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NEW DIRECTIONS FOR THE 1970'S:
TOWARD A STRATEGY OF
INTER-AMERICAN DEVELOPMENT

REPORT BY

SUBCOMMITTEE ON INTER-AMERICAN AFFAIRS
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES



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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., July 19, 1969.

The conclusions and recommendations of the report on "New Directions for the 1970's: Toward a Strategy of Inter-American Development," submitted to the Committee on Foreign Affairs by Representative Dante B. Fascell, chairman of the Subcommittee on Inter-American Affairs, do not necessarily reflect the views of the membership of the Committee on Foreign Affairs. This report is presented in the hope that it will prove useful to the Committee and the Congress in its consideration of legislation.

THOMAS E. MORGAN, *Chairman.*

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INTRODUCTION

This report reviews the performance of the Alliance for Progress and summarizes the subcommittee's findings with respect thereto. It also outlines a series of recommendations for U.S. policy toward Latin America in the decade of the 1970's. Both the conclusions and the recommendations are based on 4 months of hearings, executive branch briefings and other studies begun in February of this year by the subcommittee. The record of those undertakings, to the extent that it can be made public without impairing our basic national interests, is published in a separate volume of hearings. We hope that it will prove of value to the members of the Committee on Foreign Affairs and others interested in the problems and prospects of development in our hemisphere.

DANTE B. FASCELL, *Chairman,*
Subcommittee on Inter-American Affairs.

(VII)

NEW DIRECTIONS FOR THE 1970'S: TOWARD A STRATEGY OF INTER-AMERICAN DEVELOPMENT

CONCLUSIONS

Three major conclusions emerge from a review of the record of the Alliance for Progress and of U.S. participation in that undertaking. They are—

First, that in spite of nearly 8 years of fairly consistent and well-conceived effort, the peaceful, social and economic revolution envisioned in the Charter of Punta del Este is only beginning to take hold in Latin America;

Second, that the substantial U.S. assistance—\$8.3 billion in 7 years—channeled through the World Bank, the Inter-American Development Bank, the United Nations development program, our bilateral aid programs and other instrumentalities, has thus far produced only modest visible development gains in Latin America; and

Third, that if the pace of progress in Latin America is to quicken in the next decade, producing results urgently desired by the people of that continent, a new strategy of development will have to be fashioned and implemented.

Specifically, the tempo of internal reform will need to be accelerated; new, more viable methods of inter-American cooperation will need to be devised; and the forms of external assistance, rather than the volume of aid, will need to change.

(1)

SUMMARY OF EXPERT TESTIMONY

THE GOALS OF THE ALLIANCE FOR PROGRESS

The direction which social and economic development of Latin America is intended to take is clearly outlined in the Act of Bogota, the Charter of Punta del Este, and the Declaration of the Presidents of America.

Those documents aim at nothing short of a fundamental transformation of the Latin American societies—a transformation to be achieved through accelerated economic growth, more equitable distribution of income, eradication of illiteracy and disease, provision of needed social benefits, and other structural reforms.

The Charter of Punta del Este envisions these changes being accomplished within the framework of free, democratic institutions and processes.

The objectives of the Alliance for Progress are as valid today as they were in 1961. They will remain relevant to the cause of human progress in this hemisphere for generations to come.

A MEASURE OF PROGRESS

During the last 8 years, Latin America has begun to move in the direction envisioned by the founders of the Alliance. The pace has been halting, varying from country to country. But the processes of change, stimulated and guided by intelligent planning, have begun to leave their mark on the Latin American scene.

Economic growth has averaged about 5 percent per year. In some countries, it has doubled the rate experienced by the United States.

Farm output has expanded. With the help of a 38 percent increase in Government expenditures on agriculture, the introduction of "miracle seeds" and improved farm technology, Latin America has moved toward a real breakthrough in food production.

Educational opportunities have been broadened; 12 million children have been added to the elementary school rolls and central government spending on education has increased by more than 50 percent.

With the exception of 1967, Latin America's export earnings rose at the rate of more than 5 percent annually, adding millions of dollars to the continent's foreign exchange earnings.

Far-reaching internal reforms have been initiated—although most of them are yet to be implemented.

Tax collections have been improved, raising government revenues and providing resources for public investment and social reform. In several countries, tax collections have reached the level of 20 percent of the gross national product—a considerable achievement under any standards.

