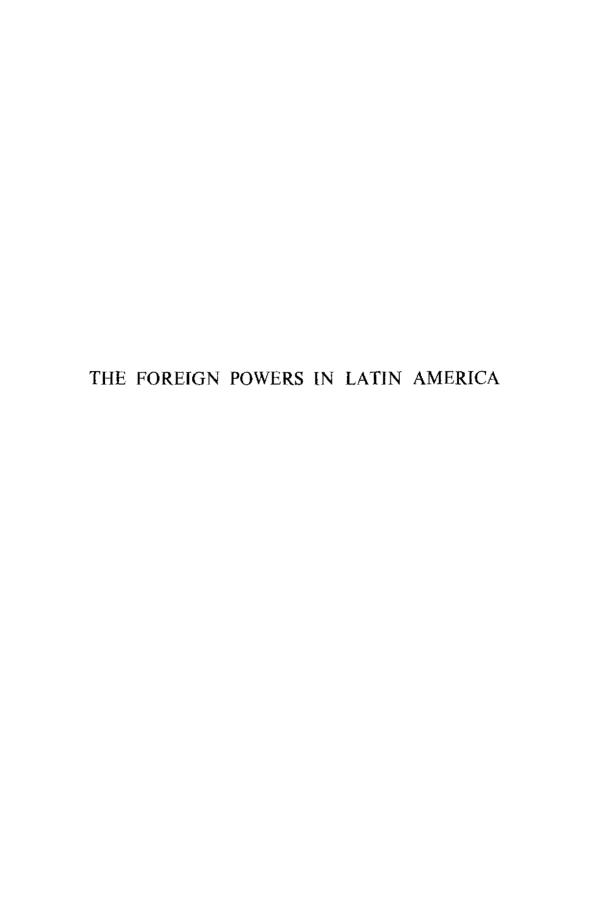
HERBERT GOLDHAMER

The Foreign Powers in Latin America





A Rand Corporation Research Study A list of other Rand publications appears at the back of this book.

THE FOREIGN POWERS IN LATIN AMERICA

HERBERT GOLDHAMER

PRINCETON UNIVERSITY PRESS PRINCETON, NEW JERSEY

Copyright © 1972 by The Rand Corporation Published 1972 by Princeton University Press

ALL RIGHTS RESERVED L. C. CARD: 77-173754 ISBN: 0-691-05646-3

This book has been composed in Linotype Times Roman Printed in the United States of America by Princeton University Press



Preface

THE attention given to United States relations with Latin America has led, especially in the United States, to some neglect of the important part played in Latin America in recent years by the non-hemispheric nations. Perhaps the present study will help redress the balance.

My aim has been to provide a compact account of the political, economic, and cultural activities of the foreign powers in Latin America in the postwar period, but more especially during the last decade. Because the study provides an opportunity to analyze how countries with different national interests, policies, and capabilities have acted in a single world region, it will, I hope, be of value to students of interstate behavior even though they have no special interest in Latin America. Indeed, the reader should understand that this is an examination of the interests and activities of the foreign powers in Latin America, not a study of the foreign policies of the Latin republics. These are touched on only to the degree necessary to make the principal subject intelligible.

It was hardly possible to write this book, dealing as it does with the relations of some fifteen countries with the more than twenty states of the Latin American and Caribbean region and covering a broad range of political, economic, and cultural phenomena, without leaving only too evident lacunae imposed both by the absence of specialistic studies in a number of fields as well as by "mi ignorancia casi enciclopédica" in various areas. I would not have undertaken so large a task had I not believed that the reader would

PREFACE

find enough new points of interest to compensate for those omissions or lapses that may disappoint him. The reader may discover that the points of special interest to him are sometimes embedded in rather dense thickets of information. I felt, however, that a certain amount of fine detail was required to render an accurate account of the subject and to provide the background for more general assertions. Each reader can best decide for himself which details sharpen and which blur the contours of the subjects of greatest interest to him.

The study proceeds in the following manner.

