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# LAND REFORM AND THE ALLIANCE FOR PROGRESS

By EDMUNDO FLORES

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## Foreword

Although Dr. Edmundo Flores has not been connected with the Center of International Studies, he was a Visiting Professor at the Woodrow Wilson School of Public and International Affairs in 1962-1963; and the Center decided to publish the following report in this form in order to make it available to a larger public. I frankly do not know whether the analysis presented by Dr. Flores is fully realistic. But even if it were not--and we would expect differences of interpretation when it comes to a region so complex and full of change--the fact that a person of Dr. Flores' background and experience holds these views, and holds them very strongly, seems to make this a document that should be interesting to a considerable public in the United States.

Dr. Edmundo Flores received his Ph.D. in Agricultural Economics at the University of Wisconsin in 1948. He has been Professor of Agricultural Economics at the School of Economics, National University of Mexico, since 1950. During the past ten years he has worked on land reform problems in Latin America for the UN Technical Assistance Administration and FAO. He is the author of Tratado de Economia Agricola (Mexico: Fondo de Cultura Economica, 1961).

Klaus Knorr

1'

Unless President Kennedy and his advisors are willing to accept the necessity for drastic--and sometimes violent--revolutionary change in Latin America, his ambitious Alliance for Progress will fail, no matter how many billions of dollars the United States is willing to spend on it. This may seem an extreme view, but--as the operation of the Alliance has already shown in the one year since its birth--it presents no more than the hard reality that Americans will have to face.

The most striking feature of Latin America today is a pervasive urge for economic, social, and political change. Attempts to stifle this drive will only create more powerful tensions. The fact is that the archaic institutions of Latin America are doomed and will soon disintegrate--one by one. Whether this process will occur in an orderly fashion seems a rather naive query. Anyone acquainted with Latin American politics knows there is, on all sides, a deeply ingrained and rather trigger-happy inclination to resolve political conflicts by the use of force. Undoubtedly the coming revolution will have elements of violence. One need only remember that the casualties of the Mexican Revolution of 1910 approached one million, or that the ten-year-old guerrilla warfare currently going on in the backlands of Colombia reportedly has cost 300,000 lives. Figures on casualties in Cuba, before and after Castro, in the Dominican Republic, Haiti, or Guatemala are undisclosed but must be very high, too.

The critical question, I think, is whether the drive for change will be repressed, leading to a deadlock and turning Latin America into an active international battlefield in the cold war; or whether this drive will be confined to internal conflict, leaving it enough vitality to create a more suitable framework for general development.

One of the harsh facts of political life in Latin America has been that would-be reformers have faced the determined opposition of the landed elite, the armed forces, and the Catholic Church, as well as (except during the Good Neighbor days) the almost inevitable and generally decisive interference of the United States on the side of all three. Considering that they had such formidable opponents, the number of successful revolutions is impressive: Mexico, Bolivia, and Cuba. Behind these movements was the gathering momentum of what is nowadays called the "revolution of rising expectations."

The increasing demand of the masses for social change and rapid economic improvement can be attributed only in part to overt propaganda. I find, for instance, that the

impact of professional agencies like the Communist Party, the Voice of America, the various organs of the United Nations, and local political parties is overrated. Largely speaking, their output is either incomprehensible or dull. In contrast, the impression made by the Mexican, Bolivian, and Cuban revolutions is much deeper. And no one has fully gauged the powerful impact of American movies which have displayed the standard of living in the United States to Latin American workers.

I remember witnessing near-riots in the movie houses of small villages in the Andean plateau--where I worked for the United Nations as a land reform expert for almost three years--every time the picture of Zapata, Mexico's legendary agrarian leader, appeared on the screen. It was strange to hear the peasant crowds shouting the old Mexican slogans: Viva Zapata! Land and Freedom! Death to the landlords!

