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THE ROLE OF UNITED STATES POLICY

Robert Freeman Smith

CAN the present governments of Latin America promote economic development and at the same time provide the kind of reforms which will substantially improve the livelihood of the masses? Economic development *per se* will not necessarily have a positive effect on the condition of many people in the lower classes, especially in the rural areas.¹ Economic growth is often stressed as something of a cure-all for underdeveloped countries, but the mechanisms for the distribution of the fruits of development (which are grounded in the local social and economic systems) are just as important.

Every developing society has had to institute some kind of reform to insure some degree (albeit minimal in some countries) of distribution, but the reforms needed by most Latin American countries to insure adequate distribution are often difficult to obtain. The socio-economic groups which hold political power are often reluctant to modify the prevailing pattern of distribution because this would lead to some economic loss and eventually to some changes in the social system. The basic question here is, will these groups voluntarily initiate basic reforms which will ultimately lead to such changes or will the socio-economic system have to be changed as a pre-condition for reform? The latter course will mean revolution involving some degree of violence and some forcible change in the prevailing economic system.

* * *

As part of its policy of hemispheric hegemony the United States has taken a deep interest in these problems, but our attitude towards them has been ambivalent. On the one hand we have tried to find ways of guiding socio-economic change but on the other we have been anxious to preserve as large a measure as possible of private enterprise capitalism and republican government.² The original concept of the Alliance for

¹ Mancur Olsen, Jr., 'Rapid Economic Growth as a Destabilizing Force', *The Journal of Economic History*, XXIII (December 1963), pp. 536-539.

² The term 'democracy' is used much too loosely in regard to the situation in many Latin American countries since large numbers of people play no role in the political process. The term 'republican' is more precise because it connotes the existence of representative institutions, multiple political parties, and constitutional rules for the political process. These institutional factors involve varying degrees of authoritarianism and are closely related to the prevailing socio-economic system. An excellent analysis of the situation in one country is, Frederick B. Pike, *Chile and the United States, 1880-1962* (Notre Dame, Indiana: University of Notre Dame Press, 1963), pp. 284-296. Reviewed in *International Affairs*, July 1964, p. 574.

Progress was predicated on the assumption that social change and improvement in living conditions could take place gradually and without violent upheaval, and that the results of such change would not affect the hemispheric position of the United States. But, is the first assumption valid for every Latin American country and, secondly, are violent social changes basically antithetical to the position of the United States?

Senator J. William Fulbright pointed to these problems in his 'Old Myths and New Realities' speech. The Senator discussed the Alliance for Progress and the hopes for 'peaceful and orderly reform', but went on to warn:

At the same time, we must be under no illusions as to the extreme difficulty of uprooting long-established ruling oligarchies without disruptions involving lesser or greater degrees of violence. The historical odds are probably against the prospects for peaceful social revolutions. . . . [Prospects for peaceful change seem bright in several countries.] In other Latin American countries, the power of ruling oligarchies is so solidly established and their ignorance so great that there seems little prospect of accomplishing economic growth or social reform by means short of the forcible overthrow of established authorities.³

After all the glowing speeches and majestic moralising about the absolute necessity for peaceful change, this blunt statement sounds like heresy of the rankest order. Yet, the Senator has dared to face the harsh reality that in at least some Latin American countries basic reforms which will affect the lives of people in the near future rather than in one or two generations cannot be realised within the existing structures of the social order.

In such countries the propertied groups will not make the economic sacrifices which are required if a less than affluent society is to provide education, housing, medical care and jobs for its people. Those who have capital, either invested or held as savings, are often unwilling to take a short-term cut in profits and personal affluence, or to invest under conditions which do not promise an immediate return. In all too many cases these groups will not even invest enough capital in the basic industries needed to provide mass employment and increased purchasing power.

In short, these possessors of capital are unwilling to sacrifice for the immediate good of the total community.⁴ Instead, they cite the classical 'iron law of scarcity' to justify their opposition to any real modification

³ Speech of March 25, 1964; *Congressional Record*, 88th Cong., 2nd Sess., Vol. 110, No. 56, pp. 6032-6033.

