FREEDOM OR REFORM
IN LATIN AMERICA

By Fredrick B. Pike

FREEDOM AND REFORM, it is commonly assumed, have an affinity for each other and are even mutually dependent. To a large extent, the historical experience of the United States tends to confirm this assumption. However, this has been owing to conditions which if not unique to our country do not seem to apply to Latin America. Even in the United States, freedom and reform have not always been bedfellows. The reforms of the Progressive era and of the New Deal curtailed considerably the freedom previously exercised by certain sectors of the society. Further, what we generally regard as a reform process in which newly arrived immigrants were initiated into the benefits of the American way of life, often necessitated the surrender of the immigrants' freedom to retain most vestiges of their old customs.

Any genuine reform process in Latin America in the years immediately ahead is likely to entail a more complete restriction of freedom than we have ever experienced in the United States. This restriction may be of such a degree as to result in authoritarian, though not necessarily and always totalitarian, government. The incompatibility between political freedom and reform, which it is suggested exists in contemporary Latin America, need not be permanent; but probably it will endure for a generation or two at least.

What is meant by the term freedom, as it applies to the Latin American scene? Freedom for the lower mass has often meant the right to flaunt the dictates of personalism. Romero's advice has not yet been widely heeded.

Freedom for elite groups has meant the ability to maintain a hierarchical, closed, social structure. In short, it has been synonymous with immunity from having to compete with lower social groups, and with protection against the effects of social mobility and social pluralism.

Some of these factors help to explain the reaction of elite groups against the announced objectives of the Alliance for Progress, a reaction that has surprised many in this country, apparently even in administration circles, and thereby betrayed their ignorance of Latin America. Our statesmen, students, intellectuals, and casual observers who have had contact with Latin American aristocratic elements have generally been assured by them, in eloquent and persuasive terms, of their desire for reform. Naively, it has been assumed that by reform the Latin American spokesmen meant a move toward social mobility, pluralism, and the broadly participating society. Probably in the majority of...
instances nothing could have been further from their minds. Their notion of reform has been to introduce more effective measures of charity and paternalism, precisely in order better to be able to perpetuate the present, hierarchical, closed social order. Their desire has been to head off the class struggle not by opening society, not by introducing social pluralism, but by making the lower mass somewhat more comfortable and therefore more content to remain always and forever a mere, vegetative, lower mass.

If the sort of reform that Latin America’s ruling groups, in large part, seem committed to had some chance of achieving its purpose, then there could indeed be reform that did not disturb the traditional freedom of those ruling groups. Probably, though, the formulas of reform which they are willing to apply will not be effective. In the Western world, at least, the twentieth century has unleashed forces which impel political entities toward becoming pluralistic societies: that is, societies in which different classes and functional interest groups can compete, more or less on the basis of equality of opportunity, for what the nation has to offer. In all likelihood, Latin America will be unable to resist the pressures of the modern world, and will therefore reject the type of reform, consisting of modest palliatives, with which today’s hard-pressed rulers hope to solve their problems.

Before specifically considering the term reform, the concept of freedom deserves a final word. Within the Latin American intellectual and social milieu, political freedom has not consistently and sincerely been equated with what we in this country take it to mean, that is democracy. In the southern republics, the traditional, Church-oriented Conservative Parties have judged freedom to be compatible with the authoritarian society in which people are guarded, often by repressive means, against what is regarded as error, folly, and sin. Early liberalism in Latin America, it is true, had a “soft” side, glorifying human nature and advocating egalitarian democracy. Then, as Latin American liberalism came increasingly to be influenced by positivism, it acquired a “hard” side. From that time on, liberals tended to regard the masses with disdain and to rely upon an initiated, elite class to carry out measures aimed at national progress.

Roger E. Vekemans, the Belgian Jesuit with long experience in Chile, recently commented upon the lack of democratic orientation within the Latin American political structure:

> It seems to us that the Latin world is marked culturally by a scheme of authority which is essentially vertical. . . . The cause, in our judgement, is that the Latin tends to project a vertical scheme of authority, which is valid and legitimate in the ethical and religious realm, into the profane world.

Given the background of historical attitudes toward political freedom in Latin America, it is only reasonable to assert that reform methods implemented by nondemocratic methods would not have to battle against currents of traditionally accepted value judgments, at least not nearly to the extent that would be true in the United States. In fact, with Latin America’s heritage of the rather inflexible, somewhat dogmatic, and all-embracing systems of scholasticism and positivism, it becomes understandable why the authoritarian features of communism have not always been found repulsive.

