Memorandum by the Counselor of the Department (Kennan) to the Secretary of State[2]

SECRET
[WASHINGTON,] March 29, 1950.

MR. SECRETARY: Below are some views about Latin America as a problem in United States foreign policy, as these things appear to me at the conclusion of a visit to some of the Latin American countries.

I would not want it thought that I am over-rating this sort of a "Cook's Tour", as a basis for judgment, or that this report purports to represent a "study" of Latin America. By and large, my opinions remain what they were before and what all our opinions must be when they relate to areas with which we have little personal acquaintance: shots in the dark, based mainly on instinct and general experience. But we must have *some* opinions, well-founded or otherwise; and mine are presumably not *less* valuable by virtue of the fact that the trip enabled me to devote more time and thought to these matters than would ever have been possible in Washington, and to try out ideas on a large number of knowledgeable people.

I. Relationship of Latin America to our Global Policies

As I see it, the principal ways in which Latin America fits in to our general policy problems are two:

A. As an important part of the non-communist international system.

Our relationship to Latin America occupies a vitally important place in our effort to achieve, within the non-communist world in general, a system of international relationships, political and economic, reasonably adequate to the demands of this post-war era, and henceforth qualified to serve as a rebuttal of the Russian challenge to our right to exist as a great and leading world power.

This general purpose cannot be achieved unless fairly successful relationships can be maintained between the Latin American countries, on the one hand, and our own country, as well as other parts of the non-communist world, on the other. If the countries of Latin America should come to be generally dominated by an outlook which views our country as the root of all evil and sees salvation only in the destruction of our national power, I doubt very much whether our general political program in other parts of the non-communist world could be successful. This consideration gains cogency by virtue of the inordinately powerful position enjoyed by the Latin American countries in the assembly of the United Nations.[*] Similarly, we will not be able to say that we have coped creditably and successfully with post-war problems in the non-communist world unless we are able to assure a fairly successful economic relationship between the peoples and resources of Latin America and those of other non-communist areas. This applies particularly to the older and over-populated industrial areas of England, Western Europe and Japan.

B. As an important element of our strategic position in the event of war.

While there are some fairly common and serious misunderstandings as to the *nature* of the importance to us of Latin America in the event of war with the Soviet Union, there is no question of that importance itself.

This is only in minor degree a question of bases, since Latin America offers little in this respect which could be of serious interest to the Russian adversary in the light of existing military realities. It is also no longer, to the degree that it once was, a problem of the defense of the Panama Canal and of assuring the fusion of our naval power in the two oceans, although that is still important. Finally, it is definitely not a question of the possible mobilization of Latin American military strength against us. In these days, when apprehension of Soviet military expansion assume such fantastic forms, we would do well to remember that not even the Russians can create military strength where the essential components of that strength, in manpower, in industrial background and in native leadership are lacking.

The military significance to us of the Latin American countries lies today rather in the extent to which we may be dependent upon them for materials essential to the prosecution of a war, and more importantly in the extent to which the attitudes of the Latin American peoples may influence the general political trend in the international community. This general political trend will unquestionably be an important determinant of the final world-wide results of another major military conflict.

In general, but particularly at the present juncture, the psychology of a large part of the international community is a band-wagon psychology in which nothing succeeds like success. If, in the initial stages of a military conflict between Russia and the Atlantic Pact group, the general pattern of allegiance of the Latin American countries to ourselves were to be seriously disturbed and a considerable portion of Latin American society were to throw its weight morally into the opposite camp, this, together with the initial military successes which the Russians would presumably have in Europe, might well turn the market of international confidence against us and leave us fighting not only communist military power but a wave of defeatism among our friends and of spiteful elation among our detractors elsewhere in the world. This is particularly serious because in a war which, in its early phases, turned against us and excluded us temporarily in large measure from access to the Eurasian land mass, our people would probably be in no mood for patience with other governments in this hemisphere; and manifestations of hostility or collaboration with the enemy, among these governments, might well produce violent reaction on our side.

II. General Considerations

The beginning of wisdom in Latin American affairs is distrust of the generality; for the differences among the Latin countries are so often more significant than the similarities. There are, nevertheless, certain appreciations concerning the area as a whole which strike

the casual visitor with a heavy, melancholy force and claim the right to a sort of precedence in all his thinking about it.

It seems to me unlikely that there could be any other region of the earth in which nature and human behavior could have combined to produce a more unhappy and hopeless background for the conduct of human life than in Latin America.

As for nature, one is struck at once with the way in which South America is the reverse of our own North American continent from the standpoint of its merits as a human habitat.

North America is broad and ample in those temperate regions which are most suitable to human life. As one moves southward into the subtropical and tropical zones, it tapers off to the narrow and mounttainous Isthmus, which is a part of Latin America.

South America, on the other hand, is wide and vast in those portions of it which are close to the equator and least suited to human habitation, and it is the temperate zone into which the continent narrows at its southern extremity, pinching off with a fateful abruptness the possibilities for a vigorous and hopeful development of human society.

In North America, the Mississippi drains and serves the great basin of fertility which is the heart of the continent. The Amazon, on the other hand, reaches great fingers into a region singularly hostile to human activity.

In North America, the great country which stands in the center of the continent is highly developed, with a dense network of communications, and is well qualified to act as a bond for the continent as a whole. In South America, the great pathless expanse of central Brazil, around the periphery of which the other countries are arranged, acts rather as a barrier to their mutual access and communication.

In North America. climate has permitted urban life to be led on the plains, in an organic intimacy with its natural hinterland. In South America, climate, together with Castilian tradition, has pressed a number of the more important urban communities up into poorly accessible mountain sites, at the price of a tragic and ineradicable artificiality.

Against this unfavorable geographical background, which would have yielded only to the most progressive and happy of human approaches, humanity superimposed a series of events unfortunate and tragic almost beyond anything ever known in human history. The Spaniards came to Latin America as the bearers of a national and cultural development which was itself nearing its end; a development in which many of the more hopeful origins had already died and little was left but religious fanaticism, a burning, frustrated energy, and an addiction to the most merciless cruelty. To those portions of the New World where an Indian civilization was already in existence, they came like men from Mars: terrible, merciless conquerors--the bearers of some divine punishment--whose sympathy and understanding could never be enlisted for local traditions or institutions, and to whom the only possible relationship was one of tragic and total submission, involving the abandonment of all prior attachments and customs.

Human history, it seems to me, bears no record of anything more terrible ever having been done to entire peoples. The shock to the national consciousness was profound and irreparable. Here, something was violently broken which was essential to the hopeful development of human society; and the effects of that terrible rupture was destined to endure through the generations, to a point in time which we cannot clearly foresee. Here is the true illustration of the crimes of the fathers being visited on their progeny: for, as the Spaniards intermarried with these native peoples the course of whose history had so ruthlessly been interrupted, they came to share the scars and weaknesses which they had themselves inflicted.