For many years now the principal market for Mexican movies has been rural South America. Here, the supremacy of Mexican films is unchallenged--not because they are particularly good, but because peasants are illiterate and these pictures are in Spanish. The exploits of Zapata, Villa, Cantinflas--the pathetic, rebellious outcast--and of the anonymous heroines portrayed by Dolores del Rio, convey more of a message than, say, the Communist Manifesto ever has. In 1952, the news spread, by word of mouth, all over neighboring countries, that the new revolutionary government was giving the Bolivian Indians their own land. Recently, particularly after the Bay of Pigs incident, the popularity of Castro has skyrocketed--regardless of what Latin American diplomats may say.

Thus political change comes about not only from the interplay of economic forces and the push of ideologies but also from the massive unleashing of what economists call "demonstration effects"--the growing awareness of new and appealing patterns of consumption and leisure popularized by the media of mass communication: movies, commercial advertising, tourism, etc. In advanced countries such demonstration effects act together with rising levels of income and employment to change consumers' preferences and to stimulate the economy. In underdeveloped countries, where the income levels of the masses tend to be static or deteriorating and unemployment is chronic, such effects are explosive because they exacerbate deep-seated frustration.

If the Alliance for Progress is going to work at all, it must confront these enormous forces of active discontent which are growing at a pace that would shock most North Americans if they knew about them.

Fidel Castro has claimed to be the indirect promoter of the Alianza; and there is some truth in his boast, since without the Cuban Revolution Latin America would not be in the headlines today--except for its normal quota of earthquakes, air crashes, political assassinations, and assorted folklore. Without Castro, few outside Latin America would care about the region's economic stagnation, its political instability, or its undeniable ability to upset the balance of power in the cold war.

Regardless of Castro's claims, the Kennedy Administration has taken up the challenge of helping to develop this vast continent. But the Alliance for Progress is a more difficult and ambitious undertaking than the Marshall Plan. While the Marshall Plan financed the reconstruction of war-torn but highly advanced industrial societies, the Alliance requires no less than the complete transmutation of old, stagnant, and deeply divided societies into new, unified, and dynamic ones.

So far, besides taking a political gamble, the United States government has advanced its first cash installment and has made the initial moves to organize the administrative and technical machinery in charge of implementing the program. In long-run terms, the United States has promised 20 billion dollars over ten years to finance development. It has also made clear to the Latin American governments that aid will not be granted unless they put into effect land reform and progressive taxation programs.

The need for policies that will redistribute land and wealth in order to start economic development is generally accepted among economists. For instance, W. W. Rostow has suggested that, above minimum levels of consumption, income that is "largely concentrated in the hands of those who own land, must be shifted into the hands of those who will spend it on roads and railroads, schools and factories rather than on country houses and servants, personal ornaments and temples."<sup>1</sup>

Thus the emphasis of the Alianza on redistributive policies appears to be correct. Unfortunately, it will be extremely difficult to accomplish. In advanced countries, income redistribution can be achieved with relative ease by resorting to progressive taxation, but in less-developed areas such is not the case. In their present stage of development, most Latin American countries cannot apply progressive income taxation for several reasons. First, the

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1. W. W. Rostow, The Stages of Economic Growth (Cambridge, Eng.: University Press, 1960), p. 19.

really powerful people in most of these countries do not want it, since it would be tantamount to abdicating their power. Second, underdevelopment itself precludes the possibility of efficient taxation because, for one thing, all major as well as minor appointments are political and there is hence no effective civil service to carry it out. For another, administrative corruption prevails throughout the Latin American governments that are dominated by tiny minorities of the rich, and there is a long-standing tradition of tax evasion.

It should be understood that, with the possible exceptions of Argentina, Brazil, Chile, Costa Rica, Mexico, and Uruguay, there are no appreciable middle classes in Latin America and consequently there is a desperate shortage of trained personnel on the lower levels. It may not be difficult to find aggressive lawyers, cultured priests, chivalrous soldiers, and even good doctors. But trained nurses, moderately efficient stenographers, or reliable proofreaders are terribly scarce even in the more advanced countries. The rigid social structure, the lack of employment opportunities, and a tradition which equates leisure with a high social status have prevented the emergence of this new class in either industry, commerce, or the bureaucracy.

Thus political opposition, administrative corruption, and the shortage of trained personnel on the lower levels create a vicious circle which can only be eliminated in the long run. For instance, take the experience of Mexico after the Revolution. Even under a regime for which the organization of a moderately efficient civil service was a matter of survival, this process has taken close to four decades and it is still open to substantial improvement. It is true that while in 1924 income taxes accounted for 1 per cent of total revenue, in 1960 they had climbed to 34 per cent. But although these figures reflect progress, taxation is still fairly regressive and--despite vigorous efforts of the present administration--in all probability it will take from ten to twenty years to perfect the tax system of Mexico.

In conclusion, as many Latin American experts on taxation well know, the political and administrative backwardness characteristic of most Latin American countries makes it virtually impossible to redistribute income by progressive taxation in the immediate future; and even under the most favorable circumstances, including outside incentives, it will take years to correct this situation. Therefore, one of the requirements of the present Alianza policy does not prevail.

The situation is little better when it comes to the chances of land reform. In this case there are precedents from which we can draw valuable lessons. In fact, most Latin American countries have land reform legislation of sorts, but they have never applied it on a significant scale. So far only four countries--Mexico, Bolivia, Guatemala, and Cuba--have embarked on substantial land reform; and of these, the Cuban experience is too recent to allow sound comment. The Guatemalan reform launched in 1952 was soon aborted, through efforts abetted by the U.S. government. Generalization from the Bolivian case is premature although this reform started ten years ago. The only clear case is provided by Mexico's reform, initiated 45 years ago after seven years of civil war.

The common characteristic of the four cases is that they were preceded by violent revolution and brought about the virtual destruction of the political and economic power of the landed classes. In the case of Guatemala, however, American intervention restored to power the old landed elite, and in the process managed to create one of the most incompetent, embarrassing, and irresponsible governments of Latin America.

Since in underdeveloped countries the main sources of wealth are land and mineral resources, it is obvious that their pattern of income distribution is ultimately determined by the pattern of land and mineral ownership. Therefore, the income shifts required for development must necessarily take place in these economic areas. Although technically the differences between a mineral-exporting economy and an agrarian economy are considerable, there are also important similarities. As Professor Raymond J. Penn put it bluntly, "U.S. industry cannot operate in a feudal country without accepting the rules of feudalism and thus sharing the villain's role for those who want to strengthen the economic and legal position of the landless and jobless."<sup>2</sup> There is no doubt that this unfortunate symbiosis will complicate tremendously the launching of land reforms in Latin America.

In Mexico and Bolivia before their agrarian reforms, approximately 3 per cent of the population owned 90 per cent of the productive land; that meant that a correspondingly large proportion of agricultural cash income accrued to only a tiny proportion of the total population. Such a high concentration of land ownership and agricultural income prevails today in many Latin American countries and this explains precisely why such countries have lacked development.

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2. "Public Interest in Private Property (Land)," Land Economics, XXXVII (May 1961), p. 101.

Briefly outlined, the most important results of Mexico's land reform have been as follows:

From 1915 to date, 108 million acres of all types of land--more than 50 per cent of all the productive land of the country--have been distributed among 2 million peasants. These lands were freely granted to agricultural communities called ejidos. The ejido is a system of communal tenure modeled after the ancient Indian communities whose land was usurped by the hacienda. Ejido lands are held as the property of a town or a village either for collective use or for distribution among ejidatarios for cultivation in small plots to which each individual has a right of occupancy and usufruct. The average size of these plots is 16 acres. Ejido lands cannot be sold or mortgaged. At present there are 18,000 ejidos; of these, approximately 4,000 are operated collectively and produce cotton, sugar cane, rice, and hemp. The remaining 14,000 are operated individually.