Part I deals with the interests and objectives of the foreign nations in Latin America. When I say "nations," I mean of course their governments and relevant private groups. These I have often distinguished where the nature of the discussion required and the data permitted. But I have not hesitated to speak simply of "British," "French," "United States" objectives or achievements where it will be perfectly clear that I am speaking in some cases of the governments of these countries, in other cases of the governments and their business classes, or, in still others, of the latter alone or of other private groups.

Part II discusses the instrumentalities and resources that have been employed or that have unintentionally contributed, both positively and negatively, to the pursuit of these ends.

Part III evaluates the extent to which the foreign powers achieved their goals (Chapter 12). In Chapter 13 I have imposed on the reader some reflections in which I give special attention to the experience of the United States in Latin America during the decade of the Alliance for Progress. As often happens with reflections, they have sometimes taken me well beyond my data.

The apparently simple three-part scheme of this study occasioned some expositional difficulties. In the first place, the usual circularity of means and ends sometimes made the distinction between objectives and instrumentalities a little arbitrary. Some ends are means to ulterior ends, and some means acquire a value in themselves. In addition, the threefold division of interests, instrumentalities, and results often faced me with the necessity of dealing with the same set of events from three different standpoints. In order to avoid undue repetition, I have, on occasion, departed from a strict adherence to the scheme of presentation.

I want to express my indebtedness to the Rand Corporation which provided Corporation funds to develop a Rand program in Latin American studies, of which this work is one product.

During the early stages of the study I benefited greatly from discussions with François Bourricaud, Fabio Luca Cavazza, Mario Einaudi, Joseph Hasson, Yoshinori Ohara, and Albrecht von Gleich. Naturally, they are not responsible for statements in the present study except where papers by them are specifically cited.

My colleagues Luigi Einaudi, Fred Iklé, Nathan Leites, Richard Maullin, David Ronfeldt, and Alfred Stepan gave me helpful comments on various sections of the manuscript. During the first stage of the study David N. Holmes, Jr., provided valuable assistance. Tables 9.1, 9.2, and 11.2 are largely his work. I am particularly indebted to Geraldine-Marie Petty for unearthing and checking elusive data and sources and also for her careful review of the entire manuscript. To Doris Corbin I am grateful for further editing of the manuscript. My wife, Joan, assembled much of the material for Chapter 9 on cultural programs. Both the reader and I are in her debt for her unremitting insistence on understanding everything in the manuscript. Alyce Brewer meticulously typed the final manuscript with a charitable tolerance for last-minute additions.

HERBERT GOLDHAMER

Santa Monica, California August 1971

Contents

| | Preface | vii |
|----|---|------|
| | LIST OF TABLES | xiii |
| | PART I. INTERESTS | |
| 1. | Territorial Interests | 3 |
| | 1. Territories | 3 |
| | 2. Territorial Waters | 12 |
| | 3. Antarctica | 16 |
| 2. | NATIONAL SECURITY INTERESTS | 18 |
| | 1. The Cold War | 18 |
| | 2. National Security and Military Relations | 26 |
| | 3. The Treaty of Tlatelolco | 29 |
| 3. | ECONOMIC INTERESTS | 32 |
| | 1. Trade | 32 |
| | 2. Investment | 40 |
| | 3. Construction | 47 |
| 4. | POLITICAL OBJECTIVES | 51 |
| | 1. Solicitation | 51 |
| | 2. Latin American Potential | 57 |
| | 3. United States Preemption | 62 |
| | 4. "We Are Far Away" | 66 |
| | 5. "No Policy Is the Best Policy" | 70 |
| | 6. Protection of Nationals | 71 |
| | | |

