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14 de mayo de 1957

MEMORANDUM

Al :- Gobernador

De :- Arturo Morales Carrion

*Amor*

Le envío una fotocopia de un artículo del Profesor J. Fred Rippy, uno de los más conocidos especialistas sobre la América Latina en los Estados Unidos. El artículo contiene varias citas de su discurso en Miami, que todavía provoca resonancias. A la vez, hay aquí material aprovechable para las ideas que usted interesa expresar en el futuro inmediato sobre las relaciones interamericanas en el campo económico.

*Carrion le mandó  
hace unos días  
el artículo Current History  
de mayo - con este artículo*

# The Unsatisfactory State of Inter-American Relations

BY J. FRED RIPPY

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*The [people of the] United States [must] realize the ever increasing need of bringing together the two basic streams of Western civilization which have given the New World such a commanding place in the struggle for freedom and human betterment. Latin Americans [must] also realize it. But neither [people is] . . . quite sure that the other does. It is a most worthy task to correct this misapprehension.*

THESE are the words of Luis Muñoz Marín, chief executive of the new "Commonwealth" of Puerto Rico, who is an ardent friend of both Americas and eager to prevent any misunderstanding from hampering their cordial cooperation.<sup>1</sup> The primary purpose of cultural relations is to harmonize interests and ideals.

There are differences in the customs, patterns of value and economic conditions of the two peoples of America and dissimilarities in these respects between the various Latin nations themselves. This Muñoz Marín would be the first to admit. But he believes that no fundamental disagreement exists in respect to their major objectives of peace, security, progress, democracy and personal liberty—only disagreement regarding the methods of attaining them and on points of emphasis, and doubts regarding the measure of devotion of each of the two major groups to their common ideals.

Like many others in similar circumstances, the Latins of America are in the grip of a

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"revolution of expectations." Promises to be fulfilled *mañana* or *mañana por la mañana* no longer satisfy their most impatient leaders. They demand a larger share of the world's good things *now*. The argument that many others are more insecure and in greater need leaves them unconvinced. These zealots urge and implore the United States to give them special consideration because this country and theirs happen to be occupants of the same Hemisphere and to have a similar history. "The Americas first" has become their watchword.

Long accustomed to look to the state for assistance, less afraid than their northern neighbors of the expansion of its functions and less reluctant to have it participate in economic activities, they are not frightened by state planning or even state socialism. Let the state control exports, imports, banking, currency; let it own and operate the public services; engage in production and even dominate national economies. Production must be expanded and diversified in Latin America *immediately*. Democracy and liberty are important, they seem to say, but not so important as health, practical education and material progress. They have almost inverted their former scale of values, stressing physical welfare more than spiritual achievement, contrary to the habit of their cultural heroes of the past.

<sup>1</sup> *An America to Serve the World* (Puerto Rico, 1956), pp. 30. It is evident that the author wants America to serve itself first. He says almost nothing about global service.



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Diplomats of the United States tell them that this country has not lost interest in them, that their fellow Americans in the North still hold them in high esteem and are dedicated to the Hemisphere's prosperity and all of its basic objectives:

We want good relations with our sister republics [they declare]. We want to cooperate with them. We want peace and democracy and continental solidarity and due process of law and sovereign equality and mutual assistance against aggression.<sup>2</sup>

But the Latins doubt the sincerity of diplomats. They think these diplomats really expect them to sacrifice their own interests and hopes for the benefit of others in more distant lands. They say that they want assistance and not smiles; cheap loans and grants and not promises of future aid. They urge these on all occasions: at Caracas, Rio de Janeiro, Panama, Washington. More aware of our shift of emphasis than of theirs, they tend to magnify our transformation and minimize their own. They contrast the war years with the postwar decade. Technical aid to foreign peoples, international cultural exchange, subsidies for the development of retarded countries, special efforts to explain our foreign policies and to cultivate an appreciation of our way of life—all these new departures in the conduct of the foreign relations of the United States began with Latin America. But the big neighbor soon extended them around the globe, spreading them thinner in Latin America than elsewhere, leaving no more than sparse veneer where formerly there was a thick layer of helpfulness, explanation and portrayals of a prosperous future already within sight.

