UNITED STATES AND LATIN AMERICA --
CALL FOR A NEW POLICY

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Economists agree on what is fundamentally required if the sluggish rate of economic growth in Latin America is ever to be overcome. They agree on the need for drastic agrarian and fiscal reform; on the requirement for enlarging internal markets; and on the necessity for integrating the national economies into a common market. They seem to agree that internal savings must be greatly increased to achieve a much higher rate of investment. They advocate a more favorable system of trade between the underdeveloped countries of South and Central America and the developed countries of North America and western Europe. They also acknowledge that a disastrous population explosion in Latin America is presently absorbing economic growth to the point of nearly wiping out net gains.

In sum, there is a large measure of agreement among economists on the remedies necessary if the dynamic development to which Latin Americans aspire is to be achieved. There is also an apparent consensus that real development depends primarily on self-help, on meaningful internal change, rather than on massive injections of foreign capital. Indeed, some are candid enough to point out that too much imported capital would simply create burdensome debts that

could easily strangle growth.

There is likewise a tacit recognition that, although economists may agree on the remedies, it remains up to the politicians, to the men who govern, to adopt these remedies and put them into effect. That, of course, will entail far-reaching changes in the existing power structure of Latin America.

I propose to discuss the political aspects of the problem involved in bringing about such far-reaching change, with particular focus on the current role of the United States.

I must say, first of all, that I am deeply disturbed by the growing gulf separating the United States from Latin America. We should not deceive ourselves. The gulf is widening. It is an urgent matter, for it distorts and endangers friendly relations between the United States and its neighbors.

The image of the United States in Latin America keeps deteriorating. What else can one conclude when, seven years after the establishment of the Alliance for Progress and after our expenditure of nearly nine billion dollars implementing the program, our relations with Latin America are worse than before. What else can one conclude when President Johnson dared not visit a major population center south of Mexico throughout his term of office? (When he finally did go to South America, he was secluded at a remote resort far removed from unruly crowds.) What else can one conclude when

President Nixon was recently greeted with wild applause by more than a million people in the streets of Bucharest, a thousand miles behind the Iron Curtain, while his emissary to Latin America, Governor Rockefeller, was received with hoots and catcalls, his journey plagued by arson and violence? What else can one conclude when an American ambassador is abducted in Brazil, chosen by his captors as the "symbol of imperialism," in a move calculated to humiliate a hated military regime with which the United States is notoriously identified?

In view of these disturbing events, we must take very seriously the rising hostility toward the United States which seems to be spreading throughout Latin America. More and more, we are portrayed as holding the whole hemisphere in a kind of economic captivity, exploiting its raw materials to feed our industry while selling back our finished products at highly profitable prices.

As if this weren't enough, many young people of Latin America, whose views will largely shape the future, seem to see the United States in an even more lurid light. They envision us as a monstrous nation, intoxicated by our power, addicted to marathon warfare, controlled at the highest levels by military counsel, and determined to keep Latin America in a permanent state of quasi-colonialism. Worse still, these young people appear to believe that we are determined to preserve the status quo, that we are against changes inside Latin America which are indispensable to rapid economic and social growth.

In a word, my country is increasingly regarded in these quarters as the enemy of progress. It naturally follows that the United States has also become, in growing measure, the convenient scapegoat for failure and frustration in Latin America, for which we actually bear little or no responsibility.

As a senator of the United States, I must ask myself what accounts for this inimical attitude toward my country, an attitude at once so formidable and so foreboding. Is it, as some of my colleagues would say, due to the devilish work of communists? I have no doubt that communists are doing their utmost to defame the United States. But no person conversant with the facts of Latin American life could possibly credit communists with such commanding influence.

Is it, then, the result of simple misunderstanding concerning the motives and purposes of the United States? Here again, one must concede that the very size of my country, with its great wealth and power, casts a long shadow over the hemisphere. Regardless of what policies we adopt, however enlightened and progressive they may be, some kind of "Yankee" hegemony in the Western Hemisphere will persist for many years to come. Consequently, the United States will inevitably remain an object of criticism, misgiving, suspicion, and distrust. However, this natural, built-in antagonism toward the United States cannot possibly account for so bitter and extreme a viewpoint as I have described.

