

IMMEDIATE RESPONSE TO THE ROCKEFELLER REPORT
- A SAMPLING OF THE UNITED STATES PUBLICATIONS

by

SEVAKLAL M. MASTER

M. L. S. Rutgers - The State University, New Jersey, 1965

42-6074

A MASTER'S REPORT

submitted in partial fulfillment of the

requirements for the degree

MASTER OF ARTS

Department of History

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1972

Approved by:

James C. Carey
Major Professor

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ACKNOWLEDGMENTS

My sincere appreciation to Dr. James Carey, Professor of History, Kansas State University for the guidance, assistance and critical comments he gave in the preparation of this report.

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Chapter I

INTRODUCTION

During the World War II, almost all Latin American countries received American aid and assistance under the lend-lease program. When the war ended the hemisphere was no longer of such importance to Washington. The United States appeared to lose interest in Latin America. The failure to provide a formal aid program in any way equivalent to the massive Marshall Aid Program mounted in Europe was regarded as an insult by Latin Americans. Most of Latin America had assisted the Northern Giant, 1941-1945, and recognition of such effort was expected.

The extremely low priority allotted to Latin America by State Department policy makers just after the war changed somewhat with the fall of the iron curtain. Latin American countries were drawn into the United States' anti-communist crusade. Something of this spirit was behind the Rio Pact of 1947 which affirmed Monroeism in the setting for the Organization of American States (O.A.S.). The pact of Bogotá in 1948 coordinated and unified in one instrument all the existing inter-American treaties, conventions, and declarations for the peaceful settlement of disputes among the member nations. The Conference, however, failed to reach any significant agreements in the economic sphere. At the 1947 meeting in Rio, Secretary of State

Marshall had promised that the economic situation would be thoroughly covered at Bogotá. Yet at the 1948 conference he made it clear that the United States found it beyond its capacity to finance more than a small portion of the vast development needed. The capital required through the years for Latin America's development would have to come from private sources, both domestic and foreign. To the Latin Americans, this attitude appeared to be a reversal of promised continental cooperation in favor of private American enterprise.¹ With the new O.A.S. as its instrument, rabid anti-communism became the dominant theme of American policy in Latin America, and any government was supported, no matter how dictatorial and repressive as long as it opposed communism or professed such.

Relations between the United States and Latin American countries were fast deteriorating. There was general dissatisfaction. José Figueres, a former President of Costa Rica, in 1958 told a United States Congressional Committee that the United States was in effect "Spitting" upon Latin American when it honored brutal dictators and refused to pay a "just price" for Latin American Products.² And by 1958 Venezuelan radical dissatisfaction was expressed in such a way that it endangered the life of Vice President Richard Nixon as he wound up a tour of South America. In April 1960 Colombian President Alberto

¹Federico G. Gil, Latin American-United States Relations, (New York: Harcourt, 1971), p. 199.

²Lewis Hanke, Mexico and the Caribbean - Modern Latin American Continent in Ferment, Vol. 1 (New York: Van Nostrand, 1959), pp. 105-107.

Lleras Camargo warned that if the United States did not begin to take active interest in Latin America's social and economic development, the whole continent might be convulsed by a communist revolution.³

The Alliance For Progress - the program which President Kennedy launched had brought but modest fruit. The overall increase of Latin American productivity continued to lag behind its galloping birth rate. The per capita growth rate in Latin America was lower in 1968 than it had been before the Alliance was formed. The economic integration of Latin America into a new common market - one of the major goals of the Alliance - as President Kennedy conceived it, remained almost as remote as it had been a decade earlier.

Another element of the Kennedy doctrine - the belief that the United States should foster the development of representative government through the hemisphere had proved particularly discouraging in recent years. Since 1964 Brazil, Argentina, Peru, Bolivia, Panama and on occasion other nations had reverted to the familiar Latin American pattern of military dictatorship.

Worst of all, from the stand point of United States policy, nationalism with strongly anti-Yankee overtones had become rampart. Rioting had long been a commonplace occurrence in Latin America. The difference appearing before 1968 was that for every youthful rioter there were government officials,

³R. O'Mara, "Rockefeller Reports; Half Right on Latin America," Nation, 209 (December 1, 1969), p. 603.

businessmen and military commanders who appeared increasingly unhappy with the United States even though they did not show it by throwing rocks.

Causes of discontent varied from country to country. The complicated dispute between Peru and the United States - involving International Petroleum Company, an expropriated oil concern, fishing boats, a sugar quota and military aids - alarmed the United States Latin American policy makers. Peru screamed the loudest. One of the states news magazines claimed President Juan Velasco Alvarado chief of the military junta and the leftists had been permitted to infiltrate the government at every level to denounce the United States. Virtually all moderates voices in Peru had been stilled in an effort to whip the entire country into a rage against the United States.⁴ In Chile, President Eduardo Frei wanted official approval by the United States for a still bigger share for his country in the profits from copper that was being mined there largely by the United States privately owned companies. Frei also wanted more United States financial support for the economic integration of Latin America. Chile, which had received more United States aid per capita than any other country in Latin America, wanted some guarantee that the aid would be continued.

Various Latin American voices of authority followed Mexican leadership as they protested the fact that most assis-

⁴"New Turmoil in Latin America," U. S. News & World Report, 66 (June 16, 1969), p. 31.

tance programs hatched in Washington called for recipient nations of Latin America to purchase goods and services from the United States with the funds provided. There was more and more insistence that aid and A.I.D. programs were not sufficiently helpful to Latin America. Along with all this was the increasing clamor for higher prices for the raw materials produced South of the border.

Bolivia was seeking assurance that United States sales of stockpiled tin would not depress the market further for its one major export. It wanted more aid but a minimum of Washington's interference with its attempts to get more money out of a United States owned oil company near the Argentine border. Ecuador bristled at any criticism of recent moves to exact a bigger share of the take from an oil-producing firm under United States ownership. Like Peru, Ecuador maintained the right to fire upon and seize United States fishing boats that ventured within 200 miles of its coast. Mexico wanted a guaranteed and expanding market for its winter vegetables, preferential treatment for textiles and other manufactured goods along with more freedom for Mexican workers to commute to jobs across the border.

Several months before President Nixon moved into the White House, the Peruvian Government of General Juan Velasco Alvar^ado seized the American-owned International Petroleum Company (I.P.C.). The General refused to pay for it. Congress's decision to cut Alliance for Progress funds added fuel to the flames. Thus when President Nixon entered the White House there was general dissatisfaction everywhere in Latin America. He

decided to find out what was wrong south of the border by dispatching Governor Nelson A. Rockefeller on a fact finding tour.

Chapter II

AIMS AND OBJECTIVES OF THE TRIP

The Nixon administration announced on February 17, 1969 that Governor Nelson Rockefeller would make a series of trips to Latin America to consult with leaders on the "development of common goals and joint programs of action which will strengthen western hemisphere unity and accelerate the pace of economic development."⁵ A presidential statement said that on the basis of the trips, Rockefeller would recommend "how the United States can improve its policies and increase the effectiveness of its cooperation."⁶

Nixon asserted that "the key question in U.S. - Latin American relations was not what we do for Latin America but what we do with our Latin friends - what we do together."⁷ He emphasized that the Governor's trip would be working trips and not ceremonial visits. He concluded his remarks with an appeal to the O.A.S. ambassadors for assistance in finding "better solutions" to the problems of hemispheric development.

