel that they need do nothing to save their countries from Communist domination because Latin Americans are "too religious and individualistic" to accept Communism and because they believe that, in any case, the United States in a showdown would not permit the Communists to take over.

Some Favorable Factors

Many of these Latin American notions have come under re-examination since the Castro revolution. If there is a risk that this revolution will be ~~lost~~

CONFIDENTIAL

-8-

appealing to Latin American masses by making Cuba into a "showcase" for Communism, there are also signs that the middle and upper classes are awakening to a realization of the danger which they face.

In Colombia an anti-Communist organization exists which attracts both Liberals and Conservatives and which, like Accion Democratica and the Communist parties, has cells reaching into classrooms and factories. They do not seek to offer candidates for public office but they do seek to resist Communist infiltration. Other nascent organizations are understood to exist in Venezuela and Peru.

Here in Mexico at least 5 separate and uncoordinated private organizations have been formed on the premise that Cuba demonstrates it is up to Mexicans to save Mexico. These groups represent nearly all shades of the non-Communist political spectrum. If they can succeed in uniting under good, liberal, entirely Mexican leadership acceptable to the Mexican Government, we will for the first time have an organized, non-official group capable of acting as a counterforce to
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CONFIDENTIAL

CONFIDENTIAL

-9-

the organized Communist minority. This would be a great step forward especially if such a group could undertake to encourage liberal reforms so needed in this and other Latin American countries.

In spite of the problems already referred to, there is a reservoir of good will towards us in Latin America and a very widespread anti-Communist feeling. If we lead boldly, confidently and consistently we can regain our pre-eminent position in the hemisphere.

An Outline of a Program

There is no need for any change in strategy. Still sound are our old objectives of achieving a strong, prosperous, stable Latin America united in defense of Western values and willing and able to discharge its responsibilities in international affairs. But it is clear that new tactics are required. I list here principal tactical changes which it seems to me ought to be made - again, for brevity's sake, without extensive discussions:

1. We must accept that, in the immediate future, the political arm of the OAS (the Council, the Provisional

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CONFIDENTIAL

~~CONFIDENTIAL~~

-10-

Organ of Consultation and so on) are incapable of taking effective action to protect the hemisphere against Communist subversion. Quadros' apparent enchantment with the idea of a neutralist "third force" has strengthened traditional Mexican isolation and split the hemisphere. To continue, as we have for nearly two years, to seek collective hemisphere action is only to invite further loss of prestige and to blow up Latin America's already exaggerated conception of its bargaining power.

This does not mean we need permanently abandon our hope that existing inter-American machinery can at some time in the indefinite future, be made into an effective instrument for dealing with Communist subversion. Indeed, I believe there is a good chance that Latin America, once it is convinced by our deeds (not words) that we intend to follow the course herein - after proposed, will realize that their interests, even more than ours, are best served by using inter-American procedures.

Neither does

~~CONFIDENTIAL~~

CONFIDENTIAL

-11-

Neither does this mean that we should withdraw from the COAS, which is a useful instrument for dealing with many inter-American problems; or that we should abandon our policy to use the IA-ECOSOC as the principal instrument for formulating hemisphere plans for economic development and for obtaining institutional, social and other types of change. It does mean that we should adjust ourselves promptly to the reality that the inter-American system is incapable at this time of coping with Communist subversion. It does mean that we should in quiet, private conversations (not in official, public statements) let it be known to both United States and Latin American public that we have reluctantly reached this firm conclusion after two years of vain efforts to ~~make the system work~~ *obtain collective action against Communism*.

2. As a second step, I propose - again ~~quietly~~ ~~and~~ without either threats or apologies but with dignity, confidence and friendliness - that we quietly go about negotiating a series of bilateral agreements having as their explicit objective the building of positions of strength so that constitutional democracy based on economic progress

CONFIDENTIAL

CONFIDENTIAL

-12-

economic progress

and social justice may be preserved.

Priority in their negotiation should be given to the Central American Republics, Panama, Colombia and Venezuela. But it should be made clear that the United States is bound by strong ties to all the American democracies and that we would consider similiar agreements with others of a like mind. The door should not be closed to anyone except Castro's Cuba and, for the time being, the Dominican Republic.

It should be made clear to all who inquire that we have no plans for submitting the bilaterals to the OAS for approval either now or later although their texts will be filed with international organizations as required by charters or agreements. We would add that we consider the bilaterals consistent with the letter and spirit of the Charter of the OAS and of the U.N.