PART II. INSTRUMENTS

| 5. | THE MIGRANT PRESENCE | 79 |
|-----|---|-----|
| | 1. Numbers | 79 |
| | 2. Economic Benefits | 90 |
| | 3. Political Significance | 97 |
| 6. | Affinities | 104 |
| 7. | ADVOCACY | 119 |
| 8. | Models | 126 |
| 9. | CULTURAL PROGRAMS | 131 |
| | 1. France | 131 |
| | 2. Germany | 137 |
| | 3. United Kingdom | 140 |
| | 4. Italy | 143 |
| | 5. Spain | 144 |
| | 6. The Soviet Union | 146 |
| | 7. The Smaller Countries | 147 |
| | 8. The United States | 148 |
| | 9. Books, Movies, and the Press | 151 |
| | 10. Summary | 157 |
| 10. | Aid | 159 |
| | 1. The Aid Relationship | 159 |
| | 2. Aid: The Nonhemispheric Countries and the United | |
| | States | 162 |
| | 3. Types of Aid | 165 |
| | Grants | 165 |
| | Technical Assistance | 167 |
| | Volunteer Services | 167 |
| | Bilateral and Multilateral Loans | 171 |
| | Private and Public Disbursements | 173 |
| | Military Assistance | 174 |
| | 4. Political Uses | 176 |
| | 5. Patron-Client Relations | 185 |
| | 6. Public Opinion | 188 |
| | 7. Economic Uses | 190 |
| 11. | DIPLOMACY | 195 |
| | 1. Visits | 195 |
| | 2. Representation | 199 |
| | 3. Style | 204 |
| | | хi |

CONTENTS

PART III. RESULTS AND INTERPRETATIONS

| 12. | RESULTS | 223 |
|-----|---------------------------|-----|
| | 1. Japan | 223 |
| | 2. Germany | 226 |
| | 3. France | 228 |
| | 4. United Kingdom | 232 |
| | 5. Italy and Spain | 235 |
| | 6. The Smaller Countries | 237 |
| | 7. The Soviet Union | 238 |
| | 8. The United States | 242 |
| 13. | Interpretations | 260 |
| | 1. Hubris | 260 |
| | 2. The Managers | 261 |
| | 3. Contradictions | 263 |
| | 4. The Home Front | 267 |
| | 5. Responses to Failure | 272 |
| | 6. Leverage | 275 |
| | 7. Economics and Politics | 282 |
| | 8. Latin America | 288 |
| | 9. Unpredictability | 296 |
| | 10. Dilemmas | 300 |
| | Index | 303 |

List of Tables

| 1.1 | Limits of the Territorial Sea and Exclusive Fishing Zones Claimed by Latin American and Caribbean | |
|------|--|------|
| | States | 14 |
| 3.1 | Distribution of Latin America's Imports by Country of Origin, 1938–1968 | 33 |
| 3.2 | Distribution of Latin America's Imports from and Ex- | |
| | ports to Specified Countries, 1968 | 34 |
| 3.3 | United States Private Direct Investments in Latin | |
| | America | 41 |
| 3.4 | Movement of Foreign Capital in Brazil | 44 |
| 5.1 | Percentage of Population Foreign Born and European | |
| | Born, and Percentage of Foreign Nationals among | |
| | Foreign Born | |
| 5.2 | Place of Birth of the Foreign Born in Latin America | 81 |
| 5.3 | Number of Migrants to Latin America (to 1946) | 83 |
| 5.4 | Number of Migrants to Latin America (1946–1960) | 88 |
| 9.1 | Value of Imported Books, Periodicals, and Newspapers, | 88 |
| | Percent by Country of Origin, for Six Latin American | |
| | Republics | 152 |
| 9.2 | Percent of All Translations Published from Specified | |
| | Languages in Four Latin American Countries, 1960- | |
| | 1963 | 153 |
| 10.1 | Official Development Assistance to Latin America, | |
| | 1960–1965, by Type, by Donor Country | 163 |
| 11.1 | Number of Diplomatic Missions and Diplomats Re- | |
| | ceived by Specified Countries, 1963–1964 | 200 |
| 11.2 | Number of Diplomatic Personnel in Latin American | |
| | Countries | 201 |
| | | xiii |
| | | AIII |