The Governor whose experience in hemisphere affairs began as President Roosevelt's coordinator of Inter-American affairs

⁵Department of State Bulletin, LXC (March 10, 1969), p. 108.

⁶Ibid.

⁷New York Times, February 5, 1969, p. 12.

from 1940 to 1944 and as Assistant Secretary of State for American Republic Affairs from 1944 to 1945, was reported to have told Nixon that he was not interested in a "show boat" tour for the political effect.

In his Albany press conference February 18, Governor Rockefeller said of his future meeting with Latin leaders, "I think the most important thing is to listen to them, to find out what their reactions are, what they feel the possibilities are, their hopes, their aspirations, their fears and blend this into common goals and common programs." The purpose Rockefeller himself attributed to his mission was to work out a fresh approach to Latin American economic development. "This is what we will do for you, if you meet our standards," the United States would say, as it did to the European nations participating in the Marshall Plan, work out a reasonable and coherent program, and we will try to provide the external assistance necessary for its success.⁸

White House Press Secretary Ronald Ziegler pointed out that the main purpose of the mission was to obtain information for the private policy guidance of the President and the National Security Council. Implicitly, it was to gain time, which the new administration would supposedly use for establishing a Latin American policy. Explicitly it was a fact finding and a prestige mission. The trip was made solely in his capacity as

⁸"Rockefeller's Bonfire," New Republic, 160 (June 21, 1969), p. 8.

advisor to the President. It was a sort of "listen and learn" diplomacy compared with the previous United States missions to Latin America.

As the timing and schedule of the trips were ill-chosen, it was highly doubted if there was anything to be known about Latin America which was not already found in the State Department's files and Pentagon computers or stored in American University libraries. The economic ills of each and all countries have been long debated at an unending string of ineffectual conferences which stretched from the launching of the Alliance for Progress in Punta del Este, to the second United Nations Conference on Trade and Development in New Delhi in 1968. The social conditions of the continent's great masses have also been subject of countless academic studies. The area's problems had been carefully diagnosed even before Rockefeller set off on the tour. They were contained in a document drafted by economic representatives of nineteen Latin American countries at Vina del Mar. Many felt that the Rockefeller mission was a somewhat useless exercise in diplomacy. Among the Latin Americans meeting in Trinidad, there was a feeling that the trip was sort of a gambit being used by the Nixon administration to delay taking any concrete Latin American action.⁹ To Latinos a delegate from Sears Roebuck or First National City Bank, for example, is just as reprehensible as someone representing United States oil

⁹R. O'Mara, loc. cit.

interest. The Rockefeller mission was simply an undiplomatic demonstration of what Latinos take for granted: that behind every United States aid delegation lurks the shelter of corporate business.

The journey came just after President Nixon sent to Congress the smallest Alliance for Progress aid request of this decade, and just after revelation that sales of military equipment to Peru had been stopped in reprisal against the nationalization of the holdings there of I.P.C. Venezuela had just gone through a series of waves of high school and university students rioting throughout the country with the communist president of the central university student federation having suffered a near fatal gunshot wound in a street brawl with the youth of the government of the Social Christian Party. But the Rockefeller name had sufficient magic to unite the communist and Social Christian Student movement in vehement opposition to the governor's visit.

Strikes, demonstrations and street fighting between mobs and the police marred the Rockefeller visits to many of the countries. The riots caused civilian fatalities in Honduras, Ecuador and Colombia. Peru was the first nation to force cancellation of Rockefeller's visit, announcing that his presence would not be welcome in view of United States suspension of military aid following Peruvian seizure of U. S. fishing boats. Later Venezuela persuaded the governor to postpone his visit. The Chilean government also asked to call off the visit but indicated that it would fulfill the purpose of the visit through

conferences with the governor in Washington.

The sending of Governor Rockefeller on his journey apparently was President Nixon's way of showing liberals that he was not abandoning the Roosevelt-Kennedy concern for Latin America. The new Republican administration seemed unaware that the Rockefeller surname was one of the most widely known stereotyped symbols of North American "imperialism."

Chapter III

RECOMMENDATIONS

The Rockefeller Report portrays a sense of crisis in the economic, social and political situation of Latin America. Asserting that the "pace and intensity" of change, imposed on rampant inflation, urban violence, grinding poverty, embittering injustice and flaming nationalism had placed the Latin American nations at the crossroads.

Rockefeller posed a double challenge for the United States. First to demonstrate by its example that a free society can resolve its own internal problems and provide a more rewarding life for all its people. Second, to find ways in which its tremendous human and material resources can effectively supplement the efforts of the other American nations themselves, in a climate of growing stability, extremism, and anti-United States nationalism. "Either we meet this challenge, or the prospect is for revolutionary changes leading we know not where," he concluded.

Stressing the importance of partnership and cooperation among the American nations, Rockefeller proposed a sweeping reform of United States policies in the hemisphere in 20 general and 71 specific recommendations. The proposed recommendations are summarized as follows.

Economic Program

Rockefeller placed great stress on explicit economic policy which would permit a closer integration of the Latin American and United States markets. He felt that most of the American republics were psychologically ready to assume direction of their own development efforts. Moreover, technical capabilities of the individual nations and the international lending institutions were growing steadily. Rockefeller felt that time had arrived for the United States to move consciously from a paternalistic role to one of partnership. The United States should build on the progress already achieved and improve and accelerate its efforts. We should shift an increasing portion of our assistance to multilateral institutions. He recommended that "multi-national and regional lending institutions should finance the bulk of public works projects and project loans should be restricted to agriculture, education, public health, and urban development projects which involve pioneering and testing new approaches."¹⁰

He saw trade policy as the central economic issue facing all Western Hemisphere nations. Freer access to markets in the United States was essential to support accelerated economic progress. He therefore strongly recommended that "tariff preferences should be extended to those items where careful study shows the benefits to United States consumers clearly out-

¹⁰Nelson A. Rockefeller, The Rockefeller Report on the Americas (Chicago: Quadrangle Books, 1969), p. 144.

weigh the costs of the adjustment."¹¹

In return for tariff preferences, he suggested, the developing nations should agree to a gradual reduction in their barriers to import from the industrial nations - over a time period which might be as long as ten to twenty years. In this way, their infant industries could grow to a stature in which they were fully competitive in world markets.¹²

He concluded by suggesting that

. . . as a general principle, the United States should allocate a major part of the growth in its imports to hemisphere nations. Change in the allocation of quotas, even though relatively small in relation to United States consumption, can be of great benefit to some hemisphere nations.¹³

Economic and Social Development Agency

Rockefeller felt that his recommendation would have only marginal effect unless there was a thorough reorganization of United States government machinery dealing with the hemisphere. He pointed out that the "financial and technical operations of the State Department had gotten all tangled up with the diplomatic responsibilities of the State Department." His report contended that the State Department controlled less than half of the policy decisions affecting Latin America. "Under AID, economic assistance policy operating decisions" he added "are too often made on the basis of political negotiations rather than economic and social realities."

¹¹Ibid., p. 75.

¹²Ibid., p. 75.

¹³Ibid., p. 77.

To eliminate overlap, Rockefeller recommended that the United States establish an Economic and Social Development Agency in the office of the President. A separate institute of Western Hemisphere Affairs would carry out actual aid programs. The institute, in turn, would be authorized to set up subsidiaries in specific areas. Rockefeller recommended two such subsidiaries - a Western Hemisphere Institute for Education, Science and Culture and an Inter-Rural Development Corporation.

Suspension of Congressional Amendments

The Latin American countries have always viewed direct government-to-government aid as a useful tool of development. But in the recent years, aid funds under the Alliance for Progress have diminished. While at the same time Congress laid on new restrictions which make the available money harder to get. Some of these restrictions were bluntly insulting. One of these was the well-known and troublesome Hickenlooper Amendment to the Foreign Assistance Act.¹⁴ It was a punitive measure, requiring that the United States cut off aid funds to any government that expropriated United States property and did not take appropriate steps towards compensation within six months.

Rockefeller recommended that the United States should seek the suspension or modification of Congressional amendments that threaten to cut aid to nations that expropriate United

¹⁴"Rockefeller Report on Latin America," Time, 94 (November 14, 1969), p. 42.

States private investment holdings without quick compensation, or that seize United States fishing boats.

Military

Governor Rockefeller had high praise for the armed forces of Latin America. "Military leaders throughout the hemisphere are frequently criticized here in the United States. However, we will have to give increasing recognition to the fact that many new military leaders are deeply motivated by the need for social and economic progress"¹⁵ says Rockefeller in his report. Military is the most organized force in any country of the region, the most patriotic and patriotism is the cement that binds into nations.

Rockefeller stated that "the armed forces has grown important as an element for constructive social change because the armed forces have developed increasing impatience with corruption, inefficiency and stagnant political order."¹⁶ Peruvian officers supervise vocational training for their conscripts. In Venezuela they have participated in an anti-illiteracy campaign. In Bolivia the 6,600 man regular army devotes its time to raising food.¹⁷

Rockefeller recommended more arms for Latin American armed forces. While he named no names, nothing could be clearer than the contrast he made between military governments as those

¹⁵Nelson A. Rockefeller, op. cit., p. 32.

¹⁶Ibid.

¹⁷New York Times, January 20, 1969, p. 68.

of Brazil and Argentina on one hand and those of Bolivia and Peru on the other. He knew that he could not distinguish between them on the ground that one group is oppressive and the other respectful of the right of people. If freedom was a criterion, his Brazilian and Argentine friends would serve worse than the others. Instead he offered a pragmatic approach justifying it for those who might still remember the guarantee given by the United States in the Alliance to favor democratic regimes above dictatorial ones.

Some argue that if the United States does not supply arms to Latin America this will prompt Latin rulers to turn elsewhere for weaponry and will have made enemies out of friends. In fact, many Latin American elites are by no means thirsting for additional arms.

Over the past several decades such erstwhile moderate leaders as Juscelino Kubitschek of Brazil, Jose Figueres of Costa Rica, Jorge Alessandri of Chile and Lleras Camargo of Colombia have made strong appeals to the United States to direct more funds into economic development programs and less into military assistance programs.¹⁸

Hemispheric Defense

The report noted that Latin American nations spent a smaller percentage of their gross national products on defense than any other areas of the world except Africa South of the Sahara. Rockefeller recommended creating a civilian directed

¹⁸Seymour Martin Lipset and Aldo Solari, Elites in Latin America (New York: Oxford University Press, 1970), p. 177.

Western Hemisphere Security "to cope with the forces of subversion that operate throughout the Western Hemisphere." Warning that the seeds of anarchy, terror and subversion are loose in the Americas, Rockefeller said, "At the moment there is only one Castro on the mainland supported militarily and economically by the communist world and this presents the gravest kind of threat to the security of the Western Hemisphere and poses an extremely difficult problem for the United States."¹⁹ He added, however, that the communist threat had shifted from one base in the rural to one centered around urban terrorism. He advised the United States government not to turn down requests from more advanced hemispheric nations for modern equipment.

Military Training Program

Training for Latin American armed forces is provided under the Military Assistant Program in Washington and elsewhere, the principal center for Latin America being the United States Army School of the Americas located at Fort Gulick in the Panama Canal Zone. It has trained some 25,000 Latin Americans in various military skills. An approximate equal number of Latin American military have been trained elsewhere. Department of Defense figures released in March 1970 listed a total of 51,581 Latin Americans trained under the Military Assistant Program funded by AID.

¹⁹Nelson A. Rockefeller, op. cit., p. 59.

Rockefeller has much to say about training programs.

In view of the growing subversion against hemisphere government, the mounting terrorism and violence against citizens, and the rapidly expanding population, it is essential that the training program which brings military and police personnel from the hemisphere nations to the United States be continued and strengthened.²⁰

Rockefeller pointed out that military grants to Latin America had decreased from \$80.7 million in fiscal 1966 to \$21.4 million in fiscal 1970. He suggested that the United States government should reverse the downward trend in grants for assisting the military training of security forces for the other hemisphere countries. He also suggested that the name "Military Program" should be dropped because it no longer reflected the security emphasis we believe important. The program should be renamed "The Hemisphere Security Program," he said.

Secretary for Western Hemisphere

The report noted that the State Department did not have effective overall responsibility for foreign policy where the interests of other departments of the government are concerned. Responsibility for policy and operation is scattered among many departments and agencies — for example, Treasury, Commerce, Agriculture and Defense. To cope with the diffusion of authority, there has grown up a complex and cumbersome system of inter-departmental committees within which there are interminable negotiations because no one member has the authority to make a final decision. The result is that there are endless delays in

²⁰Nelson A. Rockefeller, op. cit., p. 63.

decision making. Too often, agreement is reached on major subjects only by compromise in the lower echelons of government.

According to Rockefeller someone or something is urgently needed to cut red tape and silence interdepartmental bickering in Washington when such hold up key projects for Latin America for months or even years. "A characteristic of the Latin temperament is to put more faith in people" observed Rockefeller, it is therefore important to create a new position of a Secretary for Western Hemisphere Affairs to give day-to-day leadership and guidance on behalf of the Secretary of State and the President.

Chapter IV

PRESIDENT NIXON'S ACTION

Rockefeller was confident that President Nixon was sincerely interested in Latin America and had already moved to implement some of the ideas brought home from the governor's four trips to Latin countries. The President has followed a few of the Rockefeller Report's recommendations for improving the relations between the United States and the Latin American Republics.

Foreign Aid

Rockefeller urged that the specific restriction that all aid loan money be spent in the United States be relaxed, and that the Latin Americans be permitted to spend that money anywhere in the hemisphere. But the President did not go that far. Speaking before the Inter-American Association in October 1969, he said, "I am now ordering that effective November 1, loan dollars sent to Latin America under AID, be freed to allow purchases not only here but anywhere in Latin America."²¹

Before this decision, Latin American nations used United States aid only to buy goods in the United States and at least 90 percent of the value of those goods had to be in United States

²¹R. O'Mara, loc. cit.

produced materials. Nixon broadened the Latin countries' purchasing horizons to include not only the United States but all of Latin America. The reason the United States has been so concerned about where Latin Americans do their shopping is of course, America's chronic balance of payment problems. It seems more than somewhat unfair to punish Latin Americans for that, since the United States runs a sizeable surplus in its account with Latin nations. It is possible that the restrictions have preserved that surplus or even enlarged it to some extent, whatever payments help the rule has proved; however, it has been purchased at a high price. The United States products such as tractors, earth moving machinery, industrial plants, railroads, cars and items of this sort are not available in Latin America. The countries must continue to do most of their shopping in the United States where these goods are considerably more expensive than in Japan, France, the U. K. or the Germanies. Understandably enough the restriction has made many Latin Americans wonder whether the United States aid is supposed to help them or whether it is actually a disguised subsidy program for United States businessmen.

The President's action on aid has not solved the problem. The aid with ropes attached to its system still continues to help create ill will toward the United States and makes the assistance a good deal less useful than it otherwise could be. Surely foreign aid faces problems enough without difficulties being added by the donor.

Easy Terms on Loans

In 1968, the United States made available \$887.5 million in loans to its Alliance for Progress partners but at the same time took back \$442.3 million in interest and repayments, approximately one half the effect of the assistance. Five Latin American nations in that year, Argentina, Costa Rica, Ecuador, Haiti and Peru, actually paid the United States more than they received as loan accounts.

No responsible person questions the validity of these obligations. They were undertaken, however, on the basis of optimistic forecasts of the growth in ability to pay that would be achieved, and they needed to be revised, stretched out, or otherwise softened.

Rockefeller recommended that "development assistance loans should carry low interest rates and lenient repayment terms in order to be effective." Nixon revealed in his message that the Secretary of the Treasury had been instructed to develop the "imaginative" Rockefeller proposal for debtor-nations, maintaining a development fund of local currencies in instances where debtor countries dollar repayments are either suspended or stretched out.

Rockefeller emphasized the problems created by Fidel Castro. Once again as a major threat to the hemisphere's stability. He offered what seemed on the surface a practical rule of thumb by which the United States might conduct relations with Latin governments. He recommended to accept Latin American regimes including military dictatorships. Nixon

followed his envoy's advice and announced that "on the diplomatic level we must deal realistically with governments in the Inter-American system as they are."²² This represented a giant step away from President Kennedy's Alliance for Progress, but it took into account Rockefeller's belief that today's soldier-politician in Latin America often belongs to a new breed and are attended to popular aspiration.

Rockefeller urged that the United States increase its military assistance to help existing Latin American governments fighting the tide of subversion. President Nixon does not seem ready to start laying out American money to prop up military governments in Latin America. Perhaps he learned during his years as Vice-President that this was a dead-end.

The President said he would "lead a vigorous effort to reduce quota and other non-tariff barriers among the industrialized countries." But one may lead either by example or by exportation. No executive action is promised, nor legislative action requested to reduce our protectionist reliance on non-tariff trade restrictions. In this omission Nixon's address faithfully attacked the quota system. He only suggested that within the system were favoritisms being shown to Latin America.

Multilateralism was presented in the first and the last of Rockefeller's proposals. The first was that a multilateral inter-American agency be given an increasing share of responsibility for development assistance decisions. Most of the

²²New York Times, November 2, 1969, IV, p. 2.

bilateral relationships were embarrassing as with Liberia, Nigeria, Ethiopia, Colombia, Guatemala and the Dominican Republic. Multilateralism might mean that things would go better if the underdeveloped countries know more about what they need than we have given them credit for.

Nixon suggested the creation of an Inter-American Committee between the United States aid machinery and the governments of Latin America. Many Latin Americans were unhappy with the President's proposal. The Alliance Committee felt it would inevitably fall under Washington's domination.

Chapter V

IMMEDIATE LATIN AMERICAN RESPONSE

The immediate response to the Rockefeller report as reflected in the current United States press and publications was rather critical. Almost all the publications examined so far were found sympathetic to the Latin American situation. Latin American political leaders, senior officers, and leading economists including Raul Prebisch, an internationally respected economist, were unhappy with the Governor's findings. Some of their complaints are summarized as follows.

Private United States Investments

The main Latin American complaint is focused on the claim that the United States has been helping itself in Latin America for more than it has been helping underdeveloped countries of the region. According to the Survey of Current Business, new American investments in Latin America from 1950-1965 amounted to \$3.8 billion. When combined with holdings, there was the transfer of \$11.3 billion to the United States. Celso Furtado, a Brazilian exiled economist, stated that

. . . in the period between 1958 and 1964 total investments of American subsidiary firms in Latin America amounted to \$4,310 million dollars, of which \$8.5 million was supplied by funds brought from the United States. However, the main sources of financing were subsidiaries themselves. If one keeps in mind that these subsidiaries distributed 42 percent of their benefits as dividends, the conclusion is that two-thirds of the funds imported from the United States

could have been converted by local profits, which lends us the acknowledgement that these firms could have financed 94 percent of their extraordinary expansion, independent of American funds.²³

According to the Prebisch Report, total United States investments in Latin America from 1960 through 1967 were \$8.5 billion, and when \$2.1 billion in amortization and interest payments are deducted the net inflow has been \$6.4 billion.²⁴

Rockefeller concurs with the Latins when he reports that the private investment, particularly foreign investment, is regarded with suspicion in many quarters. A great many and probably a majority of the citizens of hemisphere nations, regard United States private investment as a form of exploitation or economic colonialism. The United States faces the well-known charge of "economic imperialism," sometimes merely designed as "Yankee imperialism." The accusations are that the United States or its protected citizens invested in Latin America in order to exploit natural wealth, employ cheap labor, make high profits, and withdraw those profits to the exclusive benefits of American investors. As a part of this process some big American investors were charged with making and unmaking governments and bribing officials to get favorable laws, concessions or contracts

To the latter accusation some American investors of the past would have to plead guilty. They in turn, could argue that in those days there was no other way of doing business in some

²³M. M. Alves, "Wrong Man, Wrong Time, Wrong Mission," Commonweal, 90 (June 27, 1969), p. 407.

²⁴New York Times, May 12, 1971, p. 7.

Latin American countries and that on the balance, American business activities were salutary to the nations concerned. The basic accusation of economic imperialism is serious because it is a widely used weapon of anti-Yankee propaganda. The United States, as Rockefeller says, does not hold that "its aid and trade policies are at fault in Latin American development. On the contrary, there is some considerable feeling in the United States that the problem of hemispheric development stems mostly from Latin Americans themselves."²⁵ They charge Latin American businessmen and landowners with not showing the degree of civic responsibility expected nowadays of business leaders. As a result, the concept of "free enterprise" does not carry the appeal or conviction that it does in the United States.²⁶

Another Latino complaint against the United States private investments is that they sometimes bring pressure to bear in a way that does not help the relations of this country with the Latin American peoples. The United States private investors for the most part have tended to enrich the oligarchs and solidify the status quo. They have used their power to build a place for themselves within the existing power structure. The United States company looking for local partners, investors or assistance quite naturally looks to those who are in or near seats of power.

²⁵Christian Science Monitor, June 20, 1969, p. 7

²⁶American Assembly, Columbia University, The United States and Latin America (Englewood, N.J.: Prentice-Hall, 1965), p. 179.

Sometimes American investors exercising free enterprise drive the local firms out of business by their superior methods and know-how. Foreign capital that displaces internal capital is not welcomed. General Angel Valdivia Morriberon, one of the directors of the coup d'etat, and the present Peruvian Minister of Finance said, "We want foreign investment and need it badly, but more important we want to be masters of our own house. If the foreigners don't want to fit their efforts to our need, they can pick up their mines, oil fields, plantations and go home."²⁷

In spite of frowning on foreign capital, Latin Americans have generally realized the importance of foreign investments for the development of their countries. They are not stupid. They know that if capital is not provided, they must pay for it with their exports, and that is what they are doing — paying 27 percent of their total exports for capital, largely to the United States.

Resentment runs deep against both United States private investment and Washington's aid program. Twenty-one Latin American nations presented the Nixon administration with a 6,000 word memorandum "the Consensus of Vina del Mar" — setting forth their thought on the new basis for cooperation. In an accompanying speech, Chilean Foreign Minister Gabriel Valdes said, "Private investments have meant and mean today for Latin America that the amounts that leave our countries are many times

²⁷New York Times, January 20, 1969, p. 49.

as high as those invested in it. In a word, we hold the conviction that Latin America gives more than it receives."²⁸

The conviction of Latin American leaders seems to be correct. United States firms in 1967 repatriated all but 2 to 3 percent of their profit in Latin America. Aid which has amounted to \$11 billion since launching of the Alliance for Progress is not entirely the altruistic expression of good neighborliness that most Americans assume it to be.²⁹ The United States may indeed commit a billion dollars a year, including grants, low interest, loans and private investment, but the Organization of American States claims that this amount drifts back north in purchases. Latins do not agree with the Governor when he says in his report that "there is a widespread, mistaken view that such investment takes more out of the area than it contributes to it."³⁰ The Governor feels that there is a failure of governments throughout the hemisphere to recognize fully the importance of private (United States) investment.

Multinational Corporations and Uneven Development

Another serious charge against the report was that it served the best interest of the multinational corporations in Latin America. The report seemed to start from the assumption that Latin America was going through a kind of vivid moderniza-

²⁸Christian Science Monitor, loc. cit.

²⁹"Rockefeller's Tour: Painful Reappraisal of the Neighbors," Time, 94 (July 11, 1969), p. 26.

³⁰Nelson A. Rockefeller, op. cit., p. 89.

tion process. Thus, in turn, was producing sweeping changes especially in the occupational structure and in the field of organization. One of the by-products is a confrontation between industrialization and organization. What follows is an uneven development, a sort of frustration on the social psychological level and instability in the political system. This instability was one of the main preoccupations of the Rockefeller report and was closely linked to the relationship of different social classes and the problem of political and economic control.

Through the Alliance for Progress the United States tried to improve the situation of the middle classes and to build up a kind of middle class hegemony. However, the economic changes in Latin America labored for other solutions. The sharp increase in the United States direct investments after the 1950's produced a clear hegemony in the industrial sector. This development was accompanied by the growth of monopoly companies in the United States and multinational corporations in Latin America, and produced in Latin America a kind of industrialization with high intense capital instead of a high level of labor force. On the other hand, in the primary sector internal colonialism is still dominant. The uneven development is thus stimulated principally by the concrete policy of multinational corporations and American interest in Latin America.³¹

Many Latin Americans tend to believe that they are the victims of a conscious and calculated conspiracy, projecting

³¹Bulletin of Peace Proposals, June 14, 1970, pp. 277-285.

secret meetings of the big corporations, the White House, the Central Intelligence Agency, the Pentagon, the State Department and Wall Street to determine roles and share the benefits. That is, perhaps a high caricature, but it would be naive to deny it of any foundation. Many United States papers for the 1940-1950 period are now available to researchers, and they reveal a consistent level of callousness and unbroken process of underhanded accommodations between the United States government and private capitalists and were disregarded for Latin American interest both during and after World War II.³²

Foreign Aid

Regarding foreign aid Rockefeller stated that

United States assistance has played a helpful role in hemisphere development . . . by placing assistance at the right place at the right time. The one billion dollars a year which represents the United States commitment to the Alliance for Progress has made its contribution.³³

Carlos Sanz de Santamaria, Chairman of the Inter-American Committee on the Alliance for Progress voiced a feeling long held by Latin Americans on what the United States chooses to call "aid."

There are people, he said, who believe that this so-called aid is the form of outright grants and that it is of such magnitude that it creates difficulties for the United States taxpayer. This mistaken idea, he went on, springs principally from the fact that the term aid continues to be used in the Marshall Plan, for then the resources transferred were to a

³²Commonweal, 94 (June 14, 1969), p. 333.

³³Nelson A. Rockefeller, op. cit., p. 80.

great extent in the form of grants. Under the Alliance for Progress, however, precisely the opposite is true.³⁴

Peru's General Valdivia who is a respected economist observed:

About 85 percent of foreign aid received by Latin America each year is in the form of interest bearing loans and 90 percent of United States aid never leaves that country. Although United States materials are undoubtedly helpful for our development, they have also burdened recipient lands with crippling short-term debts.³⁵

This was the case he said, because most of the funds would go to pay for United States goods or services.

Some Latin leaders feel that the Rockefeller report hides information which was contained in a House Report. It says that "in fiscal year 1969, 99 percent of aid expenditures for goods financed with loans and grants extended to Latin America were tied to United States procurement. While helping our neighbors we have helped ourselves." The House Resolution concludes

. . . as a result of these priorities, little of our aid had been visible to the masses of Latin American people, and little of it has been reflected in basic social and structure reforms which are supposed to be the cornerstone of the Alliance for Progress.³⁶

As a matter of fact, by being channeled largely through the Central governments of Latin American countries, our aid in at least some instances, may have helped to stiffen resistance to change.³⁷

³⁴New York Times, July 4, 1969, p. 5.

³⁵New York Times, January 20, 1969, p. 68.

³⁶U.S. Congress House Report 143, "New Directions for the 1970's: Towards a Strategy of Inter-American Development" (Washington: July 22, 1969), p. 967.

Senator Frank Church voiced the feelings of Latin American countries on September 12, 1969. He said in the Senate that

. . . as far as speeding up Latin American economic development was concerned except for a handful of countries, the Alliance funds have been used not to change the existing order but to benefit the existing elites. Between the stability and profound change, he declared the United States consistently used its influence in favor of stability.³⁸

The most widespread criticism of foreign aid in Latin America is that the overwhelming beneficiaries of the United States aid are those who least need to be helped. Consequently the end result strengthens those forces most opposed to structural change. The Senate report shows that the United States approved of allocations of \$102 million for import of food, \$30 million for salaries of teachers and other government employees who were threatening to strike during the 1962 electoral campaign, \$15 million to pay delinquent dollar accounts (trade debts to United States firms). A considerable part of the balance was devoted to maintaining the balance of payment on the country's foreign trade to refinance earlier loans, and to increase exports from the United States; only 4 percent of the counterpart funds were devoted to concrete projects of socio-economic development. On the other hand, \$93 million was given to the funds for private investment, controlled by the wealthiest businessmen and credits and other assistance was concentrated on

³⁸Vital Speeches, October 4, 1969, p. 614.

the large commercial farmers at the expense of social programs.³⁹

It is common belief in Latin America that the pattern of aid used is that which furthers the political interests of the United States. When the military in Brazil, in 1964, overthrew the constitutional government with the blessings of Washington, the level of aid was immediately raised and has subsequently been kept at a very high level, at a time when the total contribution to Latin America has diminished sharply. The fact that the military government reversed the previous program of social reform has been overlooked.⁴⁰

Latins point out to another political manipulation of foreign aid which was put on record in 1969 during the frantic efforts of Standard Oil interests to have the Hickenlooper Amendment invoked against Peru after it had nationalized a Canadian-based subsidiary, the International Petroleum Company. All the foreign aid to Peru was suspended but the decision was never officially communicated to the government of Peru. Peruvians were simply kept dangling on a string from month to month, the victims of psychological pressure which cost the economy some \$150 million.