The door should also be left open for making bilateral agreements multilateral in nature as between some or all of the parties to them; in other words, the possible future emergence of one or more "clubs", existing within

CONFIDENTIAL

CONFIDENTIAL

-13-

existing within and consistent with the inter-American system, should be envisaged. The eventual multilateralization of the bilaterals might become desirable for a number of reasons, for example, there are advantages to treating four or five Central American Republics as an economic unit, as already envisaged in the Central American common market agreements. The possible multilateralization of the bilaterals can in any case best be decided in the light of subsequent developments; I only suggest now that the bilaterals be so drafted as to permit this to develop if this subsequently appears to be desirable.

The agreements should avoid mention of protection of other American states or of European colonies or of the emerging West Indies Federation. Any provisions of this kind would be bitterly resented as a revival of the patronizing attitude which characterized our policies under the Monroe Doctrine with its Roosevelt corollary. We derive no corresponding advantages. If it is necessary, as it may well be, to include other Caribbean basin countries in such arrangements, this can be better

CONFIDENTIAL

CONFIDENTIAL

-14-

can be better done by negotiating separate bilaterals with the metropolises and others concerned.

The bilateral agreements should cover these specific points after, of course, reciting a common conviction of the need for taking effective measures to combat subversion:

a) A provision that an attempted overthrow of constitutional governments in America by force exercised through indigenous Communist groups acting under instructions and with aid from Communist countries, constitutes an "armed attack" within the meaning of Article 51 of the United Nations Charter. The purpose of this would be to build up a body of interpretation of the Charter which would enable us to act with armed force in the event of a sudden and successful Communist coup, that is to say, when the constitutional government which is party to a bilateral is overthrown before it is able to request assistance.

b) A more traditional type provision that each country will come to the military assistance of the other on request when the requesting party is the objective of attack

CONFIDENTIAL

objection of either the Government or the people of the United States. Of course, it would be necessary to include in the provision as to avoid any commitment on the part of the United States to suppress liberal revolutionary movements which are purely indigenous.

c) Still on the military aspect of the problem, a provision regarding the re-orientation of military policies, in terms of both equipment and training, away from the concept of repelling attack from abroad and toward the need for maintaining order without bloodshed and for frustrating Communist subversion. This means less emphasis on aircraft carriers, modern jet aircraft and the like which are expensive to acquire and maintain and hence an impediment to economic development. It means more emphasis on transportation and communications equipment, assistance in developing better political intelligence and the training of armed forces and police in methods of controlling mobs. Amendment of United States statutory law and executive policy may be necessary. A flexible attitude on our part will certainly be required both in

CONFIDENTIAL

~~CONFIDENTIAL~~

-16-

required both in drafting agreements and in implementing them if we are, as we must, to carry the armed forces of these countries with us instead of alienating them. Making a "cop" out of a "colonel" is a task requiring tact, flexibility and an acceptance of reality.

d) Since an acceptable military posture is, in our society, only one element of strength, a provision to the effect that the two nations will cooperate with each other in finding practicable and effective means rapidly to increase economic growth, achieve a more equitable distribution of national income, reduce unemployment and underemployment, promote the settlement of people on the land and seek the effective exercise of representative democracy - in a word, to promote rapid economic progress within a system of government respecting the dignity of man. There are some general observations that need to be made about an undertaking of this kind:

First, it would imply that we propose to give priority to countries which are parties to bilaterals in the allocation of our resources; that is to say,
that we will

CONFIDENTIAL

CONFIDENTIAL

-17-

that we will quit the practice of dispensing our Latin American aid on the basis of need and without regard to the attitudes of the recipient country towards Communism and the struggle of the Free World for survival.

This does not mean that we engage in counter productive threats or sanctions or other unfriendly acts against countries which have adopted equivocal attitudes. On the contrary we have everything to gain by exercising a friendly patience, giving them time to learn that capitalistic societies pay a high price (e.g. flights of domestic capital, cessation of new investments, drop in tourism receipts, etc.) for policies which destroy confidence and add up to a slower rate of economic growth which, given the population pressure, they can ill afford from their own political point of view.

Governments in the end act in accordance with their estimate of their own national interests. We have within our hands the power to bring these countries along with us if only we can develop the tactics to
to make our

CONFIDENTIAL

CONFIDENTIAL

-18-

to make our exercise of this power productive instead of counter productive; if only we can use our power with consistency and subtlety such as, for example, by never publicly or in writing presenting our aid programs as if we were trying to purchase political policies; if only we can marshall our resources so that they can support our foreign policy objectives; if only the press and all other opinion-forming sectors of our national life can cease speaking as if we are solely responsible for the ills of the world and demand the same fair treatment and respect that other nations do.