Part I INTERESTS

1. Territorial Interests

1. Territories

OF THE nonhemispheric powers Great Britain, France, and the Netherlands still retain today a territorial presence in the Latin American—largely the Caribbean—region. In a period in which vestiges of the colonial past have been viewed elsewhere with suspicion or hostility by Third World countries, the continued existence of British, French, and Dutch territories in Latin America has had no serious impact on the relations of these European nations with the Latin republics. Independent for a century and a half, the Latin American states have been less sensitive than the new states of Africa and Asia to these reminders of a past colonial epoch.¹ Britain, France, and the Netherlands had, to be sure, taken steps to decolonize their territories, which are, in any case, linguistically, ethnically, and geographically peripheral to much of Latin America. French Guiana, Martinique, and Guadeloupe became overseas departments of France in 1946 and constitutionally have the same status as the departments of the metropole. Dutch Surinam, on the South American mainland, and the Netherlands Antilles ² are each provinces, self-governing in internal matters,

¹ A qualification of this is Mexico's sensitivity, not to those European powers that still have territories in the Western Hemisphere, but to Spain, the country from which it won its independence a century and a half ago. See Chapter 6.

² The six islands of Aruba, Bonaire, Curação, Saba, St. Maarten, and St. Eustatius.

of the Kingdom of the Netherlands, whose third part is the Netherlands itself.

Great Britain found no neat formula for its more dispersed and variegated territories. The Federation of the Indies, established in 1958, disbanded in 1962 owing to island particularism; and the successor East Caribbean Federation disintegrated in 1965. In July 1971, a conference to discuss once more the formation of a West Indies federation met in Grenada, but the absence of several important island heads did not auger well for the success of this new attempt. Later in the same year Guyana, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent declared their intention to form a new state by early 1973. Jamaica, Barbados, and Trinidad-Tabago, however, declined to join in this declaration. In the meantime, four of the British Caribbean territories have become independent states; 3 six are associated states 4 with Britain overseeing foreign relations, defense, and finances; and four have remained colonies—the Bahama Islands, British Honduras, Montserrat, and the British Virgin Islands. To this roster should be added, deep in the South Atlantic, the Falkland (Malvinas) Islands.

Great Britain can hardly be charged with attempting to maintain an imperial presence in the Western Hemisphere. On the contrary, it has been accused of showing an indecent haste to divest itself of some of its colonies, particularly British Guiana (now Guyana). In British Honduras and in the Falklands it has been accused of wanting to turn these colonies over to Guatemala and Argentina respectively. When Anguilla tried in 1967 to break away from the newly founded tripartite island state of St. Kitts-Nevis-Anguilla and asked readmittance to colonial status, its plea was rejected. Two years later it voted to cut ties with Britain and to become a republic. Disturbances led Great Britain subsequently to send a few soldiers and police to the island and to appoint a commissioner, but this was less the result of a British interest in maintaining colonial

³ Barbados, Guyana, Jamaica, Trinidad-Tobago.

⁴ Antigua, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent.

⁵ The Economist, March 30, 1968, pp. 30 and 37.

⁶ Manchester Guardian Weekly, December 28, 1967, p. 5. The Economist wryly comments in reviewing Britain's problems of decolonization that "Any fool can pick up an empire. Getting rid of it is the trouble." The Economist, December 3, 1966, p. 1017.

⁷ The New York Times, February 8, 1969.

rule than it was of her original withdrawal from the island. Finally, Britain agreed, at the request of the Anguilla Council, to resume direct rule.⁸

Nonetheless, it is Great Britain, not France or the Netherlands, that has been in conflict with Latin American states over several of its territories. These conflicts have not arisen from Latin American sentiment that Britain is failing to grant independence or self-rule but rather from specific claims to the territories involved. Britain's grant of independence to Guyana was viewed by Venezuela as an attempt to evade its responsibility for a settlement of Venezuelan claims to 150,000 square kilometers of Guyana.9 Venezuelan students have demonstrated before the British ambassador's residence with cries of "English, go home." The Venezuelan government, on the contrary, did not want the British to go home before their claim (laid before the United Nations in 1962) had been dealt with. Nonetheless, British Guiana became independent Guyana on May 26, 1966, and the Cooperative Republic of Guyana in February 1970. How little the Venezuelan-Guyana border conflict is associated with colonialist-imperialist interpretations is perhaps indicated by the fact that former President Leoni of Venezuela did not think it politically dangerous to remark to a British journalist that "Britain is historically but not politically linked to the days of imperialism." 10 In 1970 Venezuela and Guyana, with Britain's approval, signed an agreement to shelve border claims for twelve years. Guyana had no claims, but the agreement was made reciprocal. Britain is a signatory to the agreement because she was a party to the mixed border commission appointed in 1966.

