

THEORY, PRINCIPLE, AND DIPLOMATIC LEVERAGE:  
LATIN AMERICAN AGENCY IN THE FOUNDING OF THE ALLIANCE FOR  
PROGRESS

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**ABSTRACT**

This thesis analyzes the Latin American contributions to the origins of the Alliance for Progress—a massive 1960s inter-American economic development program. It argues that, contrary to traditional narratives of U.S.-Latin American relations, Latin Americans played active roles in the founding of the Alliance for Progress. Intellectuals, diplomats, and politicians asserted their influence and capability, resisted U.S. pressures, and ensured that the development program represented Latin American interests. Early in the process, Latin Americans contributed through collaboration—economists consulted for the U.S. government and worked alongside U.S. social scientists. When it was clear that the United States would put its political interests above Latin American development, Latin Americans leveraged U.S. vulnerabilities and principles of international relations to further their developmental objectives. Ultimately, Latin American efforts resulted in a founding document that included a concrete financial commitment, protected national sovereignty, and minimized U.S. anti-communist rhetoric.

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## INTRODUCTION

“It is one minute to midnight in Latin America.”<sup>1</sup> This was how former president of Costa Rica José Figueres explained the political and economic instability he witnessed during the 1950s. Threats of economic collapse and political revolution kept Latin American leaders awake at night. Economies suffered from climbing inflation, deteriorating terms of trade, and dependence on the primary sector.<sup>2</sup> The new democratic governments in many countries were weak, vulnerable to pressures from the military and a growing, discontent middle class.<sup>3</sup>

The United States did not share Figueres’ urgency. In the early years of the Cold War, the U.S. ignored developing countries that were considered to be on the periphery of the much larger threat—the Soviet Union. The Central Intelligence Agency (CIA) intervened in Guatemala in 1954, instigating the overthrow of the president, but other than covert operations such as this one, sustained policy and involvement in the region were not a priority.

Two events at the end of the decade gave Figueres’ statement sudden meaning for the U.S. government. In 1958, Latin Americans in Argentina, Peru, and Venezuela rioted and attacked Vice President Nixon on a goodwill tour through the continent. The worst showing of anti-Americanism occurred in Caracas where an angry mob greeted the vice president, waving

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<sup>1</sup>Teodoro Moscoso. “The Alliance for Progress: Its Program and Goals” (Washington, DC: Agency for International Development, 1963) 1.

<sup>2</sup> Victor Bulmer-Thomas, *The Economic History of Latin America since Independence*, Vol. 77 (Cambridge University Press, 2003) 286; *The Alliance for Progress: A Retrospective*, ed. L. Ronald Scheman, “The Prelude” (New York: Praeger Publishers, 1988); Bulmer-Thomas, *The Economic History of Latin America since Independence*, 271.

In Argentina, average inflation increased from 17% in the first half of the 1950s to 38%. In Brazil the increase was from 18% to 28%. Chile, Mexico, and Uruguay also suffered from high rates; Latin American countries experienced a steady decline in terms of trade until the 1970s, reducing purchasing power and making them less competitive in world markets; In 1959, coffee constituted 62% of Brazil’s export earnings, Chile: copper-71%, Bolivia: tin-58%, Colombia: coffee-78%.

<sup>3</sup> Between 1952 and 1958, democracies replaced the previous governments in Bolivia, Peru, Colombia, Venezuela, and Argentina.

signs that read, “Go Away Nixon” and chanting “Death to Nixon.”<sup>4</sup> People spat on him and threw rocks at his car—an ambush that lasted almost fifteen minutes. President Eisenhower nearly sent a naval unit to rescue Nixon, but, ultimately, the U.S. government deemed “Operation Poor Richard” unnecessary.

Even more jarring to the U.S., in 1959, Ernesto “Che” Guevara and Fidel Castro’s communist revolution succeeded. To Eisenhower, and Kennedy after, this was the ultimate threat—Cuba as a nucleus from which communism could emanate and infect surrounding nations—ones much closer to home. This development, coupled with strong anti-U.S. sentiment shown during Nixon’s trip, suddenly transformed Latin America into a high priority region for U.S. foreign policy. Figueres’ phrase caught fire. To the Kennedy administration, Latin America was “the most dangerous area in the world,” and the uncertainty generated by communist influences, anti-Americanism, and poor economic and political conditions meant that it was always “one minute to midnight.”<sup>5</sup>

In response to the pressing Latin American threat, the Kennedy administration announced the “Alliance for Progress,” a massive inter-American economic development program. The Alliance for Progress set lofty goals emphasizing industrialization, education, healthcare, land reform, and the promotion of democracy—meant to be accomplished with as much as \$20 billion in aid promised by the United States.

The standard story of the diplomatic relationship between Latin America and the United States follows a U.S.-centric narrative. Most commonly, a Latin American country is threatened (or the U.S. deems it to be a threat), the U.S. intervenes, and the Latin American country

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<sup>4</sup> Marvin R. Zahniser and W. Michael Weis, “A Diplomatic Pearl Harbor? Richard Nixon’s Goodwill Mission to Latin America in 1958,” *Diplomatic History* 13, no. 2 (1989): 163-19.

<sup>5</sup> Stephen G. Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communism in Latin America* (Chapel Hill: The University of North Carolina Press, 1999) 5.

submits—either through passive cooperation or military defeat. Traditionally, historians who study the Alliance for Progress take a similar route in their analysis. They focus heavily on the U.S. role in the program—attributing the Alliance’s origins, developments, and ultimate failures to actions initiated by the United States government. It is true that, as the proprietor of the majority of the aid money, the United States had enormous power in the structuring of the Alliance for Progress, but focusing on the U.S. alone ignores the other key players in the founding of the program.

This thesis will argue that Latin Americans made significant contributions to the Alliance for Progress’ foundational ideology and structure. Latin American intellectuals, diplomats, and politicians asserted their influence and capability, resisted U.S. pressures, and ensured that the development program represented their nations’ interests. Early in the process, Latin Americans contributed through collaboration—economists consulted for the U.S. government and worked alongside U.S. social scientists. When it was clear that the United States would put its political interests above Latin American development, Latin Americans leveraged U.S. vulnerabilities and principles of international relations to further their developmental objectives. Ultimately, Latin American efforts resulted in a founding document that included a concrete financial commitment, protected national sovereignty, and minimized U.S. anti-communist rhetoric.

This thesis will focus on events during 1961, the founding year of the Alliance for Progress. The chapters proceed chronologically, showing not only how Latin Americans affected the founding of the Alliance, but also how and why Latin American-U.S. relations evolved throughout the process.

Chapter I will examine the ideological origins of the Alliance for Progress, culminating in an analysis of the first announcement of the program—John F. Kennedy’s address to Latin American diplomats and U.S. congressmen on March 13, 1961. The chapter will provide an answer to why, after years of tense, almost non-existent U.S. relations, Latin American countries agreed to participate in the U.S.-sponsored program. A comparison of the two major economic development theories in Latin America and the United States will identify the similarities that created the context for cooperation. In crafting his speech, Kennedy consulted with well-known Latin American economists and diplomats. The prominence of their ideas in his Alliance for Progress address will prove that Latin Americans played an important role in this initial stage of the program.

Chapter II will focus on the ways in which the Bay of Pigs invasion affected the founding of the Alliance for Progress. It will demonstrate how U.S. aggression against Cuba altered U.S.-Latin American relations—specifically how it changed the Latin American involvement in the Alliance. Kennedy’s address had signaled a transformation in Latin American-U.S. relations that Latin American countries excitedly embraced. After the Bay of Pigs, however, the countries checked their enthusiasm and approached diplomatic affairs with the U.S. more guardedly. The chapter shows how Latin American countries used the aftermath of the Bay of Pigs invasion to ultimately increase their bargaining power prior to the founding conference of the Alliance for Progress.

Finally, Chapter III will look at how Latin American countries impacted the proceedings and outcomes of the Conference of Punta del Este that officially established the Alliance for Progress. Through an examination of conflicts and negotiations, the chapter will prove that Latin

Americans altered and added to U.S. plans for the program in ways that made the distribution of power within the Alliance for Progress more equal.

## HISTORIOGRAPHY

Three main approaches characterize the study of United States-Latin American relations. The earliest works, such as Samuel Flagg Bemis' 1943 book, *The Latin American Policy of the United States*, utilize an American nationalist perspective, lauding U.S. actions in a part of the world considered backward and desperate for assistance.<sup>6</sup> The next type of analysis takes the opposite approach and criticizes United States efforts in Latin America, blaming U.S. interventions for aggravating existing poverty, violence, and political corruption, and sometimes, generating new barriers to development and progress. First used by William Appleman Williams in *The Tragedy of American Diplomacy* and later applied to U.S.-Latin American diplomatic history by scholars such as Walter LaFeber and Lars Schoultz, this approach dominates the literature.<sup>7</sup>

The most recent trend in the historiography, that is becoming increasingly popular, is to study Latin American actions and agency in the region's relations with the United States. One of the first historians to do this was Friedrich Katz in his 1981 book, *The Secret War in Mexico: Europe, the United States and the Mexican Revolution*.<sup>8</sup> Katz recognizes the role of Mexican leadership and factions in manipulating the Europeans and Americans during the Mexican Revolution, demonstrating that prominent Mexican figures in the war were not merely puppets

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<sup>6</sup> Samuel Flagg Bemis, *The Latin American Policy of the United States* (Harcourt, Brace, 1943).

<sup>7</sup> William Appleman Williams, *The Tragedy of American Diplomacy* (New York: WW Norton & Company, 1988); Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: WW Norton & Company, 1993); Lars Schoultz, *Beneath the United States: A History of US Policy Toward Latin America* (Cambridge: Harvard University Press, 1998).

<sup>8</sup> Friedrich Katz, *The Secret War in Mexico: Europe, the United States, and the Mexican Revolution* (Chicago: University of Chicago Press, 1981).

for the Western powers. Instead of assuming that the U.S. government was the only purposeful actor in major inter-American historical events, historians, economists, sociologists, and political scientists are increasingly incorporating the Latin American side of the story.

Hal Brands takes the same approach as Katz in his 2010 book, *Latin America's Cold War*. Using Latin American sources and archives, Brands argues that Latin Americans had an active role in their relationship with the United States during the Cold War and that the history should be recounted as “multinational and multilayered.”<sup>9</sup> He claims that previous accounts, those of scholars such as Jonathan Haslam, Greg Grandin, and John Dinges, follow in the tradition of the first two phases of Latin American-U.S. historiography, focusing on “the view from Washington.”<sup>10</sup> This observation holds true in regards to the Alliance for Progress—a major example of U.S. policy in Cold War Latin America.

The earliest analysis of the Alliance for Progress emerged not long after John F. Kennedy's initial announcement of the massive economic development plan. In 1963, two years following the program's commencement, John Scott, a *Time Magazine* reporter, was already skeptical, publishing a report titled, “How Much Progress?” and citing far more “shortcomings” than “achievements” in his evaluation.<sup>11</sup> Since then, historians, economists, and political scientists have further studied U.S.-Latin American relationships in the 1960s, attempting to

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<sup>9</sup> Hal Brands, *Latin America's Cold War* (Harvard University Press, 2010), 2.

<sup>10</sup> *Ibid.*; See: Jonathan Haslam, *The Nixon administration and the death of Allende's Chile: a case of assisted suicide* (New York: Verso, 2005); Greg Grandin, *Empire's workshop: Latin America, the United States, and the rise of the new imperialism* (Oxford: Macmillan, 2006); John Dinges, *The condor years: How Pinochet and his allies brought terrorism to three continents*, (New York: The New Press, 2012).

<sup>11</sup> John Scott, *How Much Progress?: Alianza Para El Progreso; A Report to the Publisher of Time, the Weekly Newsmagazine* (Time Incorporated: New York, 1963).

answer questions about the Alliance for Progress' origins and chronology, and more frequently, taking Scott's approach and analyzing the economic and diplomatic outcomes of the program.

There is little disagreement regarding the origins of the Alliance for Progress. Officially, the program began with the signing of the Charter of Punta del Este on August 17, 1961. Most scholars also agree that, ideologically, the program drew significantly from modernization theory, characterized by the ideas of Walt Rostow.<sup>12</sup> In regards to the international events and diplomatic efforts that shaped Kennedy's proposal, there is general consensus that the 1960 Act of Bogota served as a precursor to the Alliance for Progress' Charter of Punta del Este. Scholars also agree that escalating fear of communism and increasingly negative Latin American public opinion toward the United States acted as major catalysts for the establishment of more concrete diplomatic relationships in the Western Hemisphere.

Scholars do not agree upon a definitive date marking the end of the Alliance for Progress. Arthur M. Schlesinger, special assistant to Kennedy and his later biographer, stated that the Alliance lasted only through Kennedy's administration, "about a thousand days, and thereafter, only the name remained."<sup>13</sup> Other scholars consider the program's end to fall sometime at the conclusion of the decade, evolving throughout the presidencies of Kennedy, Johnson, and Nixon, and tapering off by 1970. Trying to pinpoint the end of the Alliance for Progress is relatively unimportant and potentially futile. The uncertainty around the program's termination, however, is actually valuable insofar as it highlights the lack of order as the program progressed and the

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<sup>12</sup> Kimber Charles Pearce, *Rostow, Kennedy and the Rhetoric of Foreign Aid* (Michigan State University Press: East Lansing, 2001); Piki Ish-Shalom, "Theory Gets Real, and the Case for a Normative Ethic: Rostow, Modernization Theory, and the Alliance for Progress," *International Studies Quarterly*, 50 (2006): 287–311.

<sup>13</sup> Arthur M. Schlesinger Jr., *The Alliance for Progress: A Retrospective*, "Latin America: the Search for a New International Role."

fact that its unraveled gradually—mirroring the steady deterioration of U.S. relationships with many Latin American countries.

The most conventional approach to the study of the Alliance for Progress has been to analyze the program’s accomplishments, or more commonly, what it failed to accomplish. One strategy, employed largely in early evaluations, emphasizes economic analysis. This was the bulk of Jerome Levinson and Juan de Onis’ 1970 book, *The Alliance that Lost Its Way: A Critical Report on the Alliance for Progress*.<sup>14</sup> These early works set out to determine how many of the objectives of the Alliance for Progress were actually met—finally concluding that progress was dismal in most spheres, and when improvement was evident, it could not necessarily be attributed to Alliance aid.

Once the Alliance’s failures were widely accepted, scholars started trying to understand why the program ultimately disappointed. Arthur Schlesinger blames President Johnson for tainting Kennedy’s original plan (this did not garner support from other literature).<sup>15</sup> Another, better received argument states that the Alliance for Progress was an over ambitious undertaking that set U.S. expectations unattainably high. Levinson and Onis call this fault, “disillusionment,” and later works expound upon the idea.<sup>16</sup> Abraham Lowenthal attributed the phenomenon of disillusionment to U.S. rhetoric surrounding the Alliance for Progress, saying that the language

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<sup>14</sup> Jerome Levinson and Juan De Onis, *The Alliance that Lost its Way: A Critical Report on the Alliance for Progress* (Chicago: Quadrangle books, 1970).

<sup>15</sup> Schlesinger, *The Alliance for Progress*, 84.

<sup>16</sup> Levinson and Onis, “The Alliance that Lost its Way.”

describing the program articulated unfeasible goals and moreover, the rhetoric did not align with how the program actually operated.<sup>17</sup>

The majority of scholars contend that the a chief factor in the Alliance for Progress' failure was the extreme degree to which the United States placed the Alliance's goals to spread democracy—specifically, to prevent the spread of communism out of Cuba—above economic and social development objectives. Historian Stephen G. Rabe added significantly to this discourse with his 1999 book, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America*. He argues that the U.S.'s obsession with communism, augmented by Kennedy's own fixation, was the controlling force over Alliance programs and U.S. diplomacy in Latin America.