For example, in the case of Mexico, everything I have seen since my arrival convinces me that the time is not far distant when our help will be needed on a large scale, principally to settle an estimated one million landless farmers on fertile lowlands in southern Mexico. If we can conserve our leverage - not by turning down their supplications for more trade and aid or by showing contempt for their attitudes and problems but by expressing sympathy while politely delaying actions

CONFIDENTIAL

CONFIDENTIAL

-19-

delaying actions on their requests - just as they do to us - we have an excellent chance of getting the PRI party to use its power to curb Communism as a part of a "package deal" worked out in private, oral, secret conversations with the people who count in this country.

Secondly, such a policy implies a larger aid program for the countries who cooperate with us and complete flexibility so as to achieve the greatest progress in the shortest period of time with the least amount of money. I stress flexibility rather than uniformity in aid policy because it is obvious that needs and opportunities vary from country to country and even within some countries. In Central America the emphasis ought to be on the rapid achievement of a common market. The free movement of capital, goods and labor within the area would make it possible to settle the surplus population of Salvador and the Indians in the eroded highlands of Guatemala in Honduras, Nicaragua and in the Zona Reina; to put to use Salvadoran capital and know how in Honduras; to attract capital

CONFIDENTIAL

CONFIDENTIAL

-20-

attract capital which needs an assured domestic market; and so forth. The necessary social and political change will come much more quickly and with less danger to us after these basic needs of the people have been met. We need to push for social reform and free elections. But if we do this too soon - before the ground work has been laid so that liberal democracy can triumph - we will be getting the cart before the horse.

In Venezuela the problem is largely a fiscal one. In Colombia, torn by a civil war already ten years old, still different programs with perhaps road building into the unsettled parts of the country where bandits thrive in isolation, should have priority. But the common denominator throughout Latin America is land settlement. We cannot expect the industrial base to grow fast enough to provide enough jobs to take care of such a fast growing population. Our best hope for social peace and political stability is to settle large numbers of people on the land.

Third, this

CONFIDENTIAL

CONFIDENTIAL

-21-

Third, this undertaking will imply a degree of intervention into internal affairs of others much greater than recent policy permits. We already have the responsibility; let us accept that we need more authority to go with the responsibility and concentrate on improving our tactics so that the exercise of authority will not injure Latin American sensibilities.

~~In conclusion, I offer my regrets for the length~~
~~of this memorandum which, in spite of its length, is~~
only an incomplete list of ideas rather than a complete exposition on the very complex subject of how to survive in a hemisphere being rapidly infiltrated by the Communists. This Embassy is preparing additional suggestions on various facets of the same general problem - how to improve the quality of our information program and to make it more responsive to the issues being debated in Latin America; how to establish a fruitful exchange of ideas with University students and professors who have a false image of the United States and its revolutionary and idealistic principles; how to improve understanding between organized labor
in the United States

CONFIDENTIAL

CONFIDENTIAL

-22-

in the United States and the non-Communist unions in Mexico, and so forth. All of these problems and others require urgent attention.

CONFIDENTIAL

Notes on the Mexican Scene

President Lopez Mateos currently exercises great political power in Mexico. He controls the PRI party machinery and through it the Mexican Congress. He controls the country's military forces which are loyal to him. He controls the Mexican press. The recent suppression of a popular candidate for PRI nomination as governor in Sonora is another demonstration of this power when he chooses to exercise it. Why then does he take such an equivocal stand as regards Communism? Why does he continue to appoint pro-Communists to official positions in the Mexican Government? Why does he take such an equivocal public position regarding the United States as, for example, his public statement, on returning from an official visit to Washington in October 1959 that: "The flag crossing my breast has returned unblemished"?

His tactics are easy to identify and to rationalize. They are to ride the fence, to adhere to traditional Mexican foreign policy regarding quasi-isolation from hemisphere affairs; to play the Mexican left and right off against each other; to pose as the champion of the Mexican Revolution with

CONFIDENTIAL

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CONFIDENTIAL

the implication that this was a unique political phenomenon which in no way conflicts with the ideologies of either East or West; to avoid dissention within the PRI party machine; to avoid any statements or action which will offend the United States to the point of reducing United States trade or aid; and above all to prevent any serious threat to his personal power or to his country's internal stability.

His basic doctrine, his ultimate objectives, his strategy remain an enigma. Ex-President Abelardo Rodriguez has told me he doesn't really know what Lopez Mateos' intentions are. Ex-President Aleman has implied the same thing. The Mexican public is uncertain and confused. The President apparently doesn't confide his real thoughts in even his closest advisors. Lombardo Toledano, a Communist, professes to see in him a kindred spirit but so do many right-wing capitalists.