This comparative neglect could be tolerated while the war was approaching its end. But the termination of the war brought no change in their favor. A global struggle of a different kind followed, and they felt bereft. They began forthwith to complain, and their complaints have persisted. John M. Cabot, an official of the State Department of the United States, has summarized some of the complaints he heard at Caracas, Venezuela, in 1954, during a meeting of the Inter-American Economic and Social Council, where he and other representatives of his

government were "confronted by a series of more or less strongly expressed views."

Many . . . delegations [said Cabot] felt that their countries had been unfairly treated in terms of trade; that over a period of years the raw materials they produced had tended to fall in price in relation to the prices of manufactured goods they had to import. Others wanted to stop the development of synthetics which competed with their natural products. A number felt that it was unfair that the dollar reserves they accumulated during the war by selling to us should have dropped sharply [in value] after the war in terms of what they wanted to buy from us. You would probably say that these positions were unreasonable. Perhaps they were; but other points made by our Latin friends in Caracas were not so unreasonable. They complained of our customs barriers, which keep out their products and force them to send us raw materials rather than semi-manufactured products. They wanted us to give some tax advantage to American investments [in their countries] . . . to encourage such investments. And they frankly found it hard to understand . . . [why] we gave them practically no grant aid. I . . . think . . . they unquestionably felt that those who made a nuisance of themselves were better rewarded than those who cooperated.<sup>3</sup>

With respect to trade barriers, the Latins of America insist that they are not in the same category with the United States. Javier Márquez, a Mexican writer, gave utterance to their general convictions on this score when he declared:

On the one hand we have a nation which leads in industrial progress; on the other, countries that have hardly begun to industrialize. On the one hand we have a country whose international trade has a secondary place in the national income; on the other, countries where a prosperous trade means abundance and a depressed trade means acute crisis. . . . Can any one be surprised that each [side] believes that prosperity may be achieved by different methods?<sup>4</sup>

Carlos Lleras Restrepo, a distinguished Colombian politician and diplomat, ex-

<sup>2</sup> John M. Cabot, *Toward Our Common Destiny* (Boston, 1955), p. 14. Cabot was Assistant Secretary of State for Inter-American Affairs in 1953-54, at the time he made this statement. This volume contains some of his addresses and interviews while he occupied this position. The destiny he had in mind seems to have been global rather than hemispheric.

<sup>3</sup> Cabot, *op. cit.*, pp. 15-16.

<sup>4</sup> Quoted in *Some Aspects of Postwar Inter-American Relations* (Austin, Texas, 1946), p. 70.

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pressed essentially the same view in different language when he wrote:

The United States . . . has developed its industries during a hundred years of protection, it has assimilated European technology; it enjoys abundant capital resources and an immense domestic market. How can it be held, in treating with tariff reduction, that the same standards should be applied to it as to countries that are not so well endowed and have scarcely taken the most elementary steps in industrialization?<sup>5</sup>

The Latins had become passionate devotees of protection, protection of their "infant industries." Although retaining the barricades that shield many of the products of its farms and pastures and some of the products of its mines, the United States was moving, and trying to move the world, in the opposite direction. The two Americas were thus not in agreement in respect to this means of reaching Hemispheric goals.

Neither were they in accord on the subject of private international investments. Most political and business leaders of the United States during the first postwar decade were never more confident that such investment could play a dominant role in the development of the economically retarded countries; many Latin Americans were doubtful.

Quotations from the dominant groups in the North would be superfluous. They pointed to Canada as a model illustration of the mutual benefits of foreign investment. They even admitted that economic progress in the United States would have been much slower if this country had not had the stimulus of European capital. They exerted themselves to find ways of inducing investors to send their money abroad.

Diplomats were set to work negotiating investment treaties to improve the "climate" in foreign lands. Politicians and businessmen proposed that foreign investors should be granted a measure of tax exemption and insured by their government against every hazard except bad judgment and defective management. The merits of "free enterprise" (aided, abetted, and protected by the national government) were acclaimed louder than ever before.