Another approach to studies of the Alliance for Progress examines the development program in the context of the history of U.S. foreign policy. Many historians have tried to determine whether or not the Alliance for Progress represented a defining moment in U.S. diplomatic strategy.<sup>18</sup> Pravin Varaiya and Richard Walker consider the Alliance for Progress to be an early manifestation of 1980s U.S. counter-insurgency tactics.<sup>19</sup> In Jeffrey F. Taffet's book, *Foreign Aid as Foreign Policy: The Alliance for Progress in Latin America*, Taffet claims that the Alliance for Progress was one of the first instances of the United States employing economic aid to control other countries. He argues that, although the Alliance for Progress has little legacy

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<sup>17</sup> Abraham F. Lowenthal, "Alliance Rhetoric versus Latin American Reality," *Foreign Affairs* 48, no. 3 (1970): 494-508.

<sup>18</sup> See: Federico G. Gil, "The Kennedy-Johnson Years," *United States Policy in Latin America: A Quarter Century of Crisis and Challenge*, 1961-1986 (Lincoln: University of Nebraska Press, 1988) 3-27; Joseph S. Tulchin, "The promise of progress: US relations with Latin America during the administration of Lyndon B. Johnson," *Lyndon Johnson Confronts the World: American Foreign Policy, 1963-1968* (New York: Cambridge University Press, 1994) 211-243.

<sup>19</sup> Pravin Varaiya and Richard Walker, "Another Alliance for Progress?" *Economic and Political Weekly*, Vol, 19, No. 6 (Feb 11, 1984) 242-243. By Pravin Varaiya and Richard Walker

in international economics, the politics of its foreign aid model persisted and are still used by the U.S. government.<sup>20</sup>

Studies of the Alliance for Progress follow the broader trends of scholarship on Latin American-U.S. relations, specifically within the Cold War period. They primarily focus on U.S. objectives, U.S. management of the aid program, and often, U.S. manipulation of Latin American countries. The Latin American role, however, was far more significant than typically acknowledged. A number of countries and intellectuals were determined to be involved in the Alliance from its initiation. They hoped that the program would truly be treated as a joint venture and tried to assert their own influence over operating policies and proceedings. This is evident from the founding of the program—first, through input given by prominent Latin American economists and later, through Latin American diplomatic strategies employed leading up to and during the Conference of Punta del Este. This thesis means to contribute to the scholarship covering the Alliance for Progress by providing more information on the roles played by Latin American individuals and governments in the origins of the program, situating itself in the most recent historiographical trend of exploring Latin American agency in inter-American relations.

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<sup>20</sup> Jeffrey F. Taffet, *Foreign Aid as Foreign Policy: The Alliance for Progress in Latin America* (New York: Routledge, 2007).

**CHAPTER I****STRUCTURALISM AND MODERNIZATION: OVERLAPPING THEORY AND THE IDEOLOGICAL ORIGINS OF THE ALLIANCE FOR PROGRESS**

In the aftermath of World War II the United States pledged financial assistance to rebuild the nations devastated by the conflict. While the U.S. focused most of its efforts on the Marshall Plan in Europe, post-war aid also benefited countries in other regions.<sup>21</sup> From the end of World War II through the 1950s, the U.S. provided \$13.6 billion in aid to Asia and the Pacific and \$7 billion to Africa and the Near East.<sup>22</sup> Latin America, by comparison, only received \$1.7 billion—considered by the U.S. to be the region least affected by the war.<sup>23</sup> Douglas Dillon, Kennedy’s Secretary of the Treasury recalled that, this neglect was, “the cause of considerable resentment throughout Latin America as being unfairly discriminatory.”<sup>24</sup> Latin American nations resolved to fend for themselves, adopting the attitude that Latin Americans were capable of charting their own advancement. After operating under this philosophy for over a decade, in 1961, President John F. Kennedy announced the Alliance for Progress, a U.S. foreign aid program designed to accelerate the economic development of Latin America. Historian L. Ronald Scheman called the program, “an aberration in the long history of U.S. indifference and neglect of its neighbors.”<sup>25</sup> Latin Americans, however, seemed to overlook the past

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<sup>21</sup> The Marshall Plan provided European nations with nearly \$13 billion between 1948 and 1951.

<sup>22</sup> Hernando Agudelo Villa, *La Revolución del Desarrollo: Origen y Evolución de la Alianza para el Progreso* (Mexico City: Editorial Roble, 1966) 52.

<sup>23</sup> *Ibid.*

<sup>24</sup> *The Alliance for Progress: A Retrospective*, ed. L. Ronald Scheman, “The Prelude” (New York: Prager Publishers, 1988), 63.

<sup>25</sup> *The Alliance for Progress: A Retrospective*, ed. L. Ronald Scheman, “The Alliance for Progress: Concept and Creativity,” 3.

“indifference and neglect” and responded to the Alliance for Progress with overwhelming support and optimism.

While many factors contributed to Latin America’s backing of the Alliance, economic development theory played an especially large role. The Alliance for Progress drew primarily from two ideologies. “Structuralism” was the influential development theory in Latin America. It posited that underdeveloped nations faced structural economic barriers to progress—barriers unintentionally produced by the policies of developed nations. Structuralists advocated for more inward-focused, protectionist policies to eliminate the issues generated by contact with larger, more prosperous countries. “Modernization,” the popular development theory in the United States, on the other hand, did not consider protectionist policies to be a viable solution to underdevelopment. Modernization theorists defined an evolutionary process by which nations become “modern” or “developed,” and argued—contrary to structuralism’s position—that increased interactions with developed nations would actually improve and accelerate the process. While there were other theories circulating at the time, the two highlighted in this chapter and their intellectual proponents received the most support from their respective regions; and moreover, they both garnered significant attention from John F. Kennedy’s administration.

Despite certain marked differences in the Latin American and U.S. theories, there were also noteworthy areas of overlap. Structuralism and modernization dovetailed in their promotion of industrialization and other instruments of development. Also critical, each theory recognized foreign capital as a practical source for the monetary base needed to undertake imperative, yet costly, development initiatives. This chapter will argue that the commonalities between modernization and structuralism, and the way the Kennedy administration utilized them, helped

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create the context in which the United States and Latin America could cooperate in founding the Alliance for Progress. To provide understanding for why this context was crucial for inter-American cooperation, this chapter will first look at the build-up of anti-American sentiment and increasing economic self-sufficiency in Latin America during the post-war period. Next, the chapter will give an overview of both theories and the intellectuals who created them, comparing and contrasting key components. Finally, an analysis of John F. Kennedy's first announcement of the Alliance for Progress will demonstrate how the program's ideological foundations depended upon ideas from both theories.

By combining aspects of the two ideologies, and consulting Latin American development economists, the Kennedy administration capitalized on the opportunity provided by the theoretical similarities of structuralism and modernization. Inclusion of Latin American ideas from the very beginning of the program not only captured Latin American trust and support, but also gave intellectuals and governments in the region a prominent role in the founding of the Alliance. Although John F. Kennedy first proposed the Alliance for Progress, the earliest conceptions of the program truly represented a joint effort, one highly influenced by decades of Latin American thought and ambition.

In order to get to this cooperative point, however, the United States needed to find a way to address its poor reputation in Latin America. U.S. neglect of the region from the end of World War II through the late 1950s generated anti-American sentiment. Franklin Delano Roosevelt's Good Neighbor Policy had become obsolete. Populist movements in Latin America, such as those in Peru, Mexico, and Argentina often promoted anti-American attitudes. In 1946, Argentine politician Juan Perón encouraged and played upon negative feelings towards the United States with his campaign slogan, "Braden or Perón?," positing himself against the U.S.

Ambassador to Argentina Spruille Braden, and suggesting that his Argentine opponent had close U.S. ties. Perón won the election with this highly successful strategy—a powerful demonstration of how much Argentines distrusted the United States and disliked the idea of the nation’s involvement in Latin American affairs.

In many Latin American countries, the public displayed anti-American opinions violently. From 1956 to 1965, 65 out of the 171 reported “anti-American demonstrations, riots, and terrorists attacks” took place in Latin America.<sup>26</sup> In 1958, the riots and attacks on Richard Nixon in Argentina, Peru, and Venezuela finally captured U.S. attention, and the Eisenhower administration began to renew interest in Latin America.<sup>27</sup> John F. Kennedy continued this effort. Within three months of his inauguration, Kennedy announced the creation of the Peace Corps, which would have volunteers in Latin America by the end of the year.<sup>28</sup> He also vowed to create an inter-departmental task force to coordinate Latin American affairs and send a “Food for Peace” mission to the region. His worldwide popularity was already much higher than that of Eisenhower and the trend held true in Latin America.<sup>29</sup> Still, one year of U.S. interest in the region did not guarantee Latin American support for the Alliance for Progress.

Latin Americans had spent the post-war period accustomed to minimal interaction with the United States and had grown increasingly self-sufficient. The founding of the Economic Commission for Latin America (ECLA) represented this trend and demonstrated a growing

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<sup>26</sup> Ivan Krastev and Alan L. McPherson, *The Anti-American Century* (Budapest: Central European University Press, 2007) 3.

<sup>27</sup> In 1960, the U.S. signed the Act of Bogota, pledging to participate in an inter-American commitment to fund economic and social development. Eisenhower later asked Congress for \$500 million for this effort. The Act of Bogota is often considered a precursor to the Alliance for Progress.

<sup>28</sup> The first Peace Corps volunteers in Latin America were stationed in Chile and Colombia in December 1961.

<sup>29</sup> Stephen G. Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America* (Chapel Hill: University of North Carolina Press, 1999) xv-xvii.

emphasis on regional autonomy. The governments of Chile, Cuba, and Peru first proposed ECLA in 1947 in response to the UN creation of economic commissions for Asia and Europe. The United States, with the support of the Great Britain and Canada argued that a corresponding Latin American group would be redundant because of the existence of the Pan-American Union, the precursor to the Organization of American States. The UN approved the Latin American proposal, however—thanks to Chile’s argument that the Pan-American Union was primarily political and that the creation of ECLA would provide a much-needed, economic entity.<sup>30</sup> This was momentous in that it made ECLA the first regional organization to concentrate purely on Latin American affairs, as opposed to Pan-American issues.

The UN officially founded ECLA in 1948, with the purpose to contribute “to the economic development of Latin America, coordinating actions directed towards this end.”<sup>31</sup> The vague mission reflected the fact that ECLA had little direction or organization, and without the support of Western powers, the early commission maintained a fragile existence. The quality of the economists it attracted, however, quickly strengthened ECLA’s role and influence. Top Latin American social scientists, representing a wide variety of countries, came together under the direction of renowned Argentine economist Raúl Prebisch.<sup>32</sup> Within a year of the organization’s founding, Prebisch wrote and published ECLA’s first report, which would form the foundation of structuralist theory in Latin America.

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<sup>30</sup> Edgar J. Dosman, *The Life and Times of Raúl Prebisch: 1901-1986* (Montreal: McGill-Queen’s University Press, 2008) 236-237.

<sup>31</sup> ECLAC, “The Institution,” *United Nations*, 2000-2013, [www.eclac.cl/acerca/default-i.asp](http://www.eclac.cl/acerca/default-i.asp).

<sup>32</sup> Prebisch originally turned down a leadership position with ECLA. Gustavo Martinez Cabañas from Mexico served as the first Director-General until Prebisch assumed the position in 1950, holding it until 1963. Other ECLA economists included: Celso Furtado (Brazil), José Antonio Mayobre (Venezuela), Juan Noyola and Victor Urquidi (Mexico), Regino Boti and Eugenio Castillo (Cuba), Pedro Vuscovic and Jorge Ahumada (Chile).

Prebisch's work drew from economic policies that had been operating in Latin America since the 1930s. Import Substitution Industrialization (ISI), an eventual hallmark of structuralism, characterized economic strategies in multiple Latin American nations. ISI policies focused inward and stressed replacing imports with domestically produced primary goods and manufactures. The larger economies—specifically, Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay—that had the capital and stability to start developing small-scale industry, implemented ISI policies in reaction to global economic downturns.<sup>33</sup> They aimed to better protect Latin American countries from external economic shocks, suggesting that even before the U.S.'s post-war snub, Latin American nations recognized ways to profit from self-reliance.

The events of the decades that followed further justified the implementation of ISI policies and the idea that Latin American countries prospered when economically independent. In response to the recovery after the Great Depression and the global market effects of World War II, Latin American governments strove to build up the industrial sectors of their economies, finding success to the extent that between 1939 and 1945, industry as a share of GDP grew by 5.7%.<sup>34</sup> Even though their manufactured goods were generally of a lower quality, Latin American countries found export markets both within the continent and outside, benefitting from the fact that the traditional industrial powerhouses such as the United States and Great Britain focused more of their production efforts on wartime necessities. The end of the war, and the revival of U.S. and European manufacturing, decreased the demand for Latin America's

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<sup>33</sup> Victor Bulmer-Thomas, *The Economic History of Latin America Since Independence*. Vol. 77. (Cambridge: Cambridge University Press, 2003) 257-281.

<sup>34</sup> *Ibid.*, 244.

In Argentina, the expansion occurred primarily in the textile industry, while steel manufacturing in Brazil boomed. Across the larger economies of Latin America, oil refineries, plastic factories, and chemical plants contributed increasingly to national GDPs.

products. This economic blow only further supported the belief that Latin American countries needed to protect themselves from fluctuations in the international market.

Although Latin American governments widely implemented structuralist policies in the 1930s and 1940s, during this time, they followed no defined economic theory. Immediately after arriving at ECLA, Raúl Prebisch finally organized the ideas that had been controlling Latin American economic policies in “The Economic Development of Latin America and its Principal Problems,” ECLA’s first major publication. Prebisch, previously an economics professor and Argentina’s Deputy Minister of Finance, became known as the “Father of Structuralism” and the report was commonly referred to as “The Prebisch Manifesto.” The Prebisch Manifesto provided novel explanations for Latin American underdevelopment. Furthermore, it articulated the economic theory behind the ISI policies that were already in-use and altered it, suggesting that under structuralism, country-specific protectionism was not necessary. Instead, Latin American countries could continue to thrive by implementing regional policies.<sup>35</sup>

Prebisch’s “The Economic Development of Latin America and its Principal Problems” emphasized a division between Latin America and the United States. The report separated the world into two economic zones, the “center” and the “periphery.” Center nations were industrialized and included countries such as the United States, the Soviet Union, Germany, and Great Britain. The countries on the periphery were underdeveloped with economies that traditionally relied on the export of primary commodities (all of Latin America). According to Prebisch, and ECLA by extension, the unequal terms of trade between the center and periphery created a cycle that prevented the periphery from achieving significant economic growth. Prebisch felt that GDP per capita, or average income, was the best determinant of economic

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<sup>35</sup> Prebisch promoted trade agreements among the countries of Latin America, eventually helping to found LAFTA in 1960.

progress. He asserted that, in order to raise average income, Latin American countries needed to increase productivity and capital savings—and suggested that industrialization and regional cooperation were the best ways to do so.<sup>36</sup>

The Prebisch Manifesto's explanation for why countries on the periphery remained underdeveloped was radical. The document contended that development and industrialization in the center nations and the center's associated economic policies caused the relatively stagnant economic growth of Latin American countries. The Prebisch Manifesto specifically discussed how the policies of the "principal center," the United States, obstructed development in the periphery. Prebisch explained how high U.S. productivity negatively impacted Latin American countries, stating:

The United States is a powerful and well-integrated economic entity and has become so largely through its own deliberate effort, the great significance of which is recognized. One cannot overlook, however, the fact that this brought about, for the rest of the world, conditions incompatible with the functioning of international economy in the same way as before the First World War, when the British center strictly observed the rules of the game in the fields of monetary policy and foreign trade. It is under these new conditions of international economy, that the process of industrialization has begun to develop in Latin America.<sup>37</sup>

Prebisch's language in this passage is diplomatic. He first acknowledges the "deliberate effort" it took the U.S. to become industrialized before suggesting that these efforts ultimately generated the inequality of the current world economic order. The mention of the U.S.'s break from "the rules of the game" refers to U.S. implementation of protective tariffs and wage increases that prevented the benefits of economic growth from transferring to peripheral nations.<sup>38</sup> According to Prebisch, the previous "principal center," Great Britain, had not implemented these types of

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<sup>36</sup> Raúl Prebisch, "The Economic Development of Latin America and its principal problems" (ECLA, 1950).

<sup>37</sup> Raúl Prebisch, "The Economic Development of Latin America," 4.

<sup>38</sup> *Ibid.*, 16.

measures, explaining why the development gap increased so much more when the United States rose to international supremacy. With some tact, Prebisch essentially accused the United States of creating underdevelopment and hardship in Latin America, forcing the peripheral countries to industrialize.

To combat the problems perpetuated by the economic policies of the center, ECLA proposed regional integration efforts, arguing that Latin American countries should work together to be the agents of their own development. Prebisch's refusal to merge ECLA with the OAS had been a firm display of his faith in Latin American agency as well as his definition of economic "regionalism." The regional cooperation he and ECLA promoted excluded North America in the sense that it did not support subscribing to policy measures imposed or devised by the United States. In "The Economic Development of Latin America," Prebisch wrote:

It does not seem advisable, however to rely exclusively upon measures taken by the principal cyclical center [the United States], since in the case of a contraction in that country, firm action on the part of the peripheral countries could be very opportune. The Latin American countries should, therefore, prepare to play their part in the common task.<sup>39</sup>

Not only did Prebisch warn Latin American countries to avoid economic entanglement with the United States because it protected them from the ripple effects of downturns, but also because economic independence allowed them to take advantage of opportunities created when U.S. market presence weakened. He did not prescribe national protectionist policies, but regional ones, calling the economic policies he proposed part of "the common task." To Prebisch and ECLA, due to a shared history and similar levels of development, Latin American governments faced comparable economic challenges, ones that could be tackled together.

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<sup>39</sup> Ibid., 49.

Not surprisingly, the United States disapproved of the ideas espoused in “The Economic Development of Latin America.” According to Prebisch, a cable arrived from New York conveying the message: “The report is a document with a great content. But it speaks about development, industrialization, terms of trade, and many other matters that ECLA is not supposed to deal with.”<sup>40</sup> The United States’ cable proposed that very few economic issues should be left under ECLA’s jurisdiction. Evidently, the U.S. had still not warmed to the idea of a solely Latin American organization—one the United States could not supervise. U.S. disapproval was again made clear at an inter-American conference where Raúl Prebisch first presented his manifesto. While other Latin American countries sent some of their most important diplomats, the U.S. sent the Ambassador to El Salvador as its head of delegation.<sup>41</sup> To have such a low-ranking official represent the United States was an obvious slight.

Prebisch recalled earlier U.S. attempts to curtail ECLA’s authority. At a cocktail party a U.S. ambassador approached Prebisch, offering to merge ECLA with the OAS, sending the message that, “My government does not like two organizations dealing with the two same problems.”<sup>42</sup> Prebisch recounted his response as follows:

The basis of our new organization, ECLA, is intellectual independence. This is the first opportunity for Latin Americans to start thinking with their own minds on economic problems. This has not been the case up to now...I have to tell you frankly that you would be the dominating power in the new organization, as you dominate the Organization of American States.<sup>43</sup>

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<sup>40</sup> Raúl Prebisch, “Raúl Prebisch on ECLAC’s Achievements and Deficiencies,” interview by David Pollock (May 1985), in “CEPAL Review,” (New York: United Nations Publications, December 2001) 12.

<sup>41</sup> *Hispanic American Report*, vol. 14, no. 1, 246.

<sup>42</sup> *Ibid.*, 13.

<sup>43</sup> *Ibid.*

Raúl Prebisch was clearly wary of U.S. influence. He pointed out that the United States had a strong tendency to overpower international relationships. Proud of the “intellectual independence” endorsed by the existence of ECLA, Prebisch did not want it hindered or discredited by U.S. intervention. Most importantly, refusal to merge with the United States-dominated OAS demonstrated Prebisch’s confidence in the ability of Latin Americans to “start thinking with their own minds.”

A number of Latin American governments also felt assured that the region could prosper without U.S. interference, and accordingly, stood by Prebisch’s resistance to the merger proposal. At a conference in 1949, a U.S. delegate again pushed for the combining of ECLA and the OAS. The Mexican Secretary of Finance reviewed the proposal and ripped it up. Shortly after, the President of Brazil published a letter declaring Brazilian support for an independent ECLA.<sup>44</sup>

Following these incidents, the United States ceased its efforts to abolish ECLA. The attention and legitimacy ECLA earned from the Prebisch Manifesto made the organization’s demise a much more difficult task. Prebisch had become an academic and political celebrity in Latin America and nearly every country reached out to his organization for economic policy recommendations.<sup>45</sup> Moreover, Latin America remained low on the list of U.S. concerns. International development had begun to generate interest in the United States, but recently decolonized countries in Africa and Asia were given higher priority, due to perceived threats associated with the instability of their young governments. Therefore, U.S. intellectuals designed their development theories with the needs of all underdeveloped nations in mind. As a

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<sup>44</sup> Ibid., 14.

<sup>45</sup> Anil Hira, *Ideas and Economic Policy in Latin America: Regional, National, and Organizational Case Studies* (Westport, CT: Greenwood Publishing Group, 1998) 42.

result, modernization theory was less tailored to Latin American circumstances, a fact that likely gave the United States government further cause to consult Latin American economists.

U.S. modernization theory emerged out of a cross-disciplinary evolution of ideas. Modernization started in the field of sociology. Political scientists, historians and economists later adopted and adjusted the ideas—trying to define the universal characteristics of the development process and then map their progression. The social scientists then hoped to be able to design policies to expedite the process. Prominent modernization theorists in the United States worked together at the Massachusetts Institute of Technology’s (MIT) Center for International Studies (CIS). Founded in 1952 with CIA funding, CIS was arguably the American counterpart to ECLA’s brain trust. Many of the men who worked there later went on to serve in the Kennedy administration, often focusing on Latin American affairs.<sup>46</sup>

Like in structuralism, modernization separated countries into categories—either “modern” or “traditional.” To move from traditional to modern, countries went through a series of linear steps. Walt W. Rostow, an economic historian at CIS, developed the most widely accepted explanation of this pathway. In his 1960 book, *Stages of Economic Growth: A Non-Communist Manifesto*, Rostow identified five stages, referring to the first, undeveloped stage as the “traditional stage” and the last, modern stage, as the stage of “high mass consumption.” He called the stages in-between, “preconditions for take-off,” “take-off,” and “drive to maturity.” According to Rostow, most developing nations were stuck in the “preconditions” stage, where technology was improving, production surpluses existed and investment and savings were rising. Achieving “take-off” was Rostow’s goal for developing nations. In this stage, the manufacturing

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<sup>46</sup> Some of the men at CIS included Lincoln Gordon (later U.S. Ambassador to Brazil), Lucian Pye (later adviser to John F. Kennedy), Max Millikan (later Kennedy adviser), Paul N. Rosenstein-Rodan (later member of the Alliance for Progress “Wise Men” committee), and Walt W. Rostow (later Deputy National Security Adviser).

sector grew significantly in a few main industries, technological improvements sped up, and capital savings rates increased to 10% or more of national income. The United States and Britain, according to Rostow, were at this stage in the late 1700s and early 1800s, respectively, putting Latin America and other developing regions one to two centuries behind.<sup>47</sup>

The title of Rostow's book, "A Non-Communist Manifesto" exposes the underlying U.S. reasons for studying economic development. Rostow and the other theorists at CIS saw modernization theory as an alternative to the social revolution offered by the Soviet Union and communism. In a memo to Allen Dulles, the director of the CIA, Rostow said that, "Free world success in seeing the underdeveloped countries go through their difficult transition to self-sustaining growth would deny to Moscow and Peking the dangerous mystique that only communism can transform underdeveloped societies."<sup>48</sup> The idea that the "free world" needed to play a role in this "difficult transition" was a critical component of modernization theory. Modernization theorists emphasized that democracy was central to development, giving their theory a political edge. This contrasted with structuralism, which did not prescribe a specific political or social doctrine as being integral to successful development.

As a model democracy, to many modernization theorists, the United States also represented the "modern" model for developing countries. The theorists believed that simple contact with the U.S. and other Western, democratic nations, promoted development. Rostow called this the "demonstration effect."<sup>49</sup> This idea, that interaction between "modern" and

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<sup>47</sup> Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1990).

<sup>48</sup> Walt W. Rostow, "Letter from Walt Rostow to Allen Dulles" (Cambridge, MA: Center for International Studies, 1954) 8.

<sup>49</sup> Rostow, "The Stages of Economic Growth," 27.

“traditional” countries accelerated the development process, went directly against structuralism’s claim that economic relationships between developed and undeveloped nations had generated and perpetuated underdevelopment. Rostow even considered abrasive contact, such as invasion and imperialism to be strong forces of modernization, saying that, “...reacting against intrusion from more advanced nations-has been a most important and powerful motive force in the transition from traditional to modern societies.”<sup>50</sup>

The “demonstration effect” reveals the U.S. sense of superiority intrinsic to modernization theory. The United States saw its efforts as noble, leading Michael E. Latham to call modernization theory a form of “Manifest Destiny.”<sup>51</sup> Latham argues that modernization in the United States was not just a social, political, and economic theory, but also, “an ideology, a conceptual framework that articulated a common collection of assumptions about the nature of American society and its ability to transform a world perceived as both materially and culturally deficient.”<sup>52</sup> If Latham is correct, the U.S. perspective was that Latin America’s underdevelopment was partially due to it being inherently lesser than the United States. Yet again, this aspect of modernization conflicted with structuralism, specifically ECLA’s promotion of and confidence in Latin American intellect and ability.

The discrepancies between modernization and structuralism were not minor. The two development camps disagreed about the causes of underdevelopment, the inclusion of political and social ideology, and the effects of interaction between developed and underdeveloped nations. Yet, even with these disagreements, the theories overlapped in a number of areas—

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<sup>50</sup> Gerald Meir and Dudley Seers, ed., *Pioneers in Development* (London: Oxford University Press, 1984) 233.

<sup>51</sup> Michael E. Latham, *Modernization as Ideology: American Social Science and “Nation Building” in the Kennedy Era* (Chapel Hill: The University of North Carolina Press, 2000) 6.

<sup>52</sup> *Ibid.*, 5.

specifically regarding the requirements and instruments necessary to advance development. Both theories advocated that industrialization was critical to reach the status of a modern, developed economy. In order to industrialize, they agreed that nations needed high levels of investment and capital savings. Finally, and most importantly, modernization and structuralism recognized that foreign aid was one of the best means by which to achieve the build-up of industry and capital. These congruencies ultimately overpowered the conflicting portions of the two theories during the construction of the Alliance for Progress.

Modernization and structuralism both considered industrialization essential to economic development. In “The Economic Development of Latin America,” Prebisch asserted that, “Industrialization has become the most important means of expansion.”<sup>53</sup> He supported this claim by explaining that industrialization created jobs, which increased the overall productivity of a nation.<sup>54</sup> Rostow agreed. In *The Stages of Economic Growth*, he highlighted the importance of industrialization during “take-off,” the stage of growth in which a country starts developing. He explained that, “new industries expand rapidly...and those new industries, in turn, stimulate, through their rapidly expanding requirement for factory workers, the services to support them....”<sup>55</sup> Both Rostow and Prebisch deemed industrialization to be critical to job creation and economic productivity.

The two theorists also stressed that their emphases on industrialization did not discount the importance of agriculture within developing economies. In fact, they believed that industrialization was linked to increased agricultural productivity. Prebisch emphasized that,

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<sup>53</sup> Raúl Prebisch, “The Economic Development of Latin America and its Principal Problems” (Lake Success, NY: United Nations Department of Economic Affairs, 1950) 6.

<sup>54</sup> *Ibid.*, 5.

<sup>55</sup> Rostow, *The Stages of Economic Growth*, 8.

“The industrialization of Latin America is not incompatible with...the mechanization of agriculture.”<sup>56</sup> Technological advancement in agriculture increased production and exports, in turn, bringing in capital that could support the build up of industry. In the same way, Rostow clarified that, within modernization theory, “‘manufacturing’ is taken to include the processing of agricultural products or raw materials by modern method.”<sup>57</sup> He echoed Prebisch’s reasoning behind the importance of agriculture, stating that, “...its processes set in motion a chain of further modern sector requirements and that its expansion provides the potentiality of external economy effects, industrial in character.”<sup>58</sup>

Plans for industrialization and the mechanization of agriculture were futile without funds to support them. Modernization and structuralism both asserted that development required large amounts of capital accumulation—through savings and investment. One of the ways Rostow delineated his “stages of growth” was by the percentage of national income that investment and savings constituted. To reach the next stage and become increasingly “modern,” countries had to increase their investment and savings levels (between 5-10% of national income in “take-off,” rising to 10-20% during “drive to maturity”).<sup>59</sup> While not quite as specific, structuralist theory also placed enormous weight on capital accumulation. In “The Economic Development of Latin America” Prebisch maintained that, “The raising of the standard of living of the masses ultimately depends on the existence of a considerable amount of capital per man.”<sup>60</sup>

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<sup>56</sup> Prebisch, “The Economic Development of Latin America,” 2.

<sup>57</sup> Rostow, *The Stages of Economic Growth*, 39.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*, 8-9.

<sup>60</sup> Rostow, *The Stages of Economic Growth*, 5.

Recognizing the importance of capital, both theorists also realized the enormous challenge in raising sufficient funds. Rostow had been advocating for years that foreign aid was the solution to underdevelopment and would promote U.S. diplomatic interests. He again emphasized this conviction in *The Stages of Economic Growth*, stating that, "...the present level of external assistance is substantially inadequate..." and advocated for \$4 billion of aid annually to cover all the underdeveloped countries in Asia, the Middle East, Africa, and Latin America.<sup>61</sup> Rostow's suggestion corresponded to modernization theory's premise that the involvement of developed countries in underdeveloped country's affairs accelerated and facilitated development.

On the surface, foreign aid may not have seemed to be as compatible with structuralism. Prebisch, however, understood the urgent need for capital, and reasoned that foreign financial assistance was one of the most accessible sources. He argued that, "An immediate increase in productivity per man could be brought about by well directed foreign investments added to present savings," admitting that, "The temporary help of foreign capital is necessary."<sup>62</sup> The fact that Prebisch qualified foreign aid as "temporary" showed that he expected the inter-dependent relationship to also be transitory, making it possible to still preserve the autonomy of Latin American nations. While all of the similarities between modernization and structuralism contributed to U.S.-Latin American cooperation under the Alliance for Progress, Raúl Prebisch and ECLA's acceptance of foreign aid was the most important. Approval from Latin America's prestigious economic organization—one that had already demonstrated its commitment to regionalism and the protection of Latin American economic wellbeing—had the potential to generate support for the Alliance throughout Latin America. Following ECLA's rise to

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<sup>61</sup> Ibid., 143.

<sup>62</sup> Prebisch, "The Economic Development of Latin America," 5 & 35.

prominence in 1949, its influence permeated the governments and economies of most Latin American countries. In addition to providing economic consulting services, many ECLA officials took governmental positions.<sup>63</sup> Ideologically, due to ECLA's influence, most Latin American governments were poised to accept foreign aid for economic development. The Kennedy administration just had to present the program in a way that resonated with the citizens and governments of both Latin America and the United States.

President Kennedy recognized the importance of appealing to both U.S. and Latin American conceptions of economic development. To take advantage of the opportunity presented by the overlaps between structuralism and modernization, he enlisted the help of the intellectuals who developed the theories. Starting before his inauguration, Kennedy consulted with Raúl Prebisch and continued to include the Argentinean economist in almost every step leading to the official announcement of the Alliance for Progress. Prebisch described his involvement in the Alliance as follows: "...I was not the promoter of the AFP, but I jumped on the wagon when the train was starting to move....The Organization of American States, during Kennedy's early years attempted to introduce new life into itself, and formed a committee of some 15-20 people, the majority of whom were Latin Americans."<sup>64</sup> The committee Prebisch mentioned was Kennedy's Latin American task force and included a number of members of ECLA. Kennedy's inclusion of Latin American economists and his re-organization of the OAS, which had been out of favor in Latin America, helped convince Prebisch to "jump on the wagon." Prebisch was a powerful figure for Kennedy to have supporting the Alliance.

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<sup>63</sup> Hira, *Ideas and Economic Policy in Latin America*, 42.  
ECLA economists worked as Finance Ministers in Argentina, Chile, and Brazil during the 1950s.

<sup>64</sup> Pollock, "Raúl Prebisch on ECLAC's Achievements and Deficiencies," 18.

In addition to Prebisch, Kennedy also consulted with Latin American diplomats, economists, and politicians. He called José Antonio Mayobre, Venezuela's ambassador to the United States, asking for suggestions for a speech on United States-Latin American relations. Mayobre enlisted extra support and together, Felipe Pazos, a Cuban economist who had worked for the International Monetary Fund (IMF) and recently denounced Castro, Felipe Herrera, the first president of the Inter-American Development Bank (IDB), Jorge Sol, an economist for the Organization of American States (OAS), and Raúl Prebisch, submitted a short proposal for a foreign aid program.<sup>65</sup> In Prebisch's words, the group urged the White House, saying, "This is the moment to act: to have a hemispheric policy toward Latin America."<sup>66</sup> Kennedy heeded their advice as well as their program proposal—using the majority of it in the Alliance for Progress' founding speech.

Walt Rostow also provided Kennedy with advice before the announcement of the Alliance. At this point in time, Rostow was the Deputy Special Assistant for National Security Affairs, serving in the U.S. government along with many of his other modernization theorist colleagues from CIS. On February 28, 1961, a few weeks before Kennedy unveiled the Alliance for Progress, Rostow sent the president a memo criticizing Eisenhower's policies toward Latin America and like the Latin American intellectuals, Rostow suggested that Kennedy implement a new approach, a "...free world effort with enough resources to move forward those nations prepared to mobilize their own resources for development purposes."<sup>67</sup> Rostow devoted the rest

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<sup>65</sup> Ibid.

<sup>66</sup> Ibid.

<sup>67</sup> "Memorandum from the President's Deputy Special Assistant for National Security Affairs (Rostow) to President Kennedy," 28 February 1961, *Foreign Relations of the United States (FRUS)*, 1961 (Washington, DC: U.S. Government Printing Office, 1995) IX, 94.

of the memo to outlining the “technical characteristics” of a program, arguing that it was “the only path that makes sense.”<sup>68</sup> Kennedy used a number of Rostow’s suggestions, and even consulted him a final time during a meeting the morning of March 13, 1961, hours before Kennedy officially unveiled the Alliance for Progress.

Kennedy’s March 13 speech weaved together the advice he had received from modernization and structuralist theorists, attempting to draw support from the U.S. and Latin American members of his audience. Early in the speech Kennedy proclaimed, “We meet together as firm and ancient friends, united by history and experience and by our determination to advance the values of American civilization.”<sup>69</sup> Throughout, Kennedy tried to emphasize this idea of a single “America,” rather than refer to two distinct regions of “North” and “South” or “Latin.” By doing so, Kennedy worked to expand Raúl Prebisch and ECLA’s idea of regionalism to include the United States, arguing that U.S. interests were more compatible with those of Latin America than was traditionally thought.

The fact that dovetailing modernization and structuralist ideas saturated Kennedy’s speech also helped to make this point. For most of his address, Kennedy explained a ten-point proposal for a foreign aid-sponsored development program. It included the promotion of industrialization, mechanization of agriculture, technology, education, and land reform—strategies supported by both modernization and structuralism. The president also called upon Latin American countries to drive these efforts, which strongly appealed to the self-sufficient attitudes held by ECLA and most Latin American nations.

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<sup>68</sup> Ibid.

<sup>69</sup> John F. Kennedy, “President Kennedy Speaks on the Alliance for Progress: Addresses and Remarks—The First Year,” *Address at the White House; before Latin American Diplomats, Members of Congress, and their Wives*, March 13, 1961.

One of Kennedy's obvious nods to structuralism was his statement that, "The United States is ready to cooperate in serious, case-by-case examinations of commodity market problems. Frequent violent changes in commodity prices seriously injure the economies of many Latin American countries, draining their resources and stultifying their growth."<sup>70</sup> Although he did not go as far as to hold the U.S. responsible for market problems, Kennedy did admit that market fluctuations limited the advancement of Latin American economies. These "frequent, violent changes" in commodity prices were the reason Latin American countries resorted to protectionist policies and tried to push the center nations out of economic development efforts. By promising to try to address market problems, Kennedy indirectly acknowledged the legitimacy in structuralist theory's accusations against U.S. This helped to set a new tone for inter-American relations—one in which U.S. priorities did not necessarily take precedence.

In addition to wooing his Latin American audience, Kennedy had to secure the support of American theorists, Congress, and the public. In the Cold War era, this required appealing to the U.S. anti-communist psyche. Kennedy did this subtly, using modernization rhetoric, and calling for a "revolution of the Americas."<sup>71</sup> Modernization theorists believed that they offered an alternative "revolution" to that proposed by Marxism and the Soviet Union. Kennedy tried to make this idea appeal to Latin Americans by drawing parallels between U.S. and Latin American revolutionaries, proclaiming, "...we call for social change by free men—change in the spirit of Washington and Jefferson, of Bolívar and San Martín and Martí—not change which seeks to impose on men tyrannies which we cast out a century and a half ago. Our motto is what it has

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<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

always been—progress yes, tyranny no - Progreso si, tirania no!”<sup>72</sup> The cry, “Progreso si, tirania no!” directly mimicked the popular anti-American slogan in Cuba at the time, “Cuba si! Yanqui no!”<sup>73</sup> This reference made it clear that Kennedy was advocating for a U.S. solution to development issues, not one offered by the tyrannical governments of the Soviet Union and Cuba. By denouncing Cuba in conjunction with the mention of Bolívar, San Martín, and Martí, Kennedy suggested that following in Cuba’s path would mean diverging from the vision of the fathers of Latin America. Through this obvious stance against Cuba, Kennedy not only assured his U.S. audience, but also communicated to Latin Americans that communism did not fit, nor would it be tolerated, within the Alliance.

Despite the political overtones and anti-communist messaging in Kennedy’s speech, Latin American governments responded to the Alliance for Progress with enthusiasm. President Rómulo Betancourt of Venezuela said, “...the White House is beginning to speak a language that has not been heard since the days of Franklin Delano Roosevelt.”<sup>74</sup> President Frondizi of Argentina wrote an open letter to President Kennedy applauding the proposal.<sup>75</sup> Like Betancourt, Frondizi felt that Kennedy’s announcement signaled a significant shift in U.S. policy, stating in an interview that, “The Alliance for Progress implies a political and economic change in the attitude of the United States towards Latin America.”<sup>76</sup> The governments of Venezuela, Colombia, Chile, Peru, and Mexico also sent messages to Washington to express

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<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> *Hispanic American Report*, vol. 14, no. 1, 268; Betancourt was referring to Roosevelt’s “Good Neighbor Policy.

<sup>75</sup> Rabe, *The Most Dangerous Area in the World*, 48.

<sup>76</sup> Arturo Frondizi, “Diálogos con Frondizi,” Interviews by Félix Luna (Editorial Desarrollo, 1963) 100.

their support.<sup>77</sup> Within a few weeks of the speech, nearly 20 political leaders had signed a hemispheric declaration urging all the nations of Latin America “to accept a friendly hand” from the United States.<sup>78</sup>

The Latin American hope and support generated by Kennedy’s March 13 speech represented a remarkable feat. Only a few years after Latin Americans staged anti-U.S. protests and violently assaulted Vice President Nixon, the entire region was coming together to join in a U.S.-sponsored development program. ECLA’s influence on the language and content of Kennedy’s address played a crucial role. Although Kennedy talked of “revolution,” the Latin American ideas he espoused were already well established in the region, dating back to policies from as early as the 1930s. By incorporating influential Latin Americans and their ideas into the design and decision-making process, the Kennedy administration legitimized the program in the region, winning Latin American trust and convincing governments that the Alliance for Progress truly marked a new era in inter-American relations.

The promise of aid money through the Alliance for Progress was also an enormous selling point, and ECLA’s involvement in the construction of the program helped to justify accepting the aid. Latin American regionalism had become far more popular than Pan-Americanism and gave rise to movements towards Latin American intellectual independence and self-reliance. ECLA’s endorsement of foreign aid in its structuralist policies sanctioned U.S. financial support. If ECLA, a symbol of regionalism and independence, approved of the Alliance for Progress, Latin American countries could assume that participating in the program and accepting foreign aid would not jeopardize their autonomy.

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<sup>77</sup> *Hispanic American Report*, vol. 14, no. 1, 268.

<sup>78</sup> *Ibid.*, 212.

President Kennedy had pledged \$500 million in foreign aid in his speech, and, by announcing that his vision was for a ten-year plan, he implied that this amount was only a beginning.<sup>79</sup> The U.S. Congress, responsible for appropriating the funds, was less inclined than Latin American governments to support this announcement. Opportunely, foreign aid was inextricably linked to both structuralism and modernization. Modernization theorists had been making the case for increased aid since the mid-1950s. Their argument that foreign aid was crucial for developing and stabilizing countries appealed to U.S. Congressmen, many of whom saw funding the Alliance for Progress as being in the interest of U.S. national security.

By rooting the Alliance for Progress in a combination of U.S. and Latin American ideologies and consulting intellectuals from both regions, John F. Kennedy created a sense of co-ownership of the program. He referred to it as “a vast cooperative effort,” and, as of March 13, 1961, this was truly the case.<sup>80</sup> The potential of the Alliance for Progress dissipated previous tensions between Latin America and the United States. Contrary to the typical historical narrative, the Alliance for Progress was not solely a U.S. idea. A significant portion of its ideological foundations can be attributed to Latin American intellectuals. Cooperative efforts among governments and development theorists ultimately generated a proposal that represented the thoughts and interests of both regions.

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<sup>79</sup> Kennedy, “President Kennedy Speaks on the Alliance for Progress.”

<sup>80</sup> Ibid.

**CHAPTER II****INCREASED LATIN AMERICAN DIPLOMATIC POWER IN THE AFTERMATH OF THE BAY OF PIGS**

“Cuba si, Yanqui no!” “Viva Cuba y abajo el imperialismo yanqui,” “Fidel, Fidel!”<sup>81</sup> In the days following the United States invasion of Cuba on April 17, 1961, Latin American cities erupted into protest and violence. The chants that overtook the crowds were reminiscent of those that greeted Vice President Nixon on his 1958 goodwill tour through Latin America; they represented attitudes toward the United States that the Kennedy administration had been trying to quash. Latin American nations had recognized and responded positively to the U.S. government’s apparent shift in policy, articulated in John F. Kennedy’s speech on March 13. A few weeks after, the Brazilian newspaper, “O Estado de São Paulo,” reported that, “the basis and secret of the prestige of the new leadership in Washington had been founded on the belief that U.S. intervention had been finally eschewed in the era of the ‘Alliance for Progress.’”<sup>82</sup> The Bay of Pigs proved this belief to be wishful thinking.

The unprovoked attack on Latin American soil induced anxiety among the other countries in the region. Salvador Allende, a Chilean Senator and later President of Chile, admitted, “If the United States could subject Cuba today, there would be no independent future for Chile.”<sup>83</sup> The U.S. however, had not subjected Cuba. One of the most powerful nations in the world had lost to a small island. While many Latin American countries did fear the implications of U.S.

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<sup>81</sup> *Hispanic American Report*, vol. 14, no. 1, 358-361; Translation: “Cuba yes! Yankee no!” “Long live Cuba, down with Yankee imperialism” “Fidel, Fidel.”

<sup>82</sup> *Ibid.* 369

<sup>83</sup> *Ibid.* 352

willingness to invade the region, Cuba's victory was encouraging. Rather than show deference to the United States to avoid being the next target, Latin American countries responded with vitality—strongly supporting regionalism and defending the rights to self-determination and national sovereignty. The attack also revealed to Latin Americans that the eradication of communism was still the United States' predominant goal, so much so that the country was willing to break international agreements to achieve it. Seizing upon this vulnerability, Latin American countries used their positions toward Cuba as a political tool. This chapter will argue that the Bay of Pigs paradoxically increased the diplomatic power of Latin American nations leading into the founding conference of the Alliance for Progress. An analysis of warnings prior to the invasion and of the negative Latin American reactions will prove that the Bay of Pigs severely tarnished the new U.S. reputation in Latin America and discontinued any blind optimism generated by the Alliance for Progress announcement. A final examination of a few brief, but significant, incidents before and during the founding of the Conference of Punta del Este completes the chapter, showing that the events of April 17-19, 1961 gave Latin American countries pause and infused them with a sense of greater power leading into the discussions.

When John F. Kennedy assumed the presidency, preparations for an invasion of Cuba were already well under way. The task force responsible for the attack first met on March 9, 1960, and President Eisenhower authorized the initial plan eight days later.<sup>84</sup> The CIA formally briefed Kennedy for the first time on January 28, 1961, bringing the new president into the inner circle after months of strategizing had already transpired.<sup>85</sup> In the period that followed, the Kennedy administration made significant adjustments, and President Kennedy's support

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<sup>84</sup> Peter Kornbluh, ed, *Bay of Pigs Declassified: The Secret CIA Report on the Invasion of Cuba* (Beverly Hills, CA: Sage Publications, Inc., 1974) 7.

<sup>85</sup> *Ibid.*, 50.

oscillated. He approved the final plan on April 12, with the condition that he could cancel it anytime before 12:00 p.m. on April 16. When noon of April 16 arrived with no objection from the president, the CIA received the go-ahead. Kennedy would later ask, “How could I have been so stupid as to let them proceed?”<sup>86</sup> The next day, 1511 men, primarily Cuban exiles trained by the CIA, using weapons provided by the United States, landed at Bahía de los Cochinos, “the Bay of Pigs.” John F. Kennedy decided to call off the planned air support, leaving the troops on the ground to fend for themselves. Within three days, Cuban defense forces had indisputably triumphed—killing 114 exiles and capturing 1189. U.S. historian Theodore Draper called the incident, “the perfect failure.”<sup>87</sup>

Before Kennedy’s final decision to carry out the mission and invade Cuba, a number of U.S. officials advised against the attack on the basis of possible diplomatic repercussions. Chester Bowles, Kennedy’s Under-Secretary of State, wrote a memorandum asking that preparations cease. It stated:

...our national interests are poorly served by a covert operation of this kind at a time when our new President is effectively appealing to world opinion on the basis of high principle...In sponsoring the Cuban operation, for instance, we would be deliberately violating the fundamental obligations we assumed in the Act of Bogota establishing the Organization of American States (OAS)... To act deliberately in defiance of these obligations would deal a blow to the Inter-American System from which I doubt it would soon recover.<sup>88</sup>

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<sup>86</sup> *Ibid.*, 1.

<sup>87</sup> *Ibid.* 2

<sup>88</sup> “Memorandum from the Under Secretary of State (Bowles) to Secretary of State Rusk,” 31 March 1961, *FRUS*, 1961 (Washington, DC: U.S. Government Printing Office, 1997) X, 75.

The specific “obligations” to which Bowles referred can be found in Articles 19, 20 and 21 of the “Charter of The Organization of American States.”<sup>89</sup> The articles establish the economic, political, and territorial sovereignty of the members of the OAS (Cuba was still a member in 1961), specifically condemning military action. The United States, with the support of Latin American consultants, had already determined that the OAS would preside over the Alliance for Progress.<sup>90</sup> Bowles suggested that ignoring the OAS bylaws would delegitimize the Pan-American organization. If the United States would not respect the OAS, the Kennedy Administration could not expect Latin American countries to recognize the organization’s authority in its pending management of the joint economic development program. Bowles called attention to the hypocrisy of an attack against a Latin American country in light of the recent friendly developments in U.S.-Latin American relations.

Assistant Secretary of Defense for Special Operations, Edward Lansdale also had his reservations. He told Kennedy’s adviser Richard Goodwin, “There is no way you can overthrow Castro without a strong, indigenous political opposition. And there is no such opposition, either in Cuba or outside of it.”<sup>91</sup> Lansdale was a strong proponent of deposing Castro, later serving an instrumental role in Operation Mongoose, another plot to purge Cuba of communism. Still, even he saw the folly in pursuing the attack without the backing of the “indigenous” Latin American population, and more importantly, recognized that Latin American loyalties did not lie with the

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<sup>89</sup> Organization of American States, “Charter of the Organization of American States,” signed in Bogota, Colombia, 1948 (Department of International Law, Secretariat for Legal Affairs, 2012). ; Article 19 stipulates that, a state cannot intervene in the affairs of another, specifically “against its political, economic, and cultural elements.” Article 20 condemns the “use of coercive measures...in order to force the sovereign ill of another state.” Article 21 forbids “military occupation” or “other measure of force...on any grounds whatever.”

<sup>90</sup> *Hispanic American Report*, vol. 14, no. 1, 267.

<sup>91</sup> Jim Rasenberger, *The Brilliant Disaster: JFK, Castro, and America’s Doomed Invasion of Cuba’s Bay of Pigs*, (New York: Simon and Schuster, 2012) 352.

United States over Cuba. Secretary of State Dean Rusk agreed that there was not enough public opposition to Castro, and went even further, suggesting that an attack would generate opposition—toward the United States. He cautioned Kennedy, “We might be confronted by serious uprisings all over Latin America if U.S. forces were to go in.”<sup>92</sup> The recognition by high-level U.S. government officials that an attack on Cuba would be ill-received and disturb U.S.-Latin American relations suggested not only that relations were vulnerable, but also, that there was reason to believe that regional loyalties were stronger than those to Pan-American commitments.

In addition to ignoring warnings from U.S. officials, Kennedy and the CIA disregarded indications from Latin American governments that they would condemn an attack on Cuba. Towards the end of the Eisenhower administration, U.S. diplomats approached President Arturo Frondizi of Argentina and asked for support for potential military action against Cuba. Frondizi expressed strong disapproval.<sup>93</sup> Brazil reacted to the Kennedy administration’s efforts similarly. In early 1961, Adolf Berle, head of Kennedy’s interdepartmental task force on Latin America, visited Brazil in an attempt to recruit Brazilian support for U.S. action against Cuba. John Moors Cabot, U.S. ambassador to Brazil recalled that President Jânio Quadros was highly offended.<sup>94</sup> Berle repeatedly offered a bribe of \$100 million—more if needed. Quadros refused three times, and when Berle returned to the United States the next day, no one from the Brazilian government

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<sup>92</sup> Ibid., 131.

<sup>93</sup> David M. K. Sheinin, *Argentina and the United States: An Alliance Contained* (Athens, GA: University of Georgia Press, 2010) 49.

<sup>94</sup> John Moors Cabot, “Oral History Interview with John Moors Cabot.” Interview by William W. Moss (21 January 1971), The John F. Kennedy Library.

accompanied him to the airport, a decision that Cabot considered “rather a slap.”<sup>95</sup> Quadros’ deliberate disrespect and Frondizi’s outright rejection of the U.S. entreaty showed that, to Latin American countries, merely the suggestion of military intervention in the region merited impudence.

The incident annoyed Quadros so much that he alluded to the conversation in a speech a few weeks later. He asserted that part of Brazil’s foreign policy was to “reinforce peace and reduce international tensions,” reinforcing his stance against military aggression in Cuba.<sup>96</sup> Quadros proclaimed Brazil’s right to sovereignty and self-determination throughout his remarks, and also stated that, “The ideological position of Brazil is Western and it will not change. The recognition of this truth, however, does not define our foreign policy.”<sup>97</sup> By saying this, Quadros sent a message to Washington. Although Brazil was democratic and had friendly relations with the United States, it did not mean that the government would act against nations merely because they did not hold the same political values.

Although clearly opposed to military intervention in Cuba, Latin American governments were willing to collaborate with the United States to find a non-violent way to address the communist nation. Prior to April 17, a number of Latin American officials had been in conversation with the United States, developing strategies to peacefully confront Fidel Castro’s government.<sup>98</sup> Argentina, Brazil, Chile, and Mexico were some of the countries advising a conciliatory policy toward Cuba. Quadros and Frondizi went as far as to offer to mediate

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<sup>95</sup> Ibid.

<sup>96</sup> Jânio Quadros, “Mensagem ao Congresso Nacional.” (Brasilia, Brasil, March 15, 1961) 92.

<sup>97</sup> Ibid., 91-92.

<sup>98</sup> Levinson and Onis, *The Alliance that Lost its Way*, 66.

discussions between Castro and Kennedy.<sup>99</sup> Yet, other than the vague discussions with the Brazilian and Argentine presidents, the nations received no notice of the invasion. After the extensive consultation of Latin Americans in preparation for the Alliance for Progress announcement, this was an unexpected frustration. Latin American leaders had tried to believe that Kennedy would hold true to his word and welcome them into the decision-making process of inter-American policy. Disregarding the advice of Latin American nations, countries the United States had solicited for input, was especially insulting. Furthermore, the consultation and subsequent collaboration with ECLA economists during the earliest developments of the Alliance implied to Latin American nations that they would continue to play a larger role in future inter-American relations. The seeming retraction of this responsibility was slighting; it left Quadros, Frondizi, and other Latin American political figures more guarded, and drove them to find alternative ways to exert their influence.

Latin American governments responded to the attack as Quadros and Frondizi's earlier reactions indicated they might. President of Mexico Adolfo López Mateos spoke against the attack because it violated the principles "of non-intervention and respect of the national sovereignty of the people."<sup>100</sup> Quadros reasserted his support of "the principles of self-determination of the people and complete sovereignty of nations."<sup>101</sup> "National sovereignty," "self-determination," and "non-intervention" were common themes in Latin American responses to the Bay of Pigs. As mentioned in Chapter I, Latin American governments had become accustomed to running their own affairs and were determined to maintain their autonomy. They

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<sup>99</sup> James N. Giglio and Stephen G. Rabe, *Debating the Kennedy Presidency* (Lanham, MD: Rowman & Littlefield Publishers, 2003) 52.

<sup>100</sup> *Playa Girón; Derrota del Imperialismo* (La Habana: Ediciones R[evolución], 1961) 62.

<sup>101</sup> *Ibid.*, 53.

used non-intervention as both a way to avoid involvement in the Cuba-U.S. dispute and to condemn the Bay of Pigs. They commonly cited that non-intervention was central to the OAS Charter. The President of Ecuador, José Velasco Ibarra, used this logic in his denunciation of the invasion, declaring, "...the mercenary invaders that attacked Cuba and the instigators of the attack have trampled on all of the principles of international law and all the judicial norms of Pan-America."<sup>102</sup>

Reactions against the Bay of Pigs were not confined to the political sphere—the attack incensed the Latin American public as well. In Mexico, a group of university students sacked the North American Cultural Institute in the small town of Morelia, destroying President Kennedy's photograph and burning the U.S. flag. The destruction of U.S. national symbols demonstrated that the protesters were not just backing Cuba; they were vehemently opposing the United States. The chant shouted in cities across Mexico further illustrated the divisive nature of the Bay of Pigs. Protesters yelled, "Cuba sí, yanquis no!," the exact phrase that President Kennedy countered when he proclaimed, "Progreso sí, tiranía no!" on March 13, hoping the Alliance for Progress would make this expression and accompanying feelings obsolete.<sup>103</sup> The echo of "yanquis no!" throughout Mexico, however, illustrated that the Bay of Pigs cancelled out whatever advancements had been achieved in the weeks following the Alliance announcement. Furthermore, it demonstrated that Mexicans feared for their sovereignty and the sovereignty of the region more than they feared the wrath of the United States. They stood in solidarity with

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<sup>102</sup> Ibid., 53-54.

<sup>103</sup> Eric Zolov, "¡ Cuba sí, Yanquis no! The Sacking of the Instituto Cultural México-Norteamericano in Morelia, Michoacán, 1961." *In From the Cold: Latin America's New Encounter with the Cold War* (Durham: Duke University Press, 2008), 214.

Cuba, proving that Latin Americans still valued the regional relationship among the countries of Raúl Prebisch's "periphery."

The largest demonstration occurred in Mexico City where 30,000 people gathered to hear former president Lázaro Cárdenas speak. Cárdenas had been a crucial figure in the Mexican Revolution and later served a successful presidency. Mexicans held him in the highest esteem, considering him to be a champion of the people. Addressing the agitated crowd, Cárdenas declared, "We summon you, to adopt the most energetic attitude in the face of this cowardly aggression by the imperialists, of which the sister republic of Cuba is now victim."<sup>104</sup> This statement is important, first, in its classification of the United States as "imperialist." Latin Americans feared being dominated by outside influences and had already demonstrated a strong desire to take control of their own affairs. Collaborating with an aggressive, imperialist nation threatened to work against the region's previous advances in asserting and obtaining autonomy. The second critical part of Cárdenas' statement was his characterization of Cuba as Mexico's "sister republic." To Mexico, and other Latin American nations, with or without communism and Castro, Cuba was still a part of the Latin world. In 1961, most Latin American nations still felt a cultural and historical bond with Cuba that was stronger than the one Kennedy was attempting to fabricate. Cárdenas asked the Mexican people assembled to stand by Cuba, saying, "What Cuba urgently needs is the moral support of Mexico and of all Latin America. We must give her that, because Cuba is in the midst of a struggle of great impact for all of the nations of this continent."<sup>105</sup> Cárdenas' call for regional unity was to prepare for "a struggle of great impact" against the United States.

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<sup>104</sup> Ibid., 218.

Latin American opposition to the Bay of Pigs extended beyond Mexico. Protestors made their anti-U.S. sentiments clear, targeting buildings with American ties the way that Mexican students had stormed the cultural center. Protestors in Colombia, Chile, Guatemala, and Ecuador attacked U.S. embassies and consulates. In Guatemala, demonstrators stoned the offices of the United Fruit Company and Pan American Airways. Angry Venezuelans also attacked the Pan American headquarters in Caracas, bombing the building after doing the same to General Electric offices. In Argentina, irate citizens pelted bricks at the First National City Bank of New York.<sup>106</sup>

The demographics of the protestors were similar in every country. In many instances, workers' unions lead the movements against the United States and in solidarity with Cuba.<sup>107</sup> The largest union protest occurred in Chile where over 300,000 union members across the country participated in a 24-hour walkout.<sup>108</sup> University students staged many of the other demonstrations. Students in Venezuela, Argentina, Peru, and Brazil protested on their campuses and in the streets.<sup>109</sup> Some student groups even started volunteer lists through which their peers could sign up to travel to Cuba to help defend the nation from U.S. imperialism.<sup>110</sup> Ironically, these were two of the groups that Kennedy had explicitly targeted in his March 13 speech: "And so I say to the men and women of the Americas- to the campesino in the fields, to the obrero in

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<sup>105</sup> Zolov, "¡Cuba sí, Yanquis no!," 218.

<sup>106</sup> For more information on attacks, see: *Hispanic American Report*, vol. 2 no. 1, 295-355 and *Playa Girón: Derrota del Imperialismo*, vol. 2, 65-76.

<sup>108</sup> *Hispanic American Report*, vol. 2 no. 1, 330-358.

<sup>109</sup> *Playa Girón*, vol. 2, 67; *Hispanic American Report*, vol. 2 no. 1, 358.

<sup>110</sup> *Playa Girón*, vol. 2, 65.

the cities, to the estudiante in the schools—prepare your mind and heart for the task ahead...”<sup>111</sup>

Although the Kennedy administration would deal with upper-class government officials and intellectuals when ironing out the details of the Alliance for Progress, the U.S. felt that support of the middle and lower classes was instrumental to the success of the program.

The United States’ greatest fear in Latin America was that more countries would follow Cuba’s example and instigate their own communist revolutions. In this sense, discontent among the masses was arguably just as troubling to the United States as was government-level condemnation of the invasion. In an interview with George F. Sherman (a reporter present at the Conference of Punta del Este and later foreign service officer), Sherman described the U.S. diplomatic attitude toward Latin America at the time:

Castro was positioned to take advantage for his own purposes of this very fast moving situation in Latin America. We [the United States] were up against it. We were saying that the past is over and we want to build a new relationship with you in Latin America, taking advantage of the rising middle class....The rationale of the Alliance for Progress was that if you gave aid to the emerging middle class, which was supporting the forces of democracy, that would help stabilize the country.<sup>112</sup>

The United States felt that true development and change would come from the middle and lower classes. Thus, the widespread demonstrations of union workers and students presented a serious issue. To the United States government, these were the people most susceptible to external influences, and, because of the Bay of Pigs, the U.S. feared that Castro’s message was more persuasive.

President of Colombia, Alberto Lleras Camargo, commented on the effect of the public’s support of Cuba. He recalled, “At this time there existed an intense political pressure originating

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<sup>111</sup> Kennedy, “President Kennedy Speaks on the Alliance for Progress.”

<sup>112</sup> George F. Sherman, “Interview,” Interview by Dennis Kux (18 January 1995) (Arlington, VA: The Association for Diplomatic Studies and Training, 2014).

from the events that unfolded in Cuba, one of these episodes being the disaster and recent invasion of the island....The enormous multitudes of agitated and hopeless Latin Americans...seemed to find a solution for their struggles in the bold actions of Cuba.”<sup>113</sup> The political pressure to which he referred applied to both Latin American governments and the United States. For the governments of Latin America, their responsibility was, according to Camargo, “to direct all of the national energies and available resources to resolve the social and economic imbalance.”<sup>114</sup> This was each country’s objective in signing on to the Alliance for Progress. The “available resources,” however, were not sufficient to rapidly improve the lives of the masses. Consequently, Camargo explained that the pressure put on the United States was, “to offer a substantial economic contribution to development in a part of the world in which, without this help, there would be a series of conflicts that would culminate in uncontrollable political disorder, truly opposite the spirit of the West.”<sup>115</sup> The “spirit of the West” was that of democracy. While leaders like Camargo did have reason to fear extreme political agitation within their countries, their worries did not compare to the United States’ fervent fears of Cuban influence and deteriorating democracy.

Cowed by the overwhelmingly negative reactions to the Bay of Pigs and unable to assess how much control the U.S. would have over the upcoming Alliance for Progress conference, President Kennedy sent three of his most prominent advisers, Adlai Stevenson, Lincoln Gordon, and Ellis Briggs on a 17-day mission. The purpose of this trip was to meet with heads of state, assess the damage caused by the Bay of Pigs and discuss the upcoming conference on the

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<sup>113</sup> Alberto Lleras Camargo, *Un Informe sobre la Alianza para el Progreso*, (Washington, D. C.: Unión Panamericana, 1963) 1.

<sup>114</sup> Ibid.

<sup>115</sup> Ibid.

Alliance for Progress.<sup>116</sup> Kennedy deliberately chose Adlai Stevenson, the U.S. Ambassador to the United Nations, to lead the trip. Immediately following the invasion, the United Nations investigated Stevenson and concluded that he had no previous knowledge or involvement in the Bay of Pigs planning. This made him a less-biased envoy that would hopefully be accepted more favorably and be better poised to re-secure Latin American support.

This did not prove to be the case. In Chile, Stevenson's arrival met with protests chanting, "Stevenson, Go Home!" and, again, "Cuba si! Yanqui no!," indicating that Latin American sentiment towards the Bay of Pigs had not cooled.<sup>117</sup> Upon his return, Stevenson reported that, indeed, Latin Americans had not forgotten the Bay of Pigs, stating, "Nonintervention is a religion throughout Latin America and insofar as this impatient attempt by Cuban exiles can be construed as American intervention, which it is—it is unpopular—unpopular in South America."<sup>118</sup> Latin American governments stood their ground on the Cuba question, continuing to refuse to violate the OAS bylaws and intervene in another nation's affairs. None of the countries with which Stevenson met ended up breaking ties with Cuba before the conference. Upon Stevenson's return, the New York Times reported that he was "an envoy, not a magician," and that "South America was not transformed by Stevenson's charm."<sup>119</sup>

After his trip, Stevenson also strongly advised the U.S. government to shift its emphasis from communism and the Cuban issue to economic and social development.<sup>120</sup> This suggestion

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<sup>116</sup> Levinson and Onis, *The Alliance that Lost its Way*, 61.

<sup>117</sup> *Hispanic American Report*, vol. 2 no. 1, 543.

<sup>118</sup> *Ibid.*, 562.

<sup>119</sup> *Ibid.*

<sup>120</sup> *Ibid.*, 654.

indicated that Stevenson had sensed the Latin American realization that communism consumed the United States' focus in the region, calling into question its commitment to the goals of the Alliance for Progress. José Figueres, the former President of Costa Rica and a strong supporter of the Alliance for Progress, announced this exact fear after the Bay of Pigs, "that U.S. attention, riveted on Cuba, might be seriously diverted from the pressing social and economic problems of the entire hemisphere."<sup>121</sup>

The United States' responses to the chaotic aftermath of the Bay of Pigs did little to alter Figueres' perception. After a U.S. Embassy investigation into the destruction and looting of the North American Cultural Institute in Morelia, the government ultimately blamed the incident on the Soviet Union, despite dubious evidence of any Soviet involvement.<sup>122</sup> Soviet culpability excused the Mexican public as well as the slow-to-respond Mexican authorities of virtually all guilt. This highlighted the U.S. fixation with the Soviet Union. Latin American countries could—and did—take advantage of this obsession, leveraging communism to manipulate the United States.

Colombia and Brazil both used this tactic in preparation for the Conference of Punta del Este. A memo following a meeting with President Kennedy and Brazil's Minister of Finance explained that the Finance Minister, "declared that timely U.S. aid will give Quadros needed financial strength and will improve his ability to take a firmer political position vis-à-vis the communists... He [Quadros] will almost certainly continue to oppose OAS or US intervention in Cuba, and is unlikely to turn on Castro as long as the issue provides him with considerable

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<sup>121</sup> Ibid., 371.

<sup>122</sup> Zolov, "¡ Cuba sí, Yanquis no!," 235.

leverage with the US.”<sup>123</sup> The United States pinpointed Quadros’ strategy, but could not counter it. They needed to maintain a friendly relationship with Brazil, the largest economy in Latin America for the Alliance for Progress to proceed. Quadros stayed true to the principles of “non-intervention” and “self-determination” that he had previously asserted, refusing to intervene in Cuba’s affairs and not allowing the United States’ pressure to alter Brazil’s foreign policy. Moreover, he found a way to do so that provided him with “considerable leverage,” and potentially, considerable capital.

President Alberto Lleras Camargo of Colombia also tried to exploit the U.S.’s communist fixation. At his meeting with Adlai Stevenson, Camargo suggested that if the U.S. government “made a clear financial commitment at Punta del Este, Colombia would develop Latin American support for a political conference on Cuba.”<sup>124</sup> Stevenson speculated that Camargo’s forthcoming cooperation was due to a sudden financial need. The U.S. Trade and Development Department had refused a Colombian loan request on the grounds that the country had exceeded its annual quota.<sup>125</sup> Alliance for Progress aid would not be subject to the same quota, so Colombia, holding less power than Brazil as a considerably smaller nation, hoped to secure funding by offering the United States the anti-Cuban support of multiple Latin American countries.

The support Colombia offered did not come together in time for the official founding of the Alliance for Progress. The Conference of the Inter-American Economic and Social Council (IA-ECOSOC) met in Punta del Este, Uruguay from August 5 to August 17, 1961. The nearly

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<sup>123</sup> “National Intelligence Estimate: The Outlook for Brazil,” 8 August 1961, *FRUS*, 1961 (Washington, DC: U.S. Government Printing Office, 1996) XII, 212.

<sup>124</sup> Levinson and Onis, *The Alliance that Lost Its Way*, 62.

<sup>125</sup> Hispanic American Report, vol. 2. no. 1, 524.

two weeks yielded “The Charter of Punta del Este,” which officially established the Alliance for Progress. The document set out specific development goals: accelerated industrialization, increases in agricultural productivity, agrarian reform, higher literacy rates, improved life expectancies, inflation monitoring, and wider access to low-cost housing. Due to varying needs across countries, governments had to submit a state-specific development plan before receiving aid money. The delegations decided that, to realize the proposed objectives, countries needed to maintain an economic growth rate of 2.5% per capita per year, a lofty goal.<sup>126</sup>

The events of April 1961 certainly played a role in the proceedings and outcomes of the Conference of Punta del Este. Some Latin Americans still harbored negative feelings toward the United States for its decision to invade. Felipe Pazos, one of Kennedy’s original consultants for the Alliance, “ostentatiously refused to acknowledge Richard Bissel.”<sup>127</sup> Bissel was one of the primary architects of the Bay of Pigs invasion. Pazos had been the President of the Central Bank of Cuba, but turned against Castro and left Cuba in exile in early 1961. An anti-communist opposed to Castro, Pazos still found U.S. actions contemptible. President Frondizi of Argentina explicitly told Adlai Stevenson, “that he blamed the Bay of Pigs fiasco in part for unfavorable conditions within the OAS and for collective action on the Cuba question.”<sup>128</sup> The “collective action” to which he referred was in fact inaction. At the end of the August conference, Cuba still held its membership in the OAS, and the most influential Latin American nations (Brazil, Argentina, Mexico, Chile) continued to maintain diplomatic ties with the communist country.

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<sup>126</sup> U.S. Department of State, “Alianza Para El Progreso: The Record of Punta del Este,” Title I (Official documents from a Special Meeting of the Inter-American Economic and Social Council at the Ministerial level in Punta del Este, Uruguay, August 5-17, 1961).

<sup>127</sup> Dosman, *The Life and Times of Raúl Prebisch*, 361.

<sup>128</sup> Sheinin, *Argentina and the United States*, 120.

Reflecting on the proceedings at the Conference of Punta del Este, U.S. reporter George Sherman highlighted Brazil's diplomatic strategy, saying that, "Brazil, particularly, was very nationalistic and very resistant to condemning Castro, quite rightly seeing that Castro was a good lever for them to use in dealing with the United States."<sup>129</sup> Argentina had also pressed the U.S. for funding to stabilize its economy before it would agree to break with Cuba.<sup>130</sup> Summarizing his observations, Sherman stated that the United States thought:

...that everything that happened in Latin America was done by or for Fidel Castro, and it wasn't true. But, forces down there were perfectly willing to let the United States go on thinking that because it was their way of promoting their own importance...their chief lever in getting aid and everything else out of the United States.<sup>131</sup>

Sherman recognized that the U.S. obsession with Cuba effectively increased Latin American diplomatic power. To the United States, healthy relations with Latin American nations were vital because they could sway the Cold War struggle in the region. The Bay of Pigs loss only made this struggle more urgent and further promoted the value of strong relationships with other Latin American countries. As developing nations, Argentina and Brazil did not have many other resources that they could use to exert influence over the structuring of the Alliance for Progress. In the aftermath of the Bay of Pigs, the realization that their stance on Cuba could serve as diplomatic leverage gave Latin American nations a better bargaining position.

In an inflammatory address at Punta del Este, Che Guevara, the head of Cuba's delegation, said that any loans Latin American governments would receive from the Alliance for Progress would, "bear the stamp of Cuba."<sup>132</sup> His claim was not completely unfounded. The

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<sup>129</sup> Sherman, "Interview."

<sup>130</sup> Sheinin, *Argentina and the United States*, 119.

<sup>131</sup> Ibid.

<sup>132</sup> Levinson and Onis, *The Alliance that Lost its Way*, 66.

attitudes and actions of Latin American countries at the Conference of Punta del Este evidence the influence that Latin Americans gained and astutely wielded in the aftermath of the U.S.'s invasion of Cuba. The Cuba situation taught a number of nations that their position towards Fidel Castro's government could be a powerful diplomatic tool. Unlike in the traditional historical narrative of U.S.-Latin American relations, military aggression in the region did not weaken Latin American governments or cause them to roll over and let the United States take advantage. They reacted shrewdly, recognizing how the Bay of Pigs defeat and subsequent popular reactions amplified U.S. fears of communist infiltration of the region and capitalizing upon the opportunities that this generated.

### CHAPTER III

#### LATIN AMERICAN VICTORIES AT THE CONFERENCE OF PUNTA DEL ESTE

Nearly five months after John F. Kennedy's White House address, delegations from 20 Latin American nations answered his call and assembled in Punta del Este, Uruguay to draft the documents that would form the basis of the Alliance for Progress. The United States arrived to the Special Meeting of the Inter American Economic and Social Council (IA-ECOSOC) with 35 representatives, led by Secretary of the Treasury Douglas Dillon. During the months leading up to the meeting, many of the original Latin American and U.S. intellectuals responsible for the details of Kennedy's speech came together to draw up position papers and draft the founding documents.<sup>133</sup> The cooperation present in Washington was an encouraging sign for the United States. Following the Bay of Pigs fiasco and the subsequent backlash, the U.S. needed affirmation of Latin American support and willingness to compromise. The Alliance for Progress was Kennedy's second chance to demonstrate that his administration could manage its ambitious endeavors in Latin America.

The landscape in Punta del Este, however, did not mirror that present in Washington. The intellectuals of the ECOSOC task forces working in D.C. could not fully represent nor anticipate the wishes of every Latin American nation. Each delegation for the 20 Latin American countries, including one from Cuba lead by Che Guevara, arrived with its own adamant country-specific agenda and misgivings about the United States' commitment to Latin American relations.

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<sup>133</sup> Figures such as Walt Rostow, Richard Goodwin, and Arthur Schlesinger worked alongside ECOSOC task forces of prominent Latin Americans including Raúl Prebisch, Felipe Herrera, and Jorge Sol.

Historian Jeffrey F. Taffet wrote that the Conference of Punta del Este only had a “vener of Latin American control,” suggesting that, ultimately, the United States managed the dealings with few significant obstacles or inauspicious compromises.<sup>134</sup> This chapter will challenge the idea that Latin Americans made negligible contributions to the discussions and outcomes of Punta del Este. In reality, Latin American countries compelled the United States to concede to a number of demands that not only significantly shaped the founding charter, but also suggested a more equal distribution of power within the Alliance for Progress. Issues of program financing and national sovereignty generated the most conflict. Through outright obstinacy, alliance building, calculated logic, and even blackmail, Latin American delegations successfully and creatively wielded their influence throughout the nearly two-week conference. The conference ended with the signing of the Charter of Punta del Este, which enumerated the official goals of the Alliance for Progress and the means by which to achieve them. The document reflected major Latin American diplomatic victories, promoting Latin American interests, and in some cases, upsetting U.S. visions for the development program.

The commencement of the conference made it immediately clear that Latin American countries would maintain the steadfast commitment to the “self-determination” and “non-intervention” that they had espoused in the aftermath of the Bay of Pigs. In his opening remarks, the President of Uruguay, Eduardo Haedo, forcefully reasserted Latin American nations’ worthiness and desire for responsibility within the Alliance for Progress. He proclaimed that, “Those who think we gathered here with a beggarly attitude are mistaken. We all feel capable of continuing to fight for democracy and the betterment of our peoples even without this

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<sup>134</sup> Taffet, *Foreign Aid as Foreign Policy*, 31.

conference.”<sup>135</sup> The term, “beggarly,” was key. Haedo did not want to give the impression that Latin American countries were dependent upon the United States. Bucking colonialism and imperialism, the Latin American governments genuinely expected to develop collaborative relations, not ones of meek acceptance and compliance. Haedo went out of his way to emphasize this with the especially bold statement that Latin American countries could handle their affairs “without this conference,” effectively meaning, “without the United States.”

In reality, rapid economic development without U.S. aid money would have been an insurmountable challenge for most countries, and they recognized this.<sup>136</sup> Later in his address, the President of Uruguay alluded to the U.S. financial role in Latin American development. Careful not to contradict his previous statement, Haedo suggested that U.S. involvement was the North American nation’s moral duty, avoiding the implication that Latin American progress relied upon U.S. aid. He declared, “Never before have the powerful nations, whose prosperity was founded in the poverty of the underdeveloped nations, had a responsibility so concrete and clear.”<sup>137</sup> By saying this, Haedo echoed ECLA’s structuralist theory, suggesting that “the powerful nations,” specifically the United States, were in part to blame for the struggles facing Latin Americans, and concurrently, the need for a massive development program. Through his insinuation that the United States played a part in Latin American underdevelopment, he implied that the U.S. somehow owed economic assistance to the region. At the initiation of the Punta del

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<sup>135</sup> *Ideario y Planificación de la Alianza para el Progreso: Compendio de la Reunión Extraordinaria de Consejo Interamericano Económico y Social al Nivel Ministerial*, OEA ; Carta de Punta del Este; Punta del Este, August 1961 (Montevideo, República Oriental del Uruguay: Ed. Norte-Sur, 1962) 69.

<sup>136</sup> Gerald Meirs and Dudley Seers, ed., *Pioneers in Development* (London: Oxford University Press, 1984), 19; A 1951 U.N. report estimated that, in order to support a 2% annual growth in per capita income, all developing countries would need \$19 billion total annually. Only \$5 billion of that could be met by domestic savings, leaving about \$14 billion to be covered by foreign capital.

<sup>137</sup> *Ideario y Planificación de la Alianza para el Progreso*, 71.

Este proceedings, Haedo established that the U.S. role was not above that of Latin American countries. He portrayed the United States as a financing partner, with shared responsibility for the problems in question. This relationship differs from the historical notion of the United States' role in international relations as either a benevolent protector, or worse, an imperialist administrator.

As Haedo makes clear, to most countries in the Alliance, the United States' primary responsibility was to supply capital. President Kennedy first formally proposed this role, so his administration was in full agreement. Discord, however, stemmed from the question of exactly how much aid the U.S. would be accountable for providing. Prior to the conference, President Kennedy stated that the United States would guarantee \$1 billion in the first year of the program.<sup>138</sup> The U.S. preparatory teams debated fixing a number before the Punta del Este discussions, but ultimately decided against it.<sup>139</sup> One reason for this decision was that the U.S. Congress had not yet approved long-term funding for the program. A number of Kennedy advisers worried that this could create tension in Washington and would also lead to an amount that was an imprecise speculation.<sup>140</sup> Following this logic, Secretary Dillon conservatively repeated Kennedy's "at least 1 billion" figure in the United States' opening remarks in Punta del Este.<sup>141</sup>

This ambiguity did not satisfy Latin American delegates. Many pressured Dillon to make a long-term commitment, doubting U.S. investment in the program. At the end of August 5, the

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<sup>138</sup> Taffet, *Foreign Aid as Foreign Policy*, 33.

<sup>139</sup> Ibid.

<sup>140</sup> Ibid.

<sup>141</sup> *Ideario y Planificación de la Alianza para el Progreso*, 78.

first day of the conference, Secretary Dillon wrote a memo to John F. Kennedy relaying the collective feelings of Latin American countries, identifying that the “single overriding preoccupation of all is [the] extent of U.S. commitment.”<sup>142</sup> Dillon explained that, “Latins point out that they must take drastic steps in tax reform and land reform and devote more funds to development. This process will be greatly facilitated if they can feel confident that once they have done their part adequate foreign aid will be available.”<sup>143</sup> The United States had previously made it clear that, in order for the Alliance for Progress to function, Latin American countries needed to institute reforms. Demands for a serious, long-term financial figure proposed an exchange agreement—Latin American countries would agree to do their part, developing and implementing plans for these reforms, if they knew that their efforts would not be in vain and that the United States would uphold its end of the bargain.

During the preparations for the conference, Felipe Pazos, the Cuban economist who had defected from the Castro government, warned the Kennedy administration that Latin American countries would be reluctant to cooperate without a long-term aid figure. He stated that, “Latin America is no longer like the savage tribes of Africa to be bought off with trinkets.”<sup>144</sup> Pazos’ comment sheds light on Latin American self-perception. The nations in the region saw the Alliance for Progress and their foreign aid relationship with the United States as different from that of other developing nations. This perception was likely further enforced by the common comparison of the Alliance to the Marshall Plan—implemented in Europe to assist more-developed, or fully developed countries. Considering themselves above other developing nations, and nearly on par with Europe meant that Latin American countries felt that the Alliance for

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<sup>142</sup> “Memorandum from Secretary of the Treasury Dillon to President Kennedy,” 1 August 1961, *FRUS*, 1961 Washington, DC: U.S. Government Printing Office, 1997) XII, 18.

<sup>143</sup> *Ibid.*

<sup>144</sup> Levinson and Onis, *The Alliance that Lost its Way*, 66.

Progress relationship would be one among near-equals; consequently, in their minds, they deserved respect, responsibility, and candor.

The United States should have heeded Pazos' advice. On the third day of the conference, Douglas Dillon gave into Latin American pressures and provided the countries with the assurance they wanted. To the cheers of the other delegates, Dillon revealed that, "...Latin America, if it takes the necessary internal measures, can reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least \$20 billion."<sup>145</sup> Although his phrasing was rather noncommittal, qualifying the aid amount by saying that Latin Americans could "reasonably expect" \$20 billion, Dillon's announcement represented significant progress for Latin American countries. First and foremost, the amount dwarfed historical U.S. aid in the region. Between 1945 and 1950, U.S. aid in the Americas was estimated at only 1.7 billion.<sup>146</sup> The figure's presence in the official charter was also noteworthy. Having a monetary value, in writing, and approved by the 20 signatories of the Charter of Punta del Este, added legitimacy to the program. More importantly, it seemed to hold the United States and the international organizations partnering in the program accountable, officially binding them to the joint mission of the Alliance.

Dillon's \$20 billion announcement was not the United States' only financial concession in Punta del Este. The U.S. also approved the addition of a clause for "Immediate and Short-Term Action Measures," responding to requests for provisions for "emergency funding." The vision for the Alliance and the preliminary drafts of the charter emphasized that development projects would be of detailed, long-term government planning. The United States did not intend

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<sup>145</sup> "Secretary Dillon's Speech to the Delegates at Punta del Este," *Department of State Bulletin* (28 August 1961) from Taffet, *Foreign Aid as Foreign Policy*, 33.

<sup>146</sup> Raúl Saez S., "The Nine Wise Men and the Alliance for Progress," *International Organization* 22, no. 1 (Winter 1968) 248.

to offer Alliance for Progress aid money for development initiatives that had not been clearly thought out within the context of greater, overarching objectives.

President Eduardo Haedo changed the U.S. position quickly. Already displaying considerable nerve in some of the inflammatory rhetoric in his opening speech, Haedo implemented a strategy that the U.S. could not ignore—he threatened to pull Uruguay from the conference proceedings. As the host of the IA-ECOSOC session, such a move would have been highly disruptive and potentially fatal to the discussions. Secretary Dillon called Haedo’s play “pure blackmail.”<sup>147</sup> He qualified the incident as “disagreeable in the extreme,” but acknowledged that, “Uruguay...was in a position to exert pressure and chose to do so.”<sup>148</sup> Seeing the effect that Uruguay’s antics had, other smaller nations such as Paraguay, El Salvador, Haiti, Bolivia, Panama, and Ecuador backed Haedo and argued that they also required the access to immediate funds.<sup>149</sup> This collective effort resulted in a section of the Charter of Punta del Este providing for a supply of immediate aid money totaling approximately \$150 million.<sup>150</sup> Countries that felt they required such aid would have to apply for funds within 60 days of the signing of the Charter and then the U.S. would, “take prompt action on applications for such assistance.”<sup>151</sup>

In many ways this small addition was a major change to the Alliance for Progress. From the ideological origins of the Alliance to the final U.S. preparations weeks before, long-term

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<sup>147</sup> “Telegram from the Embassy in Uruguay to the Department of State,” 12 August 1961, *FRUS*, Foreign Relations (Washington, DC: U.S. Government Printing Office, 1996) XII, 28.

<sup>148</sup> *Ibid.*

<sup>149</sup> *Ibid.*

<sup>150</sup> *Hispanic American Report*, vol 2. no. , 753.

<sup>151</sup> U.S. Department of State, “Alianza Para el Progreso: The Record of Punta del Este,” Title II, Chapter III.

economic planning had been the cornerstone of the development program's philosophy. Both Prebisch's structuralism and Rostow's modernization heavily stressed long-term planning. In an explanation of his work, Prebisch stated that, "The structural changes inherent in industrialization require rationality and foresight in government policy and investment in infrastructure to accelerate growth, to obtain the proper relation of industry with agriculture and other activities, and to reduce the external vulnerability of the economy. These were strong reasons for planning."<sup>152</sup> To Prebisch, the market system would not solve the economic challenges facing Latin America—governments had to be proactive. Planning was critical, especially with foreign aid involved. In his 1949 manifesto, Prebisch wrote, "...it would seem imprudent to renew the active flow of investments...without adopting a plan to deal with the series of concrete problems which arise in this connection." In such a plan, "the types of investment best suited to the development of Latin-American economy...may be considered in co-operation with the individual countries concerned."<sup>153</sup> Prebisch asserted that, although necessary, foreign aid complicated development when not used judiciously. Due to the range of development needs of all Latin American countries, he stressed the importance of country-specific planning to better cater to each set of problems and use foreign capital efficiently.

Walt Rostow also felt that extensive planning should accompany foreign aid. In his 1956 work, "A Proposal: Key to an Effective Foreign Policy," Rostow defined specific criteria necessary to determine whether a developing country should receive foreign aid. One key requirement was that, "the receiving country must have an over-all national development program designed to make the most-effective use of its resources; this should include not only a

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<sup>152</sup> Meir and Seers, *Pioneers in Development*, 180.

<sup>153</sup> Prebisch, "The Economic Development of Latin America, 42.

series of interrelated capital projects, but also necessary educational and training programs.”<sup>154</sup> The immediate aid clause in the Charter of Punta del Este provided for stand-alone “emergency” projects, and thus, did not fulfill Rostow’s criteria that funding contribute to an “all-over national development program.” The 60-day request period was not sufficient time to make comprehensive spending plans and to tie them to greater term goals. This was especially true considering that the countries requesting the loans were the smaller, less-developed nations, which Adlai Stevenson had previously noted were far behind countries such as Argentina and Brazil in their pre-conference development planning.<sup>155</sup> The immediate aid clause went against the philosophies of economic development upon which the Alliance for Progress was conceived and undermined a fundamental component of the U.S.’s program design.

President Eduardo Haedo’s “blackmail” and the resulting addition to the Charter of Punta del Este translated into approximately \$10 million for Uruguay in the construction of schools, health centers, and roads.<sup>156</sup> Considering that Uruguay’s GDP in 1960 was only \$1.2 billion, this was a serious figure for the small Latin American nation.<sup>157</sup> This was significant because, generally, the larger, more economically powerful Latin American countries spearheaded the successful movements against U.S. proposals—Brazil, Argentina, and Mexico tended to dominate the conference. Uruguay and its small nation allies’ victory demonstrated to the United States that the less-powerful Latin American countries could not be overlooked. At the beginning of the conference, the head of Panama’s delegation reminded his delegates that they

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<sup>154</sup> Meir and Seers, *Pioneers in Development*, 244.

<sup>155</sup> Hispanic American Report, vol. 2 no. 1, 561-562.

<sup>156</sup> “Telegram from the Embassy in Uruguay to the Department of State,” *FRUS*, XII, 28.

<sup>157</sup> “Uruguay GDP,” *Trading Economics*, 2013, <http://www.tradingeconomics.com/uruguay/gdp>.

could, “put pressure on the United States.”<sup>158</sup> The small countries saw an opportunity to follow this advice, and did not shy away from it. Although \$150 million was rather insignificant compared to the total aid under the Alliance for Progress, the small countries in Punta del Este sent a memorable message to the United States.

Once the delegations had settled financial conflicts, and Latin American nations—large and small—felt reassured that they had the capital to carry out necessary reforms, attention shifted to the execution of the Alliance. Despite the addition of available short-term aid, the vast majority of projects funded under the Alliance were to be part of long-term initiatives. Accordingly, the Alliance needed a mechanism by which to organize and streamline the aid requests and approval process. The U.S. originally proposed to create a permanent OAS standing committee to oversee and review the development plans of individual nations. Referred to as both the “Wise Men” and the “Group of Experts,” the proposed committee was to consist of seven members and an executive director located in Washington D.C. While the group would have access to IDB and ECLA consultants, the final decisions on funding would ultimately rest with the seven person standing committee.<sup>159</sup>

Argentina immediately expressed opposition to the U.S.’s Wise Men proposal and threatened to vote against it. The delegation stressed that such a committee infringed upon the sovereignty of Latin American countries. The Argentines argued that it was the sovereign right of each nation to establish its own economic policies and programs without interference or pressures from outside governments. President Arturo Frondizi explained that, “. . .the United States and international organizations also have a heavy bureaucracy and many times have no

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<sup>158</sup> Hispanic American Report, vol. 2 no. 1, 691.

<sup>159</sup> Dosman, *The Life and Times of Raúl Prebisch*, 364-365.

clear idea of the true needs of our countries.”<sup>160</sup> Argentina made the case that a group of economic “experts” from a variety of different nations could not possibly understand the intricacies of development obstacles facing each Latin American country. For this reason, the delegation stood in staunch opposition to the U.S.’s original Group of Experts proposal.

A U.S. newspaper report called Argentina’s challenge the “major dispute blocking the launching of President Kennedy’s Alliance for Progress program.”<sup>161</sup> Like in earlier disagreements, Argentina did not stand alone for long. Brazil quickly agreed to co-sponsor a new proposal. Chile, Mexico, and Peru joined in as well, fighting to maintain their autonomy.<sup>162</sup> With the added support of these other nations, Dillon reported that Argentina’s rejection of the seven Wise Men, “effectively tied our hands.”<sup>163</sup> The U.S. was powerless against Argentina and its other economically powerful allies. Again, Latin American countries obstructed U.S. plans and took control of a significant portion of the Alliance for Progress planning.

The delegations at the conference spent 20 hours re-constructing the Group of Experts to take Argentina’s concerns into account.<sup>164</sup> The final committee, as defined in the Charter of Punta del Este, diverged significantly from the original. Rather than a standing committee of seven members, the Charter of Punta del Este established a varying group of nine experts from countries representing “a fair geographic spread.”<sup>165</sup> Governments would then elect three members from the committee and three outside “experts” of their choosing, typically hailing

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<sup>160</sup> Arturo Frondizi, “Diálogos con Frondizi,” 101.

<sup>161</sup> “Argentina Blocks U.S. Aid,” *Milwaukee Sentinel*, 11 August 1961.

<sup>162</sup> Ibid.

<sup>163</sup> “Telegram from the Embassy in Uruguay to the Department of State,” *FRUS*, XII, 28.

<sup>164</sup> Hispanic American Report, vol. 2, no. 1, 52.

<sup>165</sup> U.S. Department of State, “Alianza Para El Progreso: The Record of Punta del Este,” Title II. Chapter V, Article 2.

from their own countries. The six-member ad-hoc group reviewed development plans and then recommended actions and funding. The committee did not have the power to make a binding decision on funding or the legitimacy of proposed programs.<sup>166</sup>

The new structure of the Group of Experts shifted the bulk of the influence away from the United States, transferring more to Latin Americans. The Charter of Punta del Este specified that the Secretary General of the OAS, the President of the IDB, and the Executive Secretary of ECLA would each nominate three of the members of the new group of nine.<sup>167</sup> In the original proposal, the OAS handled all the nominations. Splitting the nominating responsibilities reduced the OAS's role in the planning approval process. This is especially noteworthy considering that Latin Americans commonly accused the United States of controlling the OAS. With this in mind, restructuring the Group of Experts effectively diminished U.S. power over the committee.

In addition to limiting the power of the U.S.-controlled OAS, Argentina's new committee elevated the position of an exclusively Latin American organization. By giving ECLA three nominations, the Charter spread out the authority over the selection of the Wise Men to better represent Latin American interests. ECLA had already demonstrated it could hold its ground in disagreements with the U.S. The United States opposed the organization upon its founding, but even in the face of the U.S.'s disapproval, ECLA continued to operate to serve regional needs.

The more equal distribution of nominating power had primarily symbolic significance. The new structuring of the Wise Men effectively stripped the nine committee members of authority. Ultimately, the nominated experts' opinions only accounted for half of the final recommendation. The other votes came from the experts temporarily serving on the ad-hoc

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<sup>166</sup> Ibid., Title II. Chapter V.

<sup>167</sup> Ibid.

committee, those chosen specifically by the applicant country. This setup achieved Argentina's goal of ensuring that experts with extensive knowledge of a country's needs and interests determined the assessment of its development plans. In the case that a country disliked the ad-hoc committee's review, the Charter of Punta del Este did not obligate the nation to submit the proposal to any international funding entity.<sup>168</sup> Even after the IDB or USAID received a committee report, the recommendations were not binding—the Charter of Punta del Este only assigned “great importance” to the Wise Men's review.<sup>169</sup> The rhetorical vagueness in the establishment of the Group of Experts gave each country license to interpret the guidelines as it saw fit. The one undeniably explicit phrase stated, “The ad-hoc committee shall not interfere with the right of each government to formulate its own goals, priorities, and reforms in its national development programs.”<sup>170</sup> This reflected precisely Argentina's initial argument against the U.S.'s Wise Men proposal and guaranteed the protection of each country's sovereignty throughout the planning and approval processes.

The committee of nine was a central part of the operating mechanisms of the Alliance for Progress. The fact that the co-proposal by Argentina, Brazil, Chile, Mexico, and Peru determined the makeup and functioning of the group meant that Latin American countries determined a critical component of the program. Moreover, they did so in a way that emphasized Latin American autonomy, preserved national sovereignty, and symbolically balanced U.S. and Latin American power. The outcome of the Wise Men dispute contributed

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<sup>168</sup> The Charter specified that the IDB could only view a report “with the consent of the governments.” U.S. Department of State, “Alianza Para El Progreso: The Record of Punta del Este,” Title II. Chapter V, Article 4.

<sup>169</sup> *Ibid.*, Article 7.

<sup>170</sup> *Ibid.*

tremendously to Latin American efforts to assert their agency within the Alliance for Progress and had a considerable structural and procedural effect on the project's operations.

The final major Latin American influence on the Charter of Punta del Este was powerful through absence—the documents produced at the conference said nothing about condemning Cuba or communism. Although there were sections that called for, “free men working through the institution of representative democracy,” and stated that the signatory countries should operate, “under freedom and democracy,” there was no mention of “communism,” nor any strong allusions to Castro's Cuba.<sup>171</sup> The vision outlined in Kennedy's March 13 speech had been saturated with anti-communist messaging. Without such language in the Charter of Punta del Este, the founding document took emphasis away from U.S. political motives to better focus on Latin American development goals.

The U.S. delegation in Punta del Este had to handle the subject of communism delicately. After Adlai Stevenson's June tour of Latin America, he recommended that the United States try to decrease the image of an obsession with Cuba and instead, appear to be concentrating entirely on economic and social development.<sup>172</sup> The U.S. was careful to avoid over-mentioning Cuba or communism at the conference, but that did not mean that the island nation was no longer a priority. Despite a façade of ambivalence in Punta del Este, communism in Cuba remained a main concern for the United States.

To continue to discretely push the communist issue, the United States enlisted the help of Peru. Peru was one of the few nations at the conference to have broken diplomatic ties with Cuba. Taking advantage of this, the United States encouraged the Peruvian delegation to

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<sup>171</sup> U.S. Department of State, “Alianza para el Progreso: The Record of Punta del Este,” Title II. “Declaration to the Peoples of America.”

<sup>172</sup> Hispanic American Report, vol 2. no. 1, 654.

sponsor a motion for harsher language denouncing communism and the Cuban Revolution. Argentina and Brazil quickly crushed the proposal.<sup>173</sup> After his tour, Adlai Stevenson gave a press conference in which he conjectured that there would be no collective action against Cuba in Punta del Este without the support of at least two out of the three Latin American powers—referring to Argentina, Brazil, and Mexico.<sup>174</sup> By Stevenson’s logic, Argentina and Brazil’s opposition to Peru’s proposal destroyed United States hopes of Pan-American consensus against Cuba.

Brazil and Argentina further troubled the United States by actively including the Cuban delegation at the conference. Che Guevara, the head of the delegation, caused a stir with a few provocative speeches at the beginning of the proceedings.<sup>175</sup> For the rest of the sessions, however, the Cuban delegates were actively involved and less dramatic, participating in discussions and proposing over a dozen amendments to the Charter.<sup>176</sup> U.S. Deputy Assistant Secretary of State for Inter-American Affairs, Arturo Morales Carrión, remarked that, at the conference, “Cubans were accepted and even popular to a degree.”<sup>177</sup> This was especially true of Brazil. The head of the Brazilian delegation, Minister of Finance Clemente Mariani actually moved for Cuba to sign the charter.<sup>178</sup> He backed Guevara in a number of other instances as

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<sup>173</sup> Ibid., 720.