Elsewhere in Latin America, the large scale importation of Negro slave elements into considerable parts of the Spanish and other colonial empires, and the extensive intermarriage of all these elements, produced other unfortunate results which seemed to have weighed scarcely less heavily on the chances for human progress.

In these circumstances, the shadow of a tremendous helplessness and impotence falls today over most of the Latin American world. The handicaps to progress are written in human blood and in the tracings of geography; and in neither case are they readily susceptible of obliteration. They lie heavily across the path of all human progress; and the answers which people have suggested to them thus far have been feeble and unpromising.

These bitter realities are ones which people cannot face fully constantly. Human nature, with its insistence that life must go on, represses the consciousness of these things, turns away from them in healthy revulsion, and seeks to balance them out by over-compensation. Thus the inordinate splendor and pretense of the Latin American cities can be no other than an attempt to compensate for the wretchedness and squalor of the hinterlands from which they spring. And, in the realm of individual personality, this subconscious recognition of the failure of group effort finds its expression in an exaggerated self-centeredness and egotism--in a pathetic urge to create the illusion of desperate courage, supreme cleverness, and a limitless virility where the more constructive virtues are so conspicuously lacking.

For the foreign representative, this presents a terrible dilemma. In an environment which ill supports the naked face of reality, he cannot get very far with the sober and obvious concepts which are his stock of trade in other parts of the world. He must take these neuroses as the essence of the medium in which his activity must proceed; and he must bear in mind that every impulse which he gives to his activity must, if it is to be successful, find its translation into the terms of a world where geography and history are alike tragic, but where no one must ever admit it.

Thus the price of diplomatic popularity, and to some extent of diplomatic success, is constant connivance at the maintenance of a staggering and ubiquitous fiction: the fiction of extraordinary human achievement, personal and collective, subjective and objective, in a society where the realities are almost precisely the opposite, and where the reasons behind these realities are too grim to be widely or steadily entertained. Latin American society lives, by and large, by a species of make-believe: not the systematized, purposeful

make- believe of Russian communism, but a highly personalized, anarchical make-believe, in which each individual spins around him, like a cocoon, his own little world of pretense, and demands its recognition by others as the condition of his participation in the social process.

Confronted with this phenomenon, many non-Latin diplomatists first pause in dismay; for they see that only by accepting it can they achieve many of their purposes. Yet to plunge deeply into it, as many finally do, is to lose one's self in a sort of Alice's Wonderland, where normal relations between cause and effect have lost their validity, where nothing may be judged on its actual merits, where no idea has more than a relative integrity, where real things receive recognition only by their relation to the diseased and swollen human ego, where nothing is ever wholly finished because things are never more than symbols and there is no end to those things which are the objects of the symbols.

Here, for the sensitive foreigner, there are only three forms of escape: cynicism, participation, or acute unhappiness. Most foreign representatives find refuge in a combination of all three.

III. Communism

A. Significance

It may seem illogical to start with the negative subject of communist activities in the Latin American area, because in theory the emphasis of our policy must continue to be laid on the constructive, positive features of our relationship, and no more here than in any other part of the world can a successful policy be founded exclusively, or mainly, on just a negative combatting of communist activities.

Nevertheless, as things stand today, the activities of the communists represent our most serious problem in the area. They have progressed to a point where they must be regarded as an urgent, major problem; and a correct understanding of their significance is basic to an understanding of the other phases of our policy problems.

A correct appraisal of the significance of communist activities in this hemisphere is difficult to achieve, because it is beset with temptations to error on both sides: that is, both in overestimation and underestimation. It is true that most of the people who go by the name of "communist" in Latin America are a somewhat different species than in Europe. Their bond with Moscow is tenuous and indirect (proceeding, as a rule, through at least one other Latin American capital besides their own, and then through Paris). Many of them are little aware of its reality. For this reason, and because their Latin American character inclines them to individualism, to indiscipline and to a personalized, rather than doctrinaire, approach to their responsibilities as commu- nists, they sometimes have little resemblance to the highly disciplined communists of Europe, and are less conscious of their status as the tools of Moscow. The Moscow leaders, we may be sure, must view them with a mixture of amusement, contempt and anxiety.

It is also true that in no Latin American country, with the possible exception of Guatemala, does there seem to be any serious likelihood that the communists might acquire the strength to come into power by majority opinion.

Finally, even though the communists should come into power in one of these countries, that would not be the end of the story. If such an experiment remained isolated--that is, if their power were restricted to a single country--they would hardly be a serious military threat to the hemisphere as a whole. In this case, their relations with ourselves and their Latin American neighbors would probably soon become unspeakable; and Moscow's problem of maintenance of dominant influence and control over them would immediately become immensely more difficult, as it always must in the case of commmunists who seize the reins of power in areas outside Moscow's sphere of immediate military domination.

All this gives us no justification for complacency about communist activities in this hemisphere. Here, as elsewhere, the inner core of the communist leadership is fanatical, disciplined, industrious, and armed with a series of organizational techniques which are absolutely first rate. Their aim is certainly not the acquisition of power by democratic means, and probably, in most instances, not even the acquisition of complete governmental power at all at this juncture, since this would saddle them with a responsibility more hampering than helpful to their basic purposes. Their present aim, after all, is only the destruction of American influence in this part of the world, and the conversion of the Latin American peoples into a hotbed of hostility and trouble for the United States. And in this their activities tie into the formidable body of anti-American feeling already present in every one of the Latin American countries, without exception. It is in this fertile breeding ground that the communists broadcast their seeds of provocation and hatred and busily tend the plants which sprout in such vigor and profusion.

We should not over-rate the actual military significance of this state of affairs. But we must recognize that implicit in these communist activities is the possible wrecking of both of the relationships which I have pointed to above as basic to Latin America's part in our global policies. The positions gained by the communists in Latin America are already sufficiently formidable to interfere extensively with the development of our normal peacetime relations on these continents; and I do not think it can be said that the situation in this respect is improving. If a war were to break out in present circumstances I think we must recognize that we would probably be faced at once with civil war, at best, and communist seizure of power, at worst, in a whole series of Latin American countries. And this, as indicated, above, could not only disrupt political confidence in us on a world scale, but would force us to take violent action in order to assure raw material supplies and retention of strategic facilities in this part of the world--to the detriment of our long-term relationship with the Latin American peoples as a whole.

B. Historical perspective

In analyzing this situation, I think we must recognize our inability to see our problem fully adequately just in terms of the immediate present. We must give a certain deference to traditional American concepts, it seems to me, even where we are not sure as to their exact applicability in terms of today. It is probably safe to assume that in the attitudes adopted by American statesmen in more than a century of diplomatic practice, there was probably a greater degree of wisdom than the circumstances of the moment might readily reveal.

If this is true, then we must ask ourselves whether our diplomatic tradition alone would not compel us to look with great seriousness on what the communists are doing in the other countries of this hemisphere. To the student of United States diplomatic history it is a striking fact that many of the most important pronouncements of United States policy toward the countries of this hemisphere were so worded as to be widely applicable to these present communist activities.

President Monroe's historical message referred to the extension to this hemisphere of "the political system" of the European powers and of "any interposition" of these powers with the American peoples "for the purpose of oppressing them or controuling in any other manner their destiny . . ."[†] No one could deny that it is a "political system" with which we are dealing today and which is being introduced into the New World by these communists--a system certainly no less hostile to us than that of the European courts of the early 19th Century, and one which, if given its head, would not only "oppress" the Latin American peoples, but would certainly control their destinies in a number of ways.

Subsequent statements make it clear that the Monroe Doctrine was understood in just this way during the ensuing century, and was considered to apply to any attempt at the exertion of European influence in the New World in forms dangerous or prejudicial to the unity of the hemisphere and to the good relations between our country and the other countries of the area.

President Buchanan, in his Message to Congress in 1845, stated our opposition to "attempts of European powers to interfere with the independent action of the nations of this continent."[‡]

Secretary Olney's note to Lord Salisbury of June 20, 1895, described the Monroe Doctrine as "a doctrine of American public law ... which entitles and requires the United States to treat as an injury to itself the forcible assumption by an European power of political control over an American state." He pointed out that the exercise of such power would signify "the loss of all the advantages incident to their natural relations to us."[§]

Elihu Root stated at the time of the passage of the Platt Amendment, with regard to Cuba, that "It would be a most lame and impotent conclusion" if after the liberation of Cuba our country should "by inadvertence or otherwise, be placed in a worse position in regard to our own vital interests than we were while Spain was in possession . . ."[‖] And the Amendment itself proscribed the possibility of foreign powers obtaining ". . . by

colonization or for military naval purposes, or otherwise, lodgment in or control over any portion of said island."[¶]

Theodore Roosevelt, in presenting the Dominican Protocol to the Senate (February 15, 1905), spoke of the ". . . seizure of territory, disguised or undisguised" and of the "despoilment of their territory under any disguise" as being intolerable to us when coming from a European power to the peoples of this hemisphere.[**]

Woodrow Wilson, in his message to the German Government of September 16, 1914, said that ". . . neither foreign mercantile influences and interests, nor any other foreign influence or interest proceeding from outside the American hemisphere could with the consent of the United States be so broadened or extended as to constitute a control, either in whole or in part, of the government or administration of any independent state."[††]

Secretary of State Lansing pointed out in his Memoranda from 1914 to 1915 that since the original statement of the Monroe Doctrine failed to rule out explicitly European acquisition of political control "through the agency of financial supremacy over an American Republic", the Doctrine, if it was to continue effective, "should be restated so as to include" this contingency.[‡‡]

All these selections of language make it clear, it seems to me, that the Monroe Doctrine was understood throughout at least a century of our history as barring precisely that which the communists are now attempting to achieve: namely, the introduction into this hemisphere under any guise or pretext whatsoever, of a political system hostile to ourselves and designed to make the Latin American countries pawns in the achievement of the power aspirations of regimes beyond the limits of this continent. The Doctrine was, to use Secretary of State Kellogg's words, "simply a doctrine of self-defense."[§§] And it is precisely the principle of self-defense which is involved today in our attitude toward communist activities in this hemisphere.

If this view is correct, then we cannot take an indulgent and complacent view of communist activities in the New World at this juncture without recognizing that this constitutes an historical turning-away from traditional United States policy in the hemisphere and without a deliberate decision on our part that the reasons which led our diplomatic predecessors to adhere so long and so stoutly to a given point of view are no longer substantial.

Unless people are prepared to prove that this is so, they must con- cede that diplomatic precedent obliges us to concern ourselves most seriously with communism in Latin America.

C. What do we do about it?

In this question as to what the United States can do to oppose and defeat communist penetration into the New World, we find ourselves back in the familiar general problem

of communist activities in third countries: a problem which is still the subject of a great deal of confusion in a great many minds.

I think the first thing to remember is that whatever is done to achieve this purpose must be done for the most part by natives of the particular country concerned, either in its government or otherwise. The burden of this effort can never be carried directly by the representatives of a foreign government. Our representatives can contribute in many ways to the creation of incentives and possibilities for local resistance to communist pressures; but they cannot themselves be the bearers of that resistance. To look to them for anything of this sort is to do them injustice and to misdirect our energies.

Our problem, then, is to create, where such do not already exist, incentives which will impel the governments and societies of the Latin American countries to resist communist pressures, and to assist them and spur them on in their efforts, where the incentives are already present.

We cannot be too dogmatic about the methods by which local communists can be dealt with. These vary greatly, depending upon the vigor and efficacy of local concepts and traditions of self-government. Where such vigor and efficacy are relatively high, as in our own country, the body politic may be capable of bearing the virus of communism without permitting it to expand to dangerous proportions. This is undoubtedly the best solution of the communist problem, wherever the prerequisites exist. But where they do not exist, and where the concepts and traditions of popular government are too weak to absorb successfully the intensity of the communist attack, then we must concede that harsh governmental measures of repression may be the only answer; that these measures may have to proceed from regimes whose origins and methods would not stand the test of American concepts of democratic procedure; and that such regimes and such methods may be preferable alternatives, and indeed the only alternatives to further communist successes.

I am not saying that this will be the case everywhere; but I think it may well be the case in certain places. And I would submit that it is very difficult for us, as outsiders, to pass moral judgment on these necessities and to constitute ourselves the arbiters of where one approach is suitable, and where the other should be used. We will have to learn to leave this primarily to the peoples concerned and to be satisfied if the results are on balance favorable to our purposes. For us, it should be sufficient if there is a recognition of communist penetration for the danger that it is, a will to repel that penetration and to throw off communist influence, and effective action in response to that will.

How can those things be created where they are today not present, or not present in adequate degree? They can be created, in the first place, by a heightened appreciation, on the part of the governments and peoples in the affected countries, of the nature of the communist movement, of the fictions by which it operates, and of the dangers it involves for the Latin American countries themselves.

This is of course a question of winning of confidence not only with the Latin American governments but with important elements of society behind the governments, and of utilizing that confidence with a view to instilling a correct appreciation of these realities. All that is part of our existing policy and practice, though our techniques might be improved in many instances.

But I doubt whether this alone will be enough. People will not be inclined to believe that communist penetration bears serious dangers for them, as long as there are no tangible evidences in that direction; and, since communist activity appears at present to involve them in little more than an intensified, and not altogether displeasing, fever ot anti-U.S. activities and pronouncements, there will, if the matter is allowed to rest here, be too much of that comfortable temporizing which is summed up in the attitude: "I can safely profess myself a sympathizer of communism; for if the communists win, I am then covered; and if the Americans win, they are such inoffensive nitwits that they will do nothing to me, anyway."

To counteract this comfortable stance, from which no one but the communists can profit, we must find ways of demonstrating that a high degree of communist penetration in a given Latin American society bears with it hardships and disadvantages which make it unacceptable, and which require that people do something about it.

Now this gets us into dangerous and difficult waters, where we must proceed with utmost caution. Our policies in recent years have greatly circumscribed our possibilities for inflicting hardships. We have forfeited--and rightly so--the right and the intention of any form of military intervention. Except in extremity, any direct pressure brought to bear on Latin American countries in any internal issues where the detriment to United States interests is not direct and immediately demonstrable, holds great dangers. Furthermore, many of the communist activities which we would like to see curbed are not ones for which the respective governments would admit to any real responsibility or any power of counteraction; and in many instances they will be ones with which our own Government professes itself unable or unwilling to deal when they manifest themselves in our own country.

In general, therefore, it would be wise for us to avoid putting direct pressure on Latin American governments with respect to communist activities, except where those activities have some highly direct and offensive relationship to American interests. Where this is not the case, we must resort to indirection.

There are other ways, however, by which it should he possible for the United States to create situations which bring home to governments and peoples in Latin American countries the disadvantages of an excessive vulnerability to communist influence. But this would require the development of new techniques, now largely non-existent, for making our displeasure felt in discreet and effective ways with the government and peoples of the area. This matter will be discussed below, in somewhat greater detail, in the section dealing with the political matters.

D. Conclusions

To sum up, the following are the points which seem to me worth stressing with respect to the subject of communism in Latin America.

1. The danger lies less in the conquest of mass support than in the clever infiltration of key positions, governmental and otherwise, from which to sabotage relations between these countries and the United States;

2. The positions already gained by the communists in this manner are ones which could cause us acute embarrassment in case of war;

3. We have not yet, by and large, appreciated the full seriousness of this situation;

4. We should give intensified and unified study to the communist movement in Latin America with a view to getting a clear picture of its various ramifications and keeping ourselves currently abreast of its development; and

5. We should apply ourselves to the elaboration of techniques for coercive measures which can impress other governments with the danger of antagonizing us through excessive toleration of anti-American activities and would yet not be susceptible to exploitation by our enemies as constituting intervention or imperialism or illicit means of pressure.

IV. Economic Matters[3]

A. General

There is no part of the world where business relationships play a greater part in our foreign policy problems than in Latin America. With private investment in U.S. funds (in 1948) running to $5,367,000,000, exports to the U.S. in 1949 to $2,304,000,000, imports from the U.S. to $2,712,000,000, and with United States Government credits standing at $379,000,000,[||||] and with tens of thousands of U.S. citizens residing in the area, the extent to which economic matters must enter into our dealings with the Latin Americans is evident. Moreover, we continue in our governmental pronouncements to emphasize this factor in our relations (Point IV, "expanding international trade", etc.).

In the course of a brief trip of this sort, one sees only a tiny, and not necessarily representative, cross-section of these multitudinous economic ties and of their effect on our relations with the respective countries. Yet even this glimpse is enough to raise the question as to whether, in this area as in so many others, we have not had a tendency to treat as absolutes concepts which really have a high degree of relativity. "Maximizing trade" and "increasing U.S. investment" have a sterling ring, and are no doubt worthy objectives when the surrounding conditions are right. But there is nothing to show that surrounding conditions are always right, from this standpoint: I think experience would rather indicate that there have been numbers of private U.S. economic activities in Latin

America which have eventually come to represent sources of embarrassment in our political relations with the governments concerned. If this is true, then it seems to me that what we want is not just more trade, but such trade as will be a source of stability and improvement in international relations, and not just more export of U.S. capital to those countries, but the export of such capital as will be able to command decent treatment and not to become the subject of altercations and misunderstandings.

B. Trade

As far as trade is concerned, I think we must recognize the limits which the international currency situation places upon further development of U.S. exports to this area, as well as the desirability, from the standpoint of international stability, of the recovery by Western Europe of a good portion, at least, of the competitive position which it had in Latin American markets prior to the war. As I understand it, we now have a trade with Latin American countries amounting to some two and a half times what we had before the war, whereas the Western European countries and Japan have not yet recovered their prewar position. In many instances, these new patterns are firmly fixed and will not be easily altered. Nevertheless, a certain shift back to Western European markets and sources of supply must be regarded as normal and desirable, and we must batten down our hatches to withstand any unfavorable repercussions which it may have on our exporters.

With respect to our imports from Latin American countries, single commodities have come to play an inordinate role in cases of certain individual countries. In some instances, this has become so marked that the maintenance of a high decree of stability in price and volume of these imports has become essential to a stable political relationship between our Government and that of the country in question. This is a dangerous situation, the implications of which do not seem to me to have been fully recognized and taken into account by the Department. I think that our experts should make a study of each of those single- coiiunodity situations, with a view to determining how great is the dependence of the particular country in question on these exports, which chances exist of a. drastic decline in price or volume of our imports, how dangerous such an eventuality would be in its political consequences and, where necessary, what prophylactic measures should be taken now to obviate this political danger.

C. Investment

With respect to the investment of U.S. capital in Latin American countries, I think we should begin by recognizing some trends of the times. In the first place, I think we should recognize that foreign ownership of public utilities and other enterprises whose operations have a direct and significant impact on the daily lives of peoples, is by and large a thing of the past. Those U.S.-owned enterprises of this sort which are still functioning in Latin American countries may hang on for varying periods; but in general their day is past. We should not hope to be able to protect permanently their positions, nor should we encourage the U.S. owners to entertain undue hopes of this sort.

With respect to other forms of U.S. investment, we must recognize that the only real sanction for the good treatment of such investment lies in such influence as its owners are themselves able to exert through their operations and financial power in the recipient country and through snch sense of self-interest as they can enlist on their own behalf in the governing circles of that country. The U.S. Government, having divested itself, progressively, over the past, two decades of its power of military or diplomatic intervention, is no longer in a position to offer any appreciable protection or support to U.S. investment. This situation may be aided by the conclusion of treaties such as that which we recently concluded with Uruguay;[4] but it will be aided only to the extent that the executive power in these countries is effectively modified by the local judicial power and by the diplomatic influence of this country. Beyond that, the evasion of such treaties constitutes no great difficulty, and must be expected to be successfully accomplished wherever this appears to be to the interest of the governments concerned.

The experience of the last few years seems to demonstrate that there are some countries in which foreign capital is no longer sufficiently welcome to command good treatment. But even in those other areas in which there seems to be a desire in principle that foreign capital should enter and operate, it is evident that governments are determined in general (a) to insist that it operate .jointly with local capital and not alone, and (b) to exercise a jealous control over its ability to repatriate its profits. By and large, foreign investors may expect that their capital--like indigenous capital in the Latin American countries--may earn high profits in local currencies, but that repatriation of these profits will be a different thing. In terms of repatriated dollars, foreign owners must expect to be held by the respective governments, through a variety of restrictions and hard- ships, to a level of profit just barely above that which would cause them to lose interest and give up the enterprise entirely. The Latin American governments are clever at estimating this line, and remain- ing just barely on the right side of it.

In these circumstances, we should be chary about encouragement to U.S. investment in the area, and should make it clear that its treatment at the hands of local authorities cannot be expected to depend on any protection by this Government.

Actually, as of today, the protection of U.S. investments in Latin America rests predominantly on the self-interest of the governing groups in the Latin American countries and on the ability of the American owners to enlist that self-interest through the judicious use of their financial power, where it does not exist from other causes. In many instances, bribery may be said to have replaced diplomatic intervention as the main protection of private capital; and the best sanction for its continued operation lies in the corruptibility, rather than the enlightenment, of the local regimes.

D. Point IV

The Point IV concept runs counter to many of the economic and political realities of Latin America. In the first place, there are certain countries, such as Mexico, which resent being classified with the "underdeveloped" areas. There are others which are already saturated with U.S. technical assistance to the extent that they are prepared to accept it

with good grace. Still others are probably not suitable candi- dates for this type of assistance at all.

In many of the other remaining areas, it is too much to hope that any agreements or programs or joint commissions could basically alter the administrative outlook or habits of the governing group in such a way as to cause them to give adequate treatment to U.S. investment capital or to collaborate with good faith and integrity in the implementation of development programs.

Finally, the extension of any kind of governmental financial assistance to Latin American countries raises in many instances a number of difficult and bitter problems. Any such assistance directed to one or a few of the Latin American countries is bound to be regarded as a source of offense to many others to which it is not granted. Any attempt to justify such discrimination on the basis of the behavior of the recipient government is apt to crack up either on the past record of the respective government or on its future actions with respect to the aid we grant it or on arguments about its political complexion. In few instances will we be able to find governments which have not serious record of past default, which now have governments which are unexceptionable from the standpoint of our own public opinion, and which can be depended upon to collaborate with us loyally in the execution of the development programs.

I do not think that Point IV is entirely without applicability to the Latin American area. But I believe that in many instances what is already being done in the line of U.S. technical assistance represents almost the maximum of what can be done with due regard to effectiveness and soundness of operation. If this is true, then the possibilities for expansion of such assistance through coordinated Point IV programs are very modest indeed.

For this reason, we should be careful about raising undue hopes either here at home or in Latin America about the possibilities for this sort of U.S. assistance. In general, some of our worst sins of the past have lain in the extension of promises or assurances on which we could not make good. I believe that this should be regarded from now on as the cardinal sin in our dealings with the Latin American countries.

V. Political Matters

A. Form of government

As one looks back on the history of United States relations with the countries in Latin America, one sees clearly a conflict of outlook, running back for many decades, with respect to the relation between political institutions of the Latin American countries and those of our own country.

There is one view, which is of more recent origin (so recent, in fact, to be mainly one of our own time and the time of our fathers) which sees the entire New World as dominated by an attachment to democratic institutions and as constituting, in this way, a contrast to

monarchic and reactionary regimes in other parts of the world. The adherents of this point of view profess to discern in the political attitudes of the Latin American peoples and ourselves a common attachment to the principles of self government, which sets us off against less enlightened peoples elsewhere. For this reason, these people make the nature of internal political developments in the Latin American countries the touchstone of our relationship. They agree with Woodrow Wilson that ". . . Cooperation is possible only when supported at every turn by the orderly processes of just government based upon law, not upon arbitrary or irregular force. . . . We can have no sympathy", Wilson continued, "with those who seek to seize the power of government to advance their own personal interests or ambition. We are the friends of peace, but we know that there can be no lasting or stable peace in such circumstances. As friends therefore, we shall prefer those who act in the interests of peace and honor, who protect private rights, and respect the restraints of constitutional provision. . . ."[¶¶]

This view found an earlier expression in Secretary of State Olney's instruction to Ambassador Bayard, at London, of June 20, 1895. He described the Latin American countries as being the "friends and allies, commercially and politically of the United States. . . . by geographical proximity, by natural sympathy, by *similarity of govermental constitutions* . . ." [Emphasis added.][5]

". . . The people of the United States," he wrote, "have a vital interest in the cause of popular self-government. They have secured the right for themselves and their posterity at the cost of infinite blood and treasure. They have realized and exemplified its beneficent operation by a career unexampled in point of natural greatness or individual felicity. They believe it to be for the healing of all nations, and that civilization must either advance or retrograde accordingly as its supremacy is extended or curtailed."[*]

The opposing view is one of longer standing. It is one common to those North Americans who have questioned the democratic origins of Latin American civilization, who have allowed for the possibility that our own political institutions might be the product of a peculiar national experience, irrelevant to the development of other peoples, and who have been inclined to doubt the propriety or the usefulness of efforts to set themselves up in judgment on the political habits of others.

This view was set forth in classical terms in Adams' record of an oral statement which he made to Henry Clay in 1821. Speaking of the question whether this country should take an active part in the wars of independence of the South American countries, Adams stated the following:

". . . So far as they are contending for independence, I wish well to their cause; but I have not yet seen and do not now see any prospect that they will establish free or liberal institutions of government. They are not likely to promote the spirit either of freedom or order by their example. They have not the first elements of good or free government. Arbitrary power, military and ecclesiastical, is stamped upon their education, upon their habits, and upon all their institutions. Civil dissension is infused into all their seminal principles. War and mutual destruction are in every member of their organization, moral,

political, and physical. I have little expectation of any beneficial result to this country from any future connection with them, political or commercial. We shall derive no improvement to our own institu- tions by any communion with theirs. Nor is there any appearance of a disposition in them to take any political lesson from us. . . ."[†]

Since this issue still wracks our formulation of policy with respect to Latin America, and arises anew with almost every change of government which occurs in the hemisphere, I took particular occasion, during my trip, to examine into the problem.

I must say, in the light of these efforts, that I am at a loss to find any considerations which justify us in taking official attitudes based on distinctions of an internal political nature in other countries or departing in any way from the principle of formal disinterestedness in the domestic affairs of these countries.

The reasons for this are several.

1. In the first place, the experience we have had in the century and a quarter which have elapsed since Adams made his statement is surely enough to justify us today in the conclusion that democratic institutions, as we know them in our country, are not universally native to Latin America, and that the processes of government are destined to operate for a long time in the future, in many of these countries, in ways which are strange and uncongenial to ourselves. Nothing we do in the way of direct interference in Latin America is going to alter this situation materially, particularly for the better. Our best prospect of promoting throughout the New World institutions more similar to our own lies in the power of example, and solely in that power. Thus far, the force of example, while not inconsiderable, has not been great enough to overcome many of the natural impediments to more orderly forms of government. Whether this will change in the future is partly a matter of the developments of our own society.

2. I would submit that it is not entirely possible for us to know which institutions of government are morally commendable, and which are not, in a Latin American country. There may be occasional experts, among our official personnel in the area, who feel that their acquaintance with local affairs is so long and deep that they can say with confidence that one internal faction in a given Latin American country is wicked and deserving of censure, and another one constructive and worthy of support or that one regime has its origin in democratic processes and another does not. But policy in a country such as our own cannot proceed from the convictions of two or three experts, but must be something acceptable and familiar to popular understanding. Whatever the opinions of experts, people in our country cannot in general be expected to follow along intelligently and usefully in those fine and shifting distinctions by which one Latin American regime is declared "democratic" whereas another receives the opprobrium of being a "dictatorship".

3. In this particular connection, I think we must recognize that the difference between the democratic and authoritarian forms of government is everyhere a relative, rather than an absolute, one and that the distinctions between the two concepts are peculiarly vague and illusive against the background of Latin American psychology and tradition. Let us

remember that every dictator keeps his ear to the ground and seeks some sort of sanction in public opinion, whereas even the best democracy always has certain of the aspects of a conspiracy. Hitler would have received a majority of the votes in Germany at any time in the late '30s, even in a fair election. Is it true, in the light of this fact, that the worthiness of government always lies just in popular approval? On the other hand, what democratic system is there in which the power of nomination is not more important than the power of election? In our own Presidential elections, the nominators select from millions of people, the electors from only two. I make these comments not to deny that there is a distinction between democracy and dictatorship, but to emphasize that it is a relative and gradual one. All regimes do not fall easily and to everyone's satisfaction into one or the other of these blanket categories. A policy based on the attempted maintenance of such distinctions is apt to be the source of endless confusion and controversy, here and abroad.

4. I question whether we should hold our own institutions up as remedies for the governmental problems of other peoples. A faith in the ultimate efficacy of our institutions for ourselves does not logically or necessarily involve a similar faith in their universal applicability. Our national experience is in most respects a unique one; and it is not only possible but something logically to be expected that the institutions flowing from that experience, and organically intertwined with it, should be largely irrelevant to the requirements of peoples whose national experience has been different.

It is important here to recognize that our belief in our own institutions is still something in the nature of a faith, a habit and a predilection. It is not a belief which can be justified to others on incontestable empirical grounds. The significant test of our public institutions, now among the oldest in the world, is not their adequacy to the requirements of the agrarian frontier republic which they were originally designed to serve, but rather their ability to bear society through the vicissitudes of social and economic change and to continue to provide a successful framework for progress in a society where the development of technology is placing ever greater strains on the structure of public authority.

This is the issue of the present, still undecided. Until it is largely decided (it will never be entirely so, in a changing and imperfect world), our adherence to our own institutions must remain, legitimately and understandably, an act of faith, not a pragmatic experience. And as long as this is so, any attempt on our part to recommend our institutions to others must come perilously close to the messianic tendencies of those militant political ideologies which say, in effect, "You should believe because we believe."

5. Finally, it is impossible for a government such as ours to strike official public attitudes about the domestic political complexion of other governments without assuming a certain responsibility with relation to political developments in the respective countries. An expression of moral approval of a given regime makes us, in the eyes of its people and of the world opinion, the guarantor of its continued good behavior. It calls upon us to have an answer if such a regime is charged by its internal opponents or its outside critics with slipping over from the primrose paths of "democracy" into the wicked ways of oppression and dictatorship. If, on the other hand, we voice moral condemnation of a

regime, on grounds of its methods in either the assumption or the exercise of power, we imply the existence of some preferable alternative, of which we have knowledge and which we could name upon demand. Here again the world will eventually look to us for an answer, of a sort which we will not always be able to give.

Thus a decision to conduct policy on the basis of a moral discrimination addressed to the internal-political personality of Latin American regimes spells for us the assumption of a steadily increasing responsibility for the domestic affairs of those countries. This runs directly counter to our renunciation, in these past two decades, of the right of diplomatic and military intervention, and cannot fail, in the long run, to produce a growing gap between our commitments and our capabilities.

For all these reasons, I think it urgently desirable that there be enforced upon our entire official establishment a form of discipline which would cause its members to desist from all sorts of moralizing or public judgment about the internal quality or propriety of Latin American governments. In this, our representatives and officials should be taught to bear in mind that it is not necessary to "like" a government in order to refrain from having an official judgment on it. They should feel themselves under no compulsion to have any personal reaction other than profound distaste toward regimes which they will scrupulously refrain from judging or criticizing in public and official statements.

This decidedly does not mean that we should treat all Latin American governments alike. On the contrary, as will be seen below, that is precisely what we should not do. But our distinctions should be based upon their conduct in their relations with us and as members of the international community. We might well say to ourselves: "By their conduct as members of the family of nations ye shall know them". Of the degree to which Latin American statesmen may be said to have acquitted themselves of their responsibilities to their own peoples, to their own traditions, and to themselves--of their relations, in other words, with whatever answers to the name of "conscience" in these confused and unhappy societies--of these things I feel, as Gibbon might have said, that we should prefer to remain ignorant.

B. Methods of Exertion of United States Influence

It has been noted above that we have divested ourselves, through a series of multilateral undertakings, of the possibility of intervening by force, or on any basis of special right and privilege, in the domestic affairs of Latin American nations. At tho same time the extent of our economic commitments within the hemisphere, together with the extent of anti-American activities being inspired there by the communists, means that it is essential to us to have a more effective system of techniques and instrumentalities than we now have whereby our influence can continue to be brought to bear on the Latin American countries. Obviously, these must exclude actual military intervention, or threats of such intervention, and the cruder forms of diplomatic pressure which can be exploited against us, psychologically and propagandistically, by the communists. How can this be done?

The answer lies in the fact that with most of the countries of this hemisphere there exists a multiplicity of relationships with the government or the citizens of the United States so great as to constitute in its entirety a formidable instrumentality of United States influence. This implies, however, the coordinated exploitation of all these relationships, by our Government, to the extent that our Government the power to control them or affect them, with a view to seeing that their total impact is directed to specific ends. In other words, the views and interests of our Government can be given greater force and expression in our relations with Latin American countries only to the extent that we can achieve a coordinated exploitation of all the various possible facets of United States interests.

There will of course be many relationships of a private or semi-private nature binding our country and a given Latin American country which can be affected by our Government only partially, and often only in small degree. But there will be few which cannot be affected at all. And if the total capacity of our Government were to be mobilized and applied for the purpose of affecting these relationships in a manner favorable to the purposes of our Government in its relations with a given country or countries, then a highly significant improvement could be affected in our ability to influence and control developments in the entire area to the south of us.

At present, the Department of State is unable to operate by these methods, except to a small and inadequate degree. The reasons for this lie in the following factors:

1. The extent to which individual United States governmental relationships with citizens and governments of Latin American countries have been farmed out among a number of governmental or quasi-governmental agencies over which the State Department has little control;

2. The extent to which these agencies are governed by general policies, applied indiscriminately to the area as a whole or to entire groups of countries, without regard to the state of our relations with individual countries in ulterior matters; and

3. The extent to which we have tied our hands through multilateral agreements in ways which prevent our discriminating against one country or another.

There is little that we can do about the last of these impediments, except to see that we do not make it worse in the future by continuing to tie ourselves up in multilateral arrangements which make impossible an intelligent and useful discrimination in the treatment accorded to individual countries. But with respect to the first two of these factors, there is no objective reason why we should not carry out within this Government a revolution of governmental procedure with respect to Latin American countries, along the following lines.

Instead of having policy farmed out in Washington among a series of governmental agencies, each following some independent general policy with respect to a whole series of Latin American countries, we could decide that there would be a single policy toward

each Latin American country, adjusted currently to the state of our relations with that country, into which would be funnelled the activities of all United States Government agencies, without exception. In this way, we should be able to control the flow of both benefits and hardships in our relationship with a given country, the way that the flow of warm water or cold water is controlled through faucets, and thus to raise or lower the temperature of our relationship with a given country, as the situation may require.

This would admittedly involve causing a given number of worthy people around Washington to recognize principles of conduct which would at first cause them to gasp with astonishment and, in some cases, indignation. What I am proposing here is nothing more or less I than the application of "total diplomacy" in the Latin American field; and that is something which will be approved by everyone in Washington until it happens to run counter to that person's own accustomed way of official life. But I know of no other way in which those things can be done which urgently need to be done in the hemisphere from the standpoint of the interests of this country.

For this reason, I would recommend that the appropriate office in the Department be asked to prepare a paper for the National Security Council, the effects of which, if approved by the Council, would be to cause all government agencies, without exception, including those normally regard their functions as purely technical and not susceptible to policy coloration, to accept whatever line may be laid down to them by the Secretary of State for the conduct of their relations with countries in the Latin American area, to observe official secrecy and discretion with respect to such policy directives, and to be guided by them in their activities.

C. Pan-Americanism and Multilateralism

Our Government is now very deeply involved in a tremendous network of multilateral engagements within the inter-American community. It has committed itself, in effect, to work only through multilateral channels in all matters involving security and the possible use of armed force on an international scale throughout the hemisphere. In addition to that, it has gone a certain distance toward association with the thesis that the economic relationships between the United States and other Latin American countries are a matter of multilateral concern, over which we cannot dispose entirely in unilateral or bilateral procedures. Finally, it has played along very extensively in the creation of a body of precedent which allows it to appear that something is wrong if at fairly frequent intervals there do not take place gatherings of representatives of the American Republics which produce resolutions of a general and broad philanthrophic nature--each time somewhat more lofty and more inspiring than those that have gone before.

It is upon this path that we have set our feet; and I am not recommending that we depart from it in the sense of carrying out any abrupt change of our behavior. But I would like to say that I think this sort of thing, which represents at bottom a form of agreeable and easy escapism from the real problems of foreign policy, has gone about as far as it can go in committing our freedom of action, in the light of the stresses and strains to which our interests in the American area are likely to be subjected in the coming period. Success in

the conduct of foreign policy, particularly in the Latin American area, rests ultimately--as I have indicated above--with the power and will to discriminate, wisely, prudently and in ways that cannot be labelled as offensive, in the application of our national power. Anything that tends to strap us up, to inhibit such discrimination, leads to inflexibility, loss of buoyancy and eventual impotence in foreign aflairs. In matters of security, our fate already formally rests, for better or for worse, with the enlightenment and wisdom of a majority of the American family, modified by whatever moral ascendency we are able to exert at a given moment. For this reason, it is all the more important that we retain in other respects the freedom of action which will enable us to prevent matters deteriorating to a point where security interests and the provisions of the Rio Treaty would become involved.

For this reason, I would urge extremely careful and reserved handling of our participation in future multilateral conferences and negotiations within the Latin American field, and a constant attention to the fact that our vital interests in the New World may well be placed in the coming period under strains which can be successfully combatted only by the full and concentrated diplomatic strength of this country.

In addition to this, it seems to me that we could take a somewhat more self assured and relaxed attitude toward the problem of "leadership" in inter-American bodies. Unless there is a strong and direct United States interest involved in a given question, it seems to me not out of place that the U.S. should adopt an attitude of self confident detachment with respect to the efforts of other powers to achieve outward prestige effects by the exertion of leadership in inter-American bodies. I am not sure that we were right in the '30s to permit ourselves to be maneuvered into an elaborate and largely meaningless duel with the Argentine over delicate innuendoes of dominant leadership.

I am also not sure that we need be too concerned about the tendencies to develop and stress an "Hispano-Americanism", as a rival or alternative to Pan-Americanism. Franco today represents no one but himself, and if his diplomatic efforts in the Latin American world are not aided by any fumbling and undignified attempts on our part at interference, I think we may be sure that they will find their limitations in the jealousies and psychological conflicts natural to a relationship between a mother country and an ex-colonial area, and that these limitations will be narrow enough to prevent them from assuming forms dangerous to ourselves. Brazil, already the most powerful and the most rapidly advancing of the Latin American countries, can be depended upon to view Hispano-Americanism with alarm and distaste, and to exert its influence to prevent it from assuming exaggerated proportions. As for the Hispano-American peoples, it is my impression that their feeling toward us will not be improved if they get the idea that we are trying to stand in the way of their attachment to their Spanish cultural heritage and to substitute for it something foreign to their tongue and their traditions and something identified in the minds of many of their intellectuals with commercialism and vulgarity.

For these reasons, I think that this country should feel itself in a position to view indulgently such proclivities of the Latin American countries in the multilateral field as do not directly affect its own immediate and important interests.

D. General Tone of our Approach to Latin America

This brings me to the question of the general stance which we and our representatives adopt toward the governments and peoples of Latin America; for here, too, I would plead for a somewhat greater relaxation, reserve, and detachment than we have shown in recent years.