The Mexican land reform also created small family farms called pequeñas propiedades. These units were inspired by the American family farm. Their area varies from 250 to 350 acres of irrigated land or its equivalent in land of lower quality. These farms were created from lands which were exempt from expropriation when the ejidos were formed and remained the private property of the former hacienda owners.

At present there are approximately 40,000 pequeñas propiedades with an average size of between 250 and 600 acres which cover an area of around 17 million acres of the best land. In addition, there are more than a million privately owned holdings of smaller size and, finally, there still remain some 500 haciendas of between 125,000 and 250,000 acres each. As a rule, these haciendas are located in remote semi-desert regions or in tropical jungles, or else they are owned by powerful politicians.

The transformation of land ownership in Mexico could not be more dramatic. Before the land reform there were 8,400 very large haciendas and 48,600 medium-sized and small plots, making a grand total of 57,000 properties. Today, there are 2.7 million holdings. Half of the productive land was granted to 2 million ejidatarios (1.3 million holdings operated individually and collectively); the other half belongs to approximately 1.4 million private farmers.

With the land reform it became imperative to increase productivity, to diversify production, and to industrialize. Since 1930, the agricultural product has increased at an average annual rate of 5.4 per cent, while gross national

product increased at a rate of 6.2 per cent annually. Cotton production increased 17 times; coffee 8 times; beans 6 times; tomatoes and wheat 4 times; sugar cane 2.5 times; corn production doubled. On the industrial front, steel output increased 14 times, from 102,800 metric tons in 1930 to 1.6 million tons in 1960; generation of electricity went up 5.6 times, from 1.4 million KWH in 1930 to 9.8 million in 1960; cement output increased 12.7 times, from 224,000 metric tons to 3.1 million in 1960; petroleum is up from 106,351 barrels a day in 1938--when Mexico expropriated foreign oil holdings--to 320,070 barrels a day in 1961. The final payment for expropriated oil holdings was made in the fall of 1962.

Meanwhile the population rose from 15 million before the Revolution to 36 million today. In 1910, 90 per cent of the total labor force was engaged in farming; today only 50 per cent are farmers and the rest have shifted to newly created urban-industrial jobs or have joined the ranks of the unemployed. Despite rapid industrialization, Mexico has not been able to create enough new jobs each year and unemployment is its most severe problem.

Undoubtedly the break-up of the hacienda was the catalyst which released and set in motion the multitude of complex forces to which Mexico owes its sustained rates of agricultural and industrial growth. It gave the rural population an opportunity for both horizontal and vertical mobility; it destroyed the "caste" system; it profoundly affected the political environment and brought the country out of the colonial impasse; it opened it up to technological progress and paved the way for the beginning of road building and irrigation programs. Urban expansion and the public works policy created a huge demand for cement, steel, and other products of the construction industry, thus setting the basis for Mexico's industrial revolution.

Land reform gave Mexico a government with a new concern for the people and the nation. It did something more. It gave to many of the common people something they had never had: the idea of progress and personal ambition for a better future for their children.

Without the agrarian revolution, Mexico would probably be today in a situation similar to that of contemporary Colombia, Peru, or Venezuela. There would be good roads leading from ports to mines, oil wells, and plantations; industry and farming would show development along a few specific lines. One would find urban expansion, Hilton hotels, air-conditioning, supermarkets, funiculars, submarines, and other conspicuous construction. In patches, the economy would display a semblance of technological

sophistication. But there would be little or no evidence of the rise of new classes that accompanied the industrial growth of the advanced nations.