⁴ Albert Lauterbach, 'Government and Development: Managerial Attitudes in Latin America', *Journal of Inter-American Studies VII* (April 1965), pp. 208-211, 214-216; Pike, *op. cit.*, pp. 274-275, 281-282; Romulo Betancourt, *The Democratic Revolution*, The Brien McMahon Lecture, The University of Connecticut, April 22, 1965, pp. 6 and 8. Lauterbach notes that in several countries these attitudes may be changing (Mexico and Venezuela).

of the 'trickle-down' system of distribution. This provides a neat rationalisation for the often grossly inequitable distribution of wealth in Latin America and the fact that under the prevailing system the 'trickle' can be held to a bare minimum. Thus, the masses are expected to make the sacrifices and suffer the deprivations without any guarantee that the prevailing system will ever allow a sufficient distribution of the fruits of development substantially to alter their condition.

The effects of these conditions can be seen in the recent history of various Latin American countries. Several governments have embarked upon a programme of reform, but, when these programmes threatened to move beyond a minimal tinkering with the system, cries of protest have arisen from the business and landowning sectors. Programmes of practical reform in taxation, land distribution, and in areas which promise some immediate benefits for the lower classes—rent controls, cheap housing, mass education, public health facilities—have generally had this effect.

A particular and widespread ground for protest has been that such measures create a bad climate for business. In 1961 the editors of *Business Week* magazine attacked the proposed Alliance for Progress on this basis. As the editors put it:

Another disquieting prospect is the adverse impact on private investment that can be expected from the Administration's policy of actively sponsoring social reform in the emerging nations. . . . Social reform, if pushed too fast, is sure to lead to higher tax rates and wage rates, and often to outright harassment of business. . . . If social reform is pushed to the point where it increases consumption at the expense of savings and investment, it could hamper economic growth rather than promote it.⁵

This attitude on the part of business, both outside and inside Latin America, has led to economic retaliation designed substantially to halt reform. Disinvestment, the flight of capital, and restriction on new investment has characterised the slowing down of business activity in the face of supposed threats to profits. In the case of El Salvador a recent analysis stated:

Ironically, these conditions [reduced business activity] have been *most evident* in countries where the trend toward *peaceful constitutional change has been most discernible* [*Italics mine*]. . . . The failure of the new government [1962] to repeal promptly the drastic reform measures on taxation and land tenure passed by the preceding revolutionary junta caused widespread discontent and unparalleled capital flight as well as bringing the *cedula* market to a standstill.⁶

⁵ 'A Program that Tries to Reach too Far', *Business Week* (July 15, 1961), p. 128.

⁶ Frank M. Tamagna and Gregory B. Wolfe, 'A Financial System for Economic Development: Problems and Prospects in Central America', *Journal of Inter-American Studies*, VI (October 1964), p. 472.

Expropriation of private property has rarely been a specific issue in these reform programmes. Rather, the cry of 'bad climate for business' has meant an unwillingness to accept any restriction of immediate gain or standard of living. Such an attitude has been based on short-run considerations and has ignored the real possibility that effective and immediate reforms could in the long run be very helpful to business. Reforms 'create' a bad business climate only because businessmen refuse to take a long-range view of their interests and decide that if they cannot have certain guarantees of what they consider to be adequate gains in the immediate future then they will take their marbles out of the game. In the last analysis bad business conditions have been created by the businessmen themselves when they could no longer dictate most of the rules of the game of distribution.⁷

This kind of economic sabotage has placed many Latin American governments in a real predicament. Some administrations have retreated under such pressure. Others have been deposed while struggling to enact reforms within the existing socio-economic system. In the last five years the military has intervened to change the governments in Argentina, Peru, Ecuador, the Dominican Republic, Honduras, Guatemala and Brazil. In each instance the business community generally supported the action of the military, and in most of these cases it played an active role in the movement to topple the government. The need for reform is so apparent, however, that the present governments of Peru, Ecuador, and Brazil are again formulating reform programmes. These are running into the same obstacles which confronted previous programmes, and which face the reform attempts of Colombia, Chile, and El Salvador.⁸ Within the last few months President Fernando Belaúnde Terry of Peru has had to plead with domestic investors not to undermine the economy in the face of reform, and the reform-minded Colombian General Alberto Ruiz Novoa bluntly informed the businessmen of his country that they too must sacrifice for peaceful reform and development.

⁷ Lauterbach, *op. cit.*; pp. 214-223; the author states: 'Rationalization of private interests into national necessities is even more frequent in Latin America than in Europe or North America' (p. 223).