Let us turn now to the term reform. What does reform, if it is to be effective and adequate in Latin America, entail?

Obviously, the word that concerns us has many shades of meaning. There can be reform that is primarily moral and concerned with the inward values of the individual being. Reform of this nature in Latin America might be directed toward combating graft and corruption. Various secularly oriented indigenous reform parties have exhibited a distressing lack of integrity and have appeared ready to betray the ideals that theoretically they represent. Certainly, this has been true of the various socialist parties in Chile. It has probably been true of the MNR (Movimiento Nacional Revolucionario) in Bolivia and of the APRA (Alianza Popular Revolucionaria Americana) in Peru, to cite only a very few of many possible examples. Stanford University’s John J. Johnson has expressed the hope that the advent of Christian Democratic movements in Latin America may supply a moral fiber to political life that has previously been lacking. Given the nature of Christianity in Latin America, which for all practical purposes historically has meant Catholicism, it is not immediately apparent that a Christian-oriented party will provide the requisite moral underpinning. Catholicism in Latin America has often stressed supernatural virtues, almost to the extent of encouraging belief in salvation by faith alone. Little emphasis has been placed on natural virtues and the performance of good deeds as prerequisites for salvation. Moreover, the frailty of man is accepted and the enormity of the consequences of original sin is harped upon, while boundless confidence is maintained in the charity of God and His predisposition endlessly to forgive. This paper, though, is concerned primarily with two types of reform that have little directly to do with the purely moral order.

First, it is concerned with economic reform, aimed at achieving greater productivity from all sectors of the economy. Vast obstacles to economic reform are present in Latin America. One is the lack, except in Mexico, of an adequate number of trained economists and men possessing technological expertise. Another is the population explosion, which is apt to offset and nullify gains in the GNP. It is unlikely that Japan, one of the outstanding examples of a country that has come abreast of modern times through noncommunist means, could have made its spectacular breakthrough if it had been beset with the problem of a population explosion; and, it would be difficult for Japan to sustain its remarkable economic gains if it did not now successfully employ a program of birth limitation. Because of many factors, of which the religious is only one, it is improbable that Latin America will in the immediate future proceed toward containing its population explosion. Still another obstacle to Latin American economic development arises from the existing social structure and from prevailing social judgments. How can there be dramatic economic expansion when it is the desire of the ruling groups to preserve a social structure that excludes a majority of the population from genuine participation, including economic participation, in the nation’s life?

Such a question leads us to consideration of the second type of reform with which this paper is most directly concerned. This is social reform, which is probably not only a necessary concomitant but maybe even a prerequisite of
economic reform. Above all, social reform signifies the assimilation into society of people who previously have had little or no meaningful participation in it. A recent United States Senate Study on Latin America got at what is involved in social reform, and at the same time asserted the interrelationship between social and economic reform:

Some of the important components of economic welfare—such things as better health, greater economic security, improved quality of commodities and services, elimination of the extremes of poverty, improved working conditions, a feeling that one is being treated as fairly as others—these components of welfare are not reflected in per capita output figures. Yet, these are elements of progress which may be felt directly and which create more of a feeling of economic progress than do some of the elements which constitute a rise in per capita GNP.

Proceeding from the findings of the Senate Study, University of Wisconsin economist William Glade has written:

... while the best available purely economic policies will necessarily take years to effect meaningful changes in income levels, other quite important elements of economic welfare are susceptible to quicker increase through "social-reform"-type measures, which themselves need not require heavy expenditures so much as organizational changes. . . .

Most Latin American countries today face the task of simultaneously initiating social and economic reform. Not even Mexico, the classic example of a country that went through a sweeping revolution that many regard as having been in general and in over-all results relatively successful for a considerable period of time, faced in 1910 such a task as now confronts most of Latin America. More than is commonly acknowledged by the so-called liberal writers of the United States, the great economic revolution of the Porfirio Díaz period (1876-1911), in the course of which Mexico began to learn how to produce on a vast scale, contributed significantly, however indirectly, to the success of Mexico's social revolution. The Díaz economic revolution provided Mexicans with some basis of experience in bringing about the rapid increase of productivity which alone can finance social justice measures. It provided also the basis of a communications system, of scientific agriculture, and of technologically advanced mining and petroleum production. Economic transformation under Díaz was particularly dramatic because it was not encumbered by the demands of social justice. The laboring classes appeared to be infinitely patient, and, in fact, their patience did last some thirty years.