Mexico avoided this chromium-plated dead-end road because, irrespective of the deficiencies of the ejido and of the pequena propiedad, massive land redistribution forced the way for concurrent social and economic improvement. Mexico's development has been so spectacular that in a recent book Eugene R. Black, President of the International Bank for Reconstruction and Development, and an acknowledged tough critic, lumps together Russia, Mexico, and Japan as countries that "have yet to achieve high consumption economies, but could conceivably achieve them in the foreseeable future."<sup>3</sup>

Experience indicates, therefore, that it is a serious mistake to consider land reform as merely a matter of introducing more efficient farming methods, opening new lands, and partitioning large idle estates. Land reform is much more than that, regardless of what influential Latin American landlords disguised as progressives may say about it, and regardless of the misleading and naive utterances occasionally emanating from Washington which describe it as a measure that is not going to hurt anybody.

Land reform should not be confused with the introduction of efficiency in farming by means of hybrid seeds, extension services, or the like. These measures, necessary as they are, do not basically alter income distribution or the social and political structure. Efforts to increase efficiency must be applied after land reform takes place, not instead of it. Producing more cotton, coffee, sugar, bananas, or even maize, without changing the structure of land tenure, will not open up new alternatives for the hacienda or plantation workers and probably will not even raise their level of nutrition.

Land reform should not be confused with attempts either to reclaim unproductive land or to settle in uninhabited areas. Here a word of warning seems appropriate, since some Latin American countries (Guatemala, Colombia, and Peru) already are embarking upon such a travesty under the Alliance for Progress. Opening public domain lands before industrial development gets under way is inadvisable, because their fertility is highly questionable and the large capital outlays required can be put to better use elsewhere

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3. The Diplomacy of Economic Development (Cambridge, Mass.: Harvard University Press, 1960), p. 2.

in the economy. We should not forget that in the course of several centuries these lands failed to tempt either the Indian farmers who preceded Columbus, the Spanish conquerors, or the Catholic Church--all of whom coveted land and knew what to do with it. The reason for such neglect is obvious: under prevailing conditions, public domain lands often are worthless because of their distance from markets and their poor fertility as well as the prevalence of bad weather and an unhealthy climate. Spending scarce capital to open up more land in underdeveloped agrarian countries is bad economics. The limiting factor for development in these countries is not lack of land, but rather the inefficient way in which it is now distributed.

Land reform in fact amounts to the adoption of a new pattern of income distribution: a capital levy on a few landlords that is distributed among many peasants and the state. This initial income shift greatly facilitates the increase of the domestic rate of capital formation, as proven spectacularly in the case of Mexico, where from 1910 to 1942 all sources of foreign capital were closed owing to widespread expropriations. Nonetheless, during this period Mexico set the basis for her industrial and agricultural expansion.

If the land is purchased--rather than expropriated--this represents not land reform but merely a real estate transaction. If proprietors receive cash compensation, there is an income redistribution effect only to the degree to which cash compensation is inferior to the price of land. If the government pays the large landowners in bonds, this in effect forces landowners to lend to the government an amount equal to the price they receive for the land.

In other words, to be effective land reform has to take productive land (and its income) from the landlords without immediate compensation. Otherwise it is not a redistributive measure. To pretend that landlords should be fully compensated is as absurd as to expect that taxpayers of advanced countries should receive cash compensation or bonds by an amount equal to their taxes.

In line with this principle, the four cases of land reform already attempted have shown strong confiscatory tendencies:

The Mexican government issued bonds to compensate Mexican landlords, but only approximately 0.5 per cent of the total value of expropriated land was paid for. Even in the case of land owned by foreigners (79 million acres),

compensation was not paid in accordance with the rigid principle of "prompt, adequate, and effective" payment as the U.S. State Department demanded. Instead, it was subject to long and protracted negotiation, culminating in an agreement between the Mexican and American governments in which payment was geared to the financial capacity of the expropriating country and extended over a long period of time.

