

# **ACTION FOR PROGRESS FOR THE AMERICAS**

**An Address  
By  
President Richard M. Nixon**



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*Richard Nixon*

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## ACTION FOR PROGRESS FOR THE AMERICAS

Mr. Chairman, ladies and gentlemen of the Inter-American Press Association, I welcome this opportunity to speak to you and to our neighbors throughout the new world about a matter uppermost in the minds and hearts of all of us. I want to speak to you about the state of our partnership in the Americas. In doing so, I wish to place before you some suggestions for reshaping and re-invigorating that partnership.

Often we in the United States have been charged with an overweening confidence in the rightness of our own prescriptions: occasionally we have been guilty of the charge. I intend to correct that. Therefore, my words tonight are meant as an invitation by one partner for further interchange, for increased communication, and above all for new imagination in meeting our shared responsibilities.

For years, we in the United States have pursued the illusion that we could re-make continents. Conscious of our wealth and technology, seized by the force of our good intentions, driven by our habitual impatience, remembering the dramatic success of the Marshall Plan in postwar Europe, we have sometimes imagined that we knew what was best for everyone else and that we could and should make it happen.

But experience has taught us better.

It has taught us that economic and social development is not an achievement of **one** nation's foreign policy, but something deeply rooted in each nation's own traditions.

It has taught us that aid that infringes pride is no favor.

It has taught us that each nation, and each region, must be true to its own character.

What I hope we can achieve, therefore, is a more mature partnership in which all voices are heard and none is predominant—a partnership guided by a healthy awareness that give-and-take is better than take-it-or-leave-it.

My suggestions this evening for new directions toward a more balanced relationship come from many sources.

First, they are rooted in my personal convictions. I have seen the problems of the Hemisphere at first hand, and I have felt its surging spirit—determined to break the grip of outmoded structures, yet equally determined to avoid social disintegration. Freedom—justice—a chance for each of our people to live a better and more abundant life—these are goals to which I am unshakably committed. Progress in our Hemisphere is not only a practical necessity but a moral imperative.

Second, these new approaches have been substantially shaped by the report of Governor Rockefeller, who, at my request, listened perceptively to the voices of our neighbors and incorporated their thoughts into a set of foresighted proposals.

Third, they are consistent with thoughts expressed in the Consensus of Vina del Mar, which we have studied with great care.

Fourth, they have benefited from the counsel of many persons in government and out, in this country and throughout the Hemisphere.

And, finally, basically, they reflect the concern of the people of the United States for the development and progress of a Hemisphere which is new in spirit, and which—through our efforts together—we can make new in accomplishment.

I offer no grandiose promises and no panaceas.

I do offer action.

The actions I propose represent a new approach, based on five principles:

First, a firm commitment to the inter-American system, and to the compacts which bind us in that system—as exemplified by the Organization of American States and by the principles so nobly set forth in its charter.

Second, respect for national identity and national dignity, in a partnership in which rights and responsibilities are shared by a community of independent states.

Third, a firm commitment to continued U.S. assistance for Hemisphere development.

Fourth, a belief that the principal future pattern of this assistance must be U.S. support for Latin American initiatives, and that this can best be achieved on a multilateral basis within the inter-American system.

Fifth, a dedication to improving the quality of life in the Western Hemisphere—to making people the center of our concerns, and to helping meet their economic, social and human needs.

We have heard many voices from Latin America in these first months of our new Administration—voices of hope, voices of concern, voices of frustration.

We have listened.

Those voices have told us they wanted fewer promises and more action. They have told us that U.S. aid pro-

grams seemed to have helped the United States more than Latin America. They have told us our trade policies were insensitive to Latin American needs. They have told us that if our partnership is to thrive, or even to survive, we must recognize that the nations of Latin America must go forward in their own way, under their own leadership.

It is not my purpose here tonight to discuss the extent to which we consider the various charges right or wrong. But I recognize the concerns, and I share many of them. What I propose tonight is, I believe, responsive to those concerns.

The most pressing concern center on economic development—and especially on the policies by which aid is administered and by which trade is regulated.

In proposing specific changes tonight, I mean these as examples of the actions I believe are possible in a new kind of partnership.

Our partnership should be one in which the United States lectures less and listens more, and in which clear, consistent procedures are established to ensure that the shaping of Latin America's future reflects the will of the Latin American nations.

I believe this requires a number of changes.

To begin with, it requires a fundamental change in the way in which we manage development assistance in the Hemisphere.

I propose that a multilateral inter-American agency be given an increasing share of responsibility for development assistance decisions. CIAP—the Inter-American Committee for the Alliance for Progress—could be given this function. Or an entirely new agency could be created. Whatever the form, the objective would be to evolve an effective multilateral framework for bilateral assistance, to provide the agency with an expert international staff

and, over time, to give it major operational and decision-making responsibilities.