In most parts of Latin America today, the patience of the lower mass cannot safely be relied upon to endure for thirty, or ten, or even five years. The material appetites of urban slum dwellers are daily aroused by the signs of affluence which they can see others enjoying. The mounting desire of the rural peasants to own the land they work has already led to revolutionary activity in some countries. Moreover, urban and rural lower classes are assured by politicians, and now increasingly by churchmen, that their poverty must not continue another day. All of this means that in contemporary Latin America the process of learning how to produce on a far vaster scale than ever before will be encumbered by the dictates of social justice.

The situation is extremely complex and delicate. It demands that the masses abandon the conservatism of subsistence and produce more effectively, even though their immediate material gains are apt to be paltry; it demands that the masses be given at least greater hope and the feeling that the nation has their interests in mind; all the while, it also demands that the ruling classes radically alter their traditional value judgments in regard to freedom and the social structure. Taking into account the complexity of the situation, is it realistic to suppose that adequate political direction can be provided by democratic institutions which have attained at best to only a rudimentary stage of development in most Latin American republics?

For democracy to function, there must be some basic consensus among the members of a body politic as to what the fundamental purpose of man on earth is, and perhaps also a bit of the pragmatic spirit of compromise. These essentials for democracy are largely absent from the Latin American scene. At the very time when sociologists are becoming concerned over the end of ideology in the United States, ideologies, inflexibly and zealously championed, seem to be burgeoning almost as never before in Latin America. The Catholic Church is bitterly divided among right-wing neo-Fascist advocates of paternalism and social hierarchy, Christian Democratic partisans of reform and pluralism, and leftist extremists, like Fathers Antonio Melo Costa and Alípio de Freitas of Brazil, who find the Christian Democrats too conservative. In Chile, the most likely solution to the social problem within a democratic framework might be provided by a coalition of left-wing Radical Party members and the Christian Democrats. But the cardinal feature of Radical Party ideology, ant clericalism, prevents its members from associating with a party that is even tenuously and hesitantly oriented toward the Church. The type of Protestantism apparently making greatest headway in Latin America is Pentecostal Protestantism, which is conducive to the emergence of new sects and antithetical to cooperation between those already existing. The labor movement seems to be undergoing the same sort of ideological proliferation that has produced catastrophic political consequences. There exists the traditional competition between Marxist or communist labor unions, dedicated to the destruction of the capitalist system, and more moderate groups striving to preserve at least a modified form of capitalism and private ownership. Recently, a new division within the ranks of organized labor has become apparent. The CLASC (Latin American Congress of Christian Labor Unions), founded in 1954, has shown itself loath to have anything to do with the frankly secularist, non-Marxian unions which are affiliated with the ORIT (Inter-American Regional Organization of Laborers) and through it with the International Confederation of Free Trade Unions. The Argentine army is ideologically divided between the Blue and Red groups. This division, essentially involving the issue of social reform vs. the status quo, evidently is spreading into military circles in other Latin American republics.

It would be foolish to state categorically that it is impossible for Latin America to achieve social and economic reform without drastically curtailing freedom as it now exists; for the Latin American republics cannot be considered as a cohesive whole in regard to any issue. Uruguay, at one time, appeared to have combined a substantial degree of both reform and freedom in a successful and progressive program of modernization. But, without the charismatic leadership of José Batlle y Ordóñez in the early twentieth century, Uruguay might not have been able to bring about its dramatic transformation. In the future, Latin American
republics may not always benefit from the presence of charismatic leaders who can persuade the people voluntarily to adopt reform measures. In the absence of this type of leader, coercion may be the only means that will produce reform. Sometimes, even the charismatic leader may decide that compulsion is necessary to effect reforms of the magnitude he has in mind, as the case of Fidel Castro demonstrates.

Today, democratic and reformed Uruguay is in a rather desperate plight. Russell H. Fitzgibbon, the distinguished political scientist who has written of Uruguay's past accomplishments in laudatory fashion, has suggested recently that only the return to the scene of a dominant figure like Batlle y Ordóñez will suffice to persuade Uruguayans to concentrate as much on producing as on distributing wealth. Is it likely that a dominant personality, short of being an absolute genius, will be able effectively to dominate unless he vastly curtails freedom and practices some degree of coercion? Almost as if in response to this very question, Fitzgibbon a short time ago asserted that a "strongly controlled politico-social evolution sufficiently rapid that it can forestall the need for a more explosive change" might be the only alternative to sweeping violence in Latin America, with a chain reaction effect.