Land redistribution measures have been enacted. Some 400,000 families have been resettled and provided with titles to their land.

Public administration has been strengthened and modernized.

In addition, the Latin American societies have begun to change. There have been profound shifts in institutions, social patterns, the distribution, occupation, and expectations of the populations. Acculturation of indigenous peoples has increased; social mobility has expanded; and participation of the people in the political processes of their countries has broadened.

The extent and the import of these changes cannot be measured accurately. Our knowledge of the Latin American societies, and the statistical tools presently available, frequently are too imperfect to allow for anything more than an informed guess. Further, social and political development is inherently difficult to measure.

One thing, however, is certain: the commitment to peaceful, revolutionary change has begun to take root and is producing results in Latin America. Today, even some of the military regimes on that continent pledge allegiance to the reformist goals set out by the Alliance for Progress. And in the opinion of its administrators, the U.S. military assistance program serves the very same objectives.

SERIOUS DISAPPOINTMENTS

Nevertheless, the forward movement has been slow. The countervailing forces, always present, have negated some achievements, blocked others.

Population increases, averaging between 2.5 and 3.5 percent per year, have cut the encouraging growth rate to an annual per capita advance of 1.5 percent—a snail's pace to the hungry and the dispossessed.

The high birth rate has also added 750,000 to the ranks of children for whom there is no place in primary schools.

Equal to that of the United States in 1950, the population of Latin America will be double that of our country's by the end of this century.

Going hand in hand with the high birth rate, a massive migration from the farms to the cities has helped to inhibit Latin America's progress.

In recent years, the major cities of the continent have grown at an alarming rate—some by as much as 7 to 10 percent per year, doubling in population every 8½ to 10 years.

This staggering transfer of people has produced serious dislocations and entailed tremendous human and economic costs. Throughout Latin America, urban unemployment has grown at a rapid pace as available resources have proved inadequate to cope with the situation. The key cities of the continent have come to be surrounded by ever-widening circles of slums.

Disappointing trends in international trade have undercut Latin America's development prospects.

In 1960, Latin America's exports accounted for 21 percent of U.S. imports; by 1968 they dropped to 13 percent.

Simultaneously, Latin America's access to the markets of Europe, where many of the other developing nations enjoy preferential entry, has become more difficult.

On top of this, fluctuations in the prices of primary commodities—still the staple of Latin America's exports—have cut into the continent's foreign exchange earnings.

In brief, Latin America's exports have not kept pace with the growth of world trade. And, for the present, any significant change in that situation does not appear to be in the offing.

Thus high birth rate, massive population transfers and disappointing trade prospects have contributed to Latin America's woes. But the long list of the continent's problems does not stop there.

Lack of technical and managerial skills has hampered development efforts. Even today, out of 1,000 students who enroll in primary schools, only 10 finish high school, only one graduates from college. This is a very slim base on which to build a modern technological society.

Help from abroad has not measured up to Latin America's expectations and its terms have become increasingly stringent. One-fourth of the continent's foreign trade earnings are used for debt servicing. In 1967, debt repayments, payments of interest, repatriated earnings of foreign corporations and other capital outflows exceeded all forms of foreign aid and private investments by more than \$500 million.

It is rather difficult to build a larger productive base, and to meet the growing needs of the masses of the population, when the outflow of resources reaches these proportions—especially when one starts with a continent on which the average income is one-seventh of that enjoyed by the average American citizen.

Two additional impediments to progress ought to be mentioned at this point: the resistance to change on the part of the entrenched vested interests, and the frequency of military takeovers.

The experts are divided in their interpretation of the latter phenomenon. Some claim that the military takeovers are a symptom of a profound transformation taking place in Latin America; others, that they are evidence of recalcitrance and reaction.

It may be too early to make a final judgment on this issue. For the present, what is important is the fact that 16 coups in 8 years have discouraged many reform-minded people, dampened the enthusiasm of private investors and put an added brake on economic expansion generally.

In its current condition, Latin America can ill afford such consequences.

U.S. ASSISTANCE

True to its commitment to the Alliance for Progress, the United States has endeavored to assist its sister republics in their developmental undertakings.

We have provided funds for the Inter-American Development Bank and the Social Progress Trust Fund.

We have contributed to the World Bank, to the United Nations development program, and to other multilateral institutions financing development in Latin America.

We have conducted expanded programs of bilateral assistance in nearly all of the member countries of the Organization of American States.