<sup>174</sup> Ibid., 525.

<sup>175</sup> See: Che Guevara, María del Carmen Ariet and Javier Salado, *Our America and Theirs: Kennedy and the Alliance for Progress: the Debate at Punto Del Este* (Melbourne, Vic: Ocean Press, 2006).

<sup>177</sup> “Memorandum of Conversation,” *FRUS*, 1961 (Washington, DC: U.S. Government Printing Office, 1997) X, 308.

<sup>178</sup> Hispanic American Report, vol 2., no. 1, 753.

well, arguing that Cuba was neither an enemy nor a threat to Latin America.<sup>179</sup> On his way home to Cuba, Che stopped in Brazil to visit President Quadros, where Quadros bestowed an award upon the Cuban revolutionary.<sup>180</sup> President Frondizi of Argentina also met with Guevara. They conversed for approximately an hour and a half at the President's residence in Buenos Aires. Guevara wanted Argentina to broker a truce between Cuba and the United States, but Frondizi explained that Kennedy would never agree to negotiations.<sup>181</sup> Even though Frondizi offered no assistance to Cuba at the meeting with Guevara, the act of receiving the Cuban delegate acknowledged Cuba as a nation, and therefore, was in opposition to the United States' stance against the country.

Argentina and Brazil's fraternization with Che Guevara at the conference was bold. It clearly defied the wishes of the United States, the supplier of the majority of Alliance for Progress aid. Both Brazil and Argentina had vocally supported the Alliance for Progress and expected to receive significant funding through the program. Therefore, the countries took a risk in deciding to ignore U.S. anti-Cuban pressures. Their actions suggested that Brazil and Argentina did not feel intimidated by the United States. They recognized the sway they held as the two largest Latin American economies. Through their inclusion of Cuba, Brazil and Argentina helped to keep communism and the Cuban Revolution out of Alliance proceedings—separating the issue from the program more so than it had been in earlier U.S. articulations.

Keeping a somewhat friendly relationship with Cuba and a neutral stance on communism at the conference benefitted Argentina and Brazil in other ways as well. Both had trade

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<sup>179</sup> Ibid.; Taffet, *Foreign Aid as Foreign Policy*, 36.

<sup>180</sup> Taffet, *Foreign Aid as Foreign Policy*, 36.

<sup>181</sup> Albino Gomez, "Frondizi y el Che, a Puertas Cerradas," *La Nación*, 14 August 2011.

negotiations with communist countries. Moreover, as discussed in Chapter II, the Bay of Pigs exposed a U.S. weakness, and Latin American countries used their position on communism as diplomatic leverage.<sup>182</sup> Overall, by not taking sides in the affairs between Cuba and the United States, Brazil and Argentina protected their national sovereignties, preserved lucrative trade relationships, and increased their diplomatic bargaining power.

The final version of the Charter of Punta del Este was 26 pages long and incorporated 75 resolutions and 79 amendments that were not present in the initial drafts. All of the countries present, excluding Cuba, signed the document, pledging to work together to improve the economic and social conditions of Latin America. The introductory document to the Charter, “The Declaration to the Peoples of America,” outlined goals for industrialization, income redistribution, agricultural productivity and reform, literacy, health, and the improvement of major economic indicators. The smaller details within the charter hinted at the nearly two weeks of negotiations, which Douglas Dillon had called, “a hectic merry-go-round.”<sup>183</sup> The charter’s particulars reflected Latin American influence. The designation of an aid figure locked in the long-term financial participation of the United States and other international aid organizations. The smaller countries had their own victory when they secured the clause for immediate aid assistance. The larger countries used their sway to ensure that the structure of the Wise Men committee would represent the interests of each Latin American nation, rather than those of the U.S.

Finally, Latin American countries kept anti-communist language out of the charter, focusing the program’s mission to be primarily one of economic development. All of these

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<sup>182</sup> See Chapter II.

<sup>183</sup> “Telegram from the Embassy in Uruguay to the Department of State,” *FRUS*, XII, 28.

aspects of the charter served to redistribute the power over the Alliance, either by increasing Latin American authority, or decreasing U.S. control. The negotiations at Punta del Este and the resulting charter prove that Latin American actions were instrumental in the formation of the Alliance for Progress. The Latin American delegations fought U.S. pressures to ensure that the founding documents of the aid program represented their nations' interests.

## **EPILOGUE**

### **THE EXPULSION OF CUBA FROM THE OAS**

Only five months after the Conference of Punta del Este, on January 22, 1962, the members of the OAS reconvened. This time, the larger Latin American nations could not protect Cuba's position within the Pan-American organization. With the 14 minimum votes necessary, the delegations passed a resolution to exclude Cuba from the OAS, a narrow victory for the United States. Brazil, Argentina, Mexico, Chile, Ecuador, and Bolivia stood their ground, abstaining from the vote and reaffirming their devotion to the principles of national sovereignty, non-intervention, and the right to self-determination. Upset by their continued resistance, the United States began to refer to the holdouts as the "soft six."

This development calls into question some of the arguments in this thesis—specifically in Chapters II and III. If the United States obtained the collective Latin American support it wanted at the January conference, did Latin Americans really have leverage after the Bay of Pigs incident? Or, was the United States just waiting for the political fallout from the invasion to subside before wielding its full power and pressuring Latin American nations to act against Cuba?

I contend that the arguments proposed in Chapters II and III still hold. The aftermath of the Bay of Pigs did increase Latin American bargaining power at the August 1961 conference. Furthermore, Cuba's expulsion from the OAS five months later did not devalue Latin American diplomatic victories at the Conference of Punta del Este.

While it is true that the United States pushed harder for action against Cuba at the January conference, this was not the deciding factor in the attitude shift against Castro's government. During the first conference, Fidel Castro had still not referred to his revolution as

“communist,” even though the United States continually asserted that it was. For this reason many Latin American countries could not justify censuring Cuba. Moreover, they did not see the country as a danger. The Mexican ambassador to the United States explained how Latin Americans perceived Cuba when he said, “If we publicly declare that Cuba is a threat to our security, forty million Mexicans will die laughing.”<sup>184</sup>

The idea of Cuba as a threat lost some of its humor for many Latin America countries when, on December 2, Castro confirmed U.S. claims and announced, “I am a Marxist-Leninist and shall be a Marxist-Leninist until the end of my life.”<sup>185</sup> Although not as zealous as the U.S., many Latin American governments were wary of communism. In the younger, unstable democracies, revolution was a legitimate threat.

Anti-communist pressures also came from within the state. Conservative militaries and the Catholic Church—both vocally opposed to communism in most countries—strongly encouraged governments to take a stance against Cuba.<sup>186</sup> Castro’s speech intensified their demands and certain governments were forced to act. On December 9, Colombia broke diplomatic relations with Cuba, followed by Panama five days later.<sup>187</sup>

Even the “soft six” felt unease following Castro’s admission. Brazilian Ambassador to the United States, Roberto Oliveira Campos proclaimed that Brazil did not approve of Cuba’s relationship to the communist bloc.<sup>188</sup> The Brazilian government had friendly relations with

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<sup>184</sup> Ruth Leacock, *Requiem for Revolution The United States and Brazil, 1961-1969*. (Kent, OH: Kent State University Press, 1990) 33.

<sup>185</sup> Fidel Castro, *Fidel Castro Speaks on Marxism-Leninism, Dec. 2, 1961* (New York: Fair Play for Cuba Committee, 1961).

<sup>186</sup> *Hispanic American Report*, vol. 14, no. 1, 1117.

<sup>187</sup> *Ibid.*, 1112, 1086.

<sup>188</sup> *Ibid.*, 1139.

Soviet countries, so Campos' announcement was likely in response to internal pressures. When preparing for the January conference, the Chilean government originally decided to vote against a motion to revoke Cuba's OAS membership. After Castro's speech, the President of Chile directed the delegation to abstain instead.<sup>189</sup> Even though they did not vote for Cuba's expulsion from the OAS, the "soft six" did vote for a resolution that condemned Marxism-Leninism, demonstrating that anti-communist pressures were widespread and powerful within Latin American countries.<sup>190</sup>

Most of the countries that voted to exclude Cuba from the OAS did so to protect their own interests. Many of the small, Central American nations that made up most of the 14 votes were geographically closer to Cuba and worried that Castro's revolution might spread, threatening their governments with potential uprisings. Other countries supported the U.S. position in exchange for aid money. Haiti had been one of the undecided nations. Ironically, the United States flipped the Latin American leverage strategy on itself, promising the Haitian delegation Alliance for Progress aid in return for its vote. After accepting the U.S. offer, Haiti went to work on a \$2.8 million runway for its Port Au Prince airport.<sup>191</sup> Potential aid also drove Colombian actions. Colombia had organized the conference and motioned for Cuba's expulsion, fulfilling President Alberto Lleras Camargo's promise to the United States to gather support against Cuba in exchange for Alliance for Progress aid.<sup>192</sup> His strategy worked, and Colombia gained favor with the U.S. government. The U.S. State Department "singled out [Colombia] as a

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<sup>189</sup> Ibid., 1125.

<sup>190</sup> Taffet, *Foreign Aid as Foreign Policy*, 154.

<sup>191</sup> Lars Schoultz, *That Infernal Little Cuban Republic: The United States and the Cuban Revolution* (Chapel Hill: University of North Carolina Press, 2009) 202.

leading country in the Alliance,” and the nation received some of the largest loans in the first few years of the program.<sup>193</sup> For Colombia, the January 22 conference was a continuation of the bargain it struck with the United States in the wake of the Bay of Pigs. It gave the country further Alliance for Progress advantages, rather than negating those obtained in Punta del Este in August.

Although the expulsion of Cuba from the OAS appears to diminish the significance of Latin American resistance to anti-Cuban pressures five months earlier, when examined more closely, it is clear that this is not the case. The argument presented in Chapter II that the Bay of Pigs increased Latin American diplomatic power in its August 1961 Alliance for Progress dealings is still valid. This is, in part, demonstrated by the fact that the United States’ power and influence at the follow-up conference was not noticeably stronger. Fidel Castro’s communist declaration arguably influenced Latin American countries to take action against Cuba at the January conference more than U.S. pressures did. Both Colombia and Haiti exchanged their support for foreign aid, continuing the practice started in the aftermath of the Bay of Pigs. Furthermore, the U.S. victory against Cuba was only a narrow one. The “soft six” that abstained from the vote represented approximately 60% of Latin America’s population, demonstrating that the United States still did not have a strong hold over the majority of the region.<sup>194</sup> The vote to exclude Cuba from the OAS represented changing Latin American attitudes and interests more than it exhibited U.S. power in Latin America.

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<sup>193</sup> Ibid., 155.

<sup>194</sup> Ibid., 153.

## CONCLUSION

This thesis aimed to prove that Latin Americans were assertive, active participants during the founding year of the Alliance for Progress. In Chapter I, I made the case that dovetailing U.S. and Latin American development theories facilitated cooperation in the early phase of the Alliance for Progress. Structuralist economists collaborated with modernization theorists, infusing the U.S.-sponsored program with uniquely Latin American ideas. John F. Kennedy's founding speech showcased these ideas while demonstrating U.S. willingness to compromise; it garnered much-needed Latin American support following a decade of rising anti-American sentiment.

In Chapter II, I argued that the Bay of Pigs threatened this support and changed the U.S.-Latin American relationship in the context of the Alliance for Progress. The invasion revealed that the U.S. prioritized its anti-communist, anti-Cuban objectives over Latin American interests. The Latin American public responded negatively, demonstrating distrust of the United States and desire for the rights to sovereignty and self-determination. Latin American governments leveraged the exposed U.S. anti-communist obsession to protect these principles and advance their nations' goals.

Finally, in Chapter III, I claimed that Latin American delegations at the Conference of Punta del Este pushed the United States to concede to their demands by joining forces, citing international principles, and taking advantage of U.S. weaknesses. In the process, Latin Americans preserved national sovereignty, secured U.S. financial commitments, and promoted their economic aims above U.S. political goals. The Charter of Punta del Este documented their accomplishments.

The recognition of Latin American input and influence in the construction of the Alliance for Progress reveals “the other side” of the history of Cold War U.S.-Latin American relations. By emphasizing how Latin American decisions and actions affected diplomacy, this thesis attempted to contribute to literature following a relatively recent historiographical trend—one in which the U.S. role is not the primary focus.

Through this approach, I provided evidence that traditional assumptions levied against underdeveloped countries did not apply to the Latin American nations involved in the founding of the Alliance for Progress. Latin American ideas were not backward, nor deficient. The region’s intellectuals were some of the foremost development theorists of the time. Latin American diplomats and politicians cited international principles of self-determination, intellectual independence, national sovereignty, and non-intervention—ideas that were central to the governmental systems of most developed countries. Latin Americans were not submissive, nor easily manipulated. They made cautious, calculated decisions and stood up for their nations’ interests. When pressured by the United States, they stood their ground.

Analysis of Latin American agency in Cold War inter-American diplomacy has broader implications for present-day U.S.-Latin American relations, international development, and foreign aid. This thesis specifically emphasized the importance of recognizing the role of developing nations in international development initiatives. Although the United States government avowed that the Alliance for Progress was “a vast cooperative effort,” a program emphasizing Latin American “self-help” and “political freedom,” the rhetoric did not match the reality.<sup>195</sup> Looking back on the program, Lincoln Gordon, one of Walt Rostow’s contemporaries

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<sup>195</sup> Kennedy, “President Kennedy Speaks on the Alliance for Progress.”

at CIS, said, “On the United States’ side, we erred in not promoting from the very beginning, arrangements appropriate to a more genuine partnership.”<sup>196</sup>

In many ways, both sides erred by not better defining the partnership into which they were entering. When determining the ideological framework for the Alliance for Progress, Latin American and U.S. intellectuals collaborated over theoretical similarities, but ignored significant discrepancies—such as the promotion of democracy inherent to modernization and irrelevant to structuralism. As a result, Latin American countries initially underestimated the importance the United States placed on anti-communism as a component of the Alliance.

The United States also underestimated Latin American countries. Not completely understanding the historical and political context into which it was entering, the U.S. went ahead with an unprovoked invasion on Latin American soil. Over a decade of U.S. absence in the region built up anti-American sentiment and a strong sense of independence. A better understanding of this environment and the recent history of the region would have made it easier to recognize that Latin American nations would have overwhelmingly negative responses to the Bay of Pigs. Interestingly, Arthur M. Schlesinger, Kennedy’s adviser who did realize this and worked the hardest to persuade the president against the invasion, was a historian.

The Alliance for Progress marked a shift in international development and foreign aid policy. As historian Jeffrey F. Taffet argues, it was the first instance in which the United States began associating aid and development efforts with the promotion of political and moral values, rather than purely economic advancement.<sup>197</sup> This thesis demonstrated how an over-emphasis on American political interests has the ability to negatively affect diplomatic relationships. In the context of the Alliance for Progress, the U.S.’ anti-Cuban vendetta lost Latin American trust, and

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<sup>196</sup> Lincoln Gordon, *The Alliance for Progress: A Retrospective*, “Hopes and Fears,” 78.

<sup>197</sup> Taffet, *Foreign Aid as Foreign Policy*.

Latin American nations resorted to less civil tactics to protect their rights and secure the development funding they needed. Advancing American values continues to be a critical component of U.S. foreign aid policy. A better understanding of how Latin Americans reacted to U.S. political motives during the founding of the Alliance for Progress, the program that first utilized the current U.S. foreign aid approach, can therefore, shed light on how U.S. foreign aid policy affects relations with developing countries today.

This examination of the origins of the Alliance for Progress and the way in which Latin American-U.S. relations developed during 1961 demonstrated the risks nations assume when they do not fully appreciate the ideological frameworks, historical contexts, and motives of their counterparts. By focusing on similar ideas and goals and ignoring differences, Latin American nations and the United States assumed that the Alliance for Progress would follow a smooth trajectory—which was not the case. By failing to establish a well-defined, transparent and communicative relationship from the earliest stages of the Alliance, the countries involved set themselves up for misunderstandings and conflict. As the first instance of modern foreign aid strategy, there are many foreign policy insights to be gained from studying the interactions between Latin American countries and the United States during the founding year of the Alliance for Progress.

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