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“A PERFECT (FREE-MARKET) WORLD?: ECONOMICS, THE EISENHOWER ADMINISTRATION AND THE SOVIET ECONOMIC OFFENSIVE IN LATIN AMERICA”¹

On January 16 1956, the Soviet Premier Nikolai Bulganin, “offered to expand diplomatic, economic, and cultural relations, extend technical assistance, and conclude training arrangements with Latin American nations.”² The next day, Bulganin told a reporter from Pravda that, “The Soviet Union... stands for the development of trade with countries of Latin America on the basis of mutual advantage.”³ This announcement was part of an ongoing shift in Soviet policy toward the developing areas of the world. In late-January, President Dwight D. Eisenhower chided Bulganin for Moscow’s new approach, telling him that recent deteriorations in East-West relations were, “because to us it has seemed that your Government had, in various areas of the world, embarked upon a course which increases tensions by intensifying hatreds and animosities implicit in historical international disputes.”⁴

Soviet actions were being driven by several factors: an ongoing internal dispute within the Kremlin over who should become the de facto leader of the Soviet Union; the continuing challenge that was being posed to Soviet supremacy in the communist bloc by Mao’s China; and, the changing nature of east-west tensions in the Cold War.⁵ This final point is especially instructive. With the situation in Europe more stable than at any time since 1945, the focus of American and Soviet officials had increasingly shifted toward the Third World.⁶ In fact, by 1955, both Moscow and Washington were beginning to see the emerging nations in the Third World as being crucial elements in the next phase of the Cold War. As Nikita Khrushchev’s rise to prominence in Moscow coincided with a more bellicose Soviet foreign policy,⁷ the U.S. was forced to reconsider its approach toward the Third World not just from an economic perspective, but from a strategic perspective, too.⁸

Given this wider global trend, we might expect historians analyzing U.S. policy toward Latin America to have highlighted the Soviet Economic Offensive (SEO) as being a critical moment; the time when the evolving pattern of events in the bilateral relationship between Washington and Moscow emerged in the Western Hemisphere. And yet, this has not been the case, with scholars continually playing down the importance of the SEO on U.S.-Latin American relations.⁹ Indeed, scholars from opposite ends of the historiographical spectrum – like Stephen Rabe and James Siekmeier – have generally found common ground in downplaying the importance of the Soviet offer of economic and technical assistance.¹⁰ Typically, there are two reasons why this instance of overt Soviet intervention in Latin America has not been accorded more importance by existing studies. Firstly, the initial Soviet offer dissipated quite quickly, as the poor quality of Soviet industrial products and the fallout in Eastern Europe following Khrushchev’s secret speech in February 1956 made the Soviet offer seem less attractive.¹¹ And secondly, U.S. policy is not perceived to have altered that significantly in the aftermath of the Soviet offer. Although there were some modifications made, they were not considered sweeping or wide-ranging enough to merit an in-depth investigation.¹² This was not, however, a universal trend; more significant consequences were apparent in other areas of the world. In Indonesia, as Robert McMahon has recently noted, the Soviet Economic Offensive was one of the catalysts behind the Eisenhower administration’s ill-fated

attempt to overthrow the Sukarno regime in the late-1950s.¹³ But while no such dramatic events were apparent in Latin America, the impact of the SEO on the thinking of U.S. officials toward the region should not be overlooked. In fact, as Kenneth Osgood has contended, “Soviet efforts to expand trade and cultural contacts with Latin America...set off alarms about the danger of communist penetration.”¹⁴

Contrary to the prevailing historiography, this article will suggest that the SEO was a significant moment. Not only did it mark the time when the U.S. began to consistently prioritize its strategic objectives in the region, but also, it began a process that would lead to more substantive changes in policy in 1958 and 1959 following the fallout from Richard Nixon’s tour of the region and the events of the Cuban Revolution.¹⁵ Most importantly of all, however, it presented the Eisenhower administration with a stark choice in determining the future course of inter-American relations: namely, in facing up to the SEO should the U.S. dramatically alter its economic approach toward the region in order to make it immune from future Soviet incursions, or should a short-term solution based on meeting the immediate political threat be implemented? Eisenhower, backed by the majority of his advisors, chose the latter. According to officials throughout the administration, the Kremlin’s challenge could be rebuffed through a more successful implementation of existing U.S. economic policy, a wide-ranging attempt to promote and strengthen the ideal of intra-hemispheric co-operation through the Organization of American States (OAS), and a refined and improved form of military assistance. This ‘new’ approach would be demonstrated at the Panama American Presidents Meeting in the summer of 1956, when Eisenhower would meet with the Latin American Heads of State and propose the formation of an Inter-American Committee of Presidential Representatives to discuss hemispheric economic relations. Yet if this was the high point of the response to the SEO, it was also its Achilles heel. Whilst it would prove to be successful at Panama in 1956, a year later, at the Buenos Aires Economic Conference, Washington’s adherence to traditional economic doctrine would cause a great deal of ill-feeling amongst the Latin American nations, leading to a rise in nationalist sentiments and widening the divide between Latin American models for economic development and those being put forward by the U.S.¹⁶ Long-simmering tensions within U.S.-Latin American relations would be brought to the boil by the U.S. response to the SEO, thus making the changes that occurred toward the end of the Eisenhower era inevitable as the administration strove to react to ongoing developments.

For underpinning the U.S. approach was an inherent difficulty: the assumption that the economic ideal of fostering development in the region through free market capitalism could be pursued successfully at the same time as quelling the influence of anti-American, nationalist or communist forces. This underlying predicament was outlined by the president’s Special Assistant, Nelson Rockefeller, at a National Security Council (NSC) Meeting in February, 1955. “Dictators in these [Latin American] countries are a mixed blessing,” Rockefeller stated. “It is true, in the short run, that dictators handle Communists effectively. But in the long run, the U.S. must encourage the growth of democracies in Latin America if Communism is to be defeated.”¹⁷ The problem – often unrecognized by U.S. officials – lay in trying to reconcile the economic ideals that governed Washington’s view of Latin American development with the strategic concerns highlighted by the shift in Soviet policy. Whilst these tensions had been apparent in U.S. policy before the SEO, they became endemic after 1956 when, as

Michael Adamson argues, “Moscow’s ‘economic offensive’...established a close connection between development and specific national security interests.”¹⁸

In keeping with the central arguments relating to “Eisenhower Revisionism,” the present article will concur that the president was indeed at the heart of his administration’s policy-making process.¹⁹ However, it also moves beyond the Eisenhower – John Foster Dulles nexus by highlighting the importance of other officials and departments within the Washington bureaucracy that contributed to the policy process – including the Assistant Secretaries of State for Latin America, the Departments of State, Defense, Treasury, and the Joint Chiefs of Staff, the Operations Coordinating Board, and semi-official organizations and institutions like the Export-Import Bank, the International Cooperation Administration, and the Foreign Operations Administration. Furthermore, it will support those scholars who have sought to critique the administration’s policies toward the Third World, arguing that the clash between the global priorities of the Cold War did not sit comfortably with the local dynamic of U.S.-Latin American relations and suggesting that U.S. policy was far more multi-faceted and complex than has traditionally been stated.²⁰ Finally, in further entrenching the role that private investment was expected to play in driving Latin American development, the Eisenhower administration would presage the dichotomy that would hinder the Alliance for Progress so severely during the 1960s.²¹

AN EMERGING TENSION: ECONOMICS AND NATIONAL SECURITY IN U.S. POLICY BEFORE 1956

The idealistic principles underpinning the U.S. approach toward Latin America were outlined by President Eisenhower in a speech he gave before the OAS on April 15, 1953.²²

Ours is an historic and meaningful unity. It is triumphant testimony...that peace and trust and fellowship can rule the conduct of all nations...I know that these facts, these simple ideals, are not new. But they are given a new, sharp meaning, by the nature of the tension tormenting our whole world... I do not think it unjust to claim for the government and the people of the United States a readiness, rarely matched in history, to help other nations improve their living standards and guard their security...²³

What was most striking about Eisenhower’s address before the OAS, however, is that it did not form the blueprint for his administration’s policies in Latin America.²⁴ Whilst Eisenhower would proclaim the U.S. willingness to “help other nations to improve their living standards and guard their security,” actual U.S. policy would not prove as coherent in aim or, indeed, application. Throughout its time in office, the administration would never manage to satisfactorily outline just how economic ideals – such as promoting Latin American growth through foreign private investment – could be pursued at the same time as strategic necessities – such as supporting authoritarian and repressive regimes. In global terms, the administration’s economic aims were clear enough: national security policy would be intended to cut deficits, maintain a strong dollar and generate economic development through private investment.²⁵ Or, as Burton Kafuman has put it: “Foreign economic policy would rest on the secure foundations of

lower tariffs and private investments abroad. These, and not public capital, would meet the world's economic needs and assure world economic prosperity."²⁶ But this model became problematic when applied to a relatively undeveloped area like Latin America. Strategic and economic objectives were not easily pursued simultaneously in areas lacking economic or political development; where building a strong bilateral relationship could mean supporting an undemocratic and corrupt regime. The solution, according to U.S. officials, lay in economic development funded by foreign private investment.

In trying to meet these variable objectives in Latin America a successful trade policy was deemed crucial. A paper produced by the sub-committee charged with determining U.S. policy at the Rio de Janeiro Economic Conference in late-1954 noted, "It is the policy of the United States to avoid large economic grant aid programmes. Thus, to achieve strong economies the American Republics must rely principally on the normal factors of international and domestic commerce."²⁷ This approach, according to the president, should be an abiding feature of U.S. policy, irrespective of the wider geopolitical context. As he told his brother, Milton, in 1954, "in the case of South America we want to establish a healthy relationship that will be characterized by mutual cooperation and which will permanently endure. This will apply whether or not the Communist menace seems to increase or decrease in intensity."²⁸

Thus, the administration's first policy document for the region – NSC 144/1 finalized in March 1953 – outlined an economic policy that was intended to galvanize Latin American development without the use of "grant aid or soft loans."²⁹ The lending capacity of the Export-Import Bank would initially be reduced, with the administration preferring to channel development loans through the International Bank for Reconstruction and Development (IBRD).³⁰ Eisenhower's preference for the IBRD came from the fact that its lending policy was based on strict banking principles, with loans only being released once a stringent set of economic criteria had been met.³¹ Following Milton Eisenhower's tour of the region in 1953, however, the administration relented and allowed the Export-Import Bank to increase its level of funding in Latin America.³² This slight modification came from the recognition that the undiversified, capital-poor economies of Latin America were beginning to stagnate following a period of impressive growth after World War Two. The recommended solution, as outlined in NSC 5407 in February 1954, was to help guide development through realistic expectations, the attraction of capital investment and an increased level of technical advancement.³³

At the heart of the administration's policy was the assumption that economic modernization would eventually lead to a region that was pro-U.S. and democratic. This stance was conditioned by the absence of any overt (or even likely) Soviet threat in the Western Hemisphere.³⁴ It was, however, being implemented in the face of a rising tide of anti-American sentiment in the region, which stemmed from a rapidly emerging desire to be free from U.S. economic supremacy.³⁵ NSC 144/1 recognized that there was a growing movement throughout Latin America calling for improved living standards and an end to poverty.³⁶ And the annex that fed into that document was even more explicit about the causes of such discontent. "The people of Latin America are becoming increasingly aware that 90% of the wealth of the Western Hemisphere (less Canada) is produced by one of the American republics – the United States – while 10% is produced by the remaining 20 American states," noted the report.³⁷ Such disparity was inevitably

breeding resentment and, as a result, “a doctrine labeled ‘nationalism’ or ‘colonialism’ has gained wide popular acceptance in the area.”³⁸

In spite of this, though, the administration’s economic approach toward Latin America prior to 1956 would be characterized by an enduring constancy and continuing faith in the potential of the free market system to meet U.S. objectives. This belief persisted even when initial results were disappointing.³⁹ A key economic clause in NSC 144/1 noted that, “the United States should encourage the institution of necessary Latin American government fiscal, budgetary and other measures which are indispensable to economic progress in the area through utilization of the International Monetary Fund, the International Bank, the Export-Import Bank, and other appropriate means.”⁴⁰ Similar sentiments were apparent in U.S. lending policy. A paper produced by a sub-cabinet committee in preparation for the Rio de Janeiro conference in 1954 stressed, “In considering loan applications, the United States will view more favorably those where the proponent country has taken measures that are designed to improve the investment climate and has adopted practices to stabilize and strengthen its economy from an investment standpoint.”⁴¹

But tensions were beginning to emerge; especially with respect to U.S. policies toward Guatemala. Throughout 1953 and the early months of 1954, the Guatemalan leader – Jacobo Arbenz – continued to pursue a radical economic and social agenda in direct contravention to American interests. As the situation became more pressing, U.S. officials sought to obtain a mandate from the OAS legitimizing action against Arbenz at the Tenth Inter-American Conference at Caracas in March, 1954.⁴² Predictably, though, the aims of the Latin American nations were centered on economic issues instead,⁴³ and their intransigence complicated U.S. efforts to attain an anti-communist resolution. “It had not been easy”, complained Foster Dulles to the NSC, confessing that he had “encountered much unhappiness and anxiety with respect to the commercial and financial policies which the administration was following in Latin America.”⁴⁴ In order to obtain a watered down resolution in the face of Latin American antipathy at Caracas, Dulles had been forced to agree to U.S. participation at another inter-American conference (this time to discuss economic issues) to be held in Rio de Janeiro later that year.⁴⁵ This concession, though slight, raised hopes among the governments of the region that a meaningful discussion on economic issues might finally take place.⁴⁶ During a discussion at a meeting of the Foreign Operations Administration (FOA) in June 1954, Marion Hardesty told the FOA head, Harold Stassen, that the Latin Americans had three objectives for the forthcoming conference in Rio de Janeiro: “The first is psychological – they want the U.S. to give them treatment in development financing that is equal to that given to other areas of the world; second, the formation of a Pan American Bank, and third a floor under prices paid for their commodities.”⁴⁷ However, whilst many U.S. officials recognized the desirability of taking a more accommodating position toward Latin American requests at Rio, they were determined to do so in a manner that was in keeping with American principles.⁴⁸ The prevailing sentiment was captured by Assistant Secretary Henry Holland in a memo to his deputy, Robert Woodward. “I state that we believe in the private enterprise system,” attested Holland. “Not because of any peculiar sanctity, but because it has demonstrated itself to be the best vehicle for efficient production of goods and services yet known...the bulk of the capital needed for economic development should come from private sources.”⁴⁹

NSC 5432/1 – finalized in advance of the Rio Conference – reaffirmed long-standing economic principles.⁵⁰ The IBRD and the Export-Import Bank would be used to finance “sound projects” – that is development proposals that private funding was not available for; that were economically sound; and, whose amounts were in accordance with institutional guidelines⁵¹ – whilst aid payments would be used only in situations that could be described as “urgent.”⁵² This mixture of ‘trade and loans’ met some resistance within the administration – both from groups that thought it was too lenient and those that thought it did not go far enough. The Treasury Department headed those officials believing the new policy to be too liberal, whilst Harold Stassen and the FOA (although with some support from State, Defense and the CIA) thought the U.S. could perhaps implement more changes. The policy outlined in NSC 5432/1 did not go as far in altering U.S. policy as advocated by Harold Stassen and the FOA. It was, however, a compromise from the arch-conservative view put forward by the Treasury Department. The options were outlined by Assistant Secretary of State, Henry Holland, to the NSC at the September 2 meeting, when he noted that his committee had “identified three levels of Government financing for Latin America”: “(1) a very restricted policy of Export-Import Bank loans; (2) a middle-of-the-road approach along the lines of NSC 5432...; and (3) the liberal policy described earlier in the meeting by Governor Stassen.” In light of the debate over the draft version of NSC 5432, Holland stated his belief that, “vigorous implementation of NSC 5432 would result in a realization of U.S. objectives in Latin America.”⁵³ Thus, at the Rio Conference in November, the U.S. delegation – led, controversially, by Treasury Secretary Humphrey – would systematically refuse to engage with Latin American proposals and singularly refused to countenance any change in economic policy.

By the time that the Soviet Union launched its economic offensive in Latin America in January, 1956, the Eisenhower administration was fully committed to the economic-centric policy that it had been pursuing in the region since early-1953. Assuredly, strategic and military assistance policies played a feature role, too, but the key objective for the administration was the importance attached to fostering Latin American development through the widespread expansion of free market capitalism. However, problems with the administration’s approach had begun to emerge during its attempts to oust Arbenz from power. Internal debates over the future course of U.S. policy had highlighted the growing need for a reappraisal of U.S. policy in Latin America. Furthermore, while Washington remained intransigent, anti-American sentiment in Latin America was on the rise. Robert Woodward, the Deputy Secretary of State for Inter-American Affairs, had outlined this in a memorandum in June, 1954. “Insufficient attention has been given within the U.S. government to the interests and problems of the Latin American countries as a whole,” Woodward noted. “There are continuing sources of irritation within the hemisphere which are exploitable for Communist propaganda purposes...it is important to take early action to eliminate or reduce these causes of friction.”⁵⁴ In early-1956, these sources of friction would come to the fore and challenge the Eisenhower administration to make a decision as to the future direction of U.S. policy in Latin America.

PERCEPTIONS OF SUCCESS: THE U.S. RESPONSE TO THE SEO AND THE PANAMA PRESIDENTS MEETING

The worldwide Soviet Economic Offensive demonstrated an increasing conviction within the Soviet leadership to improve Moscow's position with respect to foreign affairs, make the USSR safe from presumed capitalist hostility and expand Soviet influence in the Third World.⁵⁵ Evidence of this could be seen in the Soviet agreement to provide \$727 million worth of industrial aid to China and, also, in their attempts to forge alliances based on economic assistance with India and Egypt.⁵⁶ In fact, the total figure of Soviet trade with underdeveloped countries increased from \$850 million in 1954 to \$1.44 billion in 1956.⁵⁷ Such high-profile policies were typical of Khrushchev's approach to foreign affairs. William Taubman argues that his pursuit of a U.S.-Soviet détente was designed to, "undermine Western resistance to communist gains, tempt capitalists to increase East-West trade, and project a friendlier image in the Third World."⁵⁸ However, Khrushchev's approach to foreign policy did not silence his domestic critics and, by June 1957, he was coming under increasing fire from his colleagues in the Soviet Central Committee and faced a growing challenge to his premiership.⁵⁹

Meanwhile, Soviet actions were being viewed with some alarm in Washington.⁶⁰ In conversation with the British Foreign Minister, Selwyn Lloyd, Secretary of State Dulles informed him, we are "now faced with a situation in which a totalitarian power was operating in competition with a free world economic system," and was "trying to wreck the West through economic competition."⁶¹ Similarly, at the NSC Meeting on May 10 1956, Eisenhower forcefully outlined the way that Moscow was managing to exploit the capitalist system: "The Soviets [are] engaged in the great game of international politics, and in that game they didn't have to show a cent of financial profit." He went on to express "great concern" about the progress being made by the USSR and openly mused, "Whether we are going to wake up some morning and find...that Egypt has slipped behind the Iron Curtain."⁶² Clearly (and understandably), the administration was concerned about the potential impact that the shift in Soviet policy might have on U.S. interests.⁶³ A study prepared by the Policy Planning Staff in April noted that whilst anti-American sentiments in many underdeveloped countries were a result of nationalism rather than communism, "the Soviet challenge" did make "necessary a review of U.S. economic policy."⁶⁴ This sentiment was repeated by Foster Dulles in a letter to Treasury Secretary, George Humphrey. "I believe," he wrote, "that the present Soviet economic offensive requires a general re-examination of our aid programs to determine whether they are as effective as they might be."⁶⁵ Whilst the SEO was not the only factor behind this reappraisal, it was a major catalyst. In due course, the administration would make alterations to the Mutual Security Program (MSP) and, also, create the Development Loan Fund as a new avenue of available funding for capital-hungry Third World nations.⁶⁶ That the White House had to battle with a parsimonious Congress to introduce these changes only served to illustrate the administration's determination to address the problems posed by the SEO.⁶⁷

However, in doing so the administration was adamant that it would not be drawn into a tit-for-tat competition with Moscow. A major part of the administration's response would be focused on a far more strident implementation of Washington's economic policies regarding free trade and investment.⁶⁸ This would be matched by an intense psychological operation to boost the public image of the U.S. whilst, at the same time, undermining any progress made by the USSR.⁶⁹ But it was the economic aspect of this response that was most telling. Although Moscow's actions had blurred the previous

distinctions between economic development and national security, the Eisenhower administration retained an innate belief that an improvement in implementing its economic strategies could play a significant role in countering the Soviet threat.⁷⁰ The centrality of this idea in American policy was outlined in a position paper produced at the Princeton Conference in 1954:

The growth of the free world economy is important to us for much more than economic reasons. We believe material progress to be a necessary foundation for more far reaching American aspirations for a civilization in which human dignity, freedom, and respect for the individual can flourish, and in which societies based on these principles can effectively defend themselves...⁷¹

This was outlined more specifically in terms of a response to the SEO in a working paper produced by a Council on Foreign Relations Study Group. “Our main aim is to help promote sound economic development over the long run,” stated the paper. “The Russians can gain short run political advantage by the way they handle their development policies and by choosing popular and spectacular projects for aid...it should be countered by other means than manipulating our aid policy.”⁷²

Prior to Bulganin’s offer of economic assistance to the Latin American nations in January, 1956, there had been some discussion within the Eisenhower administration as to the potential danger of an increased Soviet presence in the region. A National Intelligence Estimate (NIE) in late-1955 warned that the combination of increased Soviet activity and existing social and economic pressures was liable to, “subject the inter-American system to new strains and adversely affect political, economic and military cooperation with the United States.”⁷³ More troubling was the argument outlined in a report generated within the Department of the Joint Chiefs of Staff, which noted that any increase in Soviet activity in the region was evidence of the “alertness of the Soviets to exploit Latin American complaints against American economic policies.”⁷⁴ Thus, when Bulganin made his offer to the Latin American nations, the view in Washington was that the Kremlin was seeking to take advantage of existing problems in the inter-American relationship.

Yet the SEO was more than an economic challenge to the U.S. Coming in both an election year and at the end of a period when Eisenhower had continually extolled the Guatemalan people’s rejection of communist ideology, the Soviet offer was also politically problematic for the U.S.⁷⁵ Therefore, in meeting the Soviet challenge, any U.S. response had to consider both the economic and political aspects of the SEO, as well as balancing the local dynamics of the inter-American relationship with the global exigencies of the Cold War. In its attempts to react swiftly and decisively to the Soviet move, the Eisenhower administration would forsake the opportunity to implement real and lasting changes to the fabric of the inter-American relationship, opting instead, for a short-term solution that would neutralize the impact of the SEO. This decision – which saw more emphasis placed on intra-hemispheric cooperation, improved military assistance schemes and more strident implementation of existing economic ideals – would irrevocably commit the United States to following a course of policy in Latin America that was intrinsically linked to the edicts of free market capitalism. The precise nature of the U.S. response to the SEO in Latin America was outlined at the Panama Presidents Meeting in August, 1956. However, once the initial goodwill generated by

this meeting had subsided, the U.S. would be confronted by a rapid and inexorable rise in anti-American sentiment in the region; fuelled, in the main, by the administration's refusal to significantly alter its economic policies.

In Washington, the immediate impact of the SEO was highly apparent. In February, 1956, Henry Holland, the Assistant Secretary of State for Inter-American Affairs, highlighted its impact in a memorandum to Secretary Dulles, highlighting the strategic worth of a potential commodity agreement between the U.S. and the Latin Americans. "Today," noted Holland, "a coffee agreement would be a political implement giving the U.S. enormous influence over the reactions of the Latin American governments to the current Soviet diplomatic and economic campaign in this hemisphere." Holland believed that a commodity agreement would give the U.S. the necessary leverage to influence Latin American policy, without contravening its economic principles. "We need something new that does not involve broad grant aid, soft loans, loans to the oil industry or loans to projects for which private capital is available," he wrote.⁷⁶ "We must put the other country in a position where it is obvious to her that if she accepts Soviet credits we can quietly diminish or cut off continuing benefits which are more important to her than anything Russia can offer." Ultimately, "we now have a new challenge, and I do not believe our existing policies will meet it," Holland informed Dulles.⁷⁷

A similarly urgent appraisal was being applied to the activities of the Export-Import Bank. The Bank's lending programs had been a source of concern for U.S. officials since November, 1954 when, at the Rio Conference, the U.S. delegation had made assurances to the Latin American nations that the amounts being invested by the Bank would increase dramatically. By late-1955 this had not occurred. "The level of lending should be at least the minimum amount necessary to keep the Latin Americans from complaining," Henry Holland told an economic sub-committee in December, 1955. "We have led them to believe that 'substantial results' will be realized, and if we do not live up to this, there will be intense complaints."⁷⁸ This process was given an added fillip by the SEO. On January 17, 1956, Holland repeated his sentiments in a memorandum to Foster Dulles and Under Secretary of State, Herbert Hoover Jr, before adding: "Our whole economic policy in the area is built around this commitment, yet we are clearly failing to keep it...the whole problem has been rendered much more acute by the Soviet campaign in the area."⁷⁹ Acting on his lieutenant's instructions, Dulles informed Samuel Waugh (President of the Export-Import Bank) that he was concerned "as to whether the operations of the Export-Import Bank in the area will be of [a] volume sufficient to serve as an effective defense against the Russian campaign."⁸⁰

Whilst these examples illustrate the immediate effect of the SEO, it is necessary to demonstrate the wider response formulated by U.S. policymakers. In broad terms, the administration's response was to emphasize its strategic objectives in the region.⁸¹ In March, an OCB Progress Report cautioned that Bulganin's offer was, "the Soviet Union's most important policy statement on Latin America to date." While the report was not explicit about a recommended response, it did recognize that, "the Soviet offensive lends urgency to the need to stimulate among the Latin American governments and people an understanding of the threat posed by international communism and a determination to control it." Moreover, it outlined what was to become a central part of the

administration's attempt to counter the SEO: "The necessity to associate the United States with the aspirations of the Latin American people to a greater extent," coupled with the need to counter communist propaganda, "portraying the United States as the imperialist exploiter of the peoples and resources of the area."⁸²

Two weeks later, an "Outline Plan of Operations against Communism in Latin America," set out the retort to the SEO in more detail. It stated that U.S. actions would be based on:

- (1) Preservation with all governments of cooperative constructive friendly relations...
- (2) Continuous demonstration in Latin America of the vigor and resourcefulness of U.S. policy and technology, and the high levels of morality and democracy...
- (3) Maximum effort to associate communism with subversion...and
- (4) the use of appropriate OAS, UN and other multilateral, as well as bilateral, action in combating it.⁸³

An essential part of this policy would be in strengthening the ties between the U.S. and the Latin Americans. Washington, the report stated, should keep in mind its "power to weaken communism by strengthening and improving the welfare of Latin American governments and peoples and by drawing close the political, economic, psychological, spiritual and military bonds of Latin American governments and peoples with the United States and the West."⁸⁴ Meeting the Soviet challenge did not, according to the OCB and leading officials within the administration necessitate a change in economic policy. Instead, economic policies would be implemented more stridently, military assistance policies would be improved and, most importantly, the U.S. would make a far greater effort to foster Pan-American harmony by consulting the Latin American nations more often through the OAS. The administration was clearly placing immediate Cold War concerns ahead of the chorus of Latin American public opinion demanding significant changes in U.S. economic policy.

A demonstration of how this approach translated into actual policy came at the Panama Presidents Meeting in August, 1956. The meeting was timed to coincide with the one-hundred-and-thirtieth anniversary of the first Pan-American Congress, and was intended as a ceremonial forum at which Eisenhower could visit Latin America, bestow his presence on the maximum number of leaders possible and significantly boost the standing of the United States in the region. In the wake of the SEO, U.S. officials saw the Panama Meeting as an excellent opportunity to demonstrate the healthy state of the inter-American system. Prior to the meeting, Secretary Dulles cabled the U.S. diplomatic missions in the region and told them to, "interpret his [Eisenhower's] presence [in] Panama as evidence [of the] importance U.S. attaches [to] its relations with Latin America."⁸⁵ Early drafts of a declaration for the meeting stressed this very point and called for an, "intensification of national and inter-American cooperative efforts to seek the solution of economic problems and to raise the standards of living on the continent."⁸⁶ Furthermore, Eisenhower would go to Panama armed with a proposal for a multilateral committee – run through the OAS – which would meet to discuss hemispheric economic issues. Hugely popular, it gave the appearance of engaging with Latin American economic demands without committing the U.S. to any actual changes in policy. "My brother knew his proposal would meet with enthusiastic approval," enthused Milton Eisenhower in 1963.⁸⁷ In a memorandum detailing the proposed committee, Harold Randall, the U.S. Representative to the Inter-American Economic and Social Council,

sketched out the benefits it would have for the U.S. As well as strengthening the prestige of the OAS and U.S.-Latin American relations, “the establishment of the Committee would,” Randall wrote, “constitute a significant deterrent to the current Soviet campaign for expansion of diplomatic and economic relations in Latin America.”⁸⁸ The administration hailed the Panama Meeting as a triumph. “It was a great success from the standpoint of public relations,” noted the president in his diary.⁸⁹ Nevertheless, whilst the meeting and the formation of the Presidents Committee had paid lip-service to Latin American economic proposals, this had been done purely for strategic purposes. Basic economic principles in the region remained unaltered. However, despite US intentions, Latin American expectations had been raised. In retrospect, noted Milton Eisenhower, the new committee was formulated with the “undue expectation that the United States would greatly increase its assistance to Latin America.”⁹⁰ Consequently, the U.S. would find itself under severe pressure at the Buenos Aires Economic Conference a year later to expand upon the concessions made in Panama. Even as the immediate Soviet threat to the region was receding in late-1956, the changes made to U.S. policy were beginning a new phase in intra-hemispheric relations.

HOLDING THE LINE: THE BUENOS AIRES ECONOMIC CONFERENCE

As Moscow’s offers of economic and technical assistance ran aground in late-1956 – hindered by the poor quality of Soviet industrial products and the public relations disaster of sending the Red Army into Hungary in November⁹¹ – the Eisenhower administration continued its efforts to significantly improve the U.S. position in Latin America. For they were aware that the Soviets would be sure to come again; a prediction that was amply demonstrated in 1957 and 1958 as the Kremlin renewed its attempts to forge diplomatic and economic links throughout the Third World.⁹² More importantly, the SEO had highlighted the strategic frailties of the U.S. position in the region, which as the battle for “hearts and minds” in the Third World continued to intensify, needed to be addressed forthwith.⁹³

In an effort to build on the achievements of the Panama Meeting, the administration produced NSC 5613/1 in September. A Briefing Paper prepared for the president described the major facets of this new policy statement:

A. The Organization of American States is to be strengthened...this reflects the President’s proposal for strengthening the OAS made at the recent Panama meeting of the Presidents of the American Republics...B. Existing policy relies primarily on private trade and investment in the economic development of Latin America. These activities, particularly trade, are to be pushed more vigorously to forestall Soviet economic penetration.⁹⁴

At the NSC Meeting on September 6, the members debated a series of measures it was believed would help to shore-up the U.S. position in the region and preclude any future Soviet incursions. Secretary Dulles and Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff, argued over the best way of improving U.S. military assistance policies, whilst a further discussion focused on the language outlining the lending policies of the Export-Import Bank. As well as these suggestions the Joint Chiefs of Staff also insisted that a passage be included that committed the U.S. to “employ appropriate political, military and economic measures” if “a Latin American state should establish with the

Soviet bloc close ties of such a nature as to seriously prejudice” American interests.⁹⁵ In the document itself, however, the administration’s enduring faith in the capacity of foreign private investment to improve inter-American relations was clearly apparent. It stated:

The Soviet overtures only serve to emphasize the urgency and necessity of carrying out U.S. policies vigorously, especially loan and trade policies, in order to demonstrate the benefits to be derived from a free private enterprise system and from close relations with the United States.

Washington would also increase the amount it spent in the region. In the financial appendix to the document, the administration’s outlay was projected to rise from \$80.8 million in 1955 to \$160 million in 1958, with the majority of these further funds being apportioned to military assistance, the construction of an inter-American highway and improved information service programs.⁹⁶ Following the finalizing of NSC 5613/1, the OCB prepared an “Outline Plan of Operations,” which brought all of this together and stressed that it was: “Essential that the U.S. defeat the Communist intention of penetrating and subverting the American states, and to maintain close and friendly relations with these nations.”⁹⁷

This response to the SEO was very much in keeping with the administration’s global rejoinder. Tensions within this policy, though, were beginning to emerge. When the plan of operations was finalized in April, 1957, there was a frank recognition that Latin American unhappiness with U.S. economic policy was growing and needed to be addressed. Feelings that the U.S. was neglecting and underfunding the region could not “be overlooked” the report stated, “Since they come into head-on collision with the basis of current U.S. economic policy with respect to Latin America.”⁹⁸ But, by September, this did not seem to require an immediate solution: the U.S. response to the SEO appeared to have been successful. “The Soviet bloc,” an NSC Progress Report noted, “has not increased its influence in the area,” whilst levels of trade between the Soviet bloc and Latin America had receded.⁹⁹ This perception of success, however, obscured a significant problem with NSC 5613/1: the document did not specifically clarify just how the U.S. could achieve its strategic aim of improving U.S.-Latin American relations whilst also adhering to its long-standing economic principles.

As a political tool, the creation of the inter-American committee at the Panama Presidents Meeting had been hugely popular with the Latin American nations.¹⁰⁰ However, it raised expectations in the region that more meaningful changes in U.S. policy might be imminent; when these did not emerge, significant problems began to develop. Although U.S. policymakers were aware of the economic problems in Latin America, the SEO had not provided the catalyst for any significant change in economic policy.¹⁰¹ Therefore, while the approach taken in Panama had successfully obviated the immediate danger posed by the SEO, it had not addressed the abiding tension in U.S.-Latin American relations over development policies. These problems would begin to come to the fore at the Buenos Aires Economic Conference in August, 1957.

Prior to the Conference, changes in government personnel had raised the possibility of a more lenient policy. Treasury Secretary, George Humphrey, and Assistant Secretary of State, Henry Holland, had both left the administration to return to the private sector and were replaced by Robert Anderson and Roy Rubottom.¹⁰²

Anderson and Rubottom – along with Thomas Mann and Douglas Dillon (as Assistant Secretary of State for Economic Affairs and Deputy Under Secretary of State for Economic Affairs) – were part of an influx of officials that were more open to the idea of relaxing U.S. economic policy.¹⁰³ However, although the administration did moderate its position on commodity agreements, increase lending through the Export-Import Bank and inaugurate a new Inter-American Development Bank,¹⁰⁴ it did not relax its stance with respect to the necessity of structuring Latin American development through foreign private investment.¹⁰⁵

Still, U.S. officials knew that they were likely to come under severe pressure from the Latin American delegates at Buenos Aires. “At the Conference,” Roy Rubottom wrote to Douglas Dillon, “we can...expect to have a difficult task of negotiations due to the continuing impossibility of our acceding to Latin demands for money and measures that they say they need for economic development.”¹⁰⁶ In anticipation of the Conference, the Latin American nations had issued an Inter-American Economic Agreement (that the U.S. had agreed to discuss). Despite the post-SEO changes, U.S. policymakers were highly skeptical about the merits of the draft agreement. At a meeting held in the Treasury Department, it became evident that Treasury officials still had “very serious doubts” as to whether the U.S. “should undertake to negotiate with the Latin American governments on a text of the kind drafted by the Secretariat of the Pan American Union.” As Rubottom noted in the minutes of the meeting, though, the U.S. had agreed to negotiate on the agreement at Buenos Aires, and therefore,

We should not hesitate to decide our position and then negotiate it as strongly and as effectively as possible... it was unlikely that the Latin American countries would be satisfied with another declaration or that it would fulfill our commitment to negotiate for an agreement.¹⁰⁷

Rubottom recognized that to adopt the same stance as at the Rio Conference in 1954 would not placate Latin American demands and would inflame nationalist and anti-American sentiment in the region. Despite Rubottom’s arguments, though, the final recommendation of the sub-committee set up to formulate U.S. policy for the Conference was: “The U.S. platform at Buenos Aires should be the same as at Rio – a strong presentation of the benefits of private investment and free private investment.”¹⁰⁸ The historiography dealing with this period has not sufficiently examined the administration’s unwillingness to alter its approach for the Buenos Aires Conference.¹⁰⁹ Yet doing so is of central importance in recognizing the importance of the SEO when considering the evolution of U.S.-Latin American relations during the Eisenhower era. Although national security imperatives had assumed far more importance in U.S. policy, traditional economic principles remained unaltered and still exerted a strong influence.

The dichotomy between the strategic need for regional harmony and traditional reticence with regard to altering U.S. economic policies was summarized by Douglas Dillon at a State Department meeting on June 28. After beginning by stating that the U.S. should look to adopt a “positive and accommodating position,” Dillon then seemed to recant this by noting: “Since it may not be possible for the Latin Americans and us to reach accord on a General Inter-American Economic Agreement, we may wish to suggest at the Conference that, instead of a treaty, convention, or agreement, the delegates prepare a declaration or resolution.”¹¹⁰ Despite recognizing that adopting such

a stance was not consistent with the aim of strengthening inter-American relations, the U.S. position for the Buenos Aires Conference was one predicated almost entirely on long-standing economic aims. In fact, the Conference's final communiqué ended up, "reaffirming" U.S. economic policy, as the American delegation "refused to accept Latin American proposals and forced the delegates to accept a final treaty that did not in any way alter the status quo."¹¹¹

Publicly, the administration was forced to proclaim the Conference a triumph. One reporter asked Roy Rubottom whether "it was...a disaster for us?" "On the contrary," Rubottom replied, "I think we came out of the Conference very well. I think that we consider that the Conference was a success."¹¹² However, the internal discussions held beforehand had expressed a degree of hesitancy with regard to the proposed U.S. position. These concerns were well founded. By November, 1957, Milton Eisenhower was writing to Rubottom expressing his dismay at the plummeting U.S. reputation in Latin America. "I take it," he wrote, "that our relations with most of the nations of Latin America are degenerating, and that this is happening primarily because they continue to feel we are disproportionately helping other areas of the world financially."¹¹³ While the short-term measures introduced to counter the SEO had been relatively successful, the absence of any comparable shift in economic policy had undermined the stability of U.S.-Latin American relations.

Both before and after the Conference, officials like Dillon and Rubottom had realized that by continuing to stymie any alterations in policy, the U.S. was hampering its chances of achieving its strategic aims in the region.¹¹⁴ However, U.S. ideological constructs dictated that strategic imperatives would still have to be attained in a manner in keeping with the ideals of free market capitalism.¹¹⁵ Consequently, deep Latin American dissatisfaction with U.S. policies would continue to develop, and the main strategic goal of the administration in the region – to significantly improve inter-American relations – would remain unattained. The waning threat posed by Moscow allowed Eisenhower a degree of leeway; but the shift toward a new phase in U.S.-Latin American relations had clearly begun. With rising discontent leading to political instability, the U.S. position in the region was coming under increasing threat. Indeed, in December 1958, a National Intelligence Estimate confirmed what several leading officials already knew, stating: "Political instability in Latin America will continue as a major obstacle to improvement in relations with the United States."¹¹⁶ The course of inter-American relations had gone beyond the strategic challenges posed by the SEO. By failing to recognize this fact in the eighteen months after Bulganin's offer in January, 1956, the Eisenhower administration had entrenched a dichotomy between national security and economic development onto U.S.-Latin American relations that would have a long-lasting impact on inter-American relations.

The events of Vice President Richard Nixon's tour of Latin America in the spring of 1958, when anti-American sentiment emerged at its most fervent, demonstrated the impact that this period had upon U.S.-Latin American relations.¹¹⁷ Upon arriving in Caracas, Venezuela, Nixon's entourage was greeted by a "group made up of ruffians and riffraff"; "for fourteen agonizing minutes Nixon and his wife sat trapped in their separate limousines while the press captured an occurrence unique in U.S. history – enraged demonstrators spitting on the Vice President of the United States."¹¹⁸ This was a

damning indictment of Washington's response to the SEO: although the immediate strategic threat had been met, policies which were supposed to significantly improve the U.S. position in the region had quite clearly failed. As Alan McPherson has written, "Whatever else this was, most witnesses agreed, it was anti-Americanism – unbridled hostility toward the United States."¹¹⁹ Consequently, an OCB report produced in June, 1958, detailed that, "growing operational difficulties, present and prospective, with respect to the trends among the peoples of the area point to the need for a close scrutiny of these policies and programs."¹²⁰

These "growing difficulties" can be traced back to the period following the SEO and the changes that occurred in U.S. policy. To be sure, these changes were not particularly revolutionary, but they did prove to be successful in meeting the immediate strategic threat posed by Moscow. And yet crucially, this shift in policy brought to the surface long-simmering tensions in U.S.-Latin American relations: by prioritizing its strategic aims in the region and failing to address the economic grievances of the Latin Americans, the Eisenhower administration inadvertently undermined the long-term stability of the U.S. position. This has two significant consequences for our understanding of this topic.

Firstly, the evidence presented here challenges the contention of Eisenhower Revisionists who argue that the president (and his administration) had a clear conception of what they wanted to achieve and that this consistently formed the basis of its policies throughout its time in office. From January 1956 onwards, the U.S. was put into a position of reacting toward emerging strategic threats rather than following a pre-existing set of policy objectives. This is of significance with regard to the existing historiography on U.S.-Latin American relations. For the administration's Latin American policies did not adhere to a singular objective throughout its time in office. In fact, the abiding feature of U.S. policy toward Latin America in the Eisenhower era is of an administration attempting to balance its strategic and economic objectives in the face of competing interests. It was the Soviet Economic Offensive that brought this challenge to the fore. In broader terms this argument moves beyond traditional constructs regarding the role of economic factors in American ideology. Whilst it concurs that U.S. policymakers were inexorably committed to long-standing economic principles in the region, it also demonstrates that strategic interests – and especially the need to be seen to be winning the Cold War – were an equally important facet of Washington's ideological conception of the region.¹²¹

Secondly, the present article expands our knowledge about the dynamics of inter-American relations during the 1950s. In responding to the SEO, U.S. officials attempted to impose hemispheric unity upon the region without relaxing their position on those issues considered vital by the Latin American governments. Whilst the Latin Americans wanted a strong partnership with the U.S., they wanted it to be one that was based on wide-ranging economic assistance from Washington in order to aid development. This was too radical a step for U.S. officials, though, and U.S. policies fell far short of meeting the Latin American agenda.¹²² This trend underpinned the events at the Buenos Aires Conference, where the disparity between the positions of the Latin Americans and the U.S. was demonstrably clear. Any concessions made by Washington in the post-1956 period were in order to meet pressing strategic concerns only. This point was driven home in the period after the Buenos Aires Conference when, with the U.S. coming under

increasing diplomatic pressure to agree to an Inter-American Economic Agreement, John Dreier, the U.S. Ambassador to the OAS, wrote in a memorandum: “I believe...we should take another look at drafting a harmless economic agreement which we could urge the Senate to ratify for political purposes.”¹²³ Though the role of the Latin American nations was of obvious importance, it was still Washington that had the final say and drove the policy process.¹²⁴

Ultimately, were it not for the emergence of the SEO in Latin America and the subsequent failings of the U.S. response, it is difficult to see later changes in policy being as radical as they turned out to be. The actions taken by U.S. policymakers in order to counter the SEO began a process of evolving change in American policy. As Milton Eisenhower wrote in 1963, “The stage was set – somewhat inadvertently – for the initiation, almost imperceptible at first but reaching a crescendo in 1958, 1959, and 1960, of dramatic and beneficial changes in United States-Latin American relations.”¹²⁵ When the administration came to reassess U.S. policy in the wake of the Nixon trip, leading officials were appreciative of the fact that they needed to go beyond those changes that had been made in response to the SEO in 1956. Even then, new policies such as the creation of an Inter-American Development Bank (IADB) in 1959 and a Social Progress Fund a year later remained rooted in traditional American ideals with regard to economic beliefs.¹²⁶ In fact, in the administration’s final proposal for the IADB, the U.S. insisted upon “maintaining our long standing principles with respect to avoiding excessive competition with private enterprise.”¹²⁷

In the Eisenhower administration’s failure to negotiate this tension between economic idealism and strategic realism lay the seeds of future difficulties for policy toward Latin America. On March 13, 1961, President John F. Kennedy, “called on all people of the hemisphere to join in a new Alliance for Progress – Alianza para el Progreso – a vast, cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools.”¹²⁸ And yet, in attempting to implement the Alliance for Progress, the Kennedy administration would find its efforts severely hindered by what Michael Latham has termed the tension “between containment and development.”¹²⁹ To its eventual cost, the Kennedy administration – as had the Eisenhower administration before it – found that it was intensely difficult to pursue an idealistic vision of Latin American economic development at the same time as maintaining a strong stance on national security. Neither Eisenhower nor Kennedy proved able to bridge this gap; an inability that was predominantly driven by both men’s ideological commitment to the two central features of US policy in the region. All of which leaves us with the words of Stephen Rabe who, in outlining the reasons for the failure of the Alliance for Progress, offers an analysis that is equally applicable to the difficulties encountered by Dwight D. Eisenhower after January, 1956. “President John F. Kennedy brought high ideals and noble purposes to his Latin American policy. Ironically, however, his unwavering determination to wage Cold War in the ‘most dangerous area in the world’ led him and his administration ultimately to compromise and even mutilate those grand goals.”¹³⁰

¹ I am indebted to Scott Lucas for reading and making incisive comments on numerous drafts of this article. I’d also like to especially thank Ian Jackson for his comments and suggestions. Finally, thanks are also due

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² Stephen Rabe, *Eisenhower: The Foreign Policy of Anti-Communism & Latin America* (Chapel Hill: University of North Carolina Press, 1988) p 90

³ Interview given by Nikolai Bulganin to a correspondent of Pravda, January 17 1956 in, Stephen Clissold (eds), *Soviet Relations with Latin America, 1918-1968: A Documentary Survey* (London: Oxford University Press, 1970) p 158-9

⁴ Letter from President Eisenhower to Soviet Premier Nikolai Bulganin, January 28 1956. Taken From: <http://www.presidency.ucsb.edu/ws/index.php?pid=10627&st=&st1> Accessed on May 15 2007

⁵ This was a process that had begun in March 1953 with the death of Stalin and which was still ongoing by 1956 – although Bulganin and Nikita Khrushchev had emerged as the two Politburo members with the most authority by this time. For information on Mao’s challenge to the Soviet Union, see: Jung Chang & Jon Halliday, *Mao: The Unknown Story* (London: Vintage Books, 2005). For information on the factors underpinning Soviet policy at this time, see: William Taubman, *Khrushchev: The Man, His Era* (U.S.A: Free Press, 2003) p 325-360; Joseph Noguee & Robert Donaldson, *Soviet Foreign Policy since World War II* (New York: Pergamon Press, 1984) Second Edition 1985 p 101-112, 146-160; Dmitri Volkogonov, *The Rise and Fall of the Soviet Empire: Political Leaders from Lenin to Gorbachev* (London: HarperCollinsPublishers, 1998)

⁶ Saki Dockrill, *Eisenhower’s New-Look National Security Policy, 1953-1961* (London: Macmillan Press, 1995) pp 168-177; Robert Bowie and Richard Immerman, *Waging Peace: How Eisenhower Shaped an Enduring Cold War Strategy* (U.S.A: Oxford University Press, 1998) pp 253-6; John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 1982) pp 174-181

⁷ See: William Taubman, *Khrushchev* (2003); Joseph Noguee and Robert Donaldson, *Soviet Foreign Policy* (1984)

⁸ For information on this change see: Thomas McCormick, *America’s Half-Century: United States Foreign Policy in the Cold War and After* (Baltimore: John Hopkins University Press, 1989) Second Edition 1995 p 118-122; David Ryan, *U.S. Foreign Policy in World History* (London: Routledge, 2000) p 140-161; Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of our Times* (Cambridge: Cambridge University Press, 2005); Andrew Johns and Kathryn Statler (eds), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (Oxford: Rowman and Littlefield, 2006)

⁹ Typically, the field of U.S.-Latin American relations has been split into two schools: the “Strategic” school and the “Economic” school. The Strategic view, which stipulates that U.S. policy toward the region was predicated on Cold War concerns and the fight against communism is put forward by Stephen Rabe (1988); Mark Gilderhus, *The Second Century: U.S.-Latin American Relations since 1889* (Wilmington, Delaware: Scholarly Resources Inc, 2000); Gaddis Smith, *The Last Years of the Monroe Doctrine* (New York: Hill & Wang, 1994); Cole Blasier, *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America 1910-1985* (Pittsburgh: The University of Pittsburgh Press, 1976) Revised Edition 1985; Joseph Smith, *The United States and Latin America: A History of American Diplomacy, 1776-2000* (London: Routledge, 2005). The Economic argument – that U.S. policy was more concerned with economic expansion – can be found in: William Appleman Williams, *The Tragedy of American Diplomacy* (New York: W.W. Norton, 1959) Third Edition 1972; Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: W.W. Norton, 1983) Second Edition 1993; James Siekmeier, *Aid, Nationalism and Inter-American Relations: Bolivia, Guatemala and the United States, 1945-1961* (New York: Edward Mellen Press, 1999); Matthew Loayza, “An Aladdin’s Lamp for Free Enterprise: Eisenhower, Fiscal Conservatism, and Latin American Nationalism, 1953-61” *Diplomacy and Statecraft* (Volume 14, No. 3, September 2003)

¹⁰ Stephen Rabe, *Eisenhower* (1988); James Siekmeier, *Aid, Nationalism and Inter-American Affairs* (1999)

¹¹ Stephen Rabe, *Eisenhower* (1988) p 91; For an examination by Soviet officials of the impact that Moscow’s actions in Hungary and Suez had on opinion in the Third World (predominantly Asia) toward the U.S.S.R and the U.S. see: “Third World Reaction to Hungary and Suez: A Soviet Foreign Ministry Analysis,” December 28 1956 Taken From: Cold War International History Project, Virtual Archive, *Soviet Foreign Policy*

http://www.wilsoncenter.org/index.cfm?topic_id=1409&fuseaction=va2.document&identifier=82DDDEAF-D628-BF3A-FBBD65B5A0ABBCE4&sort=Collection&item=Soviet%20Foreign%20Policy Accessed on February 8 2007.

¹² In fact, the failure of U.S. officials to implement significant changes in their economic policies following the Soviet move causes James Siekmeier to view the changes in policy as being part of a wider, global trend. Similarly, the Strategic scholars have focused on the Nixon trip as being the defining moment when U.S. officials perceived a wholesale change in policy to be necessary; this is due to the fact that the changes implemented post-January 1956 were not substantial enough to be viewed as being wholly significant.

James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999); Stephen Rabe, *Eisenhower* (1988)

¹³ Robert McMahon, "The Point of no Return: The Eisenhower Administration and Indonesia, 1953-1961" in Kathryn Statler and Andrew Johns (eds), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (Lanham, Maryland: Rowman & Littlefield, 2006)

¹⁴ Kenneth Osgood, *Total Cold War: Eisenhower's Secret Propaganda Battle at Home and Abroad* (Lawrence, Kansas: University Press of Kansas, 2006) p 148

¹⁵ Including the creation of an Inter-American Development Bank, a Social Progress Fund and, following the election of John F. Kennedy in 1961, the Alliance for Progress. For information on this, see: Stephen Rabe, *Eisenhower* (1988) Chapters 6 & 7; Alan McPherson, *Yankee No!: Anti-Americanism in U.S.-Latin American Relations* (Cambridge, Massachusetts: Harvard University Press, 2003) Chapters 1 & 2; James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) Chapters 7 & 9; Stephen Rabe, *The Most Dangerous Area in the World: John F. Kennedy Confronts Communism in Latin America* (Chapel Hill: University of North Carolina Press, 1999)

¹⁶ Throughout the Eisenhower era, there was a distinct difference between the model for economic development being advocated by the U.S. and those ideas being put forth by the Latin American nations. This would become most evident in 1958 when President Juscelino Kubitschek of Brazil launched his "Operation Pan America" proposal, which called for a Marshall Plan for Latin America. It was a suggestion that found little favour in Washington. However, it was also a trend that was in evidence earlier in the period, with the work of Economic Commission on Latin America (ECLA) and Raul Prebisch often putting forward proposals that were not compatible with U.S. policies. For more on this, see: Michael Weis, *Cold Warriors & Coup D'états: Brazilian-American Relations, 1945-1964* (Albuquerque: University of New Mexico Press, 1993); James William Park, *Latin American Underdevelopment: A History of Perspectives in the United States, 1870-1965* (Baton Rouge: Louisiana State University Press, 1995); Matthew Loayza, "An Aladdin's Lamp for Free Enterprise" (2003); James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999); Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil* (New York: Monthly Review Press, 1969)

¹⁷ Memorandum of Discussion at the 237th National Security Council Meeting, February 17 1955, Foreign Relations of the United States (hereafter FRUS) 1955-1957 Volume VI p 2-5

¹⁸ Michael Adamson, "The Most Important Single Aspect of our Foreign Policy?: The Eisenhower Administration, Foreign Aid, and the Third World" in Kathryn Statler and Andrew Johns (eds) *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (2006) p 56

¹⁹ For an excellent and thorough appraisal of the historiography relating to "Eisenhower Revisionism" see: Stephen Rabe, "Eisenhower Revisionism: The Scholarly Debate" in Michael Hogan (eds), *American in the World: The Historiography of American Foreign Relations since 1941* (Cambridge: Cambridge University Press, 1995) pp 300-325

²⁰ Chester J. Pach, "Thinking Globally and Acting Locally" in Kathryn Statler and Andrew Johns (eds), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (2006) p xx; Robert McMahon, "Eisenhower and Third World Nationalism: A Critique of the Revisionists" in, *Political Science Quarterly* Volume 101, Number 3 (1986) p 473; Gabriel Kolko, *Confronting the Third World: United States Foreign Policy, 1945-1980* (New York: Pantheon Books, 1988)

²¹ As William O. Walker has illustrated, this was by no means a trend or conviction unique to the Cold War. See: William O. Walker, "Crucible for Peace: Herbert Hoover, Modernization, and Economic Growth in Latin America" in *Diplomatic History* Volume 30, Number 1 (January 2006) pp 83-117

²² As Matthew Masur has recently noted the Eisenhower administration's belief that the all-encompassing caveats of "freedom and democracy" would carry the American message across the world endured throughout its time in office. Matthew Masur, "Falling Dominoes: The United States, Vietnam and the war

in Iraq” in John Dumbrell and David Ryan (eds), *Vietnam in Iraq: Tactics, Lessons, Legacies and Ghosts* (London: Routledge, 2007) p 197-201

²³ Speech by President Eisenhower to the Council of the Organization of American States, April 12 1953, Taken From: www.presidency.ucsb.edu/ws/index Accessed on September 22 2006

²⁴ The “gap” between the Eisenhower administration’s rhetoric and its actual policy has been examined in increasing detail by scholars; especially with regard to the inherent limits of administration promises to “liberate” Eastern Europe and “roll-back” communism. See: Chris Tudda, *The Truth is Our Weapon* (2006); Chris Tudda, “‘Re-Enacting the Story of Tantalus’: Eisenhower, Dulles and the Failed Rhetoric of Liberation” *Journal of Cold War Studies* (Volume 7, No 4, Fall 2005) pp 3-35; Scott Lucas, *Freedom’s War: The U.S. Crusade Against the Soviet Union 1945-1956* (Manchester: Manchester University Press, 1999)

²⁵ Ian Jackson, *The Economic Cold War: America, Britain and East-West Trade, 1948-1963* (Basingstoke: Palgrave, 2001) p 112; Michael Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945-1954* (Cambridge: Cambridge University Press, 1998); Robert Bowie and Richard Immerman, *Waging Peace* (1998); Saki Dockrill, *Eisenhower’s New-Look National Security Policy, 1953-1961* (1995)

²⁶ Burton Kaufman, *Trade & Aid: Eisenhower’s Foreign Economic Policy, 1953-1961* (Baltimore: John Hopkins University Press, 1982) p 33

²⁷ Position Paper by the Sub-Cabinet Committee on the Rio Economic Conference, September 1 1954, Latin America (8), Box No 5, NSC Staff Papers – Special Staff Series, Eisenhower Library

²⁸ Letter from President Eisenhower to Dr. Milton Eisenhower, December 1 1954, DDE Diary December 1954 (2), Box No 8, DDE Diary Series; see also: Letter from President Eisenhower to Mr Edgar N. Eisenhower, January 12 1954, DDE Diary, January 1954 (2), Box No 2, Whitman File, Eisenhower Library.

²⁹ Statement of Policy by the National Security Council, NSC 144/1, March 18 1953, FRUS 1952-1954 Volume IV, p 6-10

³⁰ As Rabe notes, following this change in policy the EXIM’s loans in Latin America would fall from \$147 million in 1952 to just \$7.6 million in 1953. Stephen Rabe, *Eisenhower* (1988) p 66

³¹ For more on the IBRD’s approach and its impact on policy (especially relating to Brazil), see: Elizabeth Cobbs, *The Rich Neighbor Policy: Rockefeller and Kaiser in Brazil* (New Haven: Yale University Press, 1992) pp 81-93

³² Stephen Rabe, *Eisenhower* (1988) p 66-70; Mark Gilderhus, *The Second Century* (2000) p 150-2; Milton Eisenhower, *The Wine is Bitter: The United States and Latin America* (New York: Doubleday and Inc, 1963)

³³ See: Report Prepared for the National Security Council, NSC 5407, February 17 1954, FRUS 1952-1954 Volume IV, p 208-217

³⁴ Indeed, the Soviet Union is barely mentioned in NSC 144/1. The only reference to the U.S.SR was made in a call for increased information operations in the region in order to alert the Latin nations to the “dangers of Soviet imperialism and communist and other anti-U.S. subversion.” Statement of Policy by the National Security Council, NSC 144/1, March 18 1953, FRUS 1952-1954 Volume IV, p 6-10

³⁵ As Mark Gilderhus has argued: “Instead of diffusing growth, progress, and modernization throughout the region, free trade and private investment had locked Latin America into conditions of economic dependency and underdevelopment.” Mark Gilderhus, *The Second Century* (2000) p 152

³⁶ Statement of Policy by the National Security Council, NSC 144/1, March 18 1953, FRUS 1952-1954 Volume IV, p 6-10; David Ryan, *U.S. Foreign Policy in World History* (London: Routledge, 2000) p 153

³⁷ This is markedly similar to the assertion made in PPS 23 by Head of the Policy Planning Staff, George Kennan, in which he wrote: ‘We have about 50% of the world’s wealth but only 6.3% of its population...In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security.’ These sentiments directly indicate that such disparities had long been recognised elements within U.S. foreign policy without causing undue concern for U.S. officials. See: “PPS/23: Review of Current Trends in U.S. Foreign Policy,” February 24 1948, Foreign Relations of the United States, 1948, Volume I pp 509-529

³⁸ Annex to NSC 144 “United States Objectives and Courses of Action with Respect to Latin America”, March 6 1953, NSC 144 – Latin America (2), Box No 4, Office of the Special Assistant for National Security Affairs, Eisenhower Library

³⁹ See: First Progress Report on NSC 144/1, July 23 1953; Second Progress Report on NSC 144/1, November 20 1953, FRUS 1952-1954 Volume IV p 15, 16, 32-35; Matthew Loayza, “An Aladdin’s Lamp for Free Enterprise” (2003) p 83-4; Stephen Rabe, “Dulles, Latin America, and Cold War Anti-communism” in Richard Immerman (eds), John Foster Dulles and the Diplomacy of the Cold War (Princeton, New Jersey: Princeton University Press, 1990) p 179-180

⁴⁰ Statement of Policy by the National Security Council, NSC 144/1, March 18 1953, FRUS 1952-1954 Volume IV, p 6-10

⁴¹ Position Paper on United States Public Lending Policy for Economic Development, July 30 1954, Sub-Cabinet Committee on the Rio de Janeiro Economic Conference, Latin America (8), Box No 5, NSC Staff Papers – Special Staff Series, Eisenhower Library

⁴² The historiography relating to U.S. intervention in Guatemala is vast. For a good overview, see: Stephen Rabe, Eisenhower (1988) Chapter 3; Piero Gleijeses, Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954 (Princeton, New Jersey: Princeton University Press, 1991); Richard Immerman, The CIA in Guatemala: The Foreign Policy of Intervention (Texas: University of Texas Press, 1981); James Siekmeier, Aid, Nationalism and Inter-American Relations (1999) Chapter 5. On Caracas see: Stephen Rabe, Eisenhower (1988) pp 45-53; Piero Gleijeses, Shattered Hope (1991) Chapter 12

⁴³ In fact, a report prepared in the Department of State noted that: “Most of the Latin American delegations went to Caracas chiefly interested in economic problems.” See: Report Prepared in the Department of State, [undated] April 1954, FRUS 1952-1954 Volume IV p 306

⁴⁴ Memorandum of Discussion at the 189th Meeting of the National Security Council, March 18 1954, FRUS 1952-1954 p 304-6

⁴⁵ This feature is somewhat indicative of the capacity of the Latin American nations to pursue their own agendas when dealing with the U.S.. As such, there is an impressive historiography that deals with this aspect of inter-American relations. For a good, recent summary of this developing field, see: Max Paul Friedman, “Retiring the Puppets, Bringing Latin America Back In: Recent Scholarship on United States-Latin American Relations” in Diplomatic History Volume 27, No 5 (November 2003) pp 621-636

⁴⁶ As Henry Holland told Walter Bedell Smith, ‘The people of Latin America are obsessed with a determination to strengthen their economies and improve living standards. The insistence of the governments on stronger economies is simply a reflection of this very strong feeling among the people.’ Memorandum by the Assistant Secretary of State for Inter-American Affairs Henry Holland to the Under-Secretary of State Walter Bedell Smith, September 1 1954, FRUS 1952-1954 Volume IV p 330

⁴⁷ Minutes of a Meeting of the Foreign Operations Administration, June 21 1954, FRUS 1952-1954 Volume IV p 322-5

⁴⁸ The importance of Latin America as an economic entity was outlined by Daniel Arzac of the Operations Coordinating Board, who noted in February 1954 (four months before Arbenz fell in late-June) that, “Latin America is an area of vital importance to the United States. This is especially true in the economic field.” Memorandum from Daniel N Arzac Jr to Dr Horace Craig, February 4 1954, OCB 091.4 Latin America (FILE#1) (1) December 1953 – March 1954, Box No 71, OCB Central File Series, Eisenhower Library

⁴⁹ Memorandum from Assistant Secretary of State for Inter-American Affairs Henry Holland to the Deputy Assistant Secretary of State for Inter-American Affairs Robert Woodward, September 19 1954, FRUS 1952-1954 Volume IV p 332-5

⁵⁰ See: Memorandum of Discussion at the 212th Meeting of the National Security Council, September 2 1954, FRUS 1952-1954 Volume IV p 67; See also the comments and objectives listed in Draft Policy Document by the NSC Planning Board for the National Security Council, August 18 1954, Box No 13, NSC 5432/1 Policy Toward Latin America, White House Office - Office of the Special Assistant for National Security Affairs, NSC Series - Policy Papers Sub-series, Eisenhower Library

⁵¹ Description of ‘sound projects’ taken from: Memorandum from Assistant Secretary of State for Inter-American Affairs Henry Holland to the Deputy Assistant Secretary of State for Inter-American Affairs Robert Woodward, September 19 1954, FRUS 1952-1954 Volume IV p 332-5

⁵² In the 1953-54 period, Guatemala and Bolivia would be the two nations that received the most aid from the U.S.: Bolivia in order to de-radicalize a revolutionary regime; Guatemala to help prop up a new U.S.-backed government that had overthrown Arbenz. See: Kenneth Lehman, “Revolutions and Attributions:

Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala” in *Diplomatic History* Volume 21 (Spring 1997); James Siekmeier, “Persistent Condor and Predatory Eagle: The Bolivian Revolution and the United States, 1952-1964” in Kathryn Statler and Andrew Johns (eds), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (2006)

⁵³ Memorandum of Discussion at the 212th Meeting of the National Security Council, September 2 1954, FRUS 1952-1954 Volume IV p 67-80

⁵⁴ Memorandum from Deputy Secretary of State for Inter-American Affairs Robert Woodward to the Executive Officer of the OCB, “Special Report on the Implementation of NSC 144/1,” June 30 1954, OCB 091.4 Latin America (FILE#1) (8) March – June 1954, Box No 72, OCB Series, Eisenhower Library

⁵⁵ For an examination of the Eisenhower administration’s perception of the impact that this new era in Soviet policy was having on U.S.-Soviet relations, see: John Lewis Gaddis, *Strategies of Containment* (1982) p 175; Kenneth Osgood, *Total Cold War* (2006) pp 55-63; Chris Tudda, *The Truth is Our Weapon* (2006) pp 60-2

⁵⁶ William Taubman, *Khrushchev* (2003) p 336; Thomas McCormick, *America’s Half-Century* (1995); Catherine Kennedy-Pipe, *Russia and the World, 1917-1991* (London: Arnold, 1998) Chapter 5

⁵⁷ Burton Kaufman, *Trade & Aid* (1982) p 64

⁵⁸ William Taubman, *Khrushchev* (2003) p 348; Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin’s Cold War: From Stalin to Khrushchev* (Cambridge, Massachusetts: Harvard University Press, 1996) p 184-5

⁵⁹ This internal criticism of Khrushchev’s managing of Soviet foreign policy had been in evidence since his rise to prominence in 1955. See: Central Committee Plenum of the CPSU Ninth Session, July 12 1955.

Taken From: The Cold War International History Project – Virtual Archive

http://wilsoncenter.org/index.cfm?topic_id=1409&fuseaction=va2.browse&sort=Collection&item=Khrushchev%20and%20the%20Cold%20War Accessed on January 10 2007 Minutes of the Meeting of the CPSU CC Plenum on the state of Soviet Foreign Policy, June 24 1957. Taken From: The Cold War International History Project

http://wilsoncenter.org/index.cfm?topic_id=1409&fuseaction=va2.document&identifier=5034F337-96B6-175C-9830474AF1A2A18D&sort=Collection&item=U.S.-Soviet%20Relations Accessed on January 10 2007;; William Taubman, *Khrushchev* (2003)

⁶⁰ Saki Dockrill, *Eisenhower’s New-Look National Security Policy, 1953-61* (1996) p 170-7

⁶¹ Telegram from the United States Delegation at the North Atlantic Council Ministerial Meeting to the Department of State, May 4 1956, FRUS 1955-1957 Western European Security and Integration Volume VI p 54-5

⁶² Memorandum of Discussion at the 289th National Security Council Meeting, May 10 1956, FRUS 1955-1957 Volume VI p 77-84

⁶³ Burton Kaufman, *Trade & Aid* (1982) 63; Michael Adamson, “The Most Important Single Aspect of our Foreign Policy” (2006) p 56

⁶⁴ Study Prepared by the Policy Planning Staff on Soviet Economic Penetration, April 4 1956, FRUS 1955-1957 Foreign Economic Policy Volume IX p 13-18

⁶⁵ Letter from Secretary of State John Foster Dulles to Treasury Secretary George Humphrey, April 16 1956, FRUS 1955-1957 Volume IX p 378-9

⁶⁶ Burton Kaufman, “The United States Response to the Soviet Economic Offensive of the 1950s” in *Diplomatic History* Volume 2, Issue 2 (April 1978) pp 153-165

⁶⁷ In 1956, the Senate voted to shave \$1 billion off of the administration’s requested \$4.67 billion MSP budget, whilst the House of Representatives wanted to cut it by \$1.1 billion. Burton Kaufman, *Trade & Aid* (1982) p 63-73; James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) Chapter Six; Michael Adamson, “The Most Important Single Aspect of our Foreign Policy” (2006) p 55-66

⁶⁸ Michael Adamson, “The Most Important Single Aspect of our Foreign Policy” (2006) p 57

⁶⁹ Kenneth Osgood, *Total Cold War* (2006) p 113-150

⁷⁰ For example, see: Memorandum of Discussion at the 277th Meeting of the National Security Council, February 2 1956, FRUS 1955-1957 Basic National Security Policy Volume XIX p 215-6; NSC 5602/1 Basic National Security Policy, March 15 1956, FRUS 1955-1957 Volume XIX

⁷¹ Notes on Foreign Economic Policy, May 15 1954; Draft Document on World Economic Policy, May 1954, Princeton Economic Conference 5/54 – Draft Papers, Box No 82, CD Jackson Papers, Eisenhower Library.

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- ⁷² Study Group on United States Foreign Economic Policy, Working Paper Number 4, December 6 1956, Council on Foreign Relations and the American Assembly (2), Box No 2, Dennis Fitzgerald Papers, Eisenhower Library
- ⁷³ NIE 80/90-55, National Intelligence Estimate, "Conditions and Trends in Latin America", December 6 1955, FRUS 1955-1957 Volume VI p 16-45; Memorandum of Discussion at the 258th National Security Council Meeting, September 8 1955, FRUS 1955-1956 Volume VI p 13-15
- ⁷⁴ Memorandum from Edwin T. Layton, Deputy Director for Intelligence the Joint Staff, to the Joint Chiefs of Staff, December 7 1955, OCB 091.4 Latin America (FILE#5) (2) December 1955, Box No 73, OCB Central File Series, Eisenhower Library.
- ⁷⁵ Message by President Eisenhower to the Congress Transmitting the Ninth Annual Report on United States Participation in the United Nations, July 15 1955; also see: Address by President Eisenhower in Springfield at the Illinois State Fair, August 19 1954; Address by President Eisenhower at the American Legion Convention, August 30 1954. Taken From: <http://www.presidency.ucsb.edu/ws/index> Accessed on January 21 2006
- ⁷⁶ One such area was that of petroleum exploration and production. This decision had been made at an NSC meeting in March 1955. See: Report by Vice President Nixon on Latin American Trip, NSC Meeting, March 10 1955, Box No 6, NSC Series, Ann Whitman File, Eisenhower Library; Memorandum from Assistant Secretary of State for Inter-American Affairs Henry Holland to the Secretary of State John Foster Dulles, February 22 1956, CFEP 537/1 - U.S. Position With Respect to an International Coffee Agreement Box No 6, CFEP Series, Eisenhower Library
- ⁷⁷ Memorandum from Assistant Secretary of State for Inter-American Affairs Henry Holland to the Secretary of State John Foster Dulles, February 24 1956, CFEP 537/1 - U.S. Position With Respect to an International Coffee Agreement Box No 6, CFEP Series, Eisenhower Library
- ⁷⁸ Memorandum of a Conversation, Department of State, December 28 1955, FRUS 1955-1958 Volume VI p 360-1
- ⁷⁹ Memorandum from Assistant Secretary of State for Inter-American Affairs Henry Holland to Secretary of State John Foster Dulles and Under Secretary of State Herbert Hoover Jr, January 17 1956, FRUS 1955-1957 Volume VI p 365-371
- ⁸⁰ Memorandum of a Conversation, Department of State, January 18 1956, FRUS 1955-1957 Volume IV p 371-2
- ⁸¹ As Stephen Rabe has argued, the U.S. reacted by "stiffening its resolve to combat communism." Stephen Rabe, Eisenhower (1988) p 91
- ⁸² Emphasis in Original. National Security Council Progress Report, March 28 1956, FRUS 1955-1957 Volume VI p 46-58
- ⁸³ "Outline Plan of Operations Against Communism in Latin America," Prepared by the Operations Coordinating Board, April 18 1956, FRUS 1955-1957 Volume VI p 61-66
- ⁸⁴ "Outline Plan of Operations Against Communism in Latin America," Prepared by the Operations Coordinating Board, April 18 1956, FRUS 1955-1957 Volume VI p 61-66
- ⁸⁵ Circular Telegram from Secretary of State Dulles to all Diplomatic Missions in the American Republics, May 16 1956; Circular Telegram from the Acting Secretary of State Herbert Hoover to All Diplomatic Missions in the American Republics, June 1 1956, FRUS 1955-1957 Volume VI p 440-443
- ⁸⁶ Memorandum from Acting Secretary of State Herbert Hoover to President Eisenhower, July 6 1956, Panama (2), Box No 43, International Series, Ann Whitman File, Eisenhower Library
- ⁸⁷ Milton Eisenhower, *The Wine is Bitter* (1963) p 203
- ⁸⁸ Memorandum by Harold Randall the U.S. Representative to the Inter-American Economic and Social Council, July 16 1956, FRUS 1955-1957 Volume VI p 445-9
- ⁸⁹ Diary Entry by President Eisenhower, July 25 1956, FRUS 1955-1957 Volume VI p 452
- ⁹⁰ Milton Eisenhower, *The Wine is Bitter* (1963) p 10
- ⁹¹ Stephen Rabe, Eisenhower (1988) p 91; Richard Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence* (London: John Murray, 2001); Peter Grose, *Operation Rollback: America's Secret War Behind the Iron Curtain* (New York: Houghton Mifflin, 2000)
- ⁹² See: Burton Kaufman, *Trade & Aid* (1982) p 122-4; Michael Adamson, "The Most Important Single Aspect of our Foreign Policy" (2006) p 59; Joseph Nogee & Robert Donaldson, *Soviet Foreign Policy since World War Two* (1985) Chapter 6; Press Conference by Premier Khrushchev, March 1958, in Stephen Clissold (eds), *Soviet Relations with Latin America* (1970) p 159-160

⁹³ See: Kenneth Osgood, *Total Cold War* (2006) p 361-8; Kenneth Osgood, "Words and Deeds: Race, Colonialism, and Eisenhower's Propaganda War in the Third World" in, Kathryn Statler and Andrew Johns (eds), *The Eisenhower Administration, the Third World, and the Globalization of the Cold War* (2006) p 3-18; Alan McPherson, *Yankee No!* (2003) p24-6

⁹⁴ Briefing note for President Eisenhower on NSC 5613, September 4 1956, Latin America (2), Box No 63, Disaster File, White House Office, Eisenhower Library

⁹⁵ Memorandum of Discussion at the 296th Meeting of the National Security Council, September 6 1956, FRUS 1955-1957 Volume VI p 101-113; Stephen Rabe, *Eisenhower* (1988) p 88-90; Mark Gilderhus, *The Second Century* (2000) p 156

⁹⁶ NSC 5613/1 "Statement of Policy on U.S. Policy Toward Latin America", National Security Council Report, September 25 1956, FRUS 1955-1957 Volume VI p 119-132

⁹⁷ Suggested Outline Plan of Operations with Respect to Latin America, November 1956, OCB 091.4 Latin America (File#8) (4) September-December 1956, Box No 75, OCB Central File Series, Eisenhower Library

⁹⁸ Outline Plan of Operations for Latin America Prepared for the Operations Coordinating Board, April 18 1957, FRUS 1955-1957 Volume VI p 138-142

⁹⁹ National Security Council Progress Report, September 11 1957, FRUS 1955-1957 Volume VI p 194-200

¹⁰⁰ This difference between economic policies for strategic reasons and economic beliefs has been outlined recently in: Michael Adamson, "The Most Important Single Aspect of our Foreign Policy" (2006) p 47-66

¹⁰¹ NSC 5613/1 "Statement of Policy on U.S. Policy Toward Latin America", National Security Council Report, September 25 1956, FRUS 1955-1957 Volume VI p 119-128

¹⁰² Anderson became the new Treasury Secretary and Rubottom became the new Assistant Secretary of State for Inter-American Affairs

¹⁰³ For more on this group see: Milton Eisenhower, *The Wine is Bitter: United States-Latin American Relations* (New York: Doubleday and Inc, 1963)

¹⁰⁴ The introduction of the IADB would not, however, occur until 1959-60

¹⁰⁵ For information on the continued U.S. commitment as to the virtues of foreign private investment see: Letter from Under Secretary of the Treasury Randolph Burgess to Dr Milton Eisenhower, June 4 1957; Letter from Roy Rubottom to Dr Milton Eisenhower, December 17 1957. Folder – Eisenhower, Dr Milton 1957, Box No 2, Papers of the Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, Lot 59 D 573, National Archives, College Park, Maryland.

¹⁰⁶ Memorandum from Assistant Secretary Roy Rubottom to Deputy Under Secretary of State for Economic Affairs Douglas Dillon, May 29 1957. Folder – 1957 – Economic, Box No 2, Lot 59 D 573, Papers of the Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, National Archives, College Park, Maryland.

¹⁰⁷ Memorandum of a Conversation, Department of the Treasury, May 23 1957, FRUS 1955-1957 Volume VI p 503-507

¹⁰⁸ Summary Notes of a Meeting of the Subcommittee on the Buenos Aires Economic Conference, Department of State, May 28 1957, FRUS 1955-1957 Volume VI p 503-507

¹⁰⁹ See: Stephen Rabe, *Eisenhower* (1988) p 92; Mark Gilderhus, *The Second Century* (2000) p 155. For the Revisionist approach see: James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) p 302; Walter LaFeber, *Inevitable Revolutions* (1993) p 140-2

¹¹⁰ Roy Rubottom offered further evidence of this contradictory mindset when he reaffirmed Dillon's sentiments in a letter to Clarence Randall, the Chairman of the Council on Foreign Economic Policy. Memorandum of a Meeting, Department of State, June 28 1957; Letter from Secretary of State John Foster Dulles and Treasury Secretary Robert Anderson to President Eisenhower, August 5 1957, FRUS 1955-1957 Volume VI p 511-518; U.S. Position on the Major Issues Expected to be Discussed at the Economic Conference of the Organization of American States, August 1 1957, CFEP 535 – Buenos Aires Economic Conference, Box No 6, CFEP Series, Eisenhower Library; Stephen Rabe, *Eisenhower* (1988) p 95; James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) p 305

¹¹¹ James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) p 303-5

¹¹² Press and Radio News Conference given by Assistant Secretary Roy Rubottom, September 12 1957, Folder – 1957 – Conference – Buenos Aires Economic, Box No 1, Lot 59 D 573, Records of the Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, National Archives, College Park, Maryland.

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- ¹¹³ Letter from Milton Eisenhower to Assistant Secretary of State for Inter-American Affairs Roy Rubottom, November 25 1957, Folder – Eisenhower, Dr Milton 1957, Box No 2, Lot 59 D573, Record Group 59 Entry 1135, Records of the Assistant Secretary of State for Inter-American Affairs Roy Rubottom, Subject Files, Record Group 59, National Archives, College Park, Maryland
- ¹¹⁴ James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999) p 207
- ¹¹⁵ Stephen Rabe, *Eisenhower* (1988) p 96; Mark Gilderhus, *The Second Century* (2000) p 150; For further information on the administration's foreign economic policies, see: Burton Kaufman, *Trade and Aid* (1982); James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999); Walter LaFeber, *Inevitable Revolutions* (1993); Michael Weis, *Cold Warriors and Coup D'Etat* (1993) p 93-4
- ¹¹⁶ "Latin American Attitudes Toward the U.S.," NIE 80/90-59, National Intelligence Estimate, December 2 1958, FRUS 1958-1960 Volume V p 61; James Siekmeier (1999) p 294
- ¹¹⁷ Stephen Rabe, *Eisenhower* (1988) Chapter 6; Alan McPherson, *Yankee No!* (2003) Chapter 1
- ¹¹⁸ Lars Schoultz, *Beneath the United States: A History of U.S. Policy Toward Latin America* (Cambridge, Massachusetts: Harvard University Press, 1998) p 351; Stephen Rabe, *Eisenhower* (1988) p 100
- ¹¹⁹ Alan McPherson, *Yankee No!* (2003) p 9
- ¹²⁰ OCB Report on Latin America, June 19 1958, 369th Meeting of the NSC, Box No 10, NSC Series, Whitman File, Eisenhower Library
- ¹²¹ See: William Appleman Williams, *The Tragedy of American Diplomacy* New Edition (New York: W.W. Norton, 1972) p 1-16; Max Paul Friedman, "Retiring the Puppets, Bringing Latin America Back In: Recent Scholarship on United States-Latin American Relations" in *Diplomatic History* Volume 27, No 5 (November 2003) p 621-2; John Lewis Gaddis, "New Conceptual Approaches to the Study of American Foreign Relations: Interdisciplinary Perspectives" in *Diplomatic History* Volume 14, No 3 (July 1990) p 407-8; Michael Hunt, *Ideology in U.S. Foreign Policy* (1987)
- ¹²² Especially the vast funding programme – Operation Pan America – called for by the Brazilian president, Juscelino Kubitschek. See: Michael Weis, *Cold Warriors and Coup D'Etat* (1993) Chapter 5; Stephen Rabe, *Eisenhower* (1988) p 109-111; Mark Gilderhus, *The Second Century* (2000) p 156-7; Matthew Loayza, "An Aladdin's Lamp for Free Enterprise" (2003)
- ¹²³ Memorandum from U.S. Ambassador to the OAS John Dreier to Assistant Secretary of State for Inter-American Affairs Roy Rubottom, April 10 1958, Folder – 1958 – Economic, Box 6, Record Group 59, Entry 1135, Records of the Assistant Secretary of State for Inter-American Affairs Roy Rubottom, Subject Files 1957-1959, Lot 59 D 573, National Archives, College Park, Maryland
- ¹²⁴ For a similar point (relating to U.S. intervention in Vietnam), see: Frederik Logevall, *Choosing War: The Lost Chance for Peace and the Escalation of War in Vietnam* (Berkeley, California: University of California Press, 1999) p xv
- ¹²⁵ Milton Eisenhower, *The Wine is Bitter* (1963) p 203
- ¹²⁶ For more on this period of U.S.-Latin American relations, see: Stephen Rabe, *Eisenhower* (1988); Walter LaFeber, *Inevitable Revolutions* (1993); James Siekmeier, *Aid, Nationalism and Inter-American Relations* (1999); Alan McPherson, *Yankee No!* (2003); Matthew Loayza, "An Aladdin's Lamp for Free Enterprise" (2003)
- ¹²⁷ Final Proposal by the United States with respect to the Inter-American Development Banking Institution, attached to Memorandum to President Eisenhower's Secretary Ann Whitman from President's Special Assistant Don Paarlberg, March 5 1959, March 1-15 1959 Staff notes (2), Box no 39, DDE Diary Series, Whitman File, Eisenhower Library
- ¹²⁸ Address by President John F. Kennedy at a White House Reception for Members of Congress and for the Diplomatic Corps of the Latin American Republics, March 13 1961. Taken From: <http://www.presidency.ucsb.edu/ws/index.php?pid=8531&st=&st1> Accessed on September 10 2007
- ¹²⁹ Michael Latham, "Ideology, Social Science and Destiny: Modernization and the Kennedy-era Alliance for Progress" in *Diplomatic History* Volume 22, No. 2 (Spring 1998) p 228
- ¹³⁰ Stephen Rabe, *The Most Dangerous Area in the World* (1999) p 199