And we have encouraged others, at home and abroad, to put resources into activities which would stimulate social and economic development of Latin America.

Over a 7-year period, channeling its contributions through these various programs and institutions, the U.S. Government has provided \$8.3 billion worth of economic assistance to Latin America.

This is the official price tag on U.S. participation in the Alliance for Progress—fiscal years 1962–1968.

In addition, through the issuance of guaranties and other devices, the U.S. Government has helped to encourage private American firms and individuals to invest nearly \$3.2 billion in Latin America during the same period.

This overall flow of assistance has provided support for many developmental undertakings. American aid has helped to build roads, schools, hospitals and irrigation projects; it has financed housing, educational improvements, training and agricultural projects; and it has promoted industrialization and expansion of exports.

Nevertheless, in relation to our national resources and the needs of Latin America, this assistance has been modest. Over the 7-year period, its sum has represented about 1 percent of our 1968 gross national product. And it has accounted for less than 8 percent of the gross investments made by the Latin American countries, out of their own resources, during the life of the Alliance for Progress.

A few more points need to be noted about the character, impact and effectiveness of U.S. foreign assistance to Latin America.

A CLOSER LOOK AT U.S. AID

Nearly two-thirds of our Government aid has been furnished in the form of loans. These are repayable, mainly in dollars, and as such constitute more of a long-range investment than a gift. Only to the extent that the terms of such loans were "softer" than financing available in the open market did these transactions represent concessional assistance.

This conclusion is subject to some further qualification.

In order to protect our balance of payments, and to stimulate employment and income at home, the United States has adopted the practice of "tying" our loans to U.S. procurement. In other words, the proceeds of the loans had to be spent in the United States on American made goods and services.

In fiscal year 1969, 98 percent of AID expenditures for goods financed with loans and grants extended to Latin America were tied to U.S. procurement.

While helping our neighbors, we have helped ourselves. The need to cope with the imbalance in our international accounts, arising from problems in other areas, has resulted in increased American exports to Latin America—exports financed with foreign aid to the Alliance for Progress.

Another point to be noted is that the American "aid" figure includes \$1.4 billion of credits extended by the Export-Import Bank. That Bank was created by the U.S. Government to help American industry finance its exports. The Bank's transactions should not be considered as a gift to a foreign country; if anything, they are an "aid" to American exporters.

Our farm sector has not been neglected in the Alliance for Progress. We have moved nearly \$1.1 billion worth of farm commodities under our Public Law 480 program, selling about one-half of them to Latin America, either for dollars or for local currencies. Since 1968, only dollar sales have been authorized.

One of the major effects of the Public Law 480 program has been to provide support for the agricultural sector of our own economy.

In providing our assistance, we also stipulated that to the extent that private, American-flag vessels were available, not less than 50 percent of the goods purchased with our loans had to be shipped on such vessels. In the case of bulk shipments under Public Law 480, this has resulted in higher transportation costs than would have been experienced if other carriers had been employed.

Two additional points require attention:

First, the net flow of U.S. Government assistance to the Alliance for Progress, after repayments and allowance for the undelivered goods, has amounted to \$4.1—rather than \$8.3—billion; and

Second, there has been a sharp decrease in U.S. appropriations for the Alliance for Progress in recent years. Fiscal 1969 appropriations for the Alliance amounted to 64 percent of the average of the preceding 6 years.

USES OF AID

With these few clarifications in mind, we can take a brief look at the uses of U.S. assistance to the Alliance for Progress.

Until very recently, the bulk of our assistance has gone to specific industrial development projects—powerplants, communications, transportation, and other infrastructure—and for budgetary and balance-of-payments support.

The latter means that we have extended loans to the Latin American governments to pay for imports from the United States.

A relatively small component of our aid has been devoted to technical assistance, education, agriculture, and various social programs including health, maternal and child care, family planning, and the like.

This distribution of U.S. aid has been governed, primarily, by the accumulated, pressing needs of the Latin American central governments and their desire to broaden the productive base of their national economies by investing in rapid industrialization.

As a result of those priorities, little of our aid has been visible to the masses of the Latin American people.

And little of it has been reflected in basic social and structural reforms which are supposed to be the cornerstone of the Alliance for Progress.

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

That situation is changing. During the past 2 years, an increasing portion of U.S. aid resources has been applied to the task of finding and implementing breakthroughs in education and agriculture, to the development of basic local institutions, and to the promotion of broader popular participation in the processes of change—as well as in its fruits.