⁸ The Times (London), June 29, 1971.

⁹ Venezuela's claim stems from its rejection of the 1899 ruling of an international court of arbitration. More than half of Guyana's territory is affected by the claim. The Venezuelan case is reviewed in *El Litigio de la Guyana*, Ministry of Defense, Caracas, n.d. Revelations in a posthumous letter of a United States lawyer for Venezuela in the case, published in the *American Journal of International Law* in 1949, reanimated Venezuelan interest in the disputed area. For a recent review of the history of the boundary dispute and its current status, see Leslie B. Rout, Jr., *Which Way Out? An Analysis of the Venezuelan–Guyana Boundary Dispute*, Monograph No. 4, Latin American Studies Center, Michigan State University, 1971. Dutch Surinam also claims some 5,000 square miles of Guyana. Surinam police and Guyanese soldiers clashed in this disputed border area in 1969.

¹⁰ Manchester Guardian, July 29, 1965, p. 2.

Similarly, Great Britain's problems with respect to British Honduras center on Guatemala's claim to sovereignty over the colony, not on British reluctance to grant independence to British Honduras. Guatemala's claim is based on its successor rights to Spanish territory. Spain never recognized British claims to Belize (British Honduras). In 1963 Guatemala reduced relations with Britain to a consular level. A private United States attempt at mediation has led to proposals that after independence British Honduras consult with Guatemala on foreign affairs and defense, in effect a restriction in favor of Guatemala on British Honduras' sovereignty.¹¹

Argentina's vigorously pressed claim to the Falkland (Malvinas) Islands 12 was assisted by a United Nations vote of November 1965 instructing Britain to negotiate Argentina's claim to sovereignty. Although agreeing to discussions, Great Britain has stated that she will not agree to a change of status not approved by the 2,000 islanders, most of whom are of British descent. Nonetheless, the latter's fear that they will be put under pressure to accede to a transfer to Argentinian sovereignty is understandable in the light of the foreign secretary's statement in the House of Commons that an "immediate transfer" is not envisaged and can only occur in a framework of guarantees. ¹³ Subsequent British statements precipitated new fears and prompted Conservative pressure on the Labour government to reaffirm its regard for island preferences.14 Yet it was a Conservative government that in 1970 was responsible, together with the Argentinian government, for arranging a visit of a small Falkland Islands group to Argentina, ostensibly for commercial purposes but apparently for political ends. London, it appears, is gently pushing the Falkland Islanders toward a not entirely welcome independence, which may mean in fact a dependence on

- ¹¹ Mexico also asserts a right to participate in discussions of British Honduras' status, but has said it will not reactivate its dormant claim to the northern part of British Honduras provided that a solution is based on the wishes of its people. *Britain and Latin America*, Central Office of Information, London, 1968, p. 43.
- ¹² The Malvinas Islands have successively passed from French to English to Spanish to Argentinian and back again in 1833 to English hands. See José Arce, *Las Malvinas*, Madrid, 1950. The legal issues are treated in Raúl S. Martínez Moreno, *La cuestión Malvinas*, Tucumán, 1965.
- ¹³ Primera Plana (Buenos Aires), March 19, 1968, p. 17, and April 2, 1968, pp. 14-15.
- ¹⁴ See *Economist para América Latina*, November 12, 1968, pp. 26–27, and *The Times* (London), December 2 and 5, 1968.