⁸ The *Hispanic-American Report* provides much background material for the various military coups. Sidney Lens, 'Tinder Box in the Dominican Republic', *The Progressive* (September 1963), pp. 35-38; Sidney Lens, 'Road-blocks to Reform in Latin America', *ibid.* (November 1963), pp. 18-22; Philip Siekman, 'When Executives Turned Revolutionaries', *Fortune* (September 1964), p. 147 (this is a detailed description of how the businessmen of Sao Paulo planned and engineered the 1964 coup); 'Right Turn in Brazil', *Business Week* (June 13, 1964), p. 31 (discusses the renewed opposition to the moderate reforms proposed by Marshal Castillo Branco); Alvin Cohen, 'Economic Development and the Displacement of the Peruvian Elite', paper presented to the annual meeting of the American Association for the Advancement of Science, Institute of Social and Behavioral Sciences (Montreal, Canada, December 1964); 'Honduras: One Kind of Freedom', *Newsweek* (February 22, 1965), p. 48; *The New York Times* (December 20, 1964), for Chile.

The General has since been deposed from the post of War Minister as a result of pressure from those groups which fear basic reform.⁹

* * *

Cuba and the Dominican Republic provide two good examples of business and landowner opposition to substantial reform and of the consequences which such opposition produces. These examples raise fundamental questions concerning the possibility of achieving reform in some Latin American countries by peaceful means carried out through some form of republican government.

During at least the first five months of 1959 the Cuban Government was run by men who were definitely not Communists; many of them could not even be described as Socialists.¹⁰ Yet, almost every reform enacted by this government stirred up active opposition on the part of both Cuban and American property owners. Wealthy Cubans instituted an investment boycott, and by the end of March 1959 private construction had virtually stopped. Foreign capital investment also declined about \$25 m. during the first half of the year. While trying to implement reforms, the Cuban Government was faced with rising unemployment (largely the result of the investment boycott), a depleted treasury, a \$50 m. budget deficit inherited from Batista, and a sharp decline in the price of sugar. By June, political conservatives were organising to 'rollback' the revolution, and counter-revolutionary violence was under way. This situation was further complicated by the demand of the United States Government for 'prompt and effective' compensation for any expropriated property belonging to U.S. citizens.

In effect, the Cuban upper-class and business groups declared that there could be no basic revolution within the framework of the existing economic system—at least as they defined the system. A writer for *Fortune* magazine flatly stated that Castro had alienated private sources of capital and that as a result his government was doomed. According to this author—who reflected the sentiments of business in Cuba—Castro had only three choices: to reverse the Revolution and return to 'orthodox' economics, to be overthrown by a counter-revolution, or to plunge into 'out-and-out Communism'. In other words, there was no middle ground between orthodox Capitalism and Communism.¹¹

Given this kind of 'either-or' opposition and the strong determination of the revolutionary leadership to effect some kind of radical reform,

⁹ *CIF Reports* (Cuernavaca, Mexico), September 16, 1964; for the Colombian situation where the Congress has blocked the President's economic programme for more than six months, see *The New York Times* (April 12, 1964; January 29, 1965; June 27, 1965).

¹⁰ 'Boot for Botellers', *Fortune* (March 1959), p. 76; this editorial praising Rufo López Fresquet—the Cuban Finance Minister—tells about the team of businessmen which he had picked to help him run the ministry 'like General Motors'.

¹¹ Freeman Lincoln, 'What has Happened to Cuban Business?' *Fortune* (September 1959), pp. 110-111.

there was only one direction in which the Revolution could move and still survive. From mid-1959 on Castro began to build a mass movement and to move towards a 'single-group' society. In the process the old power structure was completely deposed, and the socio-economic system was re-structured. Today it is apparent that if it were not for a rigorous foreign opposition the Revolution would have an excellent chance of survival, and even if the Castro Government should fall many of the changes of the past six years could not now be undone.¹²

In the Dominican Republic, President Juan Bosch took office early in 1963 after receiving the votes of 64 per cent of the electorate. During the next few months he tried to implement a reform programme by democratic means. The President did not attempt to create a mass movement or to depose the old power structure. Instead he appealed to all citizens to assist in the renovation of the social order. As soon as the reform programme began to materialise, however, opposition from business and other property interests became apparent. Reforms in the areas of landholding (primarily a question of distribution of the lands formerly held by Trujillo), taxation and church-state relations provoked a steady stream of charges that Bosch was soft on Communism. Businessmen argued that a law providing for the confiscation of the hidden assets of the Trujillos was really aimed at them, and landowners tied up the land reform programme in a web of litigation over pre-Trujillo titles. The Roman Catholic church never adjusted itself to the separation of church and state clause of the 1963 Constitution.