In Bolivia, according to the land reform decree, owners of expropriated land were to be compensated with agrarian bonds, but so far only token payments have been made. The same applies to the Guatemalan and Cuban cases. It is interesting to note that although in the Mexican, Guatemalan, and Cuban reforms the American government showed a deep concern about the problem of compensation, in Bolivia it extended economic aid instead. In this case, as Professor Robert J. Alexander wrote in 1958, "...the United States has said to Bolivia and to the world that this country does not necessarily support the status quo in semifeudal underdeveloped nations."<sup>4</sup> (This may be particularly true, one is tempted to add, in cases in which there are no American investors in the countries in question.) Perhaps the success of the Alianza and the survival of the U.S. investments in mining, public utilities, and other businesses in countries like Peru, Chile, and Brazil will ultimately depend upon the ability of American businessmen who operate in these countries to join the side of the groups who favor social change.

I am aware of the fact that traditionally in the United States any proposal involving confiscatory practices has awakened repugnance and has been rejected. (It might be said that one of the outstanding exceptions was the seizure of property, without compensation, represented by the 1.3 million slaves valued at \$3,000 million who were freed by the Lincoln Administration.) I also know that today, in the cold war, this attitude has become even more firm--respect for private property and due process of law has come to be the signal indicator to separate those who are on the side of democracy from those who are on the Communist side.

This standard may be relevant to American domestic politics but when applied to underdeveloped countries, with entirely different traditions, it leads to what George F. Kennan, referring to past American foreign policy, has

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4. Robert J. Alexander, The Bolivian National Revolution (New Brunswick, N.J.: Rutgers University Press, 1958), pp. xvii-xviii.

called "...the colossal conceit of thinking that you could suddenly make international life over into what you believed to be your own image."<sup>5</sup> To project, evaluate, and judge land reform against the American experience is misleading, if not meaningless. What is needed in Latin America is a program to develop a continent that never had settlers, or homesteads or farms operated by individual families, or an equalitarian democratic tradition.

Unlike the United States, many of these Latin American countries still have to overcome feudal traditions, a lack of social mobility, and economic stagnation. Much of rural Latin America is populated by the descendants of the Conquerors and of conquered Indians. There, haciendas and plantations often exceed hundreds of thousands of acres and are worked by peons according to ancient, rigid, and often inhuman practices. The ruling groups have never worked the land themselves. In most rural areas there is no democracy or due process of law.

As J. K. Galbraith has observed: "...some of our current discussion of land reform in the underdeveloped countries proceeds as though this reform were something that a government proclaims on any fine morning--that it gives land to tenants as it might give pensions to old soldiers or as it might reform the administration of justice. In fact, a land reform is a revolutionary step: it passes power, property, and status from one group in the community to another. If the government of the country is dominated or strongly influenced by the land-holding groups--the one that is losing its prerogatives--no one should expect effective land legislation as an act of grace....The best assurance of land reform, which I for one hope can be orderly and peaceful, is a popular government by those who really want reform."<sup>6</sup>

Viewed in its true light, land reform is a very drastic measure which crushes the power of the landed elite wherever it is applied. Landlords know this and, regardless of the lip service they pay to the Alianza, they will frustrate it in every possible way. It would not be surprising if they pocketed as much of the 20 billion as they can on the grounds of political self-defense. One need only remember, for instance, that food grants to Peru and other Latin American countries under the Point IV Program

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5. American Diplomacy, 1900-1950 (New York: Mentor Books, 1951), p. 69.

6. Quoted by Gunnar Myrdal in An International Economy (New York: Harper & Brothers, 1956), pp. 183-84.

often failed to go to famine areas and instead were sold on the markets, and the money went into the pockets of speculators. Administrative corruption and graft is an art about which underdeveloped countries have little to learn and may even be able to teach something to developed ones.

Thus the position of the U.S. government is tragic, and perhaps absurd: it wishes to entrust what is nothing less than a revolution to the very group--the safe conservative element-- which in its own interest must block it, as it always has. In other words, it is the same as if Abraham Lincoln had expected the Southern slave owners to expropriate themselves.