Argentina.¹⁵ Explorations by Shell Oil of the Argentinian southern continental shelf and of the Malvinas Basin have reportedly indicated promising oil deposits ("a new Kuwait," "the Curaçao of Argentina"). Where oil is involved, speculation is rife. It is rumored that the British will turn over the Malvinas Islands to Argentina in return for the concession to exploit the coastal oil deposits.

Although the language of anticolonialism is sometimes used in the prosecution of these territorial claims against Great Britain, it is apparent that the issues involved have little to do with the maintenance of colonial rule and much more to do with its abandonment. No general Latin American interest in the territorial claims of Venezuela and Guatemala exists, although an occasional rather detached expression of Latin American governmental solidarity has been elicited by the claimants. The British embargo of Argentinian beef and lamb in 1967 following the development of footand-mouth disease in Britain provoked a more serious crisis in British–Argentinian relations than has the long-standing Argentinian claim to the Falkland Islands.

The French government has no intention of relinquishing sovereignty or administrative control over what it took the trouble to incorporate in 1946 into its national territory. After Algerian independence French Guiana replaced the Sahara as the site of France's major nonmilitary rocket launching and space research base, a site suitable for equatorial as well as polar orbits. An initial trial launch occurred in April 1968, but this major base was not completed until 1970. French Guiana did not make representations to Paris for a changed political status as did the French Pacific territories of New Caledonia and French Polynesia in early 1968, but claims for greater freedom in internal administration have been made, reflecting an attitude shared by the recently arrived space center specialists who, only recently removed from the metropolitan environment, already find themselves at odds with a Paris bureaucracy that does not always understand local conditions.¹⁷

Guadeloupe and Martinique are presently a drain on French

¹⁵ Latin America (London), December 4, 1970, p. 390.

¹⁶ Black power politics in the English-speaking Caribbean, sensitive to issues of colonialism, and prominent in the independent states of Trinidad—Tobago and Jamaica, grew mostly after British withdrawal.

¹⁷ Michel Legris, "La Guyane en proie à l'espace," *Le Monde*, August 2, 3, 4, 5, and 6, 1968.

funds. France's net official financial flow to its Western Hemisphere possessions was \$122 million in 1965, making these territories the recipients of the world's largest per capita net official aid. 18 These costs do not seem to have weighed heavily, as similar costs did for Great Britain, with a government whose ambitions for France were not easily commensurable with cost considerations. Disorders in Pointe-à-Pitre in 1967 and the subsequent trial, in France, of nineteen Guadeloupians for attack on the territorial integrity of the state (that is, for promoting independence) indicated an intention not to remain passive in the face of separatist movements that claim the right, under Article 72 of the French Constitution, to autonomy and, through plebiscite, to independence. The trial ended in a major political and almost complete legal victory for the defendants.¹⁹ Subsequent events suggest that the French government will be under increasing pressure from the French Antilles to grant greater autonomy in place of their present departmental status. The effect of this pressure was already observable in the government's plan to graft regional councils in each of the overseas departments on to the departmental structure, 26 a proposal not likely to satisfy political sentiment in the Antilles. This proposal was announced in advance of President de Gaulle's declaration concerning regional decentralization in metropolitan France. The defeat of the bill on regional reform in the referendum of April 1969, together with its Chapter VII containing special provisions for France's overseas departments, will presumably require that new steps be taken to meet dissatisfaction in the Antilles. The electoral success in March 1971 of M. Aimé Césaire, proponent of autonomy but not independence, suggests that constitutional reforms preserving a French affiliation will be acceptable to the Antilles departments.21

Surinam and the Dutch Antilles have not been quite as restless, politically, as the former and present British colonies or as the French Antilles. Nonetheless, when British Guiana became inde-

¹⁸ OECD, *The Flow of Financial Resources to Less-Developed Countries*, Paris, 1967, p. 155. In 1971, exports covered only 32 percent of Antilles imports. *Le Monde*, May 14, 1971.

¹⁹ Extensive reports of the trial and surrounding events can be found in *Le Monde* in the issues of February 1968.