The military reflected these sentiments, and added some charges of their own. A U.S. Senator had remarked, after watching the military review at President Bosch's inauguration in February, that if the President could have marched the parade off the end of a pier 'half his troubles would be over'.¹³ However, the President did little to trim the powers of the military and, in spite of various concessions to them, that group took the lead in plotting his overthrow. In September 1963, the blow fell and Bosch himself was marched off the pier into exile. This action of the military was generally supported by business, the church, and other conservatives.

A student leader pinpointed the implications of these developments when he stated: 'Bosch was giving the answer to Castro's claim that there can be no revolution without Communism.'¹⁴ The groups which controlled Dominican society took the same either-or position that their

¹² For a more detailed analysis of this process see Robert F. Smith, 'Castro's Revolution: Its Domestic Sources and Consequences', in Bayless Manning (ed.) *The United States and Cuba: Long-Range Perspectives* (Washington, D.C.: Brookings Institution, 1965).

¹³ Donald A. Allam, 'Santo Domingo: The Empty Showcase', *The Reporter* (December 5, 1963), p. 28.

¹⁴ *Ibid.* p. 31.

counterparts had taken in Cuba, and in other countries. But Bosch was too naïvely idealistic about democracy to fight back, and too sincerely concerned about social change to eliminate the reform programme. When the military struck the middle ground disappeared, as did the Bosch Government.

As has been pointed out in several studies, the military tends to reflect the society of a country with its divisions and tensions. Quite often the younger officers have been concerned with reform and have been willing to accept (and in some cases to lead the movement for) social change. The upper-echelons of the military hierarchy generally support the more conservative, propertied groups, and as long as the older officers can control their forces the military will often be used to moderate, control, or eliminate reform developments.¹⁵ However, even in cases where younger officers have taken control of the military forces and have taken part in reform movements the historical tendency has been for such officers to move to more conservative positions after attaining power.¹⁶

* * *

The Bosch Administration had been regarded by U.S. officials as a showcase of the Alliance for Progress and with its fall some of the original concepts of the Alliance suffered a serious blow. Social revolution, and a much more flexible approach to methods of distributing the economic fruits of development, were at least talked about in 1961-62. The Dominican coup, coming as it did after several others of a similar nature, seems to have started the final retreat from these earlier ideas.

The first stages of this retreat could already be seen by the spring of 1963. The report of the Clay Committee (March 20, 1963) was a major attack on the idea of even a peaceful social revolution. This report demanded a full return to the 'trickle down' concept of distribution on the part of countries receiving U.S. aid. Its list of 'reforms' was largely devoted to 'orthodox' economic practices such as monetary stability, balanced budgets, elimination of subsidies to government enterprises, and stimulation of private capital investment. In other words, measures to create a good climate for business, as defined by businessmen. The

¹⁵ The best studies are: Edwin Lieuwen, *Arms and Politics in Latin America* (New York: Praeger, 1961), and John J. Johnson, *The Military and Society in Latin America* (Stanford, Calif.: Stanford University Press, 1964). Reviewed in *International Affairs*, April 1965, p. 386. These officers can decide that a measure of reform is necessary for stability. Cohen (*op. cit.*) believes that this was the case in Peru in 1962-63, and that the Generals were ready for reform as long as such was not under the auspices of Haya de la Torre and the APRA.

¹⁶ This can be observed in the examples of Cuba, Brazil and Bolivia in the 1930s and El Salvador in the 1960s. See John D. Wirth, 'Tenentismo in the Brazilian Revolution of 1930', *The Hispanic American Historical Review XLIV* (May 1964), pp. 161-179; Herbert S. Klein, 'David Toro and the Establishment of "Military Socialism" in Bolivia', *Ibid.* XLV (February 1965), pp. 25-52.

last item on the list was a reference to measures for the better utilisation of land to—among other things—‘increase income on the lower levels of society’. The committee’s basic position was that Latin America had an ‘either-or’ choice to make:

Latin America must be encouraged to see its essential choice between totalitarian, inefficient, state-controlled economies and societies on the one hand and an economically and politically freer system on the other, realizing that a society must begin to accumulate wealth before it can provide an improved standard of living for its members.¹⁷

This viewpoint, eliminating a middle ground between U.S. style capitalism and a completely statist economy (which some insist can only be Communist), became one of the major themes of U.S. Government publications on this subject in 1964—being often stated explicitly as a policy of identifying democracy and freedom with private enterprise and orthodox patterns of distribution. As the Subcommittee on Inter-American Economic Relationships of the Joint Economic Committee (U.S. Congress) reported in May 1964, the phrase in the Charter of Punta del Este about ‘free men working within a framework of democratic institutions’, was to be construed as follows: ‘Properly understood, no stronger or more explicit declaration in support of the system of private enterprise, private investment, and free choice could have been made.’ As the committee went on to say, one of the basic freedoms is ‘the freedom of one’s choice at the supermarket’.¹⁸

Not all State Department officials are in agreement with this more rigid line. There is certainly some conflict within the State Department and the Congress, but the trend since 1963 has been towards a much more conservative position. John Moors Cabot—formerly Assistant Secretary of State for Inter-American Affairs—went to the heart of this conflict in a speech given in November 1963: ‘Whereas our policy seeks to promote reform and social justice in Latin America, the need to protect our large economic stake inevitably injects a conservative note into our policies.’¹⁹

Thus, the overall attitude of the U.S. Government has moved with, and reinforces, the attitudes of the conservative elements in Latin America. Support for reform will continue to be proclaimed, but only if

¹⁷ The Committee to Strengthen the Security of the Free World, *The Scope and Distribution of United States Military and Economic Assistance Programs* (Washington, D.C.: Department of State, 1963), p. 13.

¹⁸ Subcommittee on Inter-American Economic Relationships (U.S. Congress), *Private Investment in Latin America* (Washington, D.C.: Government Printing Office, 1964), p. 6. See also, Agency for International Development, *Private Enterprise in International Development* (Washington, D.C.: Department of State, 1963).

¹⁹ *The New York Times* (November 7, 1963). Teodoro Moscoso, the first co-ordinator of the Alliance, has charged that the U.S. Government has forgotten the political meaning of the Latin American revolution, and has been too lenient in supporting coups which wipe out all expectations for popular participation in economic development; *The New York Times* (February 18, 1965).

it is minimal enough not to upset business groups by a threatened alteration of the pattern of distribution.

In 1961, the editors of *Business Week* elaborated a programme of development for Latin America which basically stressed a business-oriented policy of very gradual change built around private investments. The editors noted the problems involved in this approach and declared:

Such a programme would not match popular demands in Latin America, nor views of the average student or intellectual there. But it would be generally supported by business in Latin America, and by many government officials.

To be sure, it might not save every Latin American nation from Communist-sponsored revolution, nor spare the U.S. the painful task of intervening against such a revolution.²⁰

* * *

The aborted revolution in the Dominican Republic this year began as a classic *golpe de estado* on the part of the senior military officers. Ironically, some of the civilians who had supported the military ouster of Juan Bosch discovered that military despotism can be a two-edged sword. During the latter part of 1964, these civilians became increasingly upset over the corruption and interference in the economy by the senior officers. Donald Reid Cabral's attempts to regulate these activities triggered the *golpe*. Once underway, however, it quickly became apparent that the officer corps (especially in the army) had differing objectives. A group of younger officers led by Colonel Francisco Caamaño Deñó turned the uprising into a broader movement to remove the older officers, restore the Constitution of 1963, and open the way for the return of Bosch to the presidency.

At this point civilians were given arms and the movement began to assume a revolutionary character. The significant point here is that the loyalists (or rebels as they are called by the U.S.) were trying by force to change certain aspects of the social structure by removing one of the most powerful groups which had blocked reform in the past.

The United States Government then began its military intervention. The initial reason given for it, that it was to protect lives and property, was probably correct, but it developed rapidly into an intervention to stop a revolution in the making. U.S. officials have repeatedly cited the example of the Cuban Revolution as justification for these actions. In a sense they are right because a revolution which threatens social and economic change does tend to move to the Left.

