Cold War, Cold State

by

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ABSTRACT

During the Cold War, U.S. foreign policy in Latin America aimed to promote political freedom and hemispheric solidarity. U.S. policymakers viewed likeminded democratic states as important partners for economic growth and multilateral cooperation. The U.S. soon discovered that its democratic values and national security interest produced conflicting outcomes that undermined the strategic interests of U.S. foreign policy. Recalcitrant Latin American democracies threatened U.S. primacy and the unwavering support of authoritarian states denigrated perceptions of U.S. legitimacy. Between 1953 and 1963, the U.S. vacillated between benevolent and belligerent polices designed to prevent communist contagion in the Western Hemisphere. The region’s destabilizing socioeconomic conditions proved impervious to a range of adept development initiatives because foreign policy practitioners possessed a superficial understanding of the factors that inhibited Latin American state formation. Since Latin American states modeled their institutions on Western designs, Charles Tilly’s theory on European state formation serves as an instructive guide for analyzing the unintended consequences that emerged from internal developments and external interventions. There is no consensus on the optimal approach for U.S. foreign policy in the Western Hemisphere, but a deeper appreciation of the interactions within and between states can prevent egregious errors from reoccurring and encourage more innovative thinking.
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CHAPTER I – Introduction: Latin American States in the Cold War Context

At the close of World War II, the United States found itself uniquely positioned as a military and economic superpower. In 1945, the U.S. generated 60 percent of the world’s gross national product (GNP). It also possessed a strategic monopoly on nuclear weapons technology. Ambassador William Bullet characterized the nation’s unrivaled supremacy as “a summit of power rarely scaled by any nation.” This historic aberration did not last. Any hopes for amicable U.S.-Soviet post-war relations devolved into mutual feelings of fear and suspicion. Threats, both real and imagined, developed into a security dilemma that fueled a global contest of competing ideologies. U.S. Secretary of State Dean Acheson noted that “Not since Rome and Carthage had there been such a polarization of power on the earth.” Soviet domination in Eastern Europe, the Berlin Blockade, Mao Zedong’s revolution in China, a stalemate on the Korean Peninsula, communist contagion in South East Asia, and the launch of Sputnik I indicated a growing “strategic imbalance.” These events produced a deep-seated fear that the U.S. was losing the post-war world to an antithetical ideology.

On March 12, 1947, President Truman addressed a joint session of Congress to argue that: “The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died.” While this speech targeted Soviet influence in Greece and Turkey, it enunciated the Truman Doctrine’s recognition that the destitute socioeconomic conditions

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amenable to communist subversion existed in many regions of the world. In Latin America, concern over Soviet domination collided with domestic political movements seeking economic and social progress. The U.S. viewed Latin America’s “revolution in rising expectations” as a precursor to communist insurrection. The inability to distinguish civil unrest from communist threats produced a binary view of Latin America’s nonaligned political groups: capitalist or communist, ally or adversary.

Latin America’s importance as a “zone of global transformation” is often overlooked in Cold War academic research. The region’s political instability appears mild when compared to the incessant violence, mass atrocities, revanchist tendencies, and the destructive capacity of states in other parts of the world. In reality, the absence of international conflict indicates institutional weakness, not stability or benevolence. This scarcity of interstate violence concealed the strategic implications of the humanitarian tragedy unfolding within Latin America’s poorly administered states and across its geographically isolated regions. Arthur Schlesinger Jr. argued that: “If the possessing classes of Latin America made the middle-class revolution impossible, they will make a workers-and-peasants revolution inevitable.” The 1959 Cuban Revolution and the subsequent arrival of nuclear capable, Soviet R-12 and SS-4 ballistic missiles illustrates Schlesinger’s point. U.S. foreign policy’s failure to understand and address the rising aspirations that motivated more assertive, nonaligned political movements came to

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represent “the principle intellectual problem” for policymakers determined to block communist influence in the Western Hemisphere.¹⁵

Latin American states reside at the heart of this problem. Domestic political movements, competing international ideologies, and the inimitable force of U.S. hegemony all vied for influence over the conduct and composition of Latin American states. Charles Tilly’s theory on coercion, capital, and European state formation provides an unexpected source of clarity for questions surrounding the origins of Latin America’s political instability. Tilly’s theory makes state institutions the starting point and common denominator for understanding the development of geopolitical and socioeconomic conditions.¹⁶ It avoids didactic modeling and embraces a deep analysis that combines historic chronology with sociology to best explain the forces driving observable patterns in history.¹⁷ In the Cold War context, this theoretical approach illuminates the perils of political engineering and the unintended consequences produced by a U.S. foreign policy in pursuit of hemispheric solidarity.¹⁸

With insights from Tilly’s theory on state formation, this thesis will show how good intentions surrounding U.S.-Latin American relations devolved into a series of guarded interests.¹⁹ Chapter II, A Theory on Latin American State Formation, explores how structural realism, dependency theory, and modernization theory influenced the perception and approach of U.S. foreign policy in Western Hemisphere. The chapter concludes with an adaptation of Tilly’s theory and its importance for understanding the process of state formation in Latin American. Chapter III, The Unrecognized Dilemma of the Good Neighbor Era, shows the challenges
associated with maintaining a closed hemisphere in an opening world. It unveils an acute contradiction between U.S. interests and values. The chapter then assesses the unintended consequences these conflicting foreign policy imperatives produced for U.S-Latin American relations. Chapter IV, *Securing Democracy through Dictatorship*, shows the limits of U.S. patience with nationalist movements that threatened to destabilize anti-communist allies. Chapter V, *Securing Democracy through Development*, examines a modern adaptation to an old approach first embraced during the Good Neighbor era. Chapter VI, *Conclusion: Reexamining the Foundations of State Formation*, summarizes U.S. foreign policy’s effort to promote democracy and maintain solidarity in the Western Hemisphere. It reiterates the challenges associated with political instability, endemic poverty, and national security. Most importantly, this state formation theory improves our understanding of why these deleterious conditions first emerged.  

**CHAPTER II – A Theory on Latin American State Formation**

Latin America is a region trapped by a divisive history. Despite its independence from colonial rule in the early nineteenth century, a dysfunctional legacy of political and economic instability persisted. Mexico, for example, experienced 52 presidents in 43 years between 1824 and 1867. From 1824 to 1950, Honduras changed presidents 116 times in 126 years. In 1909, President Taft declared the character of Latin American governments to be so miserable and hopeless that U.S. influence could to do nothing more than perpetuate the region’s “chaos,  

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21 Betty Horwitz and Bruce Bagley, *Latin America and the Caribbean in the Global Context* (New York: Routledge, 2016), 27.  
anarchy, and chronic revolution.”

U.S. officials, academics, journalists, and private citizens have documented the destabilizing effects of Latin America’s inequality and internecine violence with remarkable consistency. In their own words and from their own experiences, President-elect Herbert Hoover (1928), Harry Dexter White (1938), Nelson Rockefeller (1941), George Kennan (1950), Louis Halle (1950), Milton Eisenhower (1953 & 1958), Richard Nixon (1958), Walt Rostow (1960), Lincoln Gordon (1963), and President John F. Kennedy (1963) all concluded that decrepit economic realities precipitated political instability in Latin American states. U.S. diplomatic posts also provided thoughtful assessments and diligent reporting on these conditions, but the transformation of eloquent prose into effective foreign policy never occurred.

The end of World War II brought new urgency to this problem. As U.S.-Soviet competition intensified, the Global South’s post-colonial independence movements opened new fronts in a superpower contest of interests and ideologies. Emerging states that supplied natural resources, political legitimacy, and strategic outposts moved from the periphery to the center of the conflict. Secretary of State John Foster Dulles testified before Congress that: “In the old days we used to be able to let South America go through the wringer of bad times, and then when times would get better it was right where it was … now, when you put it through the wringer, it comes out red.”

Conventional analysis of U.S.-Latin American relations during the Cold War

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26 Jason Parker, “Cold War II: The Eisenhower Administration, the Bandung Conference, and the Reperiodization of the Postwar Era,” *Diplomatic History*, (November 2006), 869.


uses political and economic considerations to illuminate causality. The logic of this approach is clear, but it fails to explain the intransient nature of Latin America’s destabilizing socioeconomic conditions. During the Eisenhower and Kennedy administrations, development, covert action, and modernization all proved to be inadequate mechanisms for promoting good governance, placating social revolution, and securing U.S. interests in the region.

A number of theories emerged to address U.S. foreign policy’s inability to produce stable, prosperous, and democratic states across Latin America. Structural realists focused on the threat of state conflict from U.S-Soviet competition. They believed that international relations best determined political conditions within the states, and that military power best determined outcomes in international relations. The U.S. used military assistance programs to bolster Latin American allies and promote a favorable balance of power in the Western Hemisphere. These programs intended to contain the malign effects of expanding Soviet influence. When U.S. hegemony made conventional Soviet military incursions improbable, Latin America’s large standing armies evolved to “specialize in internal control.” These “garrison states” made the armed forces an indispensable political actor for landowners and elites seeking to retain power. Military dictatorships in Argentina, Brazil, Chile, Paraguay and in states across the Caribbean basin proved to be just as draconian, corrupt, and ineffective as their authoritarian counterparts behind the Iron Curtain.

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29 Grow, U.S. Presidents and Latin American Interventions, xiii; Green, The Containment of Latin America, 3.
32 Kenneth Waltz, Man, the State and War: A Theoretical Analysis (New York: Columbia University Press, 2001), 192.
33 Kennedy Ibid., 376. NSC 56-1, 5-6.
34 Mark Williams, Understanding U.S. Latin American Relations Theory and History (New York: Routledge, 2012), 158.
suppress internal sedition left many Latin Americans with the impression that there was more to fear from U.S.-backed interventions than there was from communism.\textsuperscript{38}

Modernization theory offered technocratic solutions to Latin American states threatened by communist infiltration. Supporters of Modernization theory believed that state development followed a uniform, sequential progression.\textsuperscript{39} They viewed the region’s cultural composition and history to be irrelevant.\textsuperscript{40} Modernization theorists argued that economic growth served as the catalyst for political and social change. Free-market, democratic societies rested at the apex of this growth process, representing the ultimate stage in development.\textsuperscript{41} Seymour Martin Lipset, Walt Rostow, Lucian Pye, Gabriel Almond, Samuel Huntington and other modernization proponents correctly identified a correlation between democratic states and prosperity, but the development of inclusive economic and political institutions required more than expert planning or scrupulous replication.\textsuperscript{42} Well before the Kennedy administration’s “best and brightest” set to work on the Alliance for Progress, it became clear that a coherent state formation model did not exist in Latin America.\textsuperscript{43}

The European Recovery Program, also known as the Marshall Plan, succeeded where the Alliance for Progress failed because Western Europe already possessed the strong institutional foundations required to reconstruct its decimated post-war states.\textsuperscript{44} Latin America lacked commensurate levels of political organization, institutional cohesion, and economic development. This made their populations unwilling to accept the obligatory burdens essential

\textsuperscript{38} Smith, Talons of the Eagle: Latin America, the United States, and the World, 151. !
\textsuperscript{39} Rostow, The Stages of Economic Growth: A non-communist manifesto, 1. !
\textsuperscript{40} Rabe, The Most Dangerous Area in the World, 26. !
\textsuperscript{43} Smith, Talons of the Eagle: Latin America, the United States, and the World, 133; Centeno, Blood and Debt: War and the Nation-State in Latin America, 106; Tilly, Coercion, Capital, and European States, A.D. 990-1992, 25. !
\textsuperscript{44} Gordon, A New Deal for Latin America: The Alliance for Progress, 101. !
for state formation. Latin American states found themselves divided between an elite, landowning political class and an impoverished peasant majority. Alliance for Progress planners estimated that 10 percent of the population owned 90 percent of the arable land. In Bolivia, three tin barons controlled 80 percent of the country’s mineral exports. Latin American oligarchs favored aggrandizement over political power. This deprived states a critical source of support. Harsh conditions endured by the ostracized and uneducated poor further eroded state legitimacy across the region’s numerous ungoverned spaces. In general, Latin Americans of all classes disassociated their welfare from the wellbeing of the state.

U.S. technocrats aimed to guide Latin America through peaceful reforms and avoid more violent revolutions. President Kennedy noted that “If the only alternatives for the people of Latin America are the status quo or communism, then they will inevitable choose communism.” Modernization theory’s “stages of growth” offered a credible alternative to the determined logic of communist class struggle, but Latin American states never developed the economic preconditions for “take off,” and development forecasts fell short of inflated expectations. Democracy and free trade guided U.S. efforts, but this commitment to “new regionalism” proved incapable of penetrating the world’s most unequal society. The Alliance for Progress prioritized economic growth over organic state formation because U.S. policymakers assumed that “all good things go together.” Critics questioned the prescriptive

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45 Centeno, Blood and Debt: War and the Nation-State in Latin America, 106.
46 Smith, Talons of the Eagle: Latin America, the United States, and the World, 137.
48 Centeno, Blood and Debt: War and the Nation-State in Latin America, 165.
49 Ibid., 271.
51 Smith, Talons of the Eagle: Latin America, the United States, and the World, 134.
53 Horwitz and Bagley, Latin America and the Caribbean in the Global Context, 187; Michael Reid, Forgotten Continent: The Battle for Latin & America’s Soul (New Haven: Yale University Press, 2007), loc 141.
nature of this “expert technical assistance” and its naïve “illusion of omnipotence.”

The absence of accepted national identities or legitimate political authorities undermined U.S. development efforts and made Latin America’s internal divisions ripe for Soviet exploitation.

The absence of inclusive democratic systems represented a major impediment to the region’s socioeconomic development.

Dependency theory attributed more cynical motivations to U.S. foreign policy in Latin America. This prominent theory combines elements of Marxism and structuralism to explain the state’s impoverished condition.

In *Open Veins of Latin America*, Eduardo Galeano writes that “underdevelopment in Latin America is a consequence of development elsewhere, that we Latin Americans are poor because the ground we tread is rich.”

Latin American economists and political activists used dependency theory to connect the region’s colonial origins to the continued prevalence of lucrative foreign interests and investments in the modern era.

Dependency proponents argued that a more sophisticated form of economic exploitation and control replaced the classic colonial powers that shaped the Global South.

Maladroit interventions and development programs provided South American dissidents with ample opportunity to foment outrage and misinformation. Standard Oil affiliates, the Rockefeller Foundation, the United Fruit Company, and the Ford Foundation came to symbolize “Yankee imperialism’s” oppressive global power.

Dependency theory captures some essential

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57 Reid, *Forgotten Continent: The Battle for Latin America’s Soul*, loc 186.


60 Reid, *Forgotten Continent: The Battle for Latin America’s Soul*, loc 612.


truths, but its basic tenets are viewed as an oversimplified, inaccurate, and conspiratorial narrative against international commerce. \footnote{Centeno, \textit{Blood and Debt: War and the Nation-State in Latin America}, 71; Reid, \textit{Forgotten Continent: The Battle for Latin America’s Soul}, loc! 649. !} Larry Diamond, Jonathan Hartlyn, and Juan Linz find “little support” for dependency theory’s ultimate conclusions. They acknowledge the significant influence of international actors in Latin America but argue that the “internal structures and actions” of states provide more convincing explanations. \footnote{Diamond, Hartlyn, and Linz, \textit{Democracy in Developing Countries: Latin America}, 57. !} Greg Grandin faults dependency theory for deemphasizing “the importance that claims to citizenship and national inclusion had for peasants and workers.” In Grandin’s view, dependency scholars treated marginalized populations as an incapable, unsophisticated monolithic block. \footnote{Greg Grandin, \textit{The Last Colonial Massacre: Latin America in the Cold War} (Chicago: The University of Chicago Press, 2011), 178. !} Even Galeano now considers his classic work on “the contemporary structure of plunder” to be a mistake. \footnote{Larry Rohter, “Author Changes His Mind on 70s Manifesto,” \textit{The New York Times} (May 23, 2014). !}

Dependency theory’s “system-driven” account of North-South asymmetry places the limited power of Latin American states in an important geopolitical context, but it does not address the relationship between the institutional capacity of states and their destabilizing levels of poverty. \footnote{Centeno, \textit{Blood and Debt: War and the Nation-State in Latin America}, 25; Tilly, \textit{Coercion, Capital, and European States, A.D. 990-1992}, 9-10; ! Acemoglu and Robinson \textit{Why Nations Fail: The Origins of Power, Prosperity, and Poverty}, 67. !} Merle Kling’s theory on power and political instability narrows this gap. Kling argues that the land tenure system, a legacy from the Spanish empire, established rigid economic boundaries that evolved into political inflexibility. The elites who controlled these highly concentrated land holdings enjoyed significant autonomy. Commodity markets, not governments, influenced these agrarian elites. In 1953, South America produced 85 percent of the world’s coffee exports and U.S. markets consumed 75 percent of all coffee produced. Kling asserts that “domestic proprietors of coffee plantations cannot be immune to the pressures from their principal export market.” \footnote{Centeno, \textit{Blood and Debt: War and the Nation-State in Latin America}, 25; Tilly, \textit{Coercion, Capital, and European States, A.D. 990-1992}, 9-10; ! Acemoglu and Robinson \textit{Why Nations Fail: The Origins of Power, Prosperity, and Poverty}, 67. !} Similar market conditions influenced the owners of Cuban
sugar, Chilean copper, and Venezuelan oil. Through position, not power, Latin American
governments served as internationally recognized intermediaries for these transactions. This
authority made the state a coveted source of affluence.69

To the extent policymakers and scholars explored state power, they often focused on
“how the walls came tumbling down” without first considering the influences that shape Latin
American states.70 U.S. official’s embraced policies designed to strengthen vulnerable
governments and develop their capacity without examining the soundness of their institutional
foundations.71 This frustrated U.S. efforts and discredited development schemes designed to
engineer social “modernity” in accordance with blueprints from Washington.72 Increasing
apprehension over Soviet subversion resulted in U.S. policies that vacillated between
benevolence and belligerence. Fear induced realpolitik assessments that justified the use of
authoritarian means to achieve anti-communist ends.73 Senator Joseph McCarthy decried efforts
to accommodate democracies struggling with post-colonial nationalism. He stated that: “We
must not fight under the leadership of perfumed, dilettante diplomats. We cannot fight
successfully under the leadership of those who are either half loyal or disloyal to what we are
fighting for.”74 The inability to balance deterrence with development proved detrimental to U.S.
strategic interests in the region. Anti-communist neurosis and the desire for immediate results
amplified this disequilibrium. It produced a capricious rationale that imagined “all is lost
whenever … all is not won.”75

69 Ibid., 92. !
70 Centeno, Blood and Debt: War and the Nation-State in Latin America, 14. !
71 Westad, The Global Cold War, loc 2442; Tilly, Coercion, Capital, and European States, A.D. 990-1992, 11. !
72 Schoultz, Beneath the United States: A History of U.S. Policy Toward Latin America, 386; Tilly, Coercion, Capital, and European States, A.D.
990-1992, 192-194. !
73 Westad, The Global Cold War, loc 2487. !
74 Ibid., loc 2584. !
75 Louis Halle., 567-568. !
The structural realists and modernization theorists who shaped U.S. foreign policy between 1953 and 1963 all viewed democratic states as essential for securing the Western Hemisphere’s southern approach. This consensus reflected policy recommendations first made by NSC 68 in 1950. It called on U.S. policymakers to confront communism with patience and firmness. NSC 68 argued that a free society relied on the “strength and appeal of its idea, and it feels no compulsion sooner or later to bring all societies into conformity with it.” Fear of communist encroachment tested the veracity of this statement. While NSC 68 described freedom as “the most contagious idea in history,” it also acknowledged that in the age of atomic warfare “the absence of order among nations is becoming less and less tolerable.” Firmness appeared to take precedence over patience.

Walt Rostow wrote that: “Democracy itself, when it works is an extraordinary exercise in the balance between imposed discipline, self-discipline, and private expression.” Rostow believed modernization could accelerate the positive effects of democratic state formation, but he also conceded that at the most basic level states must conquer their own obstacles to democratic governance. U.S.-Soviet competition restricted essential aspects of this organic growth process. The U.S. needed free market, democratic allies and it expected Latin American states to comply. In 1950, Louis Halle, an influential member of the State Department’s Policy Planning Staff, discerningly noted that: “Democracy is not an absolute condition, to be assumed by a people as one puts on an overcoat.” Despite this tacit understanding, development specialists tried to manufacture democracy and national security hawks tried to enforce it. The Eisenhower and

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76 Gordon, *A New Deal for Latin America: The Alliance for Progress*, 112. (Cite Eisenhower in Rabe) & NSC 68 Long Telegram
Kennedy administrations viewed Latin American states with circumspect optimism, but their “democratic idealism” faded with the pervasive threat of communist confrontation. Latin America’s complicated history and the Cold War’s contemporary uncertainty combined to make these regional developments ripe for misunderstanding.

In this context, Charles Tilly’s theory on coercion, capital and European state formation provides a unique framework for examining U.S. foreign policy and its influence on Latin American states. It unravels the enigma of democratic state formation and provides an innovative perspective on the U.S. struggle to make the Western Hemisphere “safe for democracy.” The Cold War that spilled over into Latin America embodied more than U.S.-Soviet strategic posturing; it represented an ideological struggle for the future of European state modernity. The Western model is relevant because in the 18th and 19th centuries the structure of disparate state organizations converged to reflect similar institutional characteristics. The city-states, empires, federations, and kingdoms of sixteenth century Europe possessed more institutional diversity than the numerous post-colonial states seeking United Nations membership and acceptance after the Second World War. While many nonaligned, post-colonial states desired a “third way,” the institutional lineage of the European state system limited the reality of these political aspirations. In Latin America and across the Global South, communism and capitalism represented the only viable options for delivering socioeconomic progress and modernity.

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82 Rabe, Eisenhower and Latin America, 15.
84 Westad, The Global Cold War, loc 245.
In Europe, Tilly’s theory links the gradual convergence of polities to national states with the various modes of capital and methods of coercion rulers used to consolidate power. European nobility defended their interests through coercive means and supported them with capital. The use of organized armed forces allowed rulers to expand their control and solidify gains. Elite competition unintentionally extended political participation beyond the noble class. As a state’s power and territory grew, so did the requirements to sustain a dominant coercive force structure. Sophisticated bureaucracies developed to administer the state’s growing demands. States managed these growing obligations by extracting “essential resources” from their territorial possessions and the people who resided within them. The expropriation of weapons, supplies, soldiers, and financial backing all carried a cost that provided resource owners with leverage. European aristocrats desired direct rule of their territories, but the state’s popular demands made absolute, authoritarian systems unfeasible.

As armed conflict grew in scope and lethality, states used credit to finance the prohibitive costs of war. In turn, merchants and urban elites relied on the state’s coercive power to protect their trade and commercial interests. Europe’s major urban centers developed at strategic points along global trade routes. Capital concentrated in these cities to exploit the efficiencies of commercial and population density. The growing connection between urban and rural communities created an interdependent relationship that made the distinct attributes of each indispensable to the other. The developing commercialization between cities and rural communities made it possible for states to circumvent contentious intermediaries and implement more efficient tax systems. States found that taxation better preserved the sources of future

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89 Diamond, Hartlyn, and Linz, *Democracy in Developing Countries: Latin America*, 14.
91 Ibid., 25.
92 Ibid., 86-89.
revenue, and citizens found tax payments less disruptive than the direct seizure of their property. These monetized connections enabled the rapid mobilization of capital and coercive resources across a state’s territory.

Incessant warfare expanded governing structures and transformed territorial holdings into nation-states. These states grew in proportion to the increasing complexity and lethality of armed conflict. Through this process states diminished in number but increased in aggregate power. Ancillary governing functions emerged to meet the demands of these more sophisticated institutions. The adjudication of internal disputes and the regulation of goods and services preserved the extractive infrastructure states needed for war. Pensions, veteran’s benefits, and public education represented just some of the services states used to preserve military readiness and placate the demands of a better informed, more assertive citizenry. These programs revolutionized the role of government by converting unimagined state functions into indispensable services. The subtle transformation from “reactive” to “proactive repression” mollified civil unrest and built national unity.

Latin American states emerged in a different context. They did not grow into their territorial possessions but materialized from fragments of the Spanish empire. This prevented the formative influences of capital and coercion from taking their incremental effects. Where European state formation transformed its national boundaries, “weak central power and external economic direction” became the defining characteristics of Latin America’s fixed political landscape. The continent’s international boundaries experienced few changes in the post-colonial era because states inherited a limited ability to consolidate power within their

93 Ibid., 96-97.
94 Ibid., 102.
95 Ibid., 122.
96 Ibid., 115.
97 Centeno, Blood and Debt: War and the Nation-State in Latin America, 165.
“sovereign” territories. This also made them incapable of projecting influence abroad. Latin American governments found the cost of warmaking prohibitive because it did not develop in proportion to their capacity for statemaking. The lingering effects of colonial demarcation forced these inchoate governments to not only contend with political infighting, but also the influence of foreign powers.

The overextended condition of many Latin American governments removed the existential threat of warfare, but the coercive structures that subjugated people and extracted resources remained. The international system that developed after World War II also imposed greater costs on weak states contemplating belligerent transnational actions. When Nicaragua threatened to invade Costa Rica in 1955, the American Federation of Labor (AFL) lobbied U.S. officials and the State Department intervened on Costa Rica’s behalf. The AFL’s efforts halted a potential military conflict. International organizations, multinational corporations, and the accepted governing norms of the European state system secured political boundaries by “synthesizing” national interests into Pan American values.

Between 1889 and 1954, states in the Western Hemisphere conducted 10 inter-American meetings to establish frameworks for political, military, and economic agreements. In 1948, the U.S. joined with 20 other nations in the Western Hemisphere to form the Organization of American States (OAS). The OAS promoted an intra-hemispheric dialogue that advanced regional solidarity while preserving the territorial integrity of member states. The elite owners of Latin American capital found these conditions advantageous. Caudillos, a generic Spanish

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98 Ibid., 25.
100 Ibid., 199; Centeno, Blood and Debt: War and the Nation-State in Latin America, 157.
103 Williams, Understanding U.S. Latin American Relations Theory and History, 161.
term for authoritarian rulers, continued the oppressive traditions of colonialism within mining and farming communities across the continent. Their interests were secured from internal government interference and the threat of neighboring states.105

In Europe, warfare compelled the owners of capital to seek the state’s coercive protection. In Latin America, governments replaced unwilling or inaccessible sources of domestic capital with foreign investors. This proclivity for outside working capital resulted in opaque financial agreements that favored international lenders and decapitalized national coffers. The abundance of coercive force and the dearth of capital alternatives inhibited citizen bargaining and made Latin American states susceptible to domestic instability and foreign exploitation.106 Latin American societies developed coercive and capital mechanisms without the glue of national unity. In the rapidly changing post-colonial era, states found it impossible to advance their domestic interests without credible institutions or accepted national identities.107

As Latin American states gained international legitimacy in the late 1940s, their domestic support and internal stability faltered.108 The post-colonial influences of “internal” and “external” state formation shaped these divergent views of Latin American states.109 Where governments failed to expand institutional capacity through political legitimacy, the volatile powder keg of revolutionary fervor ignited. Governing incumbents countered acts of sedition with military force and political repression.110 Between 1940 and 1965, Argentina, Bolivia, Brazil, Colombia, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua,

105 Centeno, Blood and Debt: War and the Nation-State in Latin America, 156-158; Diamond, Hartlyn, and Linz, Democracy in Developing & Countries: Latin America, 11.
108 Ibid., 203.
109 Ibid., 195.
110 Diamond, Hartlyn, and Linz, Democracy in Developing Countries: Latin America, 16.
Panama, Paraguay, Peru, and Venezuela experienced over 50 military coups or illegal seizures of power. In states where the armed forces willingly relinquished control to civilian authorities, 70 percent relapsed into military intervention. Howard Wiarda described coups in Latin America as “constant, ongoing, and ubiquitous.”

Undercapitalized and over militarized Latin American states found themselves unable to handle the rapid economic and social changes associated with the modern era. In Colombia, discontent with land reform and private property rights descended into a brutal civil war from 1946 to 1953 known as La Violencia, over 200,000 people died. Between 1941 and 1951, Bolivia endured nine undemocratic seizures of power. This struggle to develop a pluralist civic society ended with a national revolution. In 1952, armed miners and farmers surrounded La Paz, the country’s capital, and seized the presidential palace. U.S. anxiety increased with Latin America’s growing political unrest. Over the next 12 years, “Bolivia became the largest recipient of per capita U.S. foreign aid in Latin America” and by 1957 the U.S. was financing one-third of the Bolivian government’s budget. By the 1960s, U.S. foreign assistance to Colombia exceeded $730 million.

These efforts stabilized the anemic institutions of allied governments, but their ability to deliver socioeconomic progress proved ephemeral. Two-thirds of Colombians continued to subsist outside of the formal economy and land reform initiatives made little progress. U.S. policymakers struggled to balance strategic interests with the demands of vociferous

116 Ibid., 133.
revolutionary movements. Reform also eluded states where nationalist coalitions attained power. For all of the political instability and internal violence that occurred, the conduct and character of Latin American governments remained unchanged. Latin Americans described these endemic conditions as continuismo. As the Cold War began, the noblesse oblige of the Good Neighbor era came to an end. The U.S. needed a new approach and more effective policies to counter its eroding network of allies in the Western Hemisphere.

At its core, the European state system provided protection in exchange for patronage. As competition with the Soviet Union intensified, U.S. policymakers offered a similar arrangement to Latin American states. The U.S. viewed democratic republics as essential for securing hemispheric solidarity against the Soviets. In 1954, President Eisenhower’s NSC published a classified document describing the policy measures and courses of action necessary to build the Western Hemisphere’s unity. It stated that, “Latin American governments are under intense domestic political pressure” to address widespread poverty and rising nationalism. The NSC proposed that U.S. government provide political, military and economic assistance to “safeguard and strengthen the security of the Hemisphere.”

The governing systems of Latin American states appeared similar to their U.S. and European counterparts, but this institutional façade concealed important political distinctions linked to the region’s shared colonial heritage. Latin America’s governing institutions formed without popular participation and most of the continent’s population remained invisible to the
state. U.S. policymakers failed to recognize the significance of this development. They treated Latin American states as the product of an exceptional European design, not the residual governing structures of an imploded colonial empire. These experiences show that the various outcomes and unintended consequences of state formation are magnified further when a system developed in Europe is adopted by necessity to another part of the world.

U.S. hegemony introduced even more factors into Latin America’s state formation process. Diplomacy, trade, economic development, military assistance, and covert action all served as legitimate policy instruments. Between 1953 and 1963, the U.S. leveraged the full range of these resources in its fight against communism. In Latin America, these attempts at intervention appeared to increase domestic instability. In Nicaragua, Guatemala, and El Salvador, political violence and communist guerrillas challenged U.S. influence. These movements remained a persistent threat to Central American governments throughout the Cold War. By applying Tilly’s state formation theory to Latin America during this period in Cold War history, a deeper understanding of U.S foreign policy, and its effect on allies and adversaries can be established. This new theoretical context will not unlock the “black box” of state formation, but it may facilitate a more thoughtful approach to future decision making. By expanding upon the known drivers of the European state formation process, we can “sharpen our sense” of what is important, what is distinct, and what is changing within Latin American states.

128 Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 186.
129 Centeno, Blood and Debt: War and the Nation-State in Latin America, 106.
CHAPTER III – The Unrecognized Dilemma of the Good Neighbor Era

From 1898 to 1934 the United States conducted over 30 military interventions in the Western Hemisphere. These actions reflected the Roosevelt Corollary’s aversion to European interference and President Woodrow Wilson’s “progressive imperialism.” In Latin America, the U.S. ensured the right type of democratic governance existed to accommodate its diplomatic and economic interests. U.S. officials feared social revolution and favored “aristocratic republics” that promoted regional stability. U.S. policymakers reasoned that political equanimity encouraged prosperity and stability. In the post-World War II era it became more difficult for the U.S. to align its democratic aspirations with the imperatives of hemispheric security. U.S. foreign policy’s inability to balance these two interests complicated U.S. Latin-American relations and made the region more susceptible to foreign intervention.

In 1904, President Theodore Roosevelt noted that Latin American states “have great and natural riches, and if within their borders the reign of law and justice obtains, prosperity is sure to come.” The Taft administration attempted to expand on this lasting U.S. interest by replacing bullets with dollars. Dollar diplomacy used private capital to guide the Caribbean Basin’s economic development. U.S. financial institutions offered attractive loans and foreign direct investment to unstable governments overwhelmed by domestic revolts and European financial obligations. The U.S. government supported the deployment of private capital with military force. Extended U.S. interventions in Cuba, Nicaragua, Panama, the Dominican Republic, and Haiti demonstrated that the economic and military instruments of U.S. foreign

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133 Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 53.
134 Green, The Containment of Latin America, 5.
policy were inextricably linked. President Wilson characterized this unique blend of public and private interests as “intelligent team work” that advanced U.S. foreign policy, but the belligerent nature of these initiatives produced the opposite effect. Frequent U.S. interventions strained interhemispheric relations and precipitated anti-American sentiments.

In 1928, President-elect Hoover traveled across Latin America to repair a faltering U.S. image and call for a more benevolent future. Hoover wrote that “unless we displayed and entirely different attitude, we should never dispel the suspicions and fears of the Colossus of the North.” President Franklin Delano Roosevelt expanded upon these sentiments. FDR used the Good Neighbor Policy to establish “a new and better standard in international relations.” This replaced a history of unilateral interventions with an inter-American dialogue and multilateral cooperation. The Good Neighbor Policy facilitated critical partnerships during World War II and later it set the tone for the Charter of the Organization of American States (OAS) at the 1948 Bogotá Conference.

In the late 1930s, German nationals associated with the Nazi party demonstrated their pervasive Latin American influence through commercial, social, and political organizations. At the time, half of all Latin American states hosted German military advisors. To counter Nazi propaganda and subversion, FDR established the Office of the Coordinator of Inter-American Affairs (OCIAA). Under the leadership of Nelson Rockefeller, the OCIAA coordinated cultural exchange programs, supervised cooperative economic initiatives, and managed an extensive public information campaign across print, radio, and motion picture

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136 Ibid., 59.
137 Schoultz, Beneath the United States: A History of the U.S. Policy Toward Latin America, 209.
139 Schoultz, Beneath the United States: A History of the U.S. Policy Toward Latin America, 290.
142 Schoultz, Beneath the United States: A History of the U.S. Policy Toward Latin America, 308.
143 Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 76.
In a White House briefing four months after the attack on Pearl Harbor, Rockefeller linked Latin America’s inadequate healthcare, education, and infrastructure to U.S. national security. Polling suggested that the American public also feared the Axis powers’ prevailing influence in the Western Hemisphere.

In his 1941 State of the Union address, FDR noted that, “the invasion of this hemisphere would not be by landing regular troops … strategic points would be occupied by secret agents and their dupes and a great number of them are already here, and in Latin America.” Critics in the State Department dismissed the OCIAA’s development assistance programs as “harebrained schemes” and they characterized its members as “communist fellow travelers.” Despite skepticism from more traditional foreign policy circles, Nelson Rockefeller’s 1944 promotion to Assistant Secretary of State for Latin American Affairs appeared to vindicated the OCIAA’s embrace of cultural and economic diplomacy. The OCIAA’s perceptive information campaigns and development assistance initiatives established a new and consequential paradigm for U.S.-Latin American relations.

During World War II, Argentina tested the Good Neighbor era’s limits and Latin American dictators capitalized on U.S. concerns through obsequious displays of solidarity. In 1938, Harry Dexter White, a Treasury Department official, first expressed concern over Washington’s apathetic approach towards fascism in Latin America. He argued for economic assistance to countries like Argentina and Bolivia so that “no American nation need surrender any fraction of its sovereign freedom to maintain its economic welfare.”

144 Ibid., 82-83.
146 Ibid., 309.
147 Williams, Understanding U.S. Latin American Relations Theory and History, 161.
148 Rabe, Eisenhower and Latin America, 10.
149 Green, The Containment of Latin America, 46-47.
War I generated immense profits for exporters of Argentine commodities. Now, after the bombing of U.S. islands in the Pacific, Argentina possessed little incentive to terminate its lucrative trading relationships with either Germany or Great Britain.¹⁵⁰

Unlike Bolivia, a Lend-Lease recipient and the principal source of non-ferrous metals for the U.S. defense industrial base, the Roosevelt administration did not have significant political or economic leverage over Argentina.¹⁵¹ U.S. diplomats convinced many Latin American states to recall their ambassadors from Buenos Aires, but the Argentine government remained defiant and the dispute persisted.¹⁵² Concern within U.S. foreign policy circles mounted when disenchanted U.S. allies, to include Great Britain, started viewing the dispute as an Argentine-U.S. problem and not a destabilizing challenge for allies across region. In the era of fixed national boundaries, Argentina’s junta did not represent an overt military threat to its neighbors, but Secretary of State Cordell Hull worried that this confrontation might encourage other American republics to question U.S. leadership.¹⁵³

While Argentina resisted U.S. foreign policy, the dictatorships of Fulgencio Batista in Cuba, Rafael Trujillo in the Dominican Republic, and Anastasio Somoza in Nicaragua embraced a different tactic to advance their national interests. These dictatorships unequivocally supported the U.S., and in the wartime interest of realpolitik, the Roosevelt administration overlooked practices that contradicted the enumerated values of the *Four Freedoms* speech.¹⁵⁴ Jorge Ubico, a caudillo who ruled Guatemala, declared war on Japan immediately after the attacks on Pearl Harbor. Ubico welcomed the U.S. to his country for strategic basing and even allowed

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¹⁵² Green, *The Containment of Latin America*, 160.
¹⁵³ Ibid., 161.
Guatemala’s military academy to be commanded by a U.S. officer.\textsuperscript{155} When Nicaragua’s dictator, Anastasio Somoza, decided to retire in 1947 he asked U.S ambassador William Warren and the State Department to nominate his successor. The U.S. declined this offer. Assistant Secretary of State Spruille Braden informed Nicaragua’s ambassador to the U.S. that “we believe the best way to practice democracy is to practice it … If leftist or anti-American elements should become active, well, that was only a part of the difficult progress toward the democratic goal.”\textsuperscript{156}

U.S. officials remained divided over the appropriate disposition and direction of U.S foreign policy in Latin America.\textsuperscript{157} Since the Monroe Doctrine’s inception in 1823, each successive U.S. presidential administration had articulated a new, quixotic vision for the Western Hemisphere. The approach of these policies evolved with American preeminence, but the Monroe Doctrine’s core suspicion of extra hemispheric actors remained fixed in place.\textsuperscript{158} As international cooperation captured the zeitgeist of the post-war 1940s, U.S. policymakers found it increasingly difficult to reconcile the competing benefits of a closed hemisphere and an open world. These conflicting objectives presented U.S. foreign policy with an ugly dilemma.\textsuperscript{159}

The U.S. embraced a liberal international order supported by multilateral institutions. It envisioned these institutions being filled with strong and reliable allies, but U.S. policymakers soon discovered these two attributes to be incompatible. The “positive longings” of national self-determination built strong states, but radical nationalist movements could also empower Latin American governments with the temerity to challenge or undermine U.S. interests.\textsuperscript{160} Marxism and communism, the “dangerous scions of liberalism,” could not be allowed to encroach on U.S.

\textsuperscript{155} Grow, \textit{U.S. Presidents and Latin American Interventions}, 4. !
\textsuperscript{156} Schoultz, \textit{Beneath the United States: A History of U.S. Policy Toward Latin America}, 326. !
\textsuperscript{157} Green, \textit{The Containment of Latin America}, 135. !
\textsuperscript{158} Horwitz and Bagley, \textit{Latin America and the Caribbean in the Global Context}, 182; McDougall, \textit{Promised Land, Crusader State: The & American Encounter with the World Since 1776}, 58-59. !
\textsuperscript{159} Green, \textit{The Containment of Latin America}, 291-292. !
\textsuperscript{160} Westad, \textit{The Global Cold War}, loc 489; Tilly, \textit{Coercion, Capital, and European States, A.D. 990-1992}, 116-117. !
hegemony.\textsuperscript{161} Strong, independent nations offered a credible deterrent against large-scale armed conflict, but this threat appeared implausible in the Western Hemisphere. On the other hand, weak states offered reliable support for U.S foreign policy in the international arena.\textsuperscript{162} The Monroe Doctrine established a precedent that made hemispheric security a U.S. prerogative. The U.S. did not require military assistance in Latin America, but it desired political and economic partners.

Strained inter-American relations and eroding support for American leadership at the end of World War II appeared to move in relation to the growing geopolitical autonomy of Latin American states. In 1944, the U.S. offended Latin American leaders by blocking their participation in the Dumbarton Oaks Conference. This rejection of regional allies signaled the growing U.S. aversion towards independent Latin American voices.\textsuperscript{163} At the Chapultepec Conference, conflicts over Argentina and the future of hemispheric security revealed further cracks in U.S.-Latin American relations.\textsuperscript{164} Since Latin American states represented 20 of the 49 participants at the pending United Nations Conference in San Francisco, the U.S. needed to forge consensus and renew solidarity within the Western Hemisphere.\textsuperscript{165} The U.S. sought rapprochement with Argentina under the proviso that it purge all “remaining Axis influences.”\textsuperscript{166} Argentina’s deteriorating economic conditions and the inevitable defeat of Nazi Germany forced it to comply. On January 25, 1944, Argentina cited Axis espionage and the betrayal of its hospitality, as the impetus for severed diplomatic relations with the German government.\textsuperscript{167}

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\textsuperscript{161} Grandin, \textit{The Last Colonial Massacre: Latin America in the Cold War}, 16.
\textsuperscript{162} Green, \textit{The Containment of Latin America}, 296.
\textsuperscript{163} Green, \textit{The Containment of Latin America}, 166.
\textsuperscript{164} Ibid., 207.
\textsuperscript{165} Charter of the United Nations and Statute of the International Court of Justice, (San Francisco: United Nations, 1945), 30-54.
\textsuperscript{166} Green, \textit{The Containment of Latin America}, 166.
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With its voting block and links to strategic commodities secured, U.S. interest in Good Neighbor policies dissipated and Latin American dictatorships proliferated.\textsuperscript{168} The increasing threats posed by the Soviet Union and China diverted the preponderance of U.S. resources to Europe and Asia. Adolf Berle, the State Department’s top expert on Latin America, observed that, “[M]en who know the hemisphere and love it are few, and those who are known by the hemisphere and loved by it are fewer still.”\textsuperscript{169} The OAS provided the Western Hemisphere with a symbolic forum for addressing regional challenges through multilateral cooperation, but many Latin American leaders found these initiatives to be superficial or inadequate.\textsuperscript{170}

In 1950, President Truman’s National Security Council produced new recommendations for Inter-American military collaboration. The NSC called for closer defense partnerships with Latin American allies and for the expanded presence of U.S. military training and equipping missions across the South American continent.\textsuperscript{171} The U.S. focused this expanded military capacity on the threat of Soviet subversion. NSC 56-2 assessed that “communists in Latin America have the capability of severely weakening any war effort of the United States by interfering with the source and transit of strategic materials, by damaging vital installations and by fomenting unrest and instability.”\textsuperscript{172} By enlisting the OAS and Latin American states in the global fight against Soviet domination, U.S. foreign policy connected the Monroe Doctrine’s aversion to foreign interference with the Truman Doctrine’s desire to contain the Soviet Union.\textsuperscript{173} Latin America’s authoritarian regimes proved to be the most willing and reliable U.S.

\textsuperscript{168} Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 128.
\textsuperscript{169} Ibid., 121.
\textsuperscript{170} Horwitz and Bagley, Latin America and the Caribbean in the Global Context, 184-186.
\textsuperscript{171} NSC 56/2: U.S. Policy Toward Inter-American Military Collaboration, 1-2.
\textsuperscript{172} Ibid., 5-6.
\textsuperscript{173} Horwitz and Bagley, Latin America and the Caribbean in the Global Context, 185; Kennan, "Memorandum by the Counselor of the Department to the Secretary of State," In Foreign Relations of the United States, 1950 Volume II: The United Nations & The Western & Hemisphere, 1788.
partners in this endeavor. In U.S. policymakers found it easier to address the narrow interests of authoritarian governments over more cantankerous, less predictable democracies. In exchange for U.S. assistance, these dictatorships and military juntas suppressed revolutionary movements and promoted a political equilibrium amenable to U.S. foreign policy objectives.

The political oppression intended to ameliorate the Western Hemisphere’s immediate security challenges soon evolved into an accepted norm. Dean Acheson, President Truman’s secretary of state, later advised, “[d]o nothing to offend the dictators; they are the only people we can depend on.” This harsh calculation summarized a prevailing geopolitical sentiment that endured from FDR through the Eisenhower administration. U.S. policymakers also came to view their encounters with fascism as a harbinger for Latin America’s emerging “Red Scare.” The U.S. ambassador in Brazil cabled that “Soviet policy is approximating German policy: exploit any center of thought or action which may make trouble.” The following day, February 22, 1946, George Kennan sent the State Department his assessment on the sources of Soviet conduct. U.S. interventions before the Second World War attenuated faith in the OAS and its purported values. For Latin America’s growing nationalist movements, U.S. actions in the post-war period destroyed any remaining legitimacy.

Latin American states continued to grapple with extreme inequality and a “revolution of rising expectations.” The Alianza Popular Revolucionaria Americana in Peru, Venezuela’s Acción Democrática, Mexico’s Partido Revolucionario Institucional, Auténtico in Cuba, Salvador

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174 Green, The Containment of Latin America, 291.
175 Kling, “Toward a Theory of Power and Political Instability in Latin America,” In Latin America: Reform or Revolution?, 92-93.
176 Green, The Containment of Latin America, 292.
177 Grandin, The Last Colonial Massacre: Latin America in the Cold War, 8.
180 Holbo, “Cold War Drift in Latin America,” Current History (February 1963), 68.
Allende’s Partido Socialista in Chile, Gaitanista Liberals in Colombia, and the Peronist movement in Argentina all emerged between the Great Depression and the end of World War II. Rising expectations and the promise of industrial modernization spurred urban migration. The uninhabited hills surrounding the capital cities of Bogotá, Caracas, La Paz, Lima, and Rio de Janeiro filled with haphazard structures and informal migrant communities. This urban blight provided foreign visitors, local residents, and political leaders with an immutable, cycloramic depictions of squalor. Visceral images of poverty gave new salience to the outcasts of Latin American society. Demand for economic development spread nationalist sentiments within Latin America’s small, but influential middle class. This group did not share the land-holding oligarchy’s affinity for the status quo, but they also desired more international engagement than indigenous groups with no attachment to the state. Military interventions increased with rising levels of social mobilization as control over capital resources and landholding grew more precarious. Even in countries with improving economic conditions, military coups and political violence persisted as groups scrambled for the spoils of political power.

While these political movements possessed divergent views on the optimal role of government within their respective countries, they all regarded the U.S.-led international order with innate suspicion. U.S. officials in turn viewed these independence movements as part of a Soviet inspired “international communist conspiracy.” John Foster Dulles warned that this “hatred of the Yankee” resembled China’s incipient communist movement in the mid-1930s.

183 Reid, Forgotten Continent: The Battle for Latin America’s Soul, loc 200.
184 Rio de Janeiro served as Brazil’s capital from 1763 until 1960. David Baldussi, “Brasília, 50 Years as the Capital,” The Rio Times (January 12, 2010).
189 Rabe, Eisenhower and Latin America, 29.
Latin America’s incumbent powerbrokers and elite landowners leveraged this perception to secure their own domestic interests. Latin American populist movements clearly espoused socialist principles, but the majority did not identify as communists or officially support the Soviet Union.  

In 1947, the State Department estimated that Communist Party membership in Latin America comprised “one quarter of one percent” of the region’s population.\textsuperscript{191} By 1950, George Kennan assessed that in “no Latin American country, with the possible exception of Guatemala, does there seem to be any serious likelihood that the communists might acquire the strength to come to power.” Kennan also observed that “most of the people who go by the name communist in Latin America are a somewhat different species than in Europe.”\textsuperscript{192} Still, democratic governments in Latin America were forced to manage a precarious balance between popular political pressures, polemic radicals, and U.S. foreign policy imperatives.\textsuperscript{193} If an incumbent administration failed to placate these competing influences, they risked losing power. By not fully appreciating this nuanced reality, U.S. policymakers conflated verifiable facts with theoretical speculation on communist subversion. This flawed perspective transformed political movements for economic and social reform into an international Soviet conspiracy.\textsuperscript{194} Laurence Whitehead argued that U.S. officials with limited knowledge or interest in the region “were particularly prone to misleading simplification and prejudicial labeling.”\textsuperscript{195} The U.S. failed to see

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\bibitem{190} Fredrick Pike, \textit{FDR’s Good Neighbor Policy: Sixty Years of Generally Gentle Chaos} (Austin: University of Texas Press, 1995), 300. !
\bibitem{191} \textit{U.S. Policy Regarding Anti-Communist Measures Which Could Be Planned and Carried Out Within the Inter-American System}, Department of State, 5. !
\bibitem{192} Kennan, “Memorandum by the Counselor of the Department to the Secretary of State,” In \textit{Foreign Relations of the United States, 1950 Volume II: The United Nations & The Western Hemisphere}, 1780-1782. !
\bibitem{193} \textit{NSC 144/1: U.S. Objectives and Courses of Action with Respect to Latin America}, (Washington: National Security Council, 1953), 4. !
\end{thebibliography}
these “communist” sympathies as a product of Latin America’s destitute condition, not a Soviet inspired ideology.\footnote{Gaddis, Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War, 52. !}

In 1952, following military coups in Cuba and Venezuela, Costa Rica and Guatemala represented the last democratic governments in the Caribbean Basin.\footnote{Gleijeses, Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954, 223. !} The threat posed by communist adversaries in other part of the world “tempered” U.S. patience with independence movements and it reduced U.S. support for apathetic governments.\footnote{Westad, The Global Cold War, loc 2433. !} Latin American states countered extra-hemispheric communist influence by shifting their focus inward. Authoritarian governments banned Marxist propaganda, communist parties, and their affiliated labor organizations.\footnote{Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 126. !} Germán Arciniegas, a Colombian journalist and historian, noted that: “The dictators describe as Communist all those who do not support them. According to General Odría, the people of Peru are Communists.”\footnote{Holbo, “Cold War Drift in Latin America,” Current History, 67. !}

Efforts to contain political instability through direct and indirect means produced mounting costs for the credibility of U.S. foreign policy.\footnote{Green, The Containment of Latin America, 291-292. !} The Good Neighbor era’s diplomatic and economic development initiatives failed to satiate the cult of revolution that permeated Latin America’s nationalist movements. The zeal and reverence for nineteenth century revolutionary figures like Simón Bolívar, Benito Juárez, Bernardo O’Higgins, and José de San Martín reflected an instinctive desire to forge a shared history and national identity independent of foreign influence.\footnote{Centeno, Blood and Debt: War and the Nation-State in Latin America, 205 & 215. !} U.S. economic assistance could not develop these intrinsic qualities and dictatorships could not suppress political discontent in perpetuity. Good Neighbor policies failed to convince Latin America’s revolutionary movements that U.S. interests were synonymous with
their own. The competing desires for political freedom and political stability threatened to
dismember hemispheric solidarity at a time of increasing apprehension within the United
States.\footnote{Green, The Containment of Latin America, 291-292; NSC 144/1: U.S. Objectives and Courses of Action with Respect to Latin America, 1-2.}

CHAPTER IV: Securing Democracy through Dictatorships

The election of President Eisenhower signaled public discontent with the direction of
U.S. foreign policy. President Eisenhower accused the Truman administration of converting the
Good Neighbor Policy into “a poor neighbor policy.”\footnote{Rabe, Eisenhower and Latin America, 6.}
Latin American states supplied the
preponderance of raw materials to Allied forces during World War II. They also agreed to
control commodity market volatility by accepting a fixed rate for exports. Latin America sold
discounted strategic commodities to the U.S. and then purchased scarce finished products at the
going market price. As high demand and limited supply of capital goods spurred inflation, the

Diplomats from across South America argued that this nonreciprocal arrangement cost
their undercapitalized economies over three billion dollars during the war.\footnote{Rabe, Eisenhower and Latin America, 16-17.}
By continuing to
not export tin, lead, copper or other strategic commodities to countries behind the Iron Curtain,
Latin American states reasoned that they deserved an economic recovery program like the one in
Latin America’s leaders found it egregious that during the Truman administration,
Belgium and Luxembourg received more foreign aid than all of the states in the Western
South America convinced some governments that the U.S. simply used its neighbors during “a time of crisis.” During the Korean War the U.S. petitioned Latin American states for support, but only Colombia sent troops. Brazil’s foreign minister explained that, “Brazil’s present situation would be different and our cooperation in the present emergency could probably be greater,” if Washington “elaborated a recovery plan for Latin America.” The Eisenhower administration feared Soviet exploitation of these faltering trade and security ties. To better assess the situation, President Eisenhower dispatched his brother and most trusted advisor, Dr. Milton Eisenhower, on a ten-country tour.

Much like Rockefeller’s assessment in 1941, Dr. Eisenhower’s report in 1953 captured the desperate socioeconomic conditions driving “tremendous social ferment” in the region. U.S. Objectives and Courses of Action with Respect to Latin America (NSC 144-1), operationalized Dr. Eisenhower’s findings, but with only modest support for enhanced political, economic, information, and military assistance programs. Like President Truman, the Eisenhower administration viewed private capital as the primary mechanism for economic development in the Western Hemisphere. In the summer of 1953 the Eisenhower administration commissioned Operation Solarium, a detailed review of its anti-Soviet strategy. Study groups convened at the National War College to assess the effectiveness three policy options: a continuation of containment, increased nuclear deterrence, or the liberation / “roll back” of expanding Soviet influence. Policymakers emerged from Solarium with New Look, a fiscally responsible hybrid of containment, deterrence, and liberation.
President Eisenhower wanted to prevent a “Soviet beachhead” from forming in the Western Hemisphere. Even if no diplomatic or military relations existed between the Árbenz government and the Kremlin, Guatemala’s populist reforms, inchoate communist party, and close proximity to strategic infrastructure made it appear to be a susceptible Soviet target.\textsuperscript{216} Louis Halle, a member of the State Department’s Policy Planning Staff, dissented from conventional views held on conditions in Guatemala. Halle equated U.S. insecurity in Central America to a frightened elephant shaking at the sight of a mouse.\textsuperscript{217} While both the State Department and intelligence community assessed that Guatemalan communists posed no military threat, the Eisenhower administration viewed subversion in the country as a “crucial test” of U.S. leadership and hemispheric solidarity.\textsuperscript{218}

Eisenhower grounded his concern in the understanding that the Soviets would exploit any opportunity to undermine U.S. legitimacy in the Western Hemisphere. The American public, prominent editorial pages, foreign policy academics, and the U.S. Congress overwhelmingly supported President Eisenhower’s position.\textsuperscript{219} Walter McDougall captures growing anxiety over the communist threat by noting that: “The Truman Doctrine passed the Senate by a margin of 3 to 1, the Marshall Plan by 4 to 1, NATO by 6 to 1, and the public approved the Korean intervention by 10 to 1.”\textsuperscript{220} In the summer of 1953, President Eisenhower approved planning for Operation Success (PBSUCCESS).\textsuperscript{221} The operation embraced \textit{New Look}’s strategic asymmetry with plans for covert action and psychological warfare.\textsuperscript{222} In theory, this clandestine approach

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\textsuperscript{216} Grow, \textit{U.S. Presidents and Latin American Interventions}, 18.
\textsuperscript{218} Grow, \textit{U.S. Presidents and Latin American Interventions}, 20.
\textsuperscript{220} McDougall, \textit{Promised Land, Crusader State: The American Encounter with the World Since 1776}, 166.
\end{flushright}
preserved public U.S. commitments to nonintervention and prevented populist groups from further galvanizing support with a David versus Goliath narrative.\textsuperscript{223}

Guatemala epitomized the social inequality, rampant poverty, and weak institutions that crippled development in many Latin American states. Over half the country’s population subsisted as seasonal agrarian labor with an annual income equivalent to $70 U.S. dollars. Guatemala’s life expectancy hovered around 40 years and its infant mortality rate exceeded 50 percent. The Guatemalan people also suffered from the second highest illiteracy rate in Latin America.\textsuperscript{224} These domestic conditions and the dominance of U.S. business interests within the Guatemalan economy made it a lightning rod for anti-American political movements. The U.S.-based United Fruit Company served as the country’s largest landowner and its largest employer. United Fruit’s subsidiaries, International Railways of Central America (IRCA) and the Tropical Radio and Telegraph Company, dominated commercial transportation and communications. IRCA controlled 95 percent of Guatemala’s railroads and after 1930, United Fruit assumed responsibility for the country’s postal service.\textsuperscript{225} The significance of United Fruit’s monopoly is amplified by the fact that no roads connected the country’s capital, Guatemala City, to its principal port, Puerto Barrios. This deep water harbor handled 60 percent of Guatemala’s exports.\textsuperscript{226} Guatemalans described United Fruit as “el pulpo” (the octopus), due to this extensive reach and power.\textsuperscript{227}

In 1952 Guatemala’s democratically elected president, Jacobo Árbenz, implemented an aggressive land redistribution project and lifted a ban on the Communist Party’s political

\begin{footnotes}
\item[224] Ibid., 26-27.
\item[227] Reid, \textit{Forgotten Continent: The Battle for Latin America’s Soul}, loc 1310.
\end{footnotes}
participation. Guatemala supported a Soviet initiative to recognize communist China at the U.N. and it became a prominent “safe haven” for Marxists fleeing political persecution in other Latin American countries. Ernesto ‘Che’ Guevara, an itinerant Argentine revolutionary, first established his connections to Fidel Castro’s 26th of July movement while attempting to “stimulate popular resistance” in Guatemala. The U.S. welcomed some of Guatemala’s political and economic reforms but when added together they indicated a path away from the U.S. and into the Soviet sphere of influence. José Manuel Fortuny, a devout communist and senior advisor to President Árbenz later noted: “They would have overthrown us even if we had grown no bananas.”

At the 10th Inter-American Conference in Caracas, any remnants of hope for the Good Neighbor era unraveled as two distinct views on the future of OAS cooperation emerged. Latin American delegations prioritized economic development, reduced U.S. trade barriers, and commodity price stability. The U.S. wanted to prevent communist encroachment on the American Republics. Prior to the Caracas Conference, Assistant Secretary of State Cabot argued that the absence of U.S. economic assistance, not Soviet machinations, represented principal driver of Latin America’s discontent. Assistant Secretary Cabot’s observation echoed the preponderance of U.S. government studies, assessments, and reports that identified economic development as the essential component for regional stability. Like its predecessors, the Eisenhower administration acknowledged this fact and then proceeded to address Inter-American

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228 Williams, Understanding U.S. Latin American Relations Theory and History, 174.
229 Grow, U.S. Presidents and Latin American Interventions, 8-10.
231 Grow, U.S. Presidents and Latin American Interventions, 10.
235 Ibid., 492-493.
236 Rabe, Eisenhower and Latin America, 40.
challenges through other means. U.S. foreign policy’s short institutional memory made learning from these past experiences dubious.

After “very severe arm twisting,” the U.S. won support for an ersatz version of its anti-communist resolution. Latin America’s dictatorships provided 12 of the 17 affirmative votes. Argentina and Mexico abstained, while Guatemala represented the only vote of dissention. At the Caracas Conference, recalcitrant OAS members demonstrated the limits of their anti-communist cooperation, and the U.S. sacrificed its benevolent image for a superficial statement of solidarity. Foreign Minister Luis Padilla Nervo explained Mexico’s ambivalent position by noting that, “we were going through economic and social reform, a revolution, and if at that moment you had called a meeting of the American States to judge us, probable we would have been found guilty of some subjection to foreign influences.” After the Caracas conference, President Árbenz concluded that an invasion of his country was imminent and the U.S. determined that any future action against Guatemala should be covert and unilateral. Piero Gleijeses writes that “there is no convenient villain” to blame for the events leading up to the U.S. intervention in Guatemala, “but rather a complex interplay of imperial hubris, security concerns, and economic interests.” The stage for an unnecessary confrontation was set.

In April 1954, the U.S. discovered a 2,000 ton small arms shipment traveling from Czechoslovakia, a Soviet satellite state, to Puerto Barrios in Guatemala. More weapons appeared to be on the way. In May, social unrest in Guatemala spread across its border to United Fruit plantations in Honduras. The U.S. embassy in Tegucigalpa suspected the workers revolt

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241 Ibid., 51.
emanated from a communist-backed labor union in Guatemala.\(^{243}\) In response to these developments, Honduras and Nicaragua signed mutual security treaties with the U.S. This paved the way for future U.S. military assistance designed to guard against “the extension of Soviet Colonialism.”\(^{244}\) On June 17, U.S.-backed rebels crossed into Guatemala in accordance with the operational designs of PBSUCCESS.\(^{245}\) Soon after, the Guatemalan army dissolved and President Árbenz resigned from office. The Eisenhower administration viewed Árbenz’s rapid capitulation as a successful check on communist encroachment in the Western Hemisphere.\(^{246}\) Covert action proved to be an effective instrument for regime change, but the pernicious socioeconomic factors that threatened regional stability remained. To many Latin American governments, the events surrounding Guatemalan coup signaled a return to the repudiated policies that predated the Good Neighbor era.\(^{247}\)

In the spring of 1958 Vice President Richard Nixon embarked on a tour of South America. The trip’s objective was to recognize the democratic election of Argentina’s Arturo Frondizi Ercoli and disabuse the notion that the U.S. favored Latin American dictatorships.\(^{248}\) Vice President Nixon’s itinerary soon expanded to include Uruguay, Paraguay, Bolivia, Peru, Ecuador, Colombia, and Venezuela. Democratic governments had just returned to power in Peru and Venezuela.\(^{249}\) In private meetings with Vice President Nixon, heads of state reiterated the need for U.S. economic support and development assistance. Vitriolic mobs used a different approach to communicate a similar message. The Vice President later wrote that, “No journey


\(^{244}\) Gleijeses, Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954, 297-298. !

\(^{245}\) Ibid., 320. !

\(^{246}\) Grow, U.S. Presidents and Latin American Interventions, 26-27. !

\(^{247}\) Rabe, Eisenhower and Latin America, 77. !


\(^{249}\) Rabe, Eisenhower and Latin America, 100-101. !
ever started out in a less exciting way and ended more dramatically.” By the time Nixon arrived in Venezuela, anti-American demonstrations reached a violent crescendo. Some Eisenhower cabinet members attributed this mob violence to a Soviet inspired plot, but a subsequent CIA investigation found no evidence to support this assertion. The CIA Director, Allen Dulles, concluded that “there would be trouble in Latin America even if there were no Communists.”

The Chairman of the Senate Foreign Relations Committee described Vice President Nixon’s trip as “a symbolic explosion no less startling in its impact on the nation than the first sputnik.” More than any previous report or intelligence estimate, newsreel footage of protestors spitting on the Vice President and assaulting his motorcade provided an unvarnished appraisal of U.S.-Latin American relations. The Good Neighbor era established a U.S.-led international regime designed to enhance state sovereignty and encourage multilateral consultations. These policies intended to advance U.S. national interests but they were predicated on a tacit reciprocity that promoted inter-American solidarity. Democracy diluted the power of Latin American elites and diminished their ability to reliably support strategic U.S. objectives. By the spring of 1958, the Good Neighbor era had died and left both the U.S. and its Latin American partners disillusioned. Democratic governance and economic development produced unforeseen outcomes that challenged basic assumptions about the benevolent influences of state formation.

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250 Nixon, Six Crises, 187.
251 Rabe, Eisenhower and Latin America, 102.
253 Stephen Krasner defines an international regime as “implicit or explicit principles, norms, rules, and decision-making procedures around & which actors’ expectations converge in a given area of international relations.”
255 Grandin, The Last Colonial Massacre: Latin America in the Cold War, 8.
President Eisenhower found it alarming that communists continued to “identify themselves and their purposes” with emerging nationalist trends and movements.\textsuperscript{256} The Eisenhower administration recognized that U.S. foreign policy required more flexibility to address the incompatible influences of weak states and strong nations. Going forward, the U.S. planned to address Latin America’s “pervasive anarchy” through better coordination of its economic and military foreign policy instruments.\textsuperscript{257} U.S. policymakers reversed course on several key economic proposals they opposed at the Caracaras conference. The U.S. expanded Export-Import Bank loan authority to seven billion dollars, doubled the World Bank’s lending capacity, agreed to commodity price negotiations, and supported initiatives to forge a common market for South America.\textsuperscript{258} The Eisenhower administration also established the Inter-American Development Bank.\textsuperscript{259} The bank’s Social Progress Fund targeted education, healthcare, and agriculture projects neglected by other forms of investment capital.\textsuperscript{260} These economic and development incentives aimed to “channel” legitimate nationalist discontent in a free market, anti-communist direction.\textsuperscript{261} If this approach failed, the U.S. could always default to allied dictators willing to impose stability with force.\textsuperscript{262} Anti-communist political solidarity remained the overarching goal.

On January 1, 1959, Fidel Castro’s 26\textsuperscript{th} of July Movement ousted the dictatorship of Fulgencio Batista in Cuba.\textsuperscript{263} Castro rode to victory in the streets of Havana on a tank given to the Batista regime by the U.S government. These unexpected developments became the first test

\textsuperscript{256} Parker, “Cold War II: The Eisenhower Administration, the Bandung Conference, and the Reperiodization of the Postwar Era,” \textit{Diplomatic & History}, 877.
\textsuperscript{257} Green, \textit{The Containment of Latin America}, 17.
\textsuperscript{258} Schoultz, \textit{Beneath the United States: A History of U.S. Policy Toward Latin America}, 354.
\textsuperscript{259} Rabe, \textit{The Most Dangerous Area in the World}, 11.
\textsuperscript{260} Horwitz and Bagley, \textit{Latin America and the Caribbean in the Global Context}, 63.
\textsuperscript{262} Schoultz, \textit{Beneath the United States: A History of U.S. Policy Toward Latin America}, 354.
\textsuperscript{263} Williams, \textit{Understanding U.S. Latin American Relations Theory and History}, 189.
of the Eisenhower administration’s dual-track strategy for countering Latin America’s revolutionary movements.264 In the revolution’s early days the U.S did not view Castro as a threat, but as a “positive challenge” for changing conditions in Cuba.265 The Batista government’s oppressive tactics, corrupt practices, and deplorable human rights record alienated broad sections of Cuban society and pushed them into the arms of the revolution.266 Many middle and upper class Cubans viewed Castro as a welcome change to the graft and extortion they experienced under Batista.267 The U.S. had also grown weary of Batista and sympathetic to the plight of the Cuban people. It wanted to limit the reputational damage this close association would have on broader U.S.-Latin American relations across the region.268 The Eisenhower administration set its apprehension aside and dismissed Castro’s anti-American rhetoric as a part of Cuba’s reform process.269

In April 1959, Castro conducted an 11 day, six city tour of North America at the invitation of the American Society of Newspaper Editors.270 The new Cuban Prime Minister traveled as a private citizen, but his itinerary reflected the political calculations of an ambitious “revolutionary project” unfolding deep within the U.S. sphere of influence.271 Castro met with Vice President Nixon, Assistant Secretary of State Rubottom, members of the Senate Foreign Relations Committee, and members of the House Foreign Affairs Committee. Large, enthusiastic crowds attended Castro’s speeches in New York City’s Central Park and at three prominent

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265 Same source, 356.
266 Rabe, Eisenhower and Latin America, 115; Parker, “Cold War II: The Eisenhower Administration, the Bandung Conference, and the Reprioritization of the Postwar Era,” Diplomatic History, 871.
268 Rabe, Eisenhower and Latin America, 120-121.
269 Same source, 123.
270 Same source, 124.
universities. While in New York, Castro also agreed to a secret meeting with U.S. intelligence officials. The CIA briefed Castro in Spanish on subversive communist operations within Cuba. The Cuban communist party supported Batista until his demise appeared inevitable. They now represented a growing block of political influence within the country. Castro acknowledged this threat to the Cuban revolution but reassured all present that “he can handle Communists.”

Castro’s public relations blitz produced ambivalent reactions and many unanswered questions. Dew Pearson’s Washington Merry-Go-Round cited a speech on March 23, 1959, where Castro proclaimed, “Should there be a war between the United States and Russia, Cuba would be neutral.” In private meetings one month later, Castro repeatedly assured U.S. officials that “Cuba would remain in the western camp” and against the Soviet Union. The State Department found Castro to be frank, sincere, and eager to reassure the United States, but its report also cautioned that “Castro remains an enigma.” While The Guardian described the olive drab revolutionary as a “picturesque paradox,” Castro appeared to understand that ideological contradictions and political inconsistencies matter very little to people deprived of the most basic human necessities.

Across his numerous engagements Castro did remain consistent on one key point, his belief that destitute conditions perpetuate Latin America’s political flirtation with communism. In a prescient cable sent on December 18, 1958, two weeks before the Batista government’s collapse, the CIA’s Havana Station Chief recommended opening a dialogue with...
Castro’s 26th of July Movement. The cable noted that, “Regardless of how we may feel about Castro and his movement, both will be important political forces for a long time to come.”

Cuba represented the second largest amount of U.S. foreign direct investment in Latin America and the U.S. sugar quota subsidized the island nation’s principle export. Private U.S. investors held significant stakes in Cuban tourism, oil refineries, and infrastructure. U.S. policymakers believed that these implicit advantages enhanced diplomatic leverage over a revolutionary movement focused on delivering economic and social reforms. The logic followed that mutual U.S.-Cuban interest in economic development made rapprochement a viable possibility. Ultimately, suspicion and pride nullified any shared interests and prevented an amicable relationship from coming to fruition. Castro feared appearing as a U.S. “ supplicant” and he abhorred U.S. lectures on the dangers of communism. Castro later observed that: “The United States had dominated us too long. The Cuban revolution was determined to end that domination.” To sceptics on both sides, this rupture always seemed inevitable.

By July of 1959, three months after Castro returned from his U.S. tour, Washington determined the Cuban Revolution’s “unorthodox politics” to be incompatible with U.S. objectives. A National Intelligence Estimate (NIE) on deteriorating U.S.-Cuban relations noted that: “It is difficult, and in most respects academic to try, to distinguish the policy and actions of the Castro regime from those which would be expected of a government under actual Communist control.”

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282 LeoGrande and Kornbluh, Back Channel to Cuba: The Hidden History of Negotiations Between Washington and Havana, 21. !
283 Ibid., 41. !
reform under a new organization, the National Agrarian Reform Institute (INRA). Castro used
the INRA to establish state-controlled industries and transform private companies into
production cooperatives. The INRA, which later evolved into the Ministry of Industry, became
the principal vehicle for redistributing national income, expropriating private assets, and
increasing state control over the Cuban economy. 286

Castro’s popularity and messianic persona constrained multilateral action within the OAS
and made it difficult for Latin American leaders to openly criticize events unfolding in Cuba.
These leaders feared provoking social unrest and riots within their own countries. 287 The U.S.
also worried about Latin American allies susceptible to the dangerous bandwagon mentality
forming among other nationalist movements intent on replicating the Cuban experience. 288 The
Cuban government’s ability to persist in the face of U.S. opposition made Havana a “mecca for
revolutionary inspiration.” 289 During its first year in power, Cuba provided political propaganda
and materiel support to dissident groups plotting the overthrow of dictatorships in the Dominican
Republic, Haiti, Nicaragua, and Paraguay. 290 The U.S. attempted to moderate the Cuban
revolution with economic accommodations, but it could no longer allow its forbearance to be
interpreted as weakness. 291 U.S. ambassador to the UN, Henry Cabot Lodge, raised the point
that: “The U.S. can win wars, but the question is can we win revolutions?” 292

Where the U.S. sensed danger, Nikita Khrushchev, the General Secretary of the Soviet
Union, detected opportunity. After visiting the U.S. in the fall of 1959, Khrushchev approved a

286 Ibid., 7; Castro and Ramonet, My Life, 247-248.
287 NIE 85/2-60: The Situation in Cuba, 1; NIE 80/90-61: Latin American Reactions to Developments in and with Respect to Cuba, 2; Grow, U.S. & Presidents and Latin American Interventions, 33.
288 Williams, Understanding U.S. Latin American Relations Theory and History, 16.
289 NIE 80/90-61: Latin American Reactions to Developments in and with Respect to Cuba, 3.
secret Cuban request for Warsaw Pact weapons. The Soviet Ministry of Foreign Affairs advised against this course of action, but to Khrushchev the situation in Cuba appeared “too important, and unusual, a phenomenon … for the Soviets to deny it assistance.” Stalin once denounced Latin America as “the obedient army of the United States.” Now, the Kremlin hoped to augment its limited capability in South America with like-minded partners in the Cuban Revolution. The Soviets proved adept at exploiting nationalism in other parts of the word and Cuba offered a unique opening to obstruct inter-hemispheric solidarity and damage U.S. credibility. By the late 1950s, the Soviet Union represented less than one percent of Latin American trade. The Kremlin’s diplomatic presence across the region was equally insignificant with only three operational embassies. Cuba provided the Communist Block with a base of operations within the Western Hemisphere. It also presented the Soviets with an opportunity to break Latin America’s reliance on U.S. capital and trade.

In 1960, under threat of U.S. sanctions, the Soviet Union and Cuba signed an agreement to exchange oil for sugar. When U.S. owned refineries refused to process imported Soviet oil, the Cuban government seized facilities owned by Standard Oil, Texaco, and British-Dutch Shell. Private investors realized a one billion dollars loss from Cuba’s confiscation of property and assets. The U.S. government responded with an economic embargo on all exports to Cuba. Food and medicine remained exempt. The Soviet Union used trade as an innocuous form of support for Cuba, but once the Kremlin determined the danger of U.S. intervention to be

293 Fursenko and Naftali, One Hell of a Gamble: Khrushchev, Castro, and Kennedy 1958-1964, loc 564. !
294 Reid, Forgotten Continent: The Battle for Latin America’s Soul, loc 1536. !
296 Rabe, Eisenhower and Latin America, 115. !
297 Smith, Talons of the Eagle: Dynamics of U.S.-Latin American Relations, 134; Reid, Forgotten Continent: The Battle for Latin America’s Soul, loc 1336. !
298 Robert Evan, “Soviet Political Uses of Trade with Latin America,” Journal of Interamerican Studies and World Affairs (Summer 1985), 100. !
299 LeoGrande and Kornbluh, Back Channel to Cuba: The Hidden History of Negotiations Between Washington and Havana, 35-36. !
300 Evan, “Soviet Political Uses of Trade with Latin America,” Journal of Interamerican Studies and World Affairs, 101. !
301 LeoGrande and Kornbluh, Back Channel to Cuba: The Hidden History of Negotiations Between Washington and Havana, 36. !
irrevocable, it proceeded with calculated political and military support.\textsuperscript{302} In response to growing tensions over the situation in Cuba, Khrushchev publicly announced on July 9, 1960, that: “Soviet artillerymen can support the Cuban people with their rocket fire should the aggressive forces in the Pentagon dare to start intervention against Cuba … we have rockets which can land precisely in a preset square target 13,000 kilometers away.”\textsuperscript{303}

By establishing Cuba as a proxy in the Western Hemisphere, the Soviets exposed a significant gap in U.S. national security strategy. Before World War II, geography and industrial capacity offered the U.S. ample time and space to address unambiguous threats as they materialized outside the Western Hemisphere. In a post-war world defined by superpower competition and atomic weapons, if policymakers waited for a threat to become apparent, they risked being too late to mount an effective response. The U.S. nuclear arsenal deterred conventional forms of aggression, but U.S. strategy proved ineffective at managing the grey area between total war and total peace.\textsuperscript{304} Communist support for national liberation movements enabled Soviet influence to usurp U.S. interests without crossing thresholds both sides believed would trigger direct military conflict.\textsuperscript{305}

The devastating effect of nuclear weapons decreased the probability of their use and few threats justified a nuclear response. Atomic brinkmanship made limited warfare through proxy forces a critical foreign policy instrument. Limited warfare and subversive activities allowed hostile actors to mask their intent and obfuscate political and economic objectives.\textsuperscript{306} These tactics avoided the direct seizure of territory and focused on attaining a favorable balance of


\textsuperscript{304} Kissinger, \textit{Nuclear Weapons and Foreign Policy}, 8-11.


\textsuperscript{306} Ibid., 195.
power by manipulating developments within other sovereign states. Once achieved, the cost of action against this “political and military nibbling” often outweighed the risk of intervention.

President Eisenhower recognized this as a possible outcome for U.S. foreign policy in Cuba. The difficulty of removing Castro increased the longer he remained in power. Cuba’s growing diplomatic relationship with the Soviet Union compounded the situation’s gravity. On March 16, 1960, the Eisenhower administration authorized a covert action program against Castro’s government. The program followed four lines of operation: it developed an opposition movement outside Cuba, orchestrated a propaganda campaign, built an intelligence network on the island, and created a paramilitary force for future guerilla operations. The U.S. intended to upended the “staying power” of Soviet-inspired nationalism by taking decisive action with counterrevolutionary forces. This strategy exceeded expectations in Guatemala and the CIA convinced policymakers that it could replicate this success again in Cuba.

The U.S. also worked to counter communist influence in Cuba through the OAS. In August 1960, the OAS issued a joint statement condemning Soviet actions within the American republics and in 1961 it expelled Cuba for embracing principles incompatible with the inter-American system. Cuban attempts to export social revolution and armed resistance unnerved neighboring Latin American states. To prevent Castro’s revolutionary influence from destabilizing other states in the region, the Eisenhower administration embraced a Brazilian plan to accelerate socioeconomic development through land reform and improved housing.

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307 Kissinger, Nuclear Weapons and Foreign Policy, 9.
309 NIE 85/2-60: The Situation in Cuba.
313 Williams, Understanding U.S. Latin American Relations Theory and History, 190-191.
314 Ryan, The Fall of Che Guevara, 5-9.
Eisenhower administrations use of covert action and its embrace of anti-poverty development programs represented the antecedents of more concerted U.S. foreign policy effort to keep the Western Hemisphere free of communist influence.

Two distinct forces shaped Latin American states between 1945 and 1960. Within South American countries, nationalist movements transformed themselves from pariahs into coveted sources of political power and at the international level, the stakes of Cold War competition moved Latin American governments from afterthoughts to central foreign policy considerations. The external influences of the bipolar state system and internal political movements represented key elements in Latin America’s post-war state formation process.316 From 1958 to 1961, ten Latin American military dictatorships collapsed. The complexity of independent political movements operating within an interdependent international environment required a creative U.S. foreign policy that moved beyond anti-communist measures to address Latin America’s socioeconomic revolution.317 This brought new opportunities and challenges for Latin American citizens, their states, and the superpowers vying for influence in the regional.

CHAPTER V – Securing Democracy through Development

John F. Kennedy severely criticized the Eisenhower administration’s handling of Cuba. In a speech given during the 1960 presidential campaign, Kennedy rhetorically asked Vice President Nixon, “If you can’t stand up to Castro, how can you be expected to stand up to Khrushchev?”318 Kennedy made cogent, well-articulated arguments but his assessment of the situation mirrored Eisenhower’s concerns on communist influence and its ability to exploit the

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impoverished condition of many Latin American states. Eisenhower’s *New Look* aimed to provide the U.S. with an asymmetric advantage over the Soviets, but the Cuban revolution demonstrated the vulnerability of asymmetry through indirect aggression. The limited measures that advanced communist wars of national liberation constrained the most effective U.S. policy options. In response, the Kennedy administration replaced *New Look* with *Flexible Response*. This modified approach utilized conventional and unconventional foreign policy instruments to combat the “debilitating pressures” Soviet “crisis-mongering” imposed on the free world.

In 1961, President Kennedy challenged nations across the Western Hemisphere to go further and unite behind an ambitious plan that would “demonstrate to the entire world that man’s unsatisfied aspiration for economic progress and social justice can best be achieve within a framework of democratic institutions.” As signatories to the Charter of Punta del Este, the U.S. and 20 other Latin American states embraced a “multilateral inter-American development initiative” that became known as the Alliance for Progress. The Alliance focused on long-standing U.S. foreign policy objectives in the region: political stability and economic prosperity. It reflected the tenets of *Flexible Response* by combining high-minded aspirations with the evolving strategic imperatives of containment.

The Kennedy administration wanted to prevent another Cuban revolution. After a meeting with Khrushchev in the summer of 1961, President Kennedy concluded that Soviet support for “wars of national liberation” represented a front for indirect communist invasion. Citing communist theory, the President noted that, “a small group of disciplined Communists

322 Ibid., 203.
could exploit discontent and misery in a country where the average income may be $60 or $70 a year, and seize control, therefore, of an entire country without Communist troops ever crossing any international border.”\textsuperscript{324} Communists within the Cuban revolution masked their political affiliation as a resistance movement against the Batista regime’s oppression. Then, they incrementally gained control of the Cuban government.\textsuperscript{325} The U.S. worried about Cuba being used to project Soviet influence across the Western Hemisphere, but the Kennedy administration also considered the broader implications for other Cold War flashpoints like Taiwan and Berlin. Dean Rusk, President Kennedy’s Secretary of State, argued that U.S. acquiescence in Cuba set a dangerous precedent that encouraged Chinese and Soviet aggression in other parts of the world.\textsuperscript{326}

Rusk’s concern over symbolism, deterrence, and U.S. credibility did not represent a novel foreign policy concept, but the Alliance for Progress did offer a new approach to Latin America’s perennial struggle with economic and political instability. Since the emergence of Dollar Diplomacy in the early twentieth century, U.S. policymakers supported the notion that material prosperity produced political tranquility.\textsuperscript{327} This theory presumed that Latin American states simply required a capital infusion to transcend the historic challenges that impeded their development. Guided by this assumption, U.S. foreign policy failed to realize its vision for a hemispheric network of democratic republics. This theory on capital investment represented a fundamental misunderstanding of how Latin America’s socioeconomic structures connected to its insular political institutions.\textsuperscript{328} In effect, U.S. foreign policy averted short-term crises at the

\textsuperscript{324} Rabe, \textit{The Most Dangerous Area in the World}, 20-21.

\textsuperscript{325} Smith, “The Alliance for Progress: The 1960s,” In \textit{Exporting Democracy: The United States and Latin America}, 76.


\textsuperscript{327} Schoultz, \textit{Beneath the United States: A History of U.S. Policy Toward Latin America}, 357.

expense of its enduring strategic interests in the Western Hemisphere. In a letter to President
Kennedy, Adolf Berle, Chairman of the President’s Task Force on Latin America, wrote that:
“The present struggle will not be won, and can be lost by opportunist support of transitory
power-holders or forces whose objectives are basically hostile to the peoples they dominate.”

The Alliance for Progress built upon Berle’s assessment and shifted the burden of
development from private investment to loan guarantees and aid financed through the U.S.
government. The Kennedy administration attempted to embrace Latin America’s emerging
middle class without ostracizing the “familiar friends” that supported Washington in the past.
In 1961, President Kennedy traveled to Bogotá, Colombia, to promote his Alliance for Progress
initiative. Enthusiastic crowds lined the streets and welcomed the U.S. delegation. This warm
reception made a stark contrast to the acrimonious greeting experienced by Vice President Nixon
just three years before. Colombia’s President, Lleras Camargo, explained to Kennedy that, “They
think you’re on their side against the oligarchs – and I hope you keep it that way.” The
Kennedy administration hoped to encourage this perception, but not all revolutionary movements
proved to be compatible with U.S. interests. These groups seized on any indication of U.S.
reticence as evidence that the U.S. only cared for Latin America’s elite.

The Alliance for Progress invested in housing, healthcare, and education, but land reform
represented its most consequential and controversial development initiative. Through land
reform, the U.S. sought to extend economic and political participation to marginalized segments
of Latin American society. Alliance for Progress administrators viewed land reform and its

330 Schoultz, Beneath the United States: A History of U.S. Policy Toward Latin America, 357.
333 Ibid.
ancillary socioeconomic benefits as an essential step for building process for social cohesion and viable democratic institutions.335 While U.S. policymakers recognized land reform’s potential benefits, concern over agricultural production output and communist exploitation prevented this initiative from ever expanding beyond symbolic rhetoric. A joint assessment by the Defense Department and the State Department also concluded that Alliance for Progress reforms could “weaken, rather than strengthen the fabric of society.”336 The Kennedy administration feared that land reform measures could inadvertently assist the underground communist networks plotting to destabilize agrarian communities.337 Che Guevara’s observations on the Alliance for Progress intentionally stoked concern about land reform programs being coopted by communist subversion. In a Life magazine article by Richard Goodwin, Guevara stated that, “by encouraging the forces of change and the desires of the masses, you might set loose forces beyond your control, ending in a revolution which would be your enemy.”338 The marginal impact made by Alliance for Progress programs demonstrated the significant challenges that distinguished economic growth from economic development initiatives.339 The U.S. needed to meet rising expectations if it wanted to be viewed as an ally in Latin America’s campaign for social progress, but more importantly U.S. policymakers could not permit another Cuban Revolution.

Where foreign assistance failed to encourage progressive reforms, the Kennedy administration remained committed to the containment of communism by other means. The death of Rafael Trujillo, the Dominican Republic’s pro-U.S. dictator, illustrated the Kennedy administrations pragmatic view. While contemplating the outcomes and foreign policy implications for the island nation adjacent to Cuba, President Kennedy noted that: “There are

335 Gordon, A New Deal for Latin America: The Alliance for Progress, 102.
336 Rabe, The Most Dangerous Area in the World, 128.
three possibilities in descending order of preference: a decent democratic regime, a continuation of the Trujillo regime, or a Castro regime. We ought to aim at the first, but we really can’t renounce the second until we are sure we can avoid the third.”

Counterinsurgency doctrine provided the Kennedy administrations with a critical means for advancing its Flexible Response strategy. It realigned a military assistance program of questionable utility with more germane tasks that promoted Latin America’s political stability.

Since the Truman administration, the U.S. used hemispheric defense to justify Congressional appropriations that trained and equipped Latin American militaries. Before the Cuban Revolution, these initiatives trained over 500 Cuban officers and provided Batista’s armed forces with $16 million in materiel support. Castro’s guerilla movement demonstrated the inadequacy of this approach. The Kennedy administration ended the charade of hemispheric defense, but it continued to provide armored vehicles, aircraft, and other heavy weapons systems to “cultivate diplomatic relations.” U.S. policymakers refocused the preponderance of their overseas military assistance to internal security programs. These programs expanded the U.S. government’s global surveillance capability by augmenting its capacity to monitor insurgent communist activity. Lucian Pye, Walt Rostow, and other modernization theorists within the Kennedy administration, also argued that enhanced security cooperation with Latin American states complemented development efforts undertaken by the Alliance for Progress. The Kennedy administration embraced the “modernizing military” concept and it explored policy options for

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342 Rabe, The Most Dangerous Area in the World, 126.
343 U. Alexis Johnson, “Memorandum From the Chairman of the Special Group (Counter-Insurgency) to President Kennedy,” In Foreign & Relations of the United States, 1961-1963 Volume VIII: National Security Policy, 1250.
deploying military forces in support of public works construction, communications, agriculture, health, and sanitation.\textsuperscript{344}

As the focus of U.S.-Soviet competition shifted from direct confrontation to the domain of ideological opposition, both superpowers sought unconventional means to signal their inherent power and prestige.\textsuperscript{345} In Latin America, the U.S. attempted to achieve this objective by inculcating liberal values through democratic state formation. Anticommunist solidarity eluded the elaborate designs of the Alliance for Progress and the military precision promised by counterinsurgency proponents. Weak social and political institutions prevented Latin American states from capitalizing on the opportunities offered by this foreign assistance.\textsuperscript{346} Simultaneous efforts to develop democratic institutions and contain communist insurrections produced incompatible outcomes in a region where the U.S. was accustomed to getting its way.

The Alliance for Progress promoted long-term stability at the expense of elite Latin American powerbrokers allied with the anti-communist cause. At the same time, U.S.-backed counterinsurgency operations pursued short-term security interests that undermined efforts to promote trusted democratic institutions.\textsuperscript{347} While the success of these disparate initiatives proved to be as varied as the Latin American states they supported, it became clear during the Kennedy administration that progress could not be an externally manufactured process. If U.S. foreign policy intended to secure the Western Hemisphere with democratic polities, it would have to reexamine the foundations of Latin American state formation and support democratic practices that developed credible institutions from within.\textsuperscript{348}

\textsuperscript{345}\textit{Williams, Understanding U.S. Latin American Relations Theory and History}, 237; Grow, \textit{U.S. Presidents and Latin American Interventions}, 194. !
\textsuperscript{346}\textit{Centeno, Blood and Debt: War and the Nation-State in Latin America}, 138. !
\textsuperscript{347}\textit{Rabe, The Most Dangerous Area in the World}, 144. !
CHAPTER VI – Conclusion: Reexamining the Foundations of State Formation

As a former colonial possession, the U.S. aspired to promote human progress and prosperity through the magnanimous extension of liberty. From the Monroe Doctrine to the Alliance for Progress, the unbridled power of self-determination and free markets provided a teleological rationale for placing liberal values at the center of U.S. foreign policy in Latin America. The ultimate virtue of these values rationalized measures taken in pursuit of U.S. interests. As President Woodrow Wilson famously stated, the U.S. did not intervene in World War I to restore a balance of power, but to “make the world safe for democracy.” From the American perspective, this noble distinction differentiated U.S. hegemony from the rapacious designs of Europe’s imperial powers, but during the Cold War these good intentions faded into guarded interests.

In the Western Hemisphere the U.S. linked security, its core national interest, to the stability of neighboring Latin American states. The U.S. advanced this national security interest through economic expansion and the diligent repudiation of foreign intervention. In the first half of the twentieth century, as the U.S. evolved from a regional to a global hegemon, it became more difficult to reconcile national security imperatives with democracy promotion initiatives. Following World War II, the entangled values and interest that defined U.S.-Latin American relations resulted in policies that simultaneously supported dictatorships and the political movements that opposed them. Post-war tensions with the Soviet Union and the changing nature of great power competition, eroded geopolitical barriers considered vital to U.S. national

351 Kissinger, World Order, 256.
352 Rabe, The Most Dangerous Area in the World, 63.
security. With its historic “margin of safety” in the Western Hemisphere receding, the U.S. prioritized security interests over egalitarian institutions.\textsuperscript{355} In 1950, George Kennan traveled across Latin America and made a classified assessment of the region’s political climate. Kennan reported to the Secretary of state that: “Where the concepts and traditions of popular government are too weak to absorb successfully the intensity of the communist attack, then we must concede that harsh governmental measures of repression may be the only answer.”\textsuperscript{356}

The changing relationships between Latin American citizens, their states, and the international community appeared as an ominous challenge to U.S. national security interests during the Cold War. U.S. policymakers recognized the influences of political and social instability, but they proved incapable of discerning how these unfortunate conditions connected to the process of Latin American state formation.\textsuperscript{357} The inability to separate internal political aspirations from external Soviet subversion resulted in a U.S. foreign policy that favored hemispheric solidarity over the socioeconomic dynamics that promoted domestic stability.\textsuperscript{358} The Cuban Revolution and Soviet support for wars of national liberation made clear that internal political discord presented a tremendous opportunity for communist organizations intent on undermining U.S. influence in the region.\textsuperscript{359} It is essential for U.S. policymakers to understand the forces driving Latin America’s state formation process. This knowledge will enable more enlightened foreign policy decisions and build the collaborative hemispheric relationships the U.S. has long identified as a vital national interest.


\textsuperscript{356} Kennan, "Memorandum by the Counselor of the Department to the Secretary of State," In \textit{Foreign Relations of the United States, 1950 Volume II: The United Nations & The Western Hemisphere}, 1790.


\textsuperscript{358} Centeno, \textit{Blood and Debt: War and the Nation-State in Latin America}, 268.

\textsuperscript{359} Williams, \textit{Understanding U.S. Latin American Relations Theory and History}, 254-255.
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