In Central America, Costa Rica's example may suggest that a fairly high degree of democracy can be the handmaiden of social and economic change. Puerto Rico may also be a hopeful example. But surely that island's situation has been unique: it has received special benefits from the United States, among them the privilege of exporting its unemployment; and it has been able to bring about a more effective birth-control program than seems likely to be achieved in the near future in the rest of Latin America.

Rómulo Betancourt and his successors in the presidency may find the way to combine freedom and reform in Venezuela, although in order to remain in power and at the same time to make even modest gains in the field of social and economic reform, Betancourt has been forced to curb political freedom. Furthermore, Venezuela would probably be better off in many ways if the next elections could be postponed for a considerable period of time. Various groups have abandoned AD (Acción Democrática), Betancourt's original party, and have set up Fidelista movements. Two examples of this are the AD-Op and the MIR (Movimiento Izquierdista Revolucionario). Moreover, Betancourt has been able to maintain his tenuous control over Venezuela only because of the alliance between the remnants of AD and the party known as COPEI (Christian Socialists). With elections approaching, this alliance is breaking up. Both AD and COPEI seem anxious to run candidates. Electoral confusion could lead to victory by a Fidelista party, which the military would not allow to take power, or by a do-nothing party anxious to stifle reform aspirations. In the latter case, a revolutionary upheaval would probably only be delayed and rendered more disruptive when it did occur.

Brazil, given the vaunted flexibility of the national character and the pragmatic, compromising approach to problems, given the high degree of racial tolerance, and perhaps also given the mad penchant for inflation which seems to have resulted in better economic growth-rate figures than the austerity programs adopted by other Latin American republics at the insistence of the International Monetary Fund might stumble onto a formula for bringing about a reasonable degree of social and economic reform while preserving a considerable element of political freedom. Brazil's search for such a formula will be facilitated by its considerable industrial development and possibly also by the energy which some state governments have recently displayed. Still, if Brazil is today just possibly in a position of being able to combine freedom with reform, it is because of the social and economic revolution initiated, not through democratic institutions, but by the dictatorship of Getulio Vargas.

Even if it is not impossible, it appears highly unlikely that there can be adequate economic and social reform in many Latin American republics within the near future without considerable initial infringement of liberty. In presenting what are particularly important reasons that lead to this conclusion, it is necessary at the same time to question the judgment of those in this country—and they are many—who contend that contemporary Latin America is very much like the post-Civil-War United States, and who feel that because we achieved political freedom along with social and economic reform, Latin Americans can today do likewise.

In the early stages of an economic breakthrough, expansion of productivity and attainment of adequate capital formation require from the lower, laboring masses probably harder and certainly more efficient work that will result in the production of larger surpluses. This process can be brought about within a democratic structure only if the workers by and large voluntarily decide they want to produce more. They will not make this decision unless they have certain incentives, and they will not have those incentives unless there is some possibility that by producing more they can obtain more material benefits from life, and perhaps hope to advance somewhat their dignity and that of their family. Traditionally, such incentives have not existed for the lower, laboring masses in Latin America. The social structure has created a situation in which laborers when they produce more do not derive more from life, except perhaps in a spiritual sense. No matter how much they produce, society has remained largely closed to them. Because of this background that reaches far into the past, Latin America's lower mass cannot be expected suddenly and voluntarily to decide to produce more. This being so, it may be necessary to exercise some degree of compulsion over the masses. This compulsion may be tolerated if at the same time it is being exercised the lower mass is helped to acquire a feeling it has previously not been permitted to enjoy, that of belonging to and having some importance in society.

In the United States, workers on the whole tended voluntarily to make the decision to produce more. In spite of all its shortcomings in the post-Civil-War period, our society was to a considerable degree open, and there was at least some basis for supposing that by working harder one might get more from and advance in society.

During the early stages of an economic breakthrough, the expansion of productivity and the attainment of adequate capital formation require from the upper, capital-possessing classes, a large-scale ploughing back of profits so as to increase output capacity. When the United States was undergoing its great economic transformation, 1860-1900, some 23 per cent of the annual GNP, on an average, was ploughed back. The virtual absence of taxes facilitated this process. In contemporary Latin America, though, very little direct
tax revenue is actually collected from the capitalist classes; and yet, very little of their earnings is ploughed back. In many countries during recent years no more than from 11 per cent to 13 per cent of the GNP has been ploughed back into business and manufacturing operations. There are many reasons for this. One of the most important ones must probably be traced to the present social structure and to the judgments of the moneyed classes concerning that structure. The capital-possessing groups have characteristically exhibited little desire vastly to expand productivity, because they do not wish to transform the lower mass into purchasers, into participants in the market economy. To do so would threaten the old, closed society.

Even in the immediate post-Civil-War period, the relative openness of United States society was largely accepted and the lower mass was viewed as containing potential purchasers. Consequently, the vast expansion of productivity seemed economically desirable, and at the same time presented no threat to the established concepts of what the social order should be.

There have been numerous other causes for Latin America's general and abiding failure to reach the much-talked-about takeoff point of sustained economic development. The nineteenth-century Chilean intellectual Francisco Bilbao maintained the principal reason that the United States was making dramatic economic progress while Latin America remained materially in a state of stagnation lay in the fact that the population of the northern power was predominantly Protestant in religious affiliation, while Latin Americans were Catholic. It is likely that this appraisal, which in some ways anticipated the controversial theories of Max Weber concerning the Protestant Ethic, had considerable validity when first advanced and contains an element of truth even in contemporary Latin America.

Catholicism in various parts of Europe adapted itself hundreds of years ago to the demands of a modern, capitalist society, and did not present an obstacle to economic progress. In large measure, this was because European Catholicism was forced to modify many traditional concepts when confronting the onslaught of the Protestant Reformation. Dutch, Belgian, northern French, northern Italian, Swiss, and Bavarian Catholicism, in so far as the application of Catholic values to the secular world was concerned, underwent considerable transformation in the years following the Reformation. Latin American Catholicism, by and large, has not yet accomplished a similar transformation, in part because the Reformation, as a vital religious movement, can scarcely be said even yet to have come to the area. As a result, the neo-Calvinistic value judgments, including the conviction that wealth should be used to generate more wealth, that a good man will be a materially successful man, that poverty must above all else be avoided because it represents a form of divine punishment for a sinful life, and that leisure arising from an excessive number of religious feast days or from any other cause is dangerous and therefore to be shunned—all these value judgments that are so useful to extensive economic development—have been generally absent from the Latin American scene.

In regard to the expansion of economic productivity and the attainment of adequate capital formation, Latin America today is not like the United States as of, let us say, 1870. It follows, then, that patterns which were suitable for building the economic might of the United States following the Civil War are not likely to be appropriate in present-day Latin America. There, advances in economic productivity and capital formation probably depend upon recourse to stern government measures aimed at the capture and effective use of domestically available capital.

To a certain degree, Latin America's middle class represents another factor that justifies a pessimistic appraisal concerning the likelihood of a simultaneous development of political freedom and social and economic reform. Many commentators on the Latin American middle sectors have agreed that its members have no sense of permanence. They are in a hurry to rise above middle-class status, and they do all within their power to emulate, in the hope that they will be taken for, members of the established aristocracy. Hence, they affect a disdain for manual labor and those who perform it; they shun studies which lead to technological proficiency, which is not felt to have anything to do with gentility and which is associated with shabby materialism in the traditional order of values. Seeking to enter professions historically associated with the aristocracy, they become, more than anything else, lawyers. Moreover, the middle sectors tend to regard the lower mass as a potential threat. They wish to keep the lower mass precisely as a vegetative conglomeration, incapable of rising to middle-sector status and therefore unable to compete with those already holding this status. In dealing with the laboring multitudes, middle sectors have shown precious little of the paternalism which in the past characterized—as in some cases it continues to characterize—the attitudes of the aristocracy toward the lower social strata.

Interesting statistics reveal that since 1925, about 60 per cent of the richest, central-valley agricultural land in Chile has changed hands, coming most generally into the possession of middle sectors. What have the results been? More often than not farm productivity has declined, while relations between owner and worker have become more harshly exploitative. The land-acquiring middle sectors are dependent upon urban pursuits for their livelihood and covet rural holdings merely as a badge of social distinction. Accordingly, they have not been concerned with utilizing their agricultural property to combat the widespread undernourishment of society's unfortunates.

The hope which we in the United States characteristically place in the middle class is probably misplaced, at least in regard to the present situation in Latin America. There, the middle sectors are often more uncompromising defenders of the status quo than are members of the traditional aristocracy. Many exceptions to this indictment can, of course, be found. Largely from these exceptions will come the minority of men who may be able to lead Latin America toward the process of modernization. But, the minority will have a large majority to contend against.

In the immediate future, North Americans should not necessarily be surprised and shocked if a social movement in Latin America begins to harass the middle sectors. Yet, we responded almost hysterically when the Cuban revolution commenced to make life difficult for certain middle sectors. Undoubtedly, our response would have been the same even if communism had not been an issue. The myth that in all times and in all places the middle class is a hero class has too strong a hold upon the American mind.
Since the 1916 election of Hipólito Irigoyen in Argentina, the 1920 election of Arturo Alessandri in Chile, and the triumphs of Liberals Enrique Olaya Herrera, Alfonso López, and Eduardo Santos in Colombia during the 1930's—to select just a few examples—middle-sector politicians have sought the support of the lower mass by holding out glittering promises of reform. By now, the lower mass is undeceived, either in regard to the sincerity of the glib promises or their ability to deliver on pledges within the existing political order; perhaps it is undeceived on both counts. This helps to explain why increasing numbers of people are apt to be responsive to the promises of communism, which at least seem to have a new ring and which have not yet in most Latin American countries been clearly demonstrated to be hypocritical.

In several Latin American countries, the middle sectors preside, sometimes in alliance with members of a more traditional aristocracy, over national political life, controlling the “democratic” machinery. Bustling Washington agents tend to agree with the ruling cliques that this democratic machinery provides the means for solving pressing problems. Actually, if political freedom as it now exists in many Latin American countries continues, with semi-free elections and pseudo or inchoate democratic processes, then the presently ruling elements, both of the middle sectors and aristocracy, with their vast wealth, position, influence, and savvy will remain in virtually unchallenged control of the political structure, and there will be no thorough social transformation and therefore no real economic breakthrough. If a social reform movement comes to power by force, or if it gains power through elections largely by masking its true intentions or by taking advantage of a temporary falling-out among the component elements of the currently ruling classes, it will hardly be able to resort in the immediate future to “free elections” as they have customarily been manipulated and managed in Latin America. To do so would be the surest way of removing the reform group from power and of bringing an end to the possibility of social and economic change. Once fully alerted to the extent of the menace facing them, the old-line ruling groups would resolve personality clashes and cooperate fully in controlling the outcome of elections. Because of their past mastery in the art, and because the unassimilated lower mass, even if allowed to vote, could not be expected to have discovered in a short time which political party represented its best interests, the old-guard politicians would probably be returned to power. This is all the more likely because experience has demonstrated that the reform party would begin to be weakened by splinter movements almost from the moment it obtained power.

Political leaders with genuine interest in reform would be faced with the choice of holding no elections, or else of resorting to force and chicanery to try to overcome the odds against them and assure a favorable electoral result. In the light of the available alternatives, it might be foolish to censure the would be reformers very seriously if they simply decided to dispense with elections, however much the ousted interests might wail about the destruction of democracy.

United States journalists, as well as official representatives and even casual visitors to the southern Americas, have uttered countless words in praise of Latin American democracy. The same theme is harped upon in high schools and advanced institutions of learning throughout the nation, frequently on Pan-American day. We have become victims of our own rhetoric, which however well intentioned has not been based on fact. When we hear of a canceled election in Latin America, we tend to shed a tear for suppressed democracy and political freedom. We may hear a good deal more in the future about suppressed elections, and even about assaults upon the free-enterprise system, which as it has been operated in Latin America especially by Latin Americans has brought to Karl Marx the aura of prophetic genius in the field of economic analysis. News of such suppressions and assaults could actually be good news, although it is not likely to be received in this light. Freedom, as it has existed until now in most Latin American countries, has little if anything to contribute to social and economic reform.

If Latin American republics initiate genuine social reform, that is the assimilation of new groups into society, paternalism, supervision, and control will perforce play a larger role than the impersonal functioning of democratic institutions. In the comparatively simple and limited task of absorbing our immigrants into United States life, the city boss and the ward heeler often contributed more than did democratic institutions, the operation of which was probably largely incomprehensible to the person newly arrived on our shores. As Latin America faces the more imposing task of assimilating vaster armies of people who have been virtual aliens, paternalistic bosses who seek to give them some sense of belonging will be more valuable, at least for a generation, than free elections.

In an unusually perceptive letter which the author recently received from James Tenaglia, a Peace Corps Volunteer in Colombia, the following observation was made:

One thing that is beginning to alarm me is that throughout Columbia there seems to be an excessive dependence upon government aid. I am sure that in many fields the government should take an active part in helping the citizens . . . . But, there are fields where the people should take it upon themselves to do a certain job. Excessive welfare, I am convinced, inhibits rather than enhances the freedom of the individuals. Could it be that this was the great “break” of the United States?—that first the people learned to take care of themselves and later, when the country was sufficiently developed and individual liberty guaranteed, then the government began to enter welfare in order to equalize.

It may well be that Latin Americans have not learned to take care of themselves because in the vast majority they have never been given the real opportunity to do so. In the immediate future, any government that attempts to assimilate such people will probably have to resort to the sort of paternalistic measures that will impair the degree of freedom that we like to think all elements in any society are capable of exercising and should by right be given.

Before drawing toward a conclusion, it will be useful to reiterate a point previously touched upon lightly, and to develop it further by referring to the example of a specific country. The point is that not only is social reform dependent upon a true revolution against the existing social structure and its built-in value judgments; social reform is also extremely expensive, and demands economic wisdom of a type possessed by all too few of Latin America’s prophets.
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of a better day. The country whose example will be em­
ployed is the Argentina of Perón.

However, driven by this motivation, Juan Domingo Perón did
accomplish something toward assimilating Argentina's lower mass. He brought to thousands of people, for the first time, a
sense of belonging to the nation, a sense of dignity, a con­
viction that they were being treated as fairly as others. To
do this required more than the demagogic oratory of Perón,
although this in itself was most effective. In addition to talk­
ing to them, and having his wife talk to them, Perón had to
spend something on the masses. In the early stages of his
regime he was able to do so, and the very circumstances
that made this possible nourished the extreme economic
naiveté, or perhaps better stupidity, which later contributed
to Perón's downfall.

In a revealing letter, Perón in 1953 gave the following
advice to his friend across the Andes, Carlos Ibáñez, then
president of Chile:

My dear friend:
Give to the people, especially to the workers, all that is
possible. When it seems to you that already you are giving
them too much, give them more. You will see the results.
Everyone will try to scare you with the spectre of an economic
collapse. But all of this is a lie. There is nothing more elastic
than the economy which everyone fears so much because no one
understands it.11

Perón had been able for some time to practice the sort
of economic nonsense that he preached because of Argen­
tina's unusual financial situation when he assumed power in
1946. Argentina had accumulated tremendous pound re­
serves in England during the Second World War. Moreover,
because of the manipulations of the IAPI (Instituto Argen­
tino para la Promoción de Intercambio) Perón in the im­
mediate post-war period was able to capitalize upon the
hunger of Europe by selling food products at fantastically
high prices—food that Argentine producers had been forced
to sell very cheaply indeed to their government. This basic
situation did not last, and Perón's short-term, conscienceless
exploitation of it helped lead to the demoralization and col­
lapse of Argentine agriculture. The time came, then, when
Perón could no longer spend, spend, and spend on the lower
classes, unless he was willing actually to capture capital
from the moneyed classes through a rigorously administered
taxation and exchange-control program. Perón hesitated to
launch a frontal assault against established interests. So, by
1953, even as he was prescribing his economic quackery to
Ibáñez, Perón had himself been forced to retrench and to
lavish less attention upon the descamisados, or shirtless ones.

As Perón's position worsened, as he found himself barely
able to cling to power after an uprising in June of 1955,
he decided on a last desperate gamble. In one of the most
fiery and intemperate talks that he ever gave, on August
31, Perón stated that justicialismo would once again devote
its primary if not exclusive attention to the descamisados.
He promised, in effect, to launch the previously avoided
frontal attack against the privileged classes: their money
would now be captured and used to finance the social revo­
lution toward which Perón had thus far only falteringly and
usually hypocritically proceeded.

This was too much for the military and other elements in
Argentina which, for a variety of reasons, had been grow­
ing increasingly restive under the dictatorship. In the very
next month of September, Perón was overthrown.

If Perón had had an ounce of integrity and basic economic
understanding, his overthrow at this time would have been
one of the great tragedies of Argentine history; for he was
at last threatening to bring about meaningful and probably
long-overdue social and economic measures in his country.
Perhaps Argentina will not emerge from its present distress­
ing situation until a new dictator appears who has integrity,
and who does not shy away from the methods rather crudely
advocated by Perón in his August 31 address.