In the past, when a revolution moved beyond a certain undefined point of socio-economic change, usually when it significantly challenged the prevailing distribution system and private enterprise, the United

²⁰ 'Keeping Out the Reds by Revolution' (July 15, 1961), p. 68.

States has tried to use pressure to force it back into more orthodox channels.²¹ But since the mid-1950s revolutionaries have been able to get support from the Soviet bloc, and this has usually meant that U.S. pressure has led the revolutionaries to accept some form of accommodation with this bloc. This is especially true in areas where the U.S. has a large stake in the *status quo*, and where any movement for change has anti-U.S. overtones. This was the lesson of Cuba, and U.S. officials were afraid of a repeat performance in the Dominican Republic. They therefore adopted a counter-revolutionary policy and aborted the revolution before it gained control of the country.

The implication of the Dominican intervention is that the U.S. will resort to large-scale military operations to prevent the consolidation of a revolution in the Caribbean area, and perhaps in other parts of Latin America as well. It now seems clear that the U.S. Government believes that revolutions, with their challenge to existing systems, must inevitably become hostile to the U.S. position in the hemisphere. In effect, the significance of the Dominican intervention is that it amounts to an open confession that major U.S. policy makers not only do not understand the causes, functions, and internal workings of revolution, but that they have given up any attempt to achieve such understanding. Therefore, the policy line is to 'strangle in the cradle' rather than learn how to adjust to the problems posed by revolutions. Admittedly it is a simple way to get rid of a noisy infant, and requires little besides the possession of superior strength, the determination to use it, and the ability to rationalise the possible future consequences.

Of course the U.S. would like the OAS to perform this function, and the composition of the OAS force in the Dominican Republic is another indication of the conservative, anti-revolutionary nature of this policy. With the exception of a police contingent from Costa Rica, the other troops have come from countries which have either recently experienced conservative, military coups or which are police states in their own right (Brazil, Honduras, Paraguay and Nicaragua).

The U.S. would probably accept a mildly reformist government in the Dominican Republic, with a 'middle-of-the-road' leadership which did not threaten to alter the social structure or propose socialistic schemes. The problem here is that the groups which have always opposed substantial reform would still be in positions of power, and the new government would face the basic dilemma of coping with the aroused aspirations of the populace and at the same time keeping reform

²¹ See Robert F. Smith, 'The United States and Latin American Revolutions', *Journal of Inter-American Studies*, IV (January 1962), pp. 89-104. Thomas Mann (one of Johnson's principal advisers on Latin America) has stated that the only means for solid understanding in the hemisphere is for the Latin Americans to believe that their interests are basically the same as those of the U.S.; *Time* (January 31, 1964), p. 18.

mild and ineffective enough to avoid imitating the groups which could engineer another *golpe*.

In the short run the United States has accomplished its aims, but when the lid blows off the next time there will probably be many more Dominicans who have become convinced that Communism is the only answer to their problems.²² Considering the social, economic, and political problems of the Dominican Republic it seems doubtful that substantial reform can be achieved through peaceful, gradual means.

* * *

Peaceful methods under the auspices of republican forms of government will not produce effective socio-economic change in every Latin American country. This is partly due to a mixture of cultural traditions with social and economic conditions which have developed over a period of several hundred years.

Commenting on Latin American conditions in the 19th century, Lord Acton wrote:

Where society is constituted without equality of condition or unity of race, where there are different classes and national varieties, they require a protector in a form of government which shall be distinct from, and superior to, every class, and not the instrument of one of them. . . . But the Tyranny of republics is greatest when differences of races are combined with distinctions of class.²³

Acton's observations still hold true for some Latin American countries; especially, in my view, for Guatemala, Nicaragua, Honduras, Colombia, Ecuador and possibly Peru. In some of these countries republican government is largely a façade because a small minority of the population has the effective economic and political power. In others the attempt to maintain some republican institutions and practices results in inefficiency and lack of action (Colombia in mid-1965 was an excellent example of this). In both cases the results are pretty much the same and little is done to solve the problems of the masses. Thus, for some countries it may be irrelevant to talk about reform under republican government (or democracy). If the traditional élites do not sponsor effective reform there is a real possibility that new élites will

²² Material on the recent events in the Dominican Republic has been obtained from *The New York Times* and the *Providence Evening Bulletin* (Providence, Rhode Island); also from several articles, Theodore Draper, 'The Roots of the Dominican Crisis', *The New Leader* (May 24, 1965), pp. 3-18; Juan Bosch, 'A Tale of Two Nations', *Ibid.* (June 21, 1965), pp. 3-7; and Howard J. Wiarda, 'The Businessmen who dumped Bosch have Reason to Regret It: Trujilloism without Trujillo', *The New Republic* (September 19, 1964), p. 5.

²³ Quoted in S. Paul Kramer, 'Lord Acton and Latin America', *Journal of Inter-American Studies*, V (January 1963), p. 41.

take charge and build upon the authoritarian aspects of the political tradition.²⁴

Some of these countries will continue as long as they can with the prevailing pattern as they go through the motions of both republican government and reform. By threatening to wreck the economy of the country if short-run profits are curtailed, their capitalist groups will try to insure that such reform does not really alter the *status quo*. Some economists will continue to obscure the basic issues by dealing only in sacred words and doctrines such as sound monetary policy, gross national product, average annual income, and input-output ratios. But as one wise being once wrote, 'Specific people do not consume gross statistics in the long-run, they eat every day'.

One of the more able students of Latin American economics has written:

Unless the élite be dedicated to the process of fundamental structural change, it can be expected to be more concerned with the appearance of change rather than with real change. Over time, however, this becomes more difficult particularly if one assumes a rising difference between what the mass considers a 'just' rate of change and the mass perceives to be the actual rate. . . . This rising difference between the perceived and the 'just' rate could lead to the formation of a revolutionary group and enhance the probability that it eventually displace the traditionalists.²⁵

The policy makers of the U.S., however, have not heeded the warning of Senator Fulbright; they have not developed an open, positive approach to social revolution. Recent events seem to indicate that many U.S. officials have not as yet learned a piece of simple wisdom expressed many years ago by Mr. Dooley:

'Ye can't be a rivolutionist in a silk hat an' a long coat. Riv'lution is wurruk f'r th' shirtsleeves. A riv'lution can't be bound be th' rules iv th' game because it's again th' rules iv th' game'.²⁶

Must such revolutions be automatically construed as hostility to the United States? The answer would seem to be, only if the United States so worships the 'rules', such as the economic concepts of

²⁴ One of the best analyses of the peculiar authoritarianism of the Latin American political tradition is Richard M. Morse, 'The Heritage of Latin America', in Louis Hartz (ed.), *The Founding of New Societies: Studies in the History of the United States, Latin America, South Africa, Canada and Australia* (New York: Harcourt, Brace & World, 1964), pp. 123-177. See also: François Chevalier, 'The Roots of Personalismo', in Hugh M. Hamill, Jr. (ed.), *Dictatorship in Spanish America* (New York: Alfred A. Knopf, 1965), pp. 35-51. Frank Brandenburg, *The Making of Modern Mexico* (Englewood Cliffs., N.J.: Prentice-Hall, 1964), pp. 162-165, 341-344; Charles C. Cumberland, 'Revolutions in Latin America', *The Centennial Review* (Summer, 1962), pp. 292-296. (This article emphasises the authoritarian potentiality in monoculture economies subjected to sharp fluctuations.)

²⁵ Cohen, *op. cit.*

²⁶ Finley Peter Dunne, *Dissertations by Mr. Dooley* (New York: Harper & Brothers, 1906), p. 130.

business and the legal framework of capitalism, that any rule breaker is consigned forthwith to the Communist camp and then attacked. The editors of *Business Week* have advocated such a policy and the Clay Committee followed much the same line.²⁷ Senator Fulbright, on the other hand, has advocated a very flexible policy toward social revolution which conceivably could tolerate a broad spectrum of radical reforms. Yet the hard-line approach has become predominant in Washington, and this poses serious questions regarding the future military involvement of the U.S. in Latin America. Such tactics are becoming increasingly expensive both in terms of money and manpower. The Dominican intervention of 1916 was carried out with 1,600 marines; in 1965 the U.S. sent over 20,000 troops to the same country. Will the next step be a return to formal protectorates and puppet governments?

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²⁷ Clay Committee Report, pp. 6-7, 11-13.

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