When the new administration takes office in January it will find the old problems of Latin America still on the doorstep of the White House. It will not be able to step over or around these problems. It is going to have to face them frankly, decide promptly what can be done about them and begin in earnest to act on them.

As a nation, we have re-awakened to our stake in the Western Hemisphere and certain recent actions of the Congress reflect this re-awakening. We have, for example, expanded the lending facilities of the Export-Import Bank and joined in the creation of the Inter-American Development Bank. Most recently, Congress proposed a broad new approach to inter-American problems in authorizing $500 million to begin a new aid-program and Under-secretary Dillon followed through at the Bogota Conference by a pledge of United States cooperation in dealing with Latin America's economic and social problems. In short, the legal means for a new approach to Latin America have been accumulated. Their effective use awaits the touch of alert and sensitive leadership from the new administration.

The importance of that kind of leadership in inter-American affairs cannot be over-emphasized. Unless it is present, there is a danger that we shall interpret the Latin American situation primarily in terms of Castroism and communism. If we do so, the basic problem will elude us. To be sure, Castroism and communism are powerful forces
but they are in the nature of an effect rather than a cause. Underlying their presence on the stage in Cuba and in the wings elsewhere in Latin America is a more fundamental factor.

In simplest terms, the basic problem of Latin America is that the social structures of many nations of the region are seriously out-of-date and cannot endure in their present form in the second-half of the 20th Century. They cannot endure for the simple reason that they do not deliver enough of the good things of modern life to enough people. They do not provide enough education, enough food, shelter and clothing, enough health, enough of the simple conveniences which are taken for granted in this country and are relatively commonplace in Western Europe and even in Soviet Russia. Most important they do not provide to a sufficient number of people that intangible but essential element of prideful participation in the present and hope for the future which is the keystone of political stability.

The inability of many Latin American nations to meet the needs of their people arises not so much from underdevelopment as from an extremely lopsided development. In Peru, for example, a plane-flight of two hours eastward goes backward several centuries in development. That is the extent of the lag between the capital of Lima with its wide boulevards, plazas, skyscrapers, modern conveniences and traffic problems and the quiet wretchedly-poor villages in the Andean highlands inhabited by illiterate Indians who scratch out a bare existence by primitive agricultural methods. Two hours flight further east and the plane sets
down in an isolated clearing in the Amazonian jungles stalked by primitive tribes-people who still hunt with poisoned-tipped darts. The social lag is in terms of millennia. In Lima, itself, a literate and cultured minority live surrounded by a vast urban poor whose lot is one of unspeakable squalor. The poor know what decent housing is but they do not have it. They know that modern medical care can cure but they are not cured. They know that education is beneficial but they do not get it. In short, the decencies of modern life are clearly visible to them and, just as clearly, beyond their reach.

Peru is not unique. Lopsided development is to be found in greater or lesser degree in just about every nation in Latin America. It is a consequence of the unique complex of cultural and economic forces which has shaped these societies over the centuries.

The modern Latin American nations began as beachheads in the new world in much the same way as the original thirteen states. Unlike this nation, the social structure of most of our southern neighbors more or less atrophied in this form.

The European-derived minorities in the cities provided the economic organization necessary for a limited tapping of the great natural wealth of the interiors, which was funneled abroad largely in the form of exports of food and raw materials. The return from Europe and elsewhere for these exports was hoarded or spent abroad or was stopped largely at the beachhead cities. This process underlies the great concentration of wealth in a few hands and the spectacular growth of some
Latin American cities into islands of lush modernism and great cultural centers in a sea of social stagnation. For the many Latin Americans in the city slums and particularly in the hinterlands, the process has had little constructive relevance. Through generations they have remained untouched by it and have continued to live out their lives in ancient Indian and tribal patterns. Or if they have been drawn into the process it has been to provide the labor to grow, to extract and to move commodities to the beachheads. They have received few benefits in the form of sufficient food, better health, greater comforts and opportunities for self-development.

Not only in an economic sense have most of the peoples of Latin America been bystanders or cogs in the beachhead societies. They were also bypassed for a long time by the concepts of responsible government and freedom when these ideas invaded Latin America in the 19th Century. These new clarions did not reach much beyond the beachheads and they were heard almost exclusively by the small minorities. The balance of the populace was summoned by them, if at all, only at moments of quixotic flare-up which changed rulers without bringing about changes in the basic structure of Latin American society.

The pressure for deep change in this structure, however, has been accumulating steadily for several decades and notably since World War II. It is fed from intricate sources but certainly it is due in the major part to the stagnation of agriculture under antiquated systems of production and exploitative systems of land tenure at a time of rapidly expanding population.
It is fed, too, by the beginnings of an industrialization which has intensified urban concentration and brought more and more people into a direct awareness of the inadequacy of their lot in the light of the glaring wealth and opportunities of the few.

Perhaps most of all the accumulating pressure for deep-seated change is a consequence of modern communications. Ideas no longer stop at the beachheads. The slum dwellers of the Latin American cities and the poverty-stricken villagers of the hinterlands alike have heard the message from this country, Europe and from Soviet Russia. Millions of Latin Americans are now persuaded that a stoic suffering of unnecessary misery or repression is not a virtue. The more that this concept is disseminated and takes root, the more the pressure for change intensifies and along with it the search for leaders capable of bringing about the change.

Responsible Latin American statesmen know that the long-range problem which confronts their countries is to convert the beachhead societies into responsible, stable national structures and move them forward in the mainstream of human progress. The immediate problem which faces them is to cut the social lags which exist between the cities and the hinterlands and between the affluent minorities and the poor in the cities themselves. For in these social lags, the pitch of the demagogue, more often than not, is able to rise above the voice of reason and the tangible promises of the repressive ideologies tend to swamp the abstractions of freedom.
An adequate solution to the immediate problem of social lag is essential if durable progress in freedom is to be made on the long-range problem of developing responsible stable governments in Latin America. The key to the solution is an indigenous leadership which must have the courage to risk shifting substantially the base of political support from a traditional dependency upon the entrenched and powerful few to dependency on the many. Even if the shift is made, the leadership must still have the wisdom and restraint to use this broadened political power not for a new entrenchment of personal power but for the building of stable institutions of freedom and progress.

That kind of leadership has not been conspicuous in Latin America until comparatively recent times. But it is beginning, now, to appear with increasing frequency. Wherever it has appeared, as in Venezuela and Peru, to cite just two examples, its hold is still most tenuous. The old centers of power contract slowly and reluctantly and the social lags still breed the demagogues.

Yet, in spite of these drags, the transition from beachhead to modern states must go forward. If it is not led by those who believe in freedom, it will surely be pushed by those who do not. In specifics, any Latin American nation which tackles this problem must move on several fronts simultaneously.

(1) It must act, at once, to alleviate the most glaring inadequacies in diet, housing and health from which tens of millions of people suffer.
(2) It must induce changes in agriculture in the direction of a diversification of crops, a broadening of land ownership, and an expansion of cultivable acreage and the introduction of modern agricultural techniques on a wide scale to expand production, particularly of food.

(3) It must act to bring about the establishment of a steadily expanding range of industries.

(4) It must wipe out illiteracy within a few years and provide adequate facilities to educate an ever-increasing number of highly trained technicians, specialists, and professionals to provide the whole range of modern services.

(5) It must end the relative isolation of the beachheads from the interiors and the parts of the interior from one another by a vast expansion in existing systems of transportation and communications.

Effective free government in Latin America can achieve much of what needs to be done by marshalling the unused or partially used labor and potential and capital of its own people through precept, fax and other legislation. It can act to redirect initiative, energies and resources from Paris and Monte Carlo, so to speak, to Arequipa and Tucuman.

Even if these various sources have been tapped, however, the total resources for doing what needs to be done is likely to fall short of what must be done if the transition from beachhead to national societies is to be brought about in freedom. It is precisely, at this point, that recognition of our long-range national interest and acceptance of the responsibilities of leadership in this hemisphere can be decisive.
In the past our economic policies respecting Latin America have not been focused on the problem of the beachhead nature of its societies. We have dabbed at the inner difficulties of the Latin American nations with small Point 4 programs and in other random ways. These have helped but in a most limited fashion. The emphasis of our policies has been on encouraging the flow of private United States investment. This approach has had the effect of reinforcing the beachheads rather than modifying them. That is the case because in present circumstances, United States private investment settles preponderantly in the extractive and plantation-type of enterprise. For the most part the products and returns of this enterprise flow abroad or are held in the beachhead cities. A relative handful of Latin Americans have gained from these activities but, again the great bulk of the people have scarcely been touched by them.

If we zero in our policies on the problem of the transition from the beachheads, it should be readily apparent that our agricultural surpluses will have great relevance to the immediate problem of massive malnutrition in Latin America. There is great relevance, too, in the capacities of the Export-Import Bank and the Inter-American Development Bank and other leading sources to the development of transportation and communications facilities in Latin America. Finally, the new aid-program authorized by Congress can be pointed directly at the enormous needs in housing, health and education.
Aid from the United States will not act to end the beachheads if it continues to go haphazardly from these various sources. It will be effective only if it moves in coordinated channels towards specific, measurable goals of social and economic development in Latin America. To bring about such a flow we must first centralize control over the various aid-sources within our own government. Second, we must insist that the Latin American leaders plan and act with us to use aid in combination with the energies and resources of their countries to build sinews rather than symbols of modern progress in the southern hemisphere.

Unless we accept for ourselves and are able to obtain through leadership and diplomacy hemispheric acceptance of the concept of an integrated approach as the basis for all future aid-activities, development in the Americas is not likely to be brought about under the segis of freedom. A new and larger sprinkling of aid in the old random pattern will produce little growth. Better prices and a larger market for coffee, sugar or whatever may act as tranquilizers but they will not cure the ill.

As a nation we have got to face up to that fact. So too, must the Latin Americans. That is the challenge to the new Administration. It is a challenge to rid our Latin American policies of sterile slogans and shibboleths which have hitherto obscured the problem. It is a challenge to supply the spark of national and hemispheric leadership and the administrative follow-through which will integrate existing means for action in this country and Latin America into a concerted effort to enlarge the beachhead societies to the south into truly national, democratic states. The success of that effort is essential to Latin America's future. It is essential to the future of this nation.