But, in the words of the State Department official previously quoted regarding the Caracas meeting of 1954, the Latins in the

South were asking themselves a sort of loaded question: "Will this investment . . . develop our economy and raise our living standards, or will it merely mean that greedy foreigners will despoil our national resources, gouge our people, and oppress . . . employees?"<sup>6</sup> To repeat their statements at length would be useless. Brief excerpts from the remarks made by some of them at another Caracas assembly that met the same year should be sufficient. A delegate from friendly Brazil:

I am well aware that private initiative and private capital, both domestic and foreign, were and still are great pioneers of progress. . . . But . . . there are economic activities that must necessarily be carried out or controlled by the state, particularly in countries in process of development, and these are activities that are the basis of the economic organization of a country.<sup>7</sup>

A representative from turbulent and distraught Bolivia:

There is no doubt that more capital has been exported from Latin America in the form of profit than has been brought to it. It is therefore evident . . . that the remedy of expecting it all to come from private investment is worse than the ills [the economic ills] themselves. Foreign private investments . . . are a constant drain. . . .<sup>8</sup>

The incumbent foreign minister of dollar-hungry Chile made a plea for cheap loans or grants from the United States. Insisting that "decisions in economic and financial matters" be made at once, he called upon the United States for prompt assistance:

It is necessary to know . . . [whether] we are or are not to expect cooperation in order to complement our national efforts, if on the difficult road ahead we are alone or accompanied, and if the well being of our people is a national problem or one of continental concern.<sup>9</sup>

It is obvious that not a few Latin Americans, especially public officials, preferred—and they still prefer—government to government loans in place of private foreign capital. And their readiness to expand the

<sup>5</sup> *Revista de América*, April, 1945, pp. 14-15.

<sup>6</sup> Cabot, *op. cit.*, p. 18.

<sup>7</sup> Quoted in Galo Plaza, *Problems of Democracy in Latin America* (Chapel Hill, N. C., 1955), pp. 49-50.

<sup>8</sup> Quoted in *ibid.*, p. 64.

<sup>9</sup> *Ibid.*, p. 83.

a reason for a common Int. Am. market.

in mines but not in recurrent wealth production previously operative.

economic functions of the state means that their attachment to private enterprise, particularly when it is alien private enterprise, is by no means as firm as it is among business groups in the United States. North Americans welcome state aid but object to state participation or interference in management and operation. Quoting our distinguished Puerto Rican friend again:

There is nothing wrong with private enterprise. It is a great technique, and in the United States an eminently successful one. But it is not the only technique that can be used to conduct business under freedom. The belief that the capitalistic technique is inevitably and . . . inextricably enmeshed with the great principles of democracy is . . . a barrier to understanding in areas where experience with the backward forms of that technique has not left happy memories.<sup>10</sup>

Although lamenting the lack of freedom and democracy "in a number of Latin American countries" and urging all Americans who believe in freedom to make a vigorous effort to abolish dictatorship in this Hemisphere within a decade, he contended that democracy would not be promoted by attempts to make free enterprise "compulsory." It is likely that in expressing these views he thought of himself as mediator between the North and the South. "In helping to create the conditions favorable to democracy, we must not hold forth a concept of static democracy," he warned, "but of a vibrant, living democracy, flexible enough to adjust to the needs of many countries and cultures, all different." Were Latin Americans on the point of convincing themselves that state socialism is compatible with democracy and personal liberty? And would they eventually discover that they were mistaken and that this economic system merely served as a further bulwark of despotic oppression?

On another occasion Muñoz Marín clarified his views on this subject and at the same time disclosed an intense yearning for progress so typical of his Latin American kinsmen during the early postwar era that quotation is hard to resist:

Let us urgently devise the basic objectives in housing, in health, in education, in economic productivity, in communications, which may be

attainable by different areas of the Hemisphere.

Let us solemnly declare that our essential goal—the goal of all Americans, North and South—is . . . to wipe out extreme poverty in this Hemisphere within the lifetime of children already born. Let us encourage government and private initiative to share in a good partnership with a view to better distributive justice. . . . Let us not be doctrinaire either as to socialism or capitalism. . . . Let us give friendly support to all groups thinking in terms of a greater, truly hemispheric America. . . . An America to serve the world.<sup>11</sup>

This Pan American zealot, this dedicated enthusiast for the amalgamation of the cultures of the two Americas, is well aware that the major costs of his program will have to be borne by the people of the United States, but he deems it necessary to effect a more equal distribution of capital and opportunity in this Hemisphere; and since he seems to be serving as the mouthpiece of numerous Latins south of the Río Grande, he will be quoted once more:

Too great is the disparity between the wealth and industrial might of the United States and the economic insufficiency of Latin America. Even with a great fund of good will it imperils long range understanding. To bridge that gap in the least possible time, with the most efficient techniques available, with the most effective partnership of *governments* and *peoples* is . . . the task of the inter-American system in this generation. How to help the powerful emerging . . . Latin American aspirations to a future rooted in economic security and democratic freedom is the acid test of . . . American statesmanship, in the widest sense of the word "American" and in the deepest sense of the word "statesmanship."<sup>12</sup>

What can the United States do to placate its dissatisfied neighbors in this Hemisphere while this nation continued to respond to its more distant interests and obligations, its global aspirations and responsibilities? Private investment apparently will not suffice. Its flow is inadequate to meet the felt needs of these neighbors. It is not the kind of capital they prefer and they are not disposed promptly to adopt the policies calculated to expand and accelerate the financial stream.

<sup>10</sup> Luis Muñoz Marín, *The Commonwealth of Puerto Rico* (Puerto Rico, 1956), pp. 13-14.

<sup>11</sup> *An America to Serve the World*, p. 12.

<sup>12</sup> *Ibid.*, p. 8.



- Not necessarily as  
my could compensate (?)  
But, even so, the opposite  
U.S. consumes and transports  
expense of immense  
grants for technical advancement, grants  
or cheap loans for economic development  
they like better; but again the flow has  
seemed too small to speed the progress they  
crave. Removal of all barriers to the import  
of their commodities, together with a pledge,  
politically most difficult to arrange, never to  
permit their erection again, would certainly  
please these American comrades, but  
this would not be enough. They would like  
to have guaranteed prices for what they  
wish to buy, both at the cost of the people  
of the United States, its consumers and tax-  
payers, who would have to pay the higher  
prices on the one hand and the export sub-  
sidies on the other.

You might conceive that low living standards are  
a subsidy to high living standards.

"Mutual Assistance"

Further, the Latins would like to have this country take care of their surpluses, whether from overproduction or displacement by synthetics; and if the United States could afford to grant all they have asked, they would soon think of something else. To international benevolence, once begun with gallant fanfare, there appears to be no end—or call it "mutual assistance" and the result would be the same if the mutuality were vastly modified by immense disparities in wealth, actual or assumed.

Does not wisdom counsel a careful estimate of the capabilities of the United States, a precise and continuous appraisal of methods and points of emphasis all around the world, and a rigid selection of helpful and dependable beneficiaries and allies? In spite of the complaints and divergent views that have been enumerated, the Latin American probably would not be injured if this were done. On the contrary, it is possible that they would either receive increased attention or feel better if they got no more aid and other regions got less, even though they still might like to obtain additional help in one form or another.

Has the time not arrived for our regular foreign service all over the globe and our nomadic Secretary John Foster Dulles to employ their persuasive talents to the utmost as a substitute for Treasury drafts?

Are the staffs sent abroad by this new or-

ganization for cultural exchange instructed to explain our aims and ideals and the burdens we bear and to serve as exhibits of our culture and as emissaries of our good will? Do they act like millionaires, or live and conduct themselves in such manner as to suggest that most of us are hard-working people of modest means? Are the people brought into the United States by this agency imported only for the purpose of impressing them with our riches—the luxurious equipment of our hotels, our banks, our grand mercantile establishments; our mass-producing industries surrounded by parked automobiles bought on credit; our campuses with conspicuous buildings and inconspicuous underpaid professors?

Let them inspect our city slums; the homes of our poor farmers in the eroded districts and our rural tenants; our schoolteachers compelled to work overtime to paint, decorate and repair their modest dwellings; the living quarters and meager fare of the majority of our writers, artists and clerks, and citizens too old and feeble to work. This procedure might expose some of the deficiencies of our society, some of the problems yet to be solved, but these sojourners in our midst would learn that by no means are all of us rich and that most of us do not find it easy to pay the tax-collector, the landlord, the grocer, the clothier and the physician. By all means let them see the mirror as well as the showcase, in order to avoid envy and bankruptcy, even at the risk of having them conclude that the most efficient system of enterprise on earth has not quite reached perfection.