After years of working with the problems of development, we are finding out, and so are the Latin Americans, that national growth, prosperity, and progress cannot be built on a narrow industrial base.

Effective development undertakings must be comprehensive in scope. They have to be based on a regional approach and aim at the totality of each Latin American society. Above all, in accordance with the concepts outlined 3 years ago in title IX of the Foreign Assistance

Act, they have to seek to broaden people's participation in the processes of change.

The U.S. aid program is beginning to move in that direction.

PRIVATE INVESTMENT

Reference should be made at this point to private American investment in Latin America and its contribution to economic development.

Since the birth of the Alliance for Progress, American firms have invested an additional \$3.2 billion in the Caribbean area, Central America, and on the South American continent. Part of those funds came directly from the United States; the remainder from the corporations' earnings in Latin America.

Those 1961-68 investments increased the declared value of mines, plants, and other properties owned in Latin America by U.S. citizens to approximately \$12 billion.

Simultaneously, they have helped to broaden the industrial base of many Latin American countries, to improve distribution and marketing systems, to increase Latin America's exports, and to reduce the continent's reliance on many essential imports.

In addition, by paying taxes, providing employment, and instituting various worker training and social welfare projects, American firms have contributed to the processes of social and economic development taking place in Latin America.

It should be noted, however, that during the period covered by the subcommittee's hearings, the net private capital outflow to the United States amounted to approximately \$4 billion.

The bulk of this outflow represented income from investments made in Latin America prior to 1961.

Another part was probably attributable to U.S. restrictions on oversea investments by American firms and to Latin America's increasingly uncertain investment climate. Frequent changes of governments, lack of assurance of prompt and adequate compensation for expropriated properties, and lower profit margins, appear to have discouraged some investors.

Whatever their particular cause, private capital outflows and Latin America's continuing adverse balance of trade with the United States have cut into resources which otherwise may have been available for financing development and socially desirable reforms.

For there are only three major sources of external financing for Latin America's development: trade, private investment, and foreign aid. The first two are not an alternative to the third. All three are, or should be, complementary. But in order for trade and private investment to contribute to the realization of Latin America's development objectives, they must harmonize with the national goals which are supported and aided, in the first instance, by self-help and development assistance.

SOME TENTATIVE CONCLUSIONS

What tentative conclusions can we draw from this brief review of the experience of the Alliance for Progress?

Perhaps the main one is this: While the initial performance of the Alliance has disappointed many people in the United States and in Latin America, the Alliance itself continues. It remains a very real

and unique experiment in international cooperation for a massive transformation of an entire continent.

Latin America's commitment to this unprecedented undertaking has been evidenced in many ways. It can be seen in its leaders' adherence to the purposes of the Alliance, in the levels of Latin America's investment in development (during the last 7 years, \$10 for each \$1 contributed by the United States and other industrialized countries), and in the continent's growing solidarity and acceptance of responsibility for its own future.

A recent declaration of 22 Latin American governments, known as the "Consensus of Vina del Mar," underlines this principle of self-help by asserting that "economic growth and social progress are the responsibility of [the Latin American] peoples and that attainment of national and regional objectives depends fundamentally on the efforts of each [Latin American] country," supported by improved inter-American cooperation.

The Latin Americans are not standing still, looking to others for the solution of their problems. Regardless of what the United States and other industrial countries may say or do, they are continuing in their pursuit of the objectives outlined in the Charter of Punta del Este.

Yet the problems confronting them are tremendous—and time is short. Tensions and frustrations are rising to new and dangerous levels. Latin America's ability to cope with them without effective external assistance is doubtful.

This should not surprise us unduly. The development of the United States and our country's subsequent progress owe much to European manpower, technical skills and capital. In spite of that help, bountiful natural resources and 200 years of national progress, the United States is still seeking to make the promises of our Declaration of Independence and our Constitution meaningful to a significant number of our own people.

RECOMMENDATIONS

It seems clear from the facts summarized in the foregoing section of this report that after 8 years of experience with the problems of development in this hemisphere, the United States stands at the crossroads with respect to its policy toward Latin America:

We can renew our commitment to the Alliance for Progress and provide timely, effective support to the forces of peaceful, progressive change operating on the Latin American continent; or we can stand aside and prepare for a crescendo of wasteful, disruptive violence welling up from the deepening disillusionment of the Latin American masses.

Concern for our national self-interest compels us to opt for the first course.

Latin America occupies a unique place in our Nation's history. We share a common culture, two centuries of independent national development, economic interdependence, and a sense of separateness from both the East and the West. These can become elements of our joint strength, determinants of our role in world affairs. For it may well be that the patterns of international cooperation, devised and applied in this hemisphere, will one day provide an example to other regions and become the building blocks of world peace and security.

In order for this to happen, however, the United States cannot be insensitive to the widening gap which divides our hemisphere. We cannot ignore the fact that 250 million Latin Americans get their livelihood from a gross national product which amounts to a bare 12 percent of our own national GNP. We must, instead, help them to advance their development objectives.

The subcommittee is aware that the tasks which confront our sister republics are enormous; that, basically, they must be discharged by the Latin Americans themselves; and that, even with the best of effort, many of them will not be accomplished in the next decade.

These facts do not deter us from saying what has to be said.

The subcommittee recommends that the United States reaffirm its commitment to support the forces of change which are working to ameliorate the human condition in our hemisphere and undertake to fashion, in concert with the Latin American countries, long-range, viable, and dependable programs of inter-American cooperation—in trade, assistance, finance, technology and other fields—which will provide more effective support and sustenance for Latin America's development undertakings.

We want to note, however, that cooperation is a two-way street. The flow cannot come from just one direction. Our readiness to fashion new patterns of inter-American cooperation has to be matched by increased self-help and internal reform, by willingness to establish fair and stable rules which will attract private capital and reduce dependence on Government aid, and by other steps which will reinforce our mutual efforts and sacrifices.

In arriving at new policies and programs, the United States should carefully reconsider the form, the method and the thrust of our assistance to the Alliance for Progress.

Specifically, the subcommittee recommends that the United States—

1. Substantially reduce the many onerous, at times self-serving and counter-productive conditions attached to development assistance, including wholesale "tying" of aid to U.S. procurement;

2. Place increased emphasis on long-term technical assistance and support for education, agriculture, family planning, and the development of local institutions necessary to assure broader participation of the Latin American people in their developmental processes;

3. Promote the sharing and development of technology required to buttress Latin America's economic development efforts;

4. Insulate assistance aimed at long-term social, civic, and technological development from direct dependence on short-term political fluctuations;

5. Channel resources for capital infrastructure projects to the extent feasible through multinational consortia and appropriate international organizations;

6. Endeavor to establish mutually reinforcing relationships between development assistance and promotion of private investment to the end that both may better serve Latin America's basic development objectives;

7. In cooperation with American labor and industry, work out new approaches which would assist Latin America to advance the twin goals of diversification and increased trade;

8. Attempt to harmonize U.S. aid and trade policies toward Latin America so that they will not work at cross-purposes;

9. Devise imaginative new ways for engaging the broad spectrum of our society in the advancement of human progress in our hemisphere. The complexity of development tasks confronting Latin America provides both a challenge and an opportunity for our pluralistic society. We should shirk neither.

10. Undertake a thorough review of our military assistance programs in the Western Hemisphere.

It seems self-evident that no sovereign country will abolish its military forces, or see its military equipment become totally obsolete, because of lack of U.S. aid. When in need, any such country will turn to alternate sources of supply, including those hostile to the United States. It seems equally clear that for the foreseeable future, the Latin American military will continue to play an important role in the processes of change transforming their societies. It would be extremely shortsighted on our part, therefore, to willfully abandon all communication with them and to terminate even limited support for the legitimate functions which they perform in their own countries.

At the same time, we are deeply concerned that our military assistance not be misused to repress the proponents of necessary and desirable change. It is a difficult and complex task to prevent abuse of military power—and aid. For those reasons, we recommend a thoughtful review of the military assistance program in Latin America.

The subcommittee believes that the course outlined above is both timely and vital. The first decade of the Alliance is nearing an end and the Latin Americans are beginning to formulate a new strategy of development for the 1970's. There is every reason for the United States to become a participant in that undertaking. The subcommittee believes that it is incumbent upon the President to take the lead in articulating the U.S. commitment to Latin America and in launching studies, discussions, and negotiations required for the formulation of sound and effective programs of inter-American cooperation in the coming decade. The subcommittee's recommendations can be the starting point for such discussions.

Those recommendations do not entail any substantial increase in the levels of U.S. "foreign aid" proposed for Latin America by successive U.S. Presidents. They do, however, call for some basic changes in the method and thrust of our approach. We propose that the time has come to start moving in those new directions.

ADDITIONAL VIEWS

The subcommittee's report, and its recommendations for the Alliance for Progress, represent a valuable reappraisal of an 8-year effort in Latin America which so far has been a generally disappointing attempt to assist the social, economic, and political development of the continent.

There is a wholly commendable consideration in both the report and its recommendations, on economic and developmental techniques and approaches. It is also vitally important, however, to assess the grave political problems of development in Latin America.

The Alliance for Progress was, in origin, an attempt to confront the example of Castro in Cuba with a peaceful, revolutionary alternative. It was based on the need for all Americans (North and South) to support those moderate and progressive forces which could bring about fundamental social change peacefully, and within representative political government. As a redirection of American policy, the Alliance was designed to identify our goals with the moderate and democratic elements of those new forces struggling for political and economic power in Latin America.

With only few exceptions, this attempt has failed. Despite the challenges of the Alliance, the United States has maintained its more traditional ties with the established groups in Latin society, especially the landed aristocracies and the military. It has done so because it lost sight of the original Alliance objectives of political development. We embraced instead, for real or imagined security considerations, for foreign-trade goals, or for other reasons extraneous to the Alliance, the more proximate goals of political stability. We did this even when such stability prevented the progressive and democratic change we pledged to work toward at Punta del Este when the Alliance for Progress was born.

These considerations are absolutely necessary to any evaluation of why, and to what extent, the Alliance has failed and what we can do to reaffirm and fulfill its goals. Eight years later, these goals are even more urgent.

BENJAMIN S. ROSENTHAL,
Member of Congress.

JOHN C. CULVER,
Member of Congress.

MINORITY VIEWS OF MR. GROSS

I attended as many of the long series of hearings by the Inter-American Subcommittee as it was possible for me to do in relation to other committee assignments and legislative business on the House floor.

Appearing as witnesses before the subcommittee were most, if not all, the U.S. Ambassadors stationed in Latin America and other administrative officials of the State Department for that area. While a few of the witnesses were frank and open in their criticism, never have I heard more apologists for failure.

The majority report of the subcommittee is replete with contradiction. It provides a substantial list of "serious disappointments" and then proceeds to speak glowingly of the "measures of progress." As an example, the majority report says:

* * * little of our aid has been visible to the masses of the Latin American people.

And little of it has been reflected in basic social and structural reforms which are supposed to be the cornerstone of the Alliance for Progress.

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

The truth of the matter is that after 8 years of the so-called Alliance for Progress, and more than \$8.3 billion from the U.S. Treasury, there has been little, if any, real social and political improvement. The same old military dictatorships or oligarchies rule most of the governments.

The establishment of a climate favorable to private investment, which was to have been the hallmark of the Alliance for Progress, and which was to have quickly supplanted the drain on the U.S. Treasury, is still a figment of the imagination of the dreamy-eyed officials of the U.S. Government who promoted it.

American private investors are now loath to move into Latin America. There is no need to look beyond Peru for the reason.

In its "recommendations," the majority report says:

It seems clear from the facts summarized in the foregoing section of this report that after 8 years of experience with the problems of development in this hemisphere, the United States stands at the crossroads with respect to its policy toward Latin America.

We can renew our commitment to the Alliance for Progress and provide timely, effective support to the forces of peaceful, progressive change operating on the Latin American continent; or we can stand aside and prepare for a crescendo of wasteful, disruptive violence welling up from the deepening disillusionment of the Latin American masses.

Concern for our national self-interest compels us to opt for the first course.

Where are "the forces of peaceful, progressive change" that can or will deliver the "masses" from the military dictatorships and oligarchies? Where is the assurance that additional billions from the already bankrupt U.S. Treasury will do anything but postpone the

day when the Latin Americans must make up their minds that they themselves are the masters of their fate?

To even imply that the United States must continue its multi-billion dollar handouts to Latin America or assume the responsibility for any violence that takes place is, in my opinion, little short of blackmail. I cannot concur in any such finding.

In conclusion, it is the opinion of this member that the hearings on Latin America should not have been closed, nor should the report have been prepared until the subcommittee heard from Gov. Nelson Rockefeller, President Nixon's personal emissary, the details of his ill-fated trip to certain Latin American countries.

H. R. GROSS,
Member of Congress.

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