A majority of Mexicans think he is anti-Communist. A minority claim he is pro-Communist. I suspect the truth is somewhere in between but believe him to be much further to the left than most people think. Being a practical politician, however, he understands clearly that the Mexican

CONFIDENTIAL

economy, and

- 3 -

economy, and hence the political stability of his regime, depends in large measure on trade with and aid from the United States and the developed European countries which are its NATO allies. If this is correct, one might say he is shrewd rather than weak, calculating rather than uncertain. Certainly my conversation with him left me with the feeling that he is astute and intelligent. He talks freely about generalities but is evasive on specifics. Of course, these opinions are tentative and subject to change.

During my first month here I have, when asked, expressed the personal (not official) opinion that the problems which immediately concern me the most are:

a) Mexico's need to correct a misapprehension (misapprehension is a polite term), at home and abroad, that Mexico is veering toward a neutralist policy in the cold war. In this connection I have said that the United States has no choice but to defend its liberty and its revolutionary principles and that I hoped Mexico could understand that its independence and the principle of its revolution were also at stake. While each

CONFIDENTIAL

country has the

country has the unquestioned right to serve its own national interests as it sees them, if the United States and Mexico follow separate policies, it was impossible for me to see clearly how difficulties could be avoided in spite of the evident desire to the contrary on the part of both governments.

b) The relationship of confidence in a capitalistic society to flight of domestic capital, a tailing off of new investments and tourism receipts needs to be taken into account, as do the effect of these phenomena on the rate of economic growth in a society experiencing such a rapid population growth and the eventual creation of social pressures and political unrest.

c) The need for the non-Communists to unite and organize themselves under liberal leadership acceptable and loyal to the Mexico Government so that there would exist an effective, purely indigenous counterforce to the small but well-organized Communist minority dominated and directed from abroad.

All of this is, of course, skating on thin ice as far as Mexican

sensibilities are

CONFIDENTIAL

sensibilities are concerned even though I have taken great care to stress United States' friendship for the Government of Mexico and our determination not to intervene in Mexico's internal affairs. I believe, however, that this line thus far has been beneficial. There are the following recent developments on the encouraging side:

- a) The Catholic Church has carried out its plans for large anti-Communist rallies in Puebla and Leon. These rallies have, on the minus side, probably annoyed President Lopez Mateos whose prejudice toward the Church is strong and well-known. But they have served to give the anti-Communists courage, hope and a rallying point.
- b) Ex-President Abelardo Rodriguez, in a now public letter to various prominent Mexicans, has called for a strong anti-Communist stand.
- c) The Government of Mexico has declined, however equivocally, the invitation to send a representative to the Cairo meeting in preparation for the "neutralist" conference.
- d) There are in existence at least five separate private groups which

attempting to

CONFIDENTIAL

attempting to unify on the Colombian pattern.

e) Finally, Lopez Mateos on June 7 made a speech which, while disappointing from the U.S. viewpoint and full of the usual verbiage, did warn that his government would repress excesses from the right or the left. Although his statement cuts both ways and has been construed by leftists as a warning to reactionaries, it has also been received with great acclaim by anti-Communist elements.

In effect, Lopez Mateos' tactic is to go or to drift as far to the left as possible without damaging relations with the United States to the point of endangering trade, tourism, investments and governmental assistance from the United States.

I have recently been informed unofficially that the Government of Mexico plans to present to Mr. Dillon at the Montevideo IA-ECOSOC meeting a ten year plan and to request a \$400 million loan from the United States. Also, there are indications that Mexico wishes to promote a meeting between Lopez Mateos and President John F. Kennedy in the near future.

If the U.S. accedes to these requests, it will lessen the pressure

CONFIDENTIAL

on Lopez Mateos

on Lopez Mateos and his Government to face up to the threat which Communist subversion offers to this hemisphere. A Presidential meeting especially would give the Mexican government the opportunity to publicly proclaim that the U.S. approves of the neutralist course taken by Lopez Mateos, thus weakening the position of those groups which are organizing to combat the Communist influence in Mexico.

Thus it is not in the interest of the United States to accede to requests of this nature at this time. Nor would it be wise to turn them down. The most appropriate tactic would be to adopt the Mexican method and drag our feet until such time as Lopez Mateos understands that cooperation is a two-way street.

To follow such a course requires great tact, sensitivity and patience but can, appropriately used, have the effect of encouraging Mexico to take a stronger stand on Communism.

CONFIDENTIAL