Still another charge is that the aid is given to control foreign policy. The massive political influence that the aid program brought also on occasions, extended to the control of foreign policy. The New York Times wrote in 1964 that Bolivian-

³⁹Gary Maeoin, Revolution Next Door - Latin America in 1970's (New York: Holt, 1971), p. 93.

⁴⁰New York Times, June 20, 1969, p. 68.

United States relations were just short of open quarrel over Bolivian failure to break with Castro Cuba. It went on to comment "this has been a high political aid program." Very soon afterwards the Bolivian government broke with Castro and not long after that Movimiento Nacionalista Revolucionario (M.N.R.) divisions caused this government to fall being replaced by the very pro-United States Barriento's regime.⁴¹

There is a wide spread belief among Latin elites that the United States gives aid to governments which sympathize with communists if the United States interests are not affected. They pointed to the case of Bolivia where a large aid program was launched to help President Paz Estenssoro after the revolution of 1952. This was something unparalleled in the United States Latin American history; for the first time the United States was prepared to give aid to a reforming Latin American government that even contained a Marxist in its top rank. Professor Gary MacEoin tells us that

. . . the reason for this was that neither of the M.N.R.'s two great economic measures, the land reform and nationalization of the large tin mines, affected American commercial interests. No United States companies owned estates in Bolivia.⁴²

Latins felt that the granting of considerable aid would allow the United States to exercise considerable political and economic control.

United States control of important industries through

⁴¹Edward Cleary (ed.), Shaping a new World - An Orientation to Latin America (New York: 1970), p. 227.

⁴²Ibid.

economic aid has produced a variety of unhealthy situations. In Argentina, for example, United States interests have forced various governments to maintain a high tariff barrier or even total ban against fertilizer imports to prop up their obsolete, money-losing Petrosur plant. Since grain farmers cannot afford Petrosur's fertilizer, millions go hungry in Latin America while the continent's bread baskets remain half empty.

United States companies talk a lot about the need for a free currency but often it is their actions which bring about the establishment of exchange controls. One of the chief causes of Argentina's traditional March devaluations, for example, is end-of-year profit and dividend remittances by United States companies which exchange large sums of pesos for dollars, usually by discontinuing the discounting notes, and are willing to pay more than 20 percent in interest. The pressure on the pesos is so severe that the currency cannot maintain its parity, and a devaluation of 15 to 20 percent takes place. For dollar holders, devaluation in three months cancels the cost of the annual interest and provides a healthy profit.⁴³

The most obvious, and to some Latinos, most regrettable result of the United States economic influence is its impact on cultural traditions and consumers customs. Brazilians get up in the morning and shave with American razor blades, brush their teeth with American toothpaste, breakfast on American cornflakes, drive in American cars to offices with American air conditioners.

⁴³Penny Lernoux, "Latin America Slams the Door," Nation, 213 (September 27, 1971), p. 274.

Their children watch BATMAN on American television or listen to Frank Sinatra while drinking American soft drinks and eating hot dogs. Their wives use American cosmetics, shop at American supermarkets and cook their American cake mixes, soups, fruits and vegetables on American stoves. There are American movies, American restaurants and American bars. Brazil's right-wing military dictatorship had encouraged further Americanization of the economy without consulting Brazilians themselves. Business support of the military dictatorial regime undoubtedly has encouraged Washington to look the other way when charges of political terrorism and torture are made against Brazil's generals. The American Chamber of Commerce in Sao Paulo, Brazil's industrial hub, reports that at least 90 percent of the local and foreign businessmen active here look favorably at the situation at present.⁴⁴

United States businessmen talk about the houses and hospitals they have built, the industries they have nurtured, the thousands they have employed and the imports they have substituted. But Latin Americans are not listening anymore. United States business investments are under attack throughout the hemisphere. Ten countries, ranging from relatively advanced Mexico to backward Bolivia already have imposed still controls on foreign investment, which in Latin American terms, usually means gringo companies, and all indications point to further reduction.

The nationalistic argument continues. Latin Americans

⁴⁴Ibid.

are tired of the United States aid. They feel it will never make Latin America prosper. It is not intended to. It is meant to keep that continent a colony within the United States. One that supplies us raw materials and buys our manufacturers. Although in 1945 the United Nations promised to terminate the colonial system throughout the world, and in 1960 called for a decade of development, Latin Americans have lost faith in all that. They don't even want development; they want liberation. After twenty years of pursuing development, and seeing where it has gotten them, they will have no more of it. Latin America learned the hard way that development is not the remedy. It wants all foreign exploiters — but especially the big exploiter, the United States — off its back.⁴⁵

Paternalistic Role of the United States

One of the typical features of the Rockefeller report was that the United States would have to move from a paternalistic role to one of partnership. This was typical in the sense that it indicated the whole approach to the problems of relationship between the United States and Latin America. There is a wide conviction in the United States that the Latin American countries are not real "nations." This is partly a matter of ignorance. The individual national goals of the Latin American nations, their special foreign policy objectives, their unique social conflicts and economic problems, their individual history, culture and

⁴⁵Culhane K. Eugene, "Colonialism Lives in South America," America, 125 (August 7, 1971) p. 68.

leadership are not well known to most United States citizens. Most United States citizens have lacked both the desire and the opportunity to develop a more realistic image of the Latin American nations. James Reston once said, "American people will do anything for Latin America except read about it."⁴⁶

Latin Americans protest against the satellite status which has become significant in recent years. One of the more striking expressions has been that of the Roman Catholic bishops meeting in Medellin, Colombia in 1968, in an assembly opened by Pope Paul VI. They denounced the oppressing power used by institutions to impose violence, the neocolonialism of the national oligarchies, the external neocolonialism of the "international monopolies, and the internal imperialism of money on which the system rests."⁴⁷

The Rockefeller report indicated the whole approach to the problems of relationship between the United States and Latin America. It did not, however, take into account what and it did not aim at all at changing the underlying structure. We cannot simply say that one must move from a paternalistic role of a partnership in view of the immense superiority of the United States vis-a-vis Latin American countries. Governor Rockefeller was not interested in a change of the basic structure, or of the exploitation existing between the United States and Latin America. The recommendations of the report deal almost only with the form

⁴⁶Robert N. Burr, Our Troubled Hemisphere (Washington, D. C.: Brookings, 1967), p. 256.