It is important for us to keep before ourselves and the Latin American peoples at all times the reality of the thesis that we are a great power; that we are by and large much less in need of them than they are in need of us; that we are entirely prepared to leave to themselves those who evince no particular desire for the forms of collaboration that we have to offer; that the danger of a failure to exhaust the possibilities of our mutual relationship is always greater to them than to us; that we can afford to wait, patiently and good naturedly; and that we are more concerned to be respected than to be liked or understood.

If this posture might be described in terms of an imaginary statement coming from our representatives to them, I would word it as follows:

"We are a great nation, with world responsibilities, situated at your side. We promoted your independence, and protected it over more than a century, for reasons which were indeed ones of our own interest but which you should recognize as of vital importance and utility to yourselves. We have a selfish stake in the p reservation of your national independence and integrity which you should recognize as being of greater significance and importance to yourselves than any altruistic assurances or treaty undertakings which we could possibly extend to you. We expect you, recognizing this, to realize, then, that in matters of war and peace and of state security--that is, in the ultimate matters--your interests lie with ours, for reasons wholly practical and geographic, having nothing particular to do with any cultural or ideological affinity; and you should be careful not to wander too far from our side.

"Now we know that you have different cultural heritages than we have. We know that you have not always liked or understood the evidences of American character and culture which have come to your attention. We know that there are limits to international understanding. We do not propose to ask too much in this respect. Attempts at intimacy sometimes do more harm than good when they are carried beyond a certain point. It is not necessary that you understand all elements of our way of life, or that we understand all elements of yours. We have our own reasons for our institutions and our patterns of culture. We are not ashamed of them; and we propose, through our information services, our libraries and our cultural activities in your cities, to give you the opportunity to gain a fair and adequate picture of these institutions, if you are interested. With time and patience, whoever looks carefully at our system will understand its reasons and necessities. Who does not wish to make this effort does not have to. We are not too concerned about the results and above all, we are in no hurry. We will not even insist on your liking. We are really concerned only for your respect. You must recognize that we are a great and strong people; that we have our place in the world; and that accordingly

we have our interests which we are at liberty to ask others to respect, whether or not they understand them or sympathize with them.

"And here it is not the outward manifestations of respect which most concern us, although symbols are important too, and may not be wholly ignored. It is rather--respect, as expressed in action and in fact. You must realize that we are serious people. We feel that the role we are playing in the world is of importance to many peoples besides ourselves; and it is therefore not only our duty to ourselves but also to some extent the consciousness of our world responsibility which compels us to require of you that you treat us as serious people and listen carefully when we speak.

"We, on our part, are aware of the importance you attach to your independence and your sovereignty and your pride in yourselves as nations. We find that understandable and unexceptionable, and we are prepared to recognize it in full. But you must recognize, as we do, the proper limitations of this national feeling. It obliges us to a scrupulous regard for your national dignity and for the sanctity of your domestic affairs. But it does not oblige us to accord you unrequited favors or privileges of an economic or financial nature. It does not oblige private American capital to continue to operate in your countries for any other motive whatsoever than the derivation of and repatriation of what it considers to be adequate profit. It does not give you the right to take for granted in our relationship the continuation of any bonds or associations which are not of mutual advantage. We cannot for a moment admit that the withdrawal or denial of arrangements which prove not to be of mutual advantage constitutes in any way an injury or an offense against you, any more than it does against us.

"We hold out to you what perhaps no great power--no power of our relative importance in world affairs--has ever held out to neighboring smaller powers: the most scrupulous respect for your sovereignty and independence, the willing renunciation of the use of force in our relations with you, the readiness to join with you at any time in a large variety of forms of collaboration which can be of benefit to both. But you will appreciate that the payoff for this unprecedentedly favorable and tolerant attitude is that you do not make your countries the sources or the seats of dangerous intrigue against us, and that you recognize that relationships no longer governed by the sanction of armed force must find their sanction in mutual advantage and mutual acceptability.

"This is our program. We consider it a fair and generous one. We are not prepared to depart from it.

"If you do not like it, we can afford to wait. Meanwhile, the responsibility is on you if you forfeit its advantages.

"If you do understand and appreciate it and wish to accept it as the basis of our relationship, our hand is out to you for a measure of international collaboration which we feel can stand as a model for the future and as an example to those parts of the world still troubled by the spirit of aggression and world domination."

It is my feeling that if such an attitude were to dominate our entire official apparatus in Latin America, and if the excellent people whom we have serving in that area today, relying on the long-term logic of this attitude, were to take with a relaxed equanimity many of the things which now cause a sort of haunted anxiety and a whole series of cramped reactions, we would be better disposed to face the problems of the future in an area where those problems will always be multitudinous, complex and unpleasant.

GEORGE F. KENNAN

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[1] Master file of documents, drafts, records of meetings, memoranda, and related correspondence for the years 1947-1953 of the Policy Planning Staff.

[2] For the author's account of the background and reception of this report, see George F. Kennan, *Memoirs: 1925-1950*, (Boston: Little, Brown, and Company, 1967), pp. 476-484.

[*] The relatively high fragmentation of sovereignty in this area, as compared with other areas of the world, means that there are probably more Assembly votes for Latin America, per unit of population and economic power, than anywhere else in the world. As a group, they are today the most important single voting bloc in the Assembly. [Footnote in the source text.]

[†] Bemis, *The Latin American Policy of the United States*; Harcourt, Brace and Co, New York, 1943; p. 64. [Footnote in the source text.]

[‡] *Ibid*., pp. 101-102. [Footnote in the source text.]

[§] *Ibid*., pp. 120-121. [Footnote in the source text.]

[‖] Bemis, p. 139. [Footnote in the source text.]

[¶] *Ibid*., p. 141. [Footnote in the source text.]

[**] *Ibid*., p. 157. [Footnote in the source text.]

[††] *Ibid*., p. 191. [Footnote in the source text.]

[‡‡] *Ibid*., p. 198. [Footnote in the source text.]

[§§] *Ibid*., p. 219. [Footnote in the source text.]

[3] For additional pertinent documentation, see pp. 672 ff.

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Export-Import Bank credits	$334,500,000.00
Lend Lease credits	$40,400,000.00
Surplus Property credits	$4,100,000.00
	$379,000,000.00

[Footnote in the source text.]

[4] See editorial note regarding the Treaty of Friendship, Commerce, and Economic Development between the United States and Uruguay, signed in Montevideo November 23, 1949, *Foreign Relations*, 1949, vol. II, p. 794. For text of this treaty, which has not gone into effect, see Department of State *Bulletin*, September 25, 1950, p. 502.

[¶¶] Bemis, "Declaration of Policy with Relation to Latin America", March 11, 1913; p. 175. [Footnote in the source text.]

[5] Brackets appear in the source text.

[*] Bemis, p. 120. [Footnote in the source text.]

[†] Bemis, p. 44. [Footnote in the source text.]