This paper's hypothesis rests finally upon an optimistic be­
 lief that if and when national affluence, economic diversifi­
cation, and expanding productivity begin to be achieved in any
Latin American republic by the exercise of authoritarian
methods, within a generation or two the power of the gov­
ernment may gradually be curbed. The grounds for this hope
are that as new social elements acquire purchasing power and
education, they will introduce a fresh and unique bargaining
force into the socio-political complex and will balance the
traditionally limited and narrow sources of political control,
giving rise to a system of effective class and functional
interest group pluralism and of broad participation in the
decision-making process.

Although the matter is debatable, there may be some indica­
tions that Mexico has undergone a development roughly
along these lines. Mexico's experience may also indicate that
the relative success of a largely planned, state economy en­
courages an important role in some fields for private capital.12

Similar transformations might have occurred in Russia if that
country's communist leadership had not always been obsessed
with dominating the world, a task which has seemed to ne­
cessitate continuance of the most rigid state discipline. Fi­

ally, Japan, having gone through a period of authoritarian
controlled transformation, may now have succeeded in making
a sufficient adjustment to the economic and social pressures
exercised by the modern world as to be able to proceed
henceforward with a considerable element of political free­

IN approaching a conclusion, it may be worthwhile to ask:
what are the implications of this paper's hypothesis in
regard to United States policy toward Latin America? Simply,
that United States acceptance of more extreme measures of
centralized political and economic planning than have been
common in Latin America—outside of revolutionary Mexico
and Cuba—seems warranted and necessary. Whether we ac­
cept them gracefully or not, such expedients are likely to be
tried in additional countries south of the Rio Grande. We
must pay less attention to the short-term attainment of de­
mocracy in Latin America, and be more willing to accept
and to work with movements, should they come to power,
that place social and economic change ahead of democracy
in their timetable for reform—even if these movements are
dominated by figures that we find as unpleasant, indeed as
obnoxious, as a Perón or a Castro. We can only hope that
some of Latin America's future charismatic leaders will not
be so ignorant about basic economics.

It is possible, too, that Latin America's much maligned
military deserves a reassessment. In some instances, the
military seems to be growing aware of the need for far­
reaching social and economic change. A close student of the
subject has found considerable evidence that the Latin Ameri­
can military is coming to be more favorable in its attitude
toward the laboring classes, and that it is overwhelmingly
committed to industrialization. He finds that the military can no longer automatically be associated with the conservative landed aristocrats and the Catholic Church, and he contends that the militarists who seek power in the future will make an important and perhaps sincere bid for the support of urban workers.13

In some of the newly emerging countries of the East and of Africa, we have been willing enough to deal with military governments. Since the inauguration of the Kennedy administration, however, many of our policy makers seem to have entertained the hopeful assumption that most Latin American republics have already advanced to the point at which military government is no longer suitable, and that such changes as must be made can be effected within a democratic framework. Popular opinion in the United States probably supports this assumption, which was reflected in the book written by Tad Szulc in 1959, *Twilight of the Tyrants*, celebrating very prematurely the disappearance of military rulers in the southern republics. Actually, in some ways Latin America has not come much closer to modernization, to entering the sort of world characterized by the attitudes and physical accomplishments of advanced Western powers, than some of the just-born republics of the East and Africa. Latin America may be even more encumbered by anachronistic value judgments, such as those inhering in Hispanism and traditionalist Latin Catholicism and encouraging indifference or hostility to material progress and the broadly participating society, than some of the republics that have appeared since the end of the Second World War. Military authoritarianism could still play a helpful role in the future of at least several Latin American republics.

If there is not a basic change in United States attitudes, then authoritarian regimes that could be in the over-all best interests of Latin America might feel compelled to seek international support exclusively from the communist world. In short, if we insist upon immediate, or even fairly quickly achieved democracy, we may be sacrificing to the maelstrom of Latin America's social ferment the very last victim we wish to offer: the hope for the eventual attainment of widely dispersed human security, dignity, and freedom.14

With the assessment of the Cuban situation recently made by Mexico's president, Adolfo López Mateos, the author tends to agree—although at the same time realizing that the chief executive may have been less concerned with objective accuracy than with wooing Mexican leftists. López Mateos asserted there was a time when the Cuban revolution could have been preserved without communism; but, when Mexico, Brazil, and Canada tried to mediate and arrange a compromise, the Eisenhower administration refused to cooperate, thus setting the scene for a Soviet-Cuban entente. Perhaps the fiasco of United States relations with Cuba could not have been avoided. Perhaps Castro was already a communist when he assumed power; perhaps he was simply too unreasonable and unstable for the United States to deal with effectively. Whatever the truth may be, it is only reason-