These are parts of the under-developed area of the world.

U.S.I.S. Goals

A recent pamphlet put out by the United States Information Service assures the reader that this agency performs four major tasks:<sup>13</sup> (1) Explains U. S. policies and objectives (2) Counters hostile propaganda. (3) Demonstrates the harmony of U. S. policies with the legitimate aspiration of other peoples. (4) Presents abroad aspects of American culture which promote understanding of

<sup>13</sup> The U. S. Overseas Information Program (Washington, D. C., 1955), p. 2.

U. S. policies and objectives." But does it ever portray our citizens as they worry about their bills or sweat over their income tax returns? Does it inform other nations of the size of our national debt? Does it display our cabins and cottages as well as our mansions? It does not lack ample facilities. It utilizes the cinema, the radio and television as well as books, periodicals and newspapers.

U.S.I.A. describes its radio programs as the "Voice of America." But it is merely the official voice of the United States unless it speaks for all our people and the whole of the Western Hemisphere as well; and while this may be true at times and in some respects, it would have been better if a less presumptuous name had been adopted. The description would be appropriate not only for the agency's radio programs but for all of its operations if its numerous personnel could voice the sentiments and aspirations of the Hemisphere.

But neither the United States nor the majority of the other nations of the New World can speak with a single authoritative voice on a multitude of subjects. They are not monolithic like Soviet Russia and its satellites and associates. Any jesting Pontius Pilate could ask about the scale of values, the goals and the programs of the Western Hemisphere with considerable confidence that nobody could respond with a sufficiently precise and inclusive answer to satisfy all those involved.

Yet the Western Hemisphere concept in full flower seems to have embodied sufficient common convictions, ideals and objectives to bind the Americas together in a unique practical relationship. Perhaps the concept was always partly fictitious, but faith and trust have a way of transforming fiction into fact. No other large region of the world ever attained so harmonious a relationship among its component nations, nor has the United States achieved such cordiality with and among so many nations in any other region—not even those of Europe, to say nothing of the Near East, the Far East and Africa.

The misunderstanding, the confusion, that have arisen since 1945 are apt to continue until this concept is broadened with Latin America's consent to embrace the entire

globe, or such parts of it as remain free from Communist control, until Hemispheric consensus regarding methods and emphasis is perfected, or until a return to the original concept is forced by the spread of Soviet domination or made possible by some less calamitous change in the atmosphere and organization of the world.

Both the traditional and the new instruments of our government *certainly have an abundance of hard tasks ahead of them*. Let them coordinate their efforts and concentrate on problems of supreme importance. Let them convince Latin America and the rest of the non-Communist world—and peoples behind the despotic curtains if they can—that our global aspirations are in harmony with the best interests of all the regions they include.

Damaging conflict between the Western Hemisphere concept and the United World aspiration does not need to continue if both are carefully defined and prudently modified to fit the circumstances of these times of trouble. Hemispheric isolationism never applied to travel, trade and capital investment, although the New World may at times have received preference in some of these respects. The Monroe Doctrine, whether unilateral or Pan-American, is not inflexible. Its prime objective was and is security. It may be expanded so as to embrace a larger segment of the globe if considerations of security require such expansion. The avowal of self-restraint it contains with reference to political affairs overseas does not have to be kept eternally, especially if governments overseas wish to have it forgotten.

If this United Free World concept can serve the New World, then let it be adopted to the extent that it promotes the New World's interests. If the Western Hemisphere can be developed into a model of harmony, prosperity, democracy and liberty, let this be done for the benefit of both the Hemisphere and the rest of the globe; but let no one either here or there expect too much too soon. The advocates of the two concepts so understood and modified should support each other and not engage in debilitating skirmishes which merely serve the cause of ambitious tyrants and multiply the tragedies of deluded peoples.

Hemisphere, and even perhaps unity is not opposed to, but a road to greater unity.