The Latin American nations themselves would thus jointly assume a primary role in setting priorities within the Hemisphere, in developing realistic programs, and in keeping their own performance under critical review.

One of the areas most urgently in need of new policies is trade. In order to finance their import needs and to achieve self-sustaining growth, the Latin American nations must expend their exports.

Most Latin American exports now are raw materials and foodstuffs. We are attempting to help the other countries of the Hemisphere to stabilize their earnings from those exports, and to increase them as time goes on.

Increasingly, however, those countries will have to turn toward manufactured and semi-manufactured products for balanced development and major export growth. Thus they need to be assured of access to the expanding markets of the industrialized world. In order to help achieve this, I have determined to take the following major steps:

First, to lead a vigorous effort to reduce the non-tariff barriers to trade maintained by nearly all industrialized countries against products of particular interest to Latin American and other developing countries.

Second, to support increased technical and financial assistance to promote Latin American trade expansion.

Third, to support the establishment, within the inter-American system, of regular procedures for advance consultation on all trade matters. U.S. trade policies often have a heavy impact on our neighbors. It seems only fair that in the more balanced relationship we seek, there should be full consultation

within the Hemisphere family **before** decisions affecting its members are taken, not after.

Finally, in world trade forums to press for a liberal system of generalized tariff preferences for all developing countries, including Latin America. We will seek adoption by all of the industrialized countries of a scheme with broad product coverage and with no ceilings on preferential imports. We will seek equal access to industrial markets for all developing countries so as to eliminate the discrimination against Latin America that now exists in many countries. We will also urge that such a system eliminates the inequitable "reverse preferences" that now discriminate against Western Hemisphere countries.

There are three other important economic issues that directly involve the new partnership concept, and which a number of our partners have raised: "tied" loans, debt service and regional economic integration.

For several years now, virtually all loans made under U.S. aid programs have been "tied"—that is, they have been encumbered with restrictions designed to maintain U.S. exports, including a requirement that the money be spent on purchases in the United States. These restrictions have been burdensome for the borrowers, and have impaired the effectiveness of the aid. In June, I ordered the most cumbersome restrictions removed. In addition, 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. As a third step, I am also ordering that all other onerous conditions and restrictions on U.S. assistance loans be reviewed, with the objective of modifying or eliminating them.

If I might add a personal word, this decision on freeing AID loans is one of those things that people kept saying

ought to be done but could not be done. In light of our own balance of payments problems, there were compelling arguments against it. But I felt the needs of the Hemisphere had to come first, so I simply ordered it done—showing our commitment in actions, rather than only in words. This will be our guiding principle in the future.

The growing burden of external debt service has increasingly become a major problem of future development. Some countries find themselves making heavy payments in debt service which reduce the positive effects of development aid. I suggest that CIAP might appropriately urge the international financial organizations to recommend possible remedies.

We have seen a number of moves in Latin America toward regional economic integration, such as the establishment of the Central American Common Market, the Latin American and Caribbean Free Trade Areas, and the Andean Group. The decisions on how far and how fast this process of integration goes, of course, are not ours to make. But I do want to stress that we stand ready to help in this effort, if our help should be wanted.

On all these matters, we look forward to consulting further with our Hemisphere partners. In a major, related move, I am also directing our representatives to invite CIAP, as a regular procedure, to conduct a periodic review of U.S. economic policies as they affect the other nations of the Hemisphere, and to consult with us about them. Similar reviews are now made of the other Hemisphere countries' policies, but the United States has not previously opened its policies to such consultation. I believe true partnership requires that we should, and henceforth, if our partners so desire, we shall.

I would like to turn now to a vital subject in connection with economic development in the Hemisphere, namely, the role of private investment. Clearly, each government

must make its own decisions about the place of private investment, domestic and foreign, in its development process. Each must decide for itself whether it wishes to accept or forego the benefits private investment can bring.

For a developing country, constructive foreign investment has the special advantage of being a prime vehicle for the transfer of technology. And certainly, from no other source is so much investment capital available. As we all have seen, however, just as a capital-exporting nation cannot expect another country to accept investors against its will, so must a capital-importing country expect a serious impairment of its ability to attract investment funds when it acts against existing investments in a way which runs counter to commonly accepted norms of international law and behavior. And unfortunately, and perhaps unfairly, such acts by one nation affect investor confidence in the entire region.

We will not encourage U.S. private investment where it is not wanted, or where local political conditions face it with unwarranted risks. But my own strong belief is that properly motivated private enterprise has a vital role to play in social as well as economic development. We have seen it work in our own country. We have seen it work in other countries, whether they are developing or developed, that lately have been recording the world's most spectacular rates of economic growth.