On the other hand, all those who are temperamentally inclined toward change as well as those who have nothing to lose by it--intellectuals, students, wishful democrats ahead of their time, landless peasants, unemployed urban workers--all these, paradoxically, are the Alianza's true and natural allies, provided that they are somehow able to wrest control of it from the hands of the old elite for their own benefit. These are the men and women who, given the chance, would build the schools, factories, and roads essential for economic growth.

One key question remains. What is to prevent the Communists from taking advantage of the coming revolutions to impose their control over Latin America?

Clearly, the time for self-deception or self-righteousness is past. Ignoring this problem would be fatal. Leaning on standard, hollow exhortations in favor of ideal democracy and free elections--so dear to the Voice of America and to American embassies--is not only futile but quite embarrassing to the Latin Americans who want to build democracy: Americans may be masters in commercial advertising but in political propaganda their efforts tend to be inept and ineffective. Subsidizing and arming the anti-revolutionary and dictatorial groups in power, so that they will then be in a better position to persecute and kill the opposition, only adds to the popularity and power of the Communists.

If the United States really wants to check communism, then it must beat the Communists at their own game and provide some attractive alternatives for the groups to whom communism makes its appeal. In my country the Communist Party is powerless and discredited mostly because those who made and carried forward the Mexican Revolution were free of Marxist dogma and were able to do anything required of them better than the Marxists could. The best antidote to communism is nationalism built on a wide, popular base,

and anchored on a sweeping land reform. In Bolivia, at the beginning of the 1952 revolution, the Communist Party made the grave error of opposing land reform and thereby lost all its influence. I spent some time trying to find out why they had been so stupid. They told me that a land reform backed by the United Nations (in their mythology the UN is a puppet of the United States government) was a measure designed to strengthen Yankee imperialism. Apparently, they could not have cared less about the emancipation of the Bolivian Indians. What they probably wanted was to further chaos. More recently, in Cuba, the Communist Party collaborated with Batista for years and officially opposed Castro's 26th of July movement during its formative stages.

Here a word of warning to many Latin American activists and economic planners seems necessary. While in intellectual circles there is a good deal of loose revolutionary talk inspired by grossly idealized images of the Soviet and Chinese "models," which are offered as the salvation of Latin America, among professional economists--particularly those trained in American universities--there is often an unconscious but powerful drive to imitate the American "model." Both attitudes are wrong. In view of the geographical, ethnic, historical, and cultural affinities of the Latin American countries, it seems clear that the Mexican "model" should be studied in depth. The Mexican experience has more valuable lessons to offer than any other in our contemporary world, not only because of Mexico's achievements but particularly because there is no need to repeat many of the costly errors and detours which were inevitable for the country that pioneered the way. In line with this idea, during the recent visit of President Kennedy to Mexico, a joint communiqué issued by the Presidents of both countries recognized that "the Mexican Revolution and the Alliance for Progress have the same fundamental aims: social justice and economic development within a framework of individual and political freedom."

Under the circumstances described, the Alianza will have no other choice, at the "moment of truth," than to oppose or to favor revolutionary change. If, following current misconceptions, the United States backs the quasi-feudal and militaristic governments in power, there will be a pretense of economic development and Alianza funds will be misallocated and wasted without changing the conditions responsible for political unrest and economic stagnation. This will lead eventually to the establishment of military dictatorships of the extreme right.

If, following the precedents set by the Good Neighbor policy in the case of the Mexican Revolution or, later,

in the case of the Bolivian Revolution, the United States learns somehow to live with popular, nationalistic, and democratically oriented movements, wherever these should emerge and however amateurish or rough they may be, favorable conditions will be created for self-help, for progress, and for better use of Alianza funds. Finally, if Americans oppose revolution and revolution succeeds anyway, there will be a repetition of what happened in Cuba and the Organization of American States will find itself with a dwindling membership.