Harder questions must be raised. I must ask, for example, to what extent the policies of my own government may have contributed to the dismal image of the United States in Latin America. I must ask myself: Does the United States really stand for development in Latin America? Or do we stand for stability instead?

The truth is, we face a hard choice. We presently sit on top of the hemispheric heap. Should we risk the consequences of drastic change throughout the hemisphere, with its attendant upheaval, violence, and revolution of unpredictable result? Or should we weigh in on the side of stability and try to preserve an existing order which works, in many ways, to our advantage?

American policy makers, faced with this hard choice between development, which is just another word for profound internal change, and stability, which is just another word for little or no change, behaved in a typical way. They chose both. The United States, they decided, would stand for change within limits; for peaceful change within the existing power structure; for evolution instead of revolution; for reforms of the kind with which we were familiar and of which we approved. But the United States would stand against unacceptable change, by which we meant communism or the threat of communism.

For example, in the case of the abortive Bay of Pigs assault the United States supported an invasion of Cuba, in the naive belief that the return of a band of dispossessed, formerly rich Cuban

exiles would trigger off a mass uprising against Castro's regime, all in the cause of restoring an unloved and unwanted prerevolutionary order. In the subsequent case of Santo Domingo, American troops intervened to put down an insurrection on behalf of a deposed legitimate government because of our fear that communist elements might be, or might become, strong enough eventually to seize control of the movement.

These interventions, taken in violation of solemn commitments under the Rio Pact and the Charter of the Organization of American States, have gravely damaged the reputation of the United States throughout the hemisphere. They have given credence to the belief that we are indeed determined to act as the self-anointed sentinel of the status quo.

To overcome the injury done by such interventions, and to demonstrate that, while we strongly oppose communism, we nevertheless favor internal reforms essential to the rapid economic development of Latin America, the United States launched the much-publicized Alliance for Progress. The concept was novel, even noble. It was based on the belief that governments in Latin America wherever necessary, would undertake fundamental land and tax reforms with a helping hand from the United States. Seven years later, the failure of that experiment must be acknowledged.

A primary objective of the Alliance was to promote the growth

of democratic government, out of the belief that this was at least as important to the people as economic progress. Yet, when the Alliance was formed, 180 million people in Latin America were living under civilian governments of constitutional legitimacy. Today, 140 million of these people are living under some form of military dictatorship. The precipitous slide toward militarism in Latin America certainly underscores the failure of the political objective of the Alliance for Progress.

Moreover, I think that we must admit that feudal, oligarchical governments are not disposed voluntarily to undermine their own power base, least of all with foreign money, least of all at the insistence of a foreign government. The faith we placed in the Alliance for Progress as an effective instrument for bringing about fundamental change must certainly represent the high-water mark of American innocence abroad.

The results should have been predictable. Except for a handful of countries, the Alliance funds have been used, not to alter the existing order, but to benefit the governing elites. And, regrettably, the program itself is now being pointed to as added evidence, written in its failure to accomplish its objectives, that the underlying purpose of the United States is the preservation of the established order.

I must add, however, that other aspects of our bilateral foreign-aid program also reinforce this impression that the United States is

the enemy of change in Latin America. There is the insistent effort of our government to support the military forces of Latin America. For years, some of us in Congress have tried to curtail this program, to reduce its size and scope. But, at the urging of the Executive, the program has stayed alive. I never have believed that any benefit derived from our close, cordial embrace of the military establishment of Latin America could possibly counterbalance the heavy political price we pay for this association.

When we supply the tanks later used to batter down the gates of the presidential palace during a military coup d'état in Lima; when we furnish the tear gas and mace, along with the training, for putting down public protest in the streets of Rio de Janeiro; when we subsidize military budgets with gifts of arms having no possible use except against the people of countries actually occupied by their own armies; then we have, by our own choice, identified the United States indelibly with that element in Latin America which epitomized static, authoritarian rule. (If the present military government of Peru turns out to be an exception, then it will be the exception that proves the general rule.)

For many years, liberals in the United States have been critical of our close association with, and support of, the military forces in Latin America. At the same time, however, it has been chapter

and verse of the liberal credo to endorse our ongoing program of economic aid. Indeed, we have been instructed that liberals must be for economic aid, as it symbolizes the American commitment to change in the world, even as our military aid may symbolize our coexisting commitment to stability. It represents, so the argument goes, our effort to uplift living standards in impoverished lands, which is part of the obligation we must assume as an affluent nation.

I can no longer accept this credo. After ten years on the Senate Foreign Relations Committee, I have concluded that the economic aid we extend to foreign governments links the United States fully as much to those governments as our military aid. I am forced to concede that our bilateral aid program regardless of avowed purposes, has had the inescapable consequence of committing the United States to foreign governments, good, bad, or indifferent, throughout the hemisphere and the world. Its net impact has necessarily favored the preservation of the status quo.

Now it is logically possible to defend the liberal credo if our economic aid were given to certain governments that are progressive and reform-minded. But it is not logically possible to believe the credo when one recognizes that our foreign aid has been extended over the years to no less than a hundred different governments of the world, most of which are reactionary and repressive in character. No, I can no longer accept the liberal credo, or continue giving my

support to our bilateral foreign-aid program. It not only furnishes grist for the mill of those who maintain that the United States is fundamentally committed to the existing order in the underdeveloped world, but it is actually working against the best interests of the United States, even with respect to our relationship with the very governments we seek to help.

In countries receiving our aid, large colonies of American administrators live in conspicuous luxury, under conditions which can't help but feed popular resentment against the United States. Moreover, government-to-government aid inevitably puts the donor in a patronizing posture, while the recipient is invariably placed in a demeaning position. A strained relationship immediately develops. The tension is then compounded by our tendency to use aid as a means for meddling in the internal government of recipient countries. In some capitals, our aid administrators actually sit as advisors in the ministries, which can only exacerbate anti-American feeling in a most lethal way. Small wonder that we now witness an eruption of militant nationalism in so many Latin countries!

Finally, any bilateral foreign-aid program cannot help but become politicized. As long as aid is disbursed on a government-to-government basis, I would say, speaking as a United States senator, that Congress cannot resist the temptation to use the aid program both as carrot and stick to reward or punish recipient governments, depending on how we may judge their behavior. Thus have the many restrictive amendments been added to the American Foreign Aid Act. When these

amendments first commenced to appear, the subdivisions were numbered "a," "b," "c," "d." Now, we have nearly run out of alphabet. Every year, new penalties are added. What appeal it has at home if a congressman can tell his constituents that he was instrumental in writing into the Foreign Aid Act a provision to discipline a Nasser or punish a deGaulle, or whoever else may have incurred our national displeasure.

Let me mention just a few of these restrictive provisions that are now a matter of law. Most notorious, no doubt, is the Hickenlooper Amendment. I believe there is no hope that Congress will repeal this provision. Few congressmen would relish explaining why they voted to strike from the law a prohibition of further aid to a foreign government which expropriates business owned by American citizens, but refuses to pay the owners just compensation. So, the Hickenlooper Amendment will stay in the law, posing an awkward problem for the President of the United States, as he attempts to avoid a final rupture in our relations with Peru.

But the Hickenlooper provision is only the most prominent of a whole series of similar amendments. There are, for instance, the fishing-boat amendments. Should one of our fishing boats be seized by a foreign government, say Ecuador or Peru, and the crew charged with illegally fishing in waters claimed by these governments, and should a fine be imposed, the Foreign Aid Act provides that military assistance to the offending country must be suspended, and

that any such fine must be subtracted from the total amount of aid we give to the guilty government. Now, this is solemnly intended as an appropriate punishment for misbehavior, though sometimes it doesn't work as intended. In Ecuador, for example, our aid program was so small that the government preferred taking our money in fines to accepting our aid, with all the strings attached.

More often, penalties of this character provoke a series of diplomatic showdowns which corrode, weaken, and eventually destroy good relations. This has been true in the case of Peru. If one reviews the history of the deterioration in our relations with Peru. It goes back to the time when the Lima government decided to purchase modern jet aircraft for the Peruvian Air Force. Under the Foreign Aid Act, Congress has said that the United States should withhold aid from any country purchasing military equipment of a kind, or at a cost which, in the judgment of the President of the United States, impairs the econimic growth of that country. When we told the Peruvian Government that we intended to withhold sixty million dollars in aid if it persisted in its intended purchase of modern jet aircraft from France and when Lima replied that it would proceed regardless, we bluffed it out to the bitter end, and then said, "Well, since you're going to buy the aircraft anyway, why don't you buy them from us?"

This was the reckless beginning of a running diplomatic battle with Peru, which later involved an empty threat to invoke the

Hickenlooper Amendment over the Peruvian expropriation of the International Petroleum Company, and now consists of the current wrangle over fishing boats. The effect has been to jeopardize seriously our working relationship with Peru. When the United States Ambassador to Peru told me, as he did a few weeks ago, that all his difficulties with the Peruvian government stemmed from our foreign-aid program. I think it is not too much to say that this program has become a serious impediment to good relations between the United States and its neighbors.

So these are among the reasons, deeply imbedded in the foreign policy of my own government, for the worsening condition that confronts us in Latin America. The time has come to call for a drastic change in policy, not because we should grope for nonexistent panaceas, but because it is evident that the present policy has failed.

I call, then, for a new policy terminating the bilateral economic-aid program and channeling the money we are now putting into that program to the multilateral agencies: to the Inter-American Development Bank, to the World Bank, and to the developmental agencies of the United Nations, where the money can help furnish Latin America with needed outside capital for long-term economic growth. This new policy, moreover, should recognize the importance of putting less reliance on external aid and more reliance on improved trade practices, better designed to meet the real needs of underdeveloped countries

Finally, I call for a policy that reestablishes, as the cornerstone of our future relationship with our neighbors, the principle of non-intervention in the internal affairs of Latin America. I do not mean the lip service we customarily give to the principle of nonintervention, but making that principle a governing rule. Never again should the United States unilaterally employ its armed forces within this hemisphere, except where, as in the case of the Cuban missile crisis, there is posed a clear and present danger to our national security -- to the safety of the American people.

I propose this sweeping revision in our foreign policy, not alone because I believe the changes will be welcomed by Latin America, but because I think they are vital to the United States as well.

President Nixon, in his inaugural address, spoke of a "crisis of the spirit" in the United States. All of us are aware of it. I believe it exists, at least in part, because our foreign policy has gone so far astray.

In Vietnam, in Greece, in Spain, and many other places in the world, we actively support governments that are living contradictions to the historic ideals for which we have stood as a nation. I am unable to explain to vital, intelligent, idealistic young college students in my country why it is that our troops should participate with Franco's troops in exercises simulating an emergency in which Franco must put down an uprising of the Spanish people. I don't know how to explain why my government should be spending more money supporting

a military dictatorship in Brazil than we have furnished any other foreign government, save India, in recent years. Young people in the United States are asking the question, "If we do not stand against dictatorship of this kind, then what is it we stand for in the world that matters?" Economists, I respectfully suggest, cannot supply the answer to that question.

For, in the final analysis, each country lives by the values it prizes most highly. That is the basis upon which governments must turn to their people for loyalty and support. When our foreign policy becomes unhinged from the historic values we prize dearly as a people, when the role of the United States in the world becomes inexplicable to its own young people, then a crisis of the spirit arises.

That has happened to us, and it concerns me more than anything else, more than economic theory, more than technical considerations which must be given to the problems of growth abroad. Within the United States, we have to overcome our crisis of the spirit if we are to heal our divisions and reunite our people.

Finding the right role for the United States in the world at large, a role consistent with our historic ideals, would go far toward quieting the torment in our land. Then the United States once more would stand as tall as it rightly should in the community of nations.

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