In line with this belief, we are examining ways to modify our direct investment controls in order to help meet the investment requirements of developing nations in Latin America and elsewhere. I have further directed that our aid programs place increasing emphasis on assistance to locally-owned private enterprise. I am also directing that we expand our technical assistance for establishing national and regional capital markets.

As we all have seen, in this age of rapidly advancing science, the challenge of development is only partly economic. Science and technology increasingly hold the key to our national futures. If the promise of this final third of the Twentieth Century is to be realized, the wonders of science must be turned to the service of man.

In the Consensus of Vina del Mar, we were asked for an unprecedented effort to share our scientific and technological capabilities.

To that request, we shall respond in a spirit of partnership.

This, I pledge to you tonight: the nation that went to the moon in peace for all mankind is ready to share its technology in peace with its nearest neighbors.

Tonight, I have discussed with you a new concept of partnership. I have made a commitment to action. I have given examples of actions we are prepared to take.

But as anyone familiar with government knows, commitment alone is not enough. There has to be the machinery to ensure an effective followthrough.

Therefore, I am also directing a major re-organization and upgrading of the U.S. Government structure for dealing with Western Hemisphere affairs.

As a key element of this, I have ordered preparation of a legislative request, which I shall submit to Congress, raising the rank of the Assistant Secretary of State for Inter-American Affairs to Under Secretary—thus giving the Hemisphere special representation. This new Under Secretary will be given authority to coordinate all U.S. Government activities in the Hemisphere.

Debates have long raged, both in the United States and elsewhere, over what our attitudes should be toward the various forms of government within the inter-American system.

Let me sum up my own views.

First, my own country lives by a democratic system which has preserved its form for nearly two centuries. We are proud of our system. We are jealous of our liberties. We hope that eventually most, perhaps even all, of the world's people will share what we consider to be the blessings of a genuine democracy.

We are aware that most people today, in most countries of the world, do not share those blessings.

I would be less than honest if I did not express my concern over examples of liberty compromised, of justice denied or of rights infringed.

Nevertheless, we recognize that enormous, sometimes explosive, forces for change are operating in Latin America. These create instabilities, and bring changes in governments. On the diplomatic level, we must deal realistically with governments in the inter-American system as they are. We have, of course, a preference for democratic procedures, and we hope that each government will help its people to move forward toward a better, a fuller and a freer life.

In this connection, however, I would stress one other point. We cannot have a peaceful community of nations if one nation sponsors armed subversion in another's territory. The Ninth Meeting of American Foreign Ministers clearly enunciated this principle. The "export" of revolution is an intervention which our system cannot condone, and a nation which seeks to practice it can hardly expect to share in the benefits of the community.

Finally, a word about what all this can mean for the world.

Today, the world's most fervent hope is for a lasting peace in which life is secure, progress is possible and freedom can flourish.

In each part of the world, we can have lasting peace and progress only if the nations directly concerned take the lead themselves in achieving it. And in no part of the world can there be a true partnership if one partner dictates its direction.

I can think of no assembly of nations better suited than ours to point the way in developing such a partnership. And a successfully progressing Western Hemisphere, demonstrating in action mutual help and mutual respect, will be an example for the world. Once again, by this example, we will stand for something larger than ourselves.

For three quarters of a century, many of us have been linked together in the Organization of American States and its predecessors in a joint quest for a better future. Eleven years ago, Operation Pan America was launched as a Brazilian initiative. More recently, we have joined in an Alliance for Progress, whose principles still guide us. Now our goal for the 70s should be a decade of Action for Progress for the Americas.

As we seek to forge a new partnership, we must recognize that we are a community of widely diverse peoples. Our cultures are different. Our perceptions are often different. Our emotional reactions are often different. Partnership—mutuality—these do not flow naturally. We have to work at them.

Understandably, perhaps, a feeling has arisen in many Latin American quarters that the United States “no longer cares.”

My answer to that is simple.

We do care. I care. I have visited most of your countries. I have met most of your leaders. I have talked with your people. I have seen your great needs, as well as your great achievements.

And I know this, in my heart as well as in my mind: If peace and freedom are to endure in the world, there is no task more urgent than lifting up the hungry and the helpless, and putting flesh on the dreams of those who yearn for a better life.

Today, we share an historic opportunity.

As we look together down the closing decades of this century, we see tasks that summon the very best that is in us. But those tasks are difficult precisely because they do mean the difference between despair and fulfillment for most of the 600 million people who will live in Latin America by the year 2000. Those lives are our challenge. Those lives are our hope. And we could ask no prouder reward than to have our efforts crowned by peace, prosperity and dignity in the lives of those 600 million human beings, each so precious and each so unique—our children and our legacy.