⁴⁷Commonweal, 94 (June 25, 1971), p. 234.

and not the content of the above relationship. In a sense it aimed at making the United States more efficient in their superiority by making the relationship less provoking to Latin Americans.⁴⁸

Military Dictators

Rockefeller speaks well of the military governmental administrators. He reported that

. . . a new type of military man is coming and often becoming a major force of constructive social change in the Latin American countries. Experts agree that the generals have done much to revive ailing economics. But the same experts conclude that military dictators have failed in other important aspects — notably in achieving social and political stability. Most of these military overlords are a far cry from the strutting, corrupt and tyrannical despots of the past. They talk the language of economic development but practice the opposite.⁴⁹

Latinos charge that the United States supports military dictators. They cite instances in which the United States forces exerted pressure in determining policy in Latin America so as to favor the dictators. In Rio de Janeiro, the common theme running through embassy conversations, is that the dictator brought needed stability but the Latinos feel that the United States does not care for the ever growing number of persons jailed by the Army, put on the political black lists, and the press ownership. When the military turned Brazil into a full dictatorship in 1966, the first reaction of the American Chamber

⁴⁸"How Generals are Ruling Most of a Continent," U. S. News & World Report, LXVIII (June 22, 1970), p. 74.

⁴⁹Nelson A. Rockefeller, op. cit., p. 21.

of Commerce at Sau Paulo was to send a congratulatory telegram to President Arthur de Costa e Silva.⁵⁰ Similarly, in Argentina, generals were given high marks by United States representatives. Washington's quick endorsement of military coups has itself frustrated sincere reformers and fueled anti-Americanism among the young, the students, the intellectuals and even a growing minority of priests and bishops.⁵¹

Military leaders throughout the hemisphere are frequently criticized here in the United States. However, we will have to give increasing recognition to the fact that new military leaders are deeply motivated by the need for social and economic progress, says Rockefeller.⁵²

Latin American leaders feel that the United States Government follows double standards in recognizing Latin American regimes. It recognizes only friendly dictators who are dedicated to the unending efforts to control the United States inspired communist menace. Every popular movement which seeks social control of capital and increased participation of the masses in the life of the community is looked upon as a communist menace. The United States supplies arms to the dictators of Guatemala, Nicaragua, Argentina and even Haiti but withholds arms from Peru and Brazil.

United States support of dictators in Latin America has often been explained away by State Department officers. They have argued that the United States cannot intervene, even on be-

⁵⁰American Chamber of Commerce at St. Paul, New Republic, 160 (June 7, 1969) p. 78.

⁵¹"In Latin America: Growing Threats to United States Companies," U. S. News & World Report, LXVII (July 14, 1969), p. 6

⁵²Gary MacEoin, op. cit., p. 153.

half of democracy, in the internal affairs of the Latin American countries. Latino critics know that this is a weak exercise for supporting dictators. Occasional United States backing of democratic administrations has not been enough to offset our general attitude of friendship and support for the dictators in Latin America. It is not surprising that many Latin Americans look upon United States general protestations of belief in democracy as hypocritical. They are inclined to think that the United States is perfectly happy with dictators unless, as in the case of Guatemala, they are in an immediate menace to the United States.

Church

The Catholic church finds it's in "a new role today in Latin America" Governor Rockefeller told President Nixon. Modern communication and increasing education have brought about a stirring among the people that has had a tremendous impact on the church, making it a force dedicated to change — revolutionary change. This is indeed true. Bishops and other church leaders in Paraguay, Argentina, Brazil, Colombia, Guatemala, Mexico and Peru have thrown down a serious challenge to their respective governments. Church leaders in these countries openly describe themselves as revolutionaries, although they insist that they have no concern for politics. "The new left" in the Latin American church, as it is sometimes called, is shocking the conservatives and traditionalist outlook of many governments. More important, both churchmen and politicians believe that the new Catholic stance is eroding the monolithic control.⁵³

⁵³New York Times, May 9, 1969, p. 10.

The extent to which the Church has changed in the last 35 years was strikingly demonstrated in 1969 by the Archbishop of Lima, the most Rev. Juan Landazuri Ricketts. The Archbishop endorsed a sweeping new land reform law promulgated by Peru's military government, urging the Peruvian people to implement measures that would have been considered the work of Bolsheviks three decades ago. For many young Catholic progressives, reform has not seemed enough. They have begun to demand a complete change in social and political structure. Thus Chile, under President Eduardo Frei Montalva, has virtually destroyed its oligarchy as a class, pouring most of the state budget into land reform, education and other development programs for the masses, imposing heavy taxes on business and industry.⁵⁴

Church leaders of Latin America were highly critical of Rockefeller's recommendations on the economic remedies of that region. The Protestant Minister Joel Gujardo, a graduate of Princeton Theological Seminary and a specialist in political science said,

The rich countries both of the so-called free world and of the Soviet Bloc, claim that they are trying to help us catch up with them, but their actions belie their words. We know that our underdevelopment is an integral factor in their progress. They moved ahead in the first instance at our expense, and the continuance of their growth requires the maintenance of our backwardness. Naturally, they prefer that we should cooperate, but they have demonstrated as in Brazil, that they will also use whatever force is necessary.⁵⁵

⁵⁴New York Times, July 14, 1969, p. 12.

⁵⁵Gary MacEoin, op. cit., p. 178.

Labor

Rockefeller reports that a substantial segment of labor is communist-led and less concerned with the nation's productivity than the overthrow of existing institutions, public and private. The Latinos refute this allegation and charge that A.F.L.-C.I.O. functions as an instrument of the State Department and the C.I.A. to divide and control our trade union movement. This imperialist organization uses this institute for free labor development to corrupt and control popular movements in all parts of the world. The American Institute of Free Labor Development (AIFLD) financed an eleven-week strike in Guyana to the tune of \$70,000 to bring down the Japan government. It backed the invasion of Cuba and United States intervention in the Dominican Republic. Latinos are aware of the fact that millions of dollars go to the United States affiliated labor organizations in Latin America while hardly a penny goes to other labor unions of that region. Archbishop Mark McGrath of Panama was scathingly critical of United States support of the free trade unions (which Rockefeller sees as part of the solution) branding them as historical misfits, creatures of the status quo, corrupt and frightened of the revolutionary forces.⁵⁶

⁵⁶Ibid.

Chapter VI

CONCLUSION

In several ways Rockefeller's trip was over-publicized. Observers throughout Latin America complained about the "ballyhoo" which preceded each stop. Moreover, the shortness of the stay in most countries led to many comments about the trip being too hasty, a once-over, and not detailed enough. The Caracas newspaper EL NACIONAL asked, "What can Governor Rockefeller and his bevy of advisors learn in several hours that is not already known?" A radio station in LaPaz, Capital of Bolivia, said,

The visit has something of a carnival atmosphere to it, particularly for those who are not part of the show, but there hasn't been much contact with the people of Latin America who are desperately in need of help and who did not partake of the carnival spirit.⁵⁷

The trip was futile because the Administration and Congress already knew what Latin America wanted and needed. One feels sorry for Rockefeller. He did not make United States policy for Latin America yet he was the instrument chosen to dramatize its failure. We are left with the Governor's comment quoted by the Washington Post correspondent John M. Goshko, "You've got to have a vision of what the hell we are trying to implement, and that's something that our government's bureau-

⁵⁷Joseph S. Roucek, "Governor Rockefeller's Findings on Latin American-U. S. Relations," Contemporary Review, 215 (November 1969), p. 239.

cratic structure doesn't lend itself to."⁵⁸

Despite all the troubles facing Rockefeller during his entire trip, it has succeeded, as he says, in putting Latin America "on the front page of the United States press and on television and radio." And many Latin Americans have said to me, "we're deeply grateful to you because we've been on the back page for years."⁵⁹

Rockefeller steadily maintains the trip's usefulness and termed it extremely useful. Washington's stand was officially that the trip was a useful exercise. "It taught us much," as one official phrased it.

On the other hand, the public attention drawn to Latin American problems by the incidents surrounding the Rockefeller mission is now regarded by many Latin American moderates as a positive outcome of the visits. "Unfortunately the United States Government seems to really only pay attention to Latin America when there is some violence,"⁶⁰ said a Latin American Economic & Social Council meeting at Port of Spain, Trinidad at the end of June. At that meeting, the United States promised to begin giving its answers to Latin America's bill of complaints by mid October.

It is true that the Rockefeller trip provided a focus for protest. Many Latin Americans are quite unhappy with themselves and are searching for new paths to progress along nationalistic

⁵⁸"Rockefeller's Return," New Republic, 161 (July 1969), p. 9.

⁵⁹"Rockefeller's Bonfire," op. cit., p. 7.

⁶⁰Joseph S. Roucek, op. cit., p. 237.

lines. With frustrations on the rise, in combination with militancy and venturesomeness, that combination has made news in some South American countries since the conclusion of the trip. In Peru, the military government of General Juan Velasco Alvarado decreed a sweeping land reform program that included the expropriating of some U. S. interests. It was one of the most drastic and potentially effective reforms ever proclaimed in Latin America.

In Chile, the government of President Eduardo Frei Montalva came to terms after weeks of negotiations, with the United States owned Anaconda Company, as that nation went about nationalizing its copper. In Uruguay, President Jorge Pacheco Areco found himself in a show down fight with striking unions which blocked his attempts to bring the country back from the edges of bankruptcy.

The failure or relative superficiality of the Rockefeller mission does not mean that a hard-headed and intimate reappraisal is not needed. Many new elements have been activated in many republics over the past year or two. In Mexico, for example, the one-party system of the PRI which has ruled Mexico for the past 40 years, was strongly challenged for the first time with defeats in some key state elections. In Peru, a conservative military regime that overthrew President Fernando Belaúnde in October 1968 has raised a crowd pleasing popular banner in the nationalization of the International Petroleum Company. In its quarrel with the United States International Petroleum Company, the Peruvians have intensified their contact with the Soviet

block. Other United States companies operating in Peru are urging Washington to proceed cautiously in handling the Peruvian crisis to avoid interference with other American business.

"The Rockefeller trip has temporarily exacerbated anti-American feelings" says an International Basic Economy Corporation (I.B.E.C.) spokesman, "but we don't feel the climate has changed radically in Latin America. We have suffered from sporadic incidents in the past and expect we will in the future." But, he asserts, "we believe the long-term prospects for investment are excellent."⁶¹

Professor Covey Oliver, who was President Johnson's last Assistant Secretary of State for Latin America, drew the conclusion in the April issue of Foreign Affairs magazine that, "We should not expect over the short-term discontinuous influence in Latin America to reflect our enormous strength. It was in the long-term and cumulatively that American influence could be great, and then only when exercised quietly, wisely and consistently. But now the Chilean development reflected a decided lessening of that influence.

It is difficult to evaluate the merits and demerits of this historical visit. With the help of brief statements, news items, and excerpts from speeches and current publications a feeling is gained — but only a feeling — of how the United States publications saw this event and what the initial Latino reaction to the Yankee coverage of the trip was. Ramifications

⁶¹"Neighbors are Restless: Riots and Demonstrations," Business Week (June 7, 1969), p. 38.

of this historical problem likely will develop with time, as for example at that future date when the United States diplomatic papers for 1960-1970 become available to researchers. This writer is not prepared to speculate in any detail at this moment. From this short perspective it would appear that Rockefeller made a serious effort to conduct a careful assessment of conditions in Latin America. The true significance of the trip and the Report, however, is something which time alone can provide. As of now, there is not much to distinguish the trip and the Report from numerous other diplomatic excursions and official assessments which the United States government makes in this area of the world every so often.

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IMMEDIATE RESPONSE TO THE ROCKEFELLER REPORT
- A SAMPLING OF THE UNITED STATES PUBLICATIONS

by

SEVAKIAL M. MASTER

M. L. S. Rutgers - The State University, New Jersey, 1965

AN ABSTRACT OF A MASTER'S REPORT

submitted in partial fulfillment of the

requirements for the degree

MASTER OF ARTS

Department of History

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1972

IMMEDIATE RESPONSE TO THE ROCKEFELLER REPORT
- A SAMPLING OF THE UNITED STATES PUBLICATIONS

The Report attempts to review samplings of the United States publications on immediate response to The Rockefeller Report on the Americas. It gives a background of the trip, as well as the condition that led the Nixon administration to send the New York Governor to the twenty Latin American countries. The general dissatisfaction, the cutting of Alliance for Progress funds, and the review of the relations between the United States and Latin American countries is summarized. The purpose of the trip was to find out the problems of hemispheric development and work out a fresh approach to the United States relations with those countries. The report summarizes the recommendations of Governor Rockefeller and the action taken by President Nixon.

The resources used are mainly United States publications - periodicals, newspapers, and books. Among the periodicals, Time, Newsweek, Nation, National Review, and U. S. Newsweek & World Report are widely used. New York Times, Christian Science Monitor and Wall Street Journal, which are found in the Farrell Library, have been searched. Books published after 1969 are used in examining views of the Latin American elite as reflected in these publications.

The findings of the Report indicate that Governor Rockefeller made serious effort to conduct a careful assessment of the condition in Latin America. Despite all the troubles

facing Rockefeller during his entire trip, it succeeded, as he said, in putting Latin America on the front page of the United States press and on television and radio. It is also true that the Rockefeller trip provided a focus for change. Many Latin Americans are searching for new paths to progress along the nationalistic lines. In Peru, for example, the military government of General Juan Velasco Alvarado declared sweeping land reforms. It was one of the most drastic and potentially effective reform movements ever proclaimed in Latin America. On the other hand, the public attention drawn to Latin American problems by the incidents surrounding Rockefeller's mission is now regarded by many Latin American moderates as a positive outcome of the visits. It was in the long term and cumulatively that American influence could be shown to be great and then only when exercised quietly, wisely and consistently. We must wait for the future for a definite answer to this.

With the help of current publications, a feeling is gained but only a feeling of how the United States publications saw this event and what initial Latino reaction to the Yankee coverage of the trip was. Ramifications of this historical problem likely will develop with time, as for example, at that future date when the United States diplomatic papers for 1960-1970 become available to researchers. As of now, there is not much to distinguish the trip and the Report from numerous other diplomatic excursions and official assessments which the United States Government makes in this area of the world every so often.