²⁰ Le Monde, January 16, 1969.

²¹ N. J. Bergeroux, "Les Antilles Françaises en Quête d'un Statut," *Le Monde*, May 7-8, 1971. See also *Le Monde*, August 18, 1971.

pendent in 1966, Minister-President Pengel of Surinam (Dutch Guiana) expressed an interest in following the lead of the British colony. Guyana's indication that it would be willing to negotiate its border conflict (see note 9 above) with an independent Surinam precipitated the independence issue anew. It appears that Minister-President Pengel was interested in having the Netherlands negotiate the dispute and only then take up the question of Surinam's independence. However, destruction and rioting by strikers in Willemstad, Curaçao, in 1969 and the need to fly in Dutch marines from the Netherlands brought about renewed demands for a new statute for the Antilles.

Internal agitation for autonomy or independence in the French Antilles and Dutch Surinam has not stirred responsive supporting agitation in the Latin American republics. Latin American governments and private groups were more concerned with France's nuclear tests in its distant Pacific territories than with events in the French or Dutch territories in the Caribbean. Even a left-wing Latin American journal such as Marcha (Montevideo) pays little attention to British, French, and Dutch colonialism. French and Dutch policies and diplomacy in Latin America have not, then, had to be oriented around the defense of their overseas territories against political or other attacks by the Latin American states. Nor, indeed, has this been the case for Great Britain either, except where specific territorial claims have been involved. When the United Nations Special Committee on Colonialism adopted a resolution in 1967 that Britain must continue to report to the United Nations on the Associated British Caribbean States as if they were not yet self-governing, this was more the result of action by the African and Asian than by the Latin American members.22 This does not mean that the European nations are free from Latin American charges of neocolonialism, but these charges stem from the economic relations of the European countries with Latin America and are only marginally related to their territorial involvement in the region.

Both the French and Dutch possessions are associated overseas territories of the EEC (European Economic Community), and this status provides them with a European link that extends beyond,

²² The New York Times, March 24, 1967.

but is contingent upon, their French and Dutch relations. The Netherlands Antilles and Surinam are distinguished by being associated with the EEC without having to provide in return reverse preferences for EEC exports.²³ The former British possessions, on the other hand, faced a possible future British membership in the EEC and a possible loss of Commonwealth preferences without any real confidence that they would be able, like the French and Dutch possessions, to acquire EEC associate status.²⁴ When Prime Minister Hugh Shearer of Jamaica returned from a European trip in late 1967, he found it useful, in a radio address, to transmit assurances from Prime Minister Wilson that Great Britain would not enter the EEC without adequate provision for Jamaica and the Caribbean; from West German Chancellor Kiesinger that Jamaica's interests would be kept in mind; from Dutch Premier de Jong that a solution would be found; and from General de Gaulle that he "understood our problem." That the outlook for an effective European linkage was viewed as uncertain was indicated both by the decision of Barbados, Trinidad-Tobago, and Jamaica to join the OAS (Organization of American States) and by Prime Minister Shearer's visit to Washington in 1970 to persuade President Nixon to take measures that would compensate the English-speaking Caribbean islands for the loss of British preferences, especially for their sugar, in the event of Britain's entry into the EEC.25 In fact, Britain succeeded in obtaining French approval, in the event of her Common Market membership, for associate membership for Commonwealth developing countries and for Britain's continued preferential treatment of Commonwealth sugar until the expiration of the Commonwealth Sugar Agreement on January 1, 1975. This has not dissipated the uneasiness of Jamaica and the other twelve Commonwealth sugar-producing countries.26 If in 1975 sugar or other tropical products of former and existing British dependencies are accorded privileges in the EEC, tensions between the EEC and several of the Latin American states—already sensitive to privileges

²³ Aaron Segal, *The Politics of Caribbean Economic Integration*, Institute of Caribbean Studies, University of Puerto Rico, 1968, pp. 81–88.

²⁴ Nigeria, nonetheless, had achieved associate status in the EEC without relinquishing its Commonwealth preferences.

²⁵ This approach to Washington was followed a week later by an invitation from London to the Caribbean Commonwealth members to meet in London to discuss Caribbean apprehensions.

²⁶ Le Monde, May 11, 1971; The New York Times, June 3, 1971.

from which they are excluded—will no doubt be exacerbated.²⁷ The effects of such new arrangements on Latin American trade in tropical products would probably not be very great, however, since more than 90 percent of the value of Caribbean agricultural exports is already exported under various external preferential arrangements.²⁸

Latin American indifference to European possessions in the Caribbean is in marked contrast to the attention given from time to time to the United States presence in Panama, in Puerto Rico, and, to a lesser extent, in Cuba (Guantánamo). The United States presence in the Canal Zone is largely a military one. The headquarters of the United States Southern Command (SOUTHCOM) in the Canal Zone has relations, not just to Panama and the protection of the Canal, but through training programs and military missions to all of Central and South America. This military presence exacerbates emotions aroused especially in Panama but also throughout much of Latin America by issues revolving around ownership and control of the Canal and sovereignty of the Zone. However, not all Latin American sentiments and interests conflict with conservative United States positions on the Canal. The Canal toll rates, subsidized by the United States, enable Chilean copper, Peruvian fishmeal and copper, and Ecuadorian bananas to be more readily marketed in Europe, and these three countries (like Japan, Britain, and other major international traders) have not supported Panamanian claims to ownership of the Canal.29

Latin America has paid little attention to the two small Swan Islands, a little less than 100 miles northeast of Honduras, claimed by both the United States (in 1893) and Honduras. In 1966 Hon-

²⁷ EEC relations with Latin America are discussed more fully in Chapter 7, "Advocacy."

²⁸ Aaron Segal, "Economic Integration and Preferential Trade: The Caribbean Experience," *The World Today*, October 1969, p. 417.

²⁹ David Bronheim, "Relations Between the United States and Latin America," *International Affairs* (London), 46 (3), July 1970, p. 512. Shipping interests in Great Britain and Japan made known to the United States their opposition to "the proposed surrender at Panama." *Cuba and the Caribbean*, Hearings before the House Subcommittee on Inter-American Affairs, 91st Congress, 2d Session, 1970, p. 206. Because of reduced traffic the Panama Canal had a substantial deficit in fiscal 1970. *Los Angeles Times*, January 28, 1971.

duras threatened to enlist the United Nations on behalf of its claim.³⁰ Honduras, Colombia, and the United States have also had conflicting claims to the Quita Sueño Bank and Roncador Bay, and Colombia and the United States have had conflicting claims to the Serrana and Serranilla Banks. These and the two foregoing claims of Colombia were put in abeyance under a 1928 agreement between the United States and Colombia by which "the status quo [that is, United States control] . . . shall be maintained." ³¹

The Bryan-Chamorro Treaty (1914) gave the United States exclusive and perpetual rights to the construction and operation of an interoceanic canal across Nicaragua. This irritant in United States—Nicaraguan relations was terminated on April 25, 1971, by a convention between the two countries. The new convention also canceled a United States 99-year lease to Great Corn Island and Little Corn Island and ended a United States option to build and maintain a naval base on the Nicaraguan shores of the Gulf of Fonseca.³²

2. Territorial Waters

Sovereignty issues not related to past colonial ventures have arisen over Latin American territorial waters, largely in the context of fishing rights. The extension in 1952 by Peru, Chile, and Ecuador of jurisdiction over waters within 200 marine miles of their coasts has increased the occasions for conflict. On the east coast, Argentina in 1966 and Brazil in 1970 also extended jurisdiction to 200 miles. Table 1.1 summarizes the various jurisdictional and fishing zone claims of the Latin American and Caribbean republics.

Between 1955 and late March 1971 over 140 United States tuna boats were seized, mostly by Ecuador and Peru, with Ecuador accounting for a little more than 100 of the seizures. Fines amounting to over \$1.3 million were paid for their release and reimbursed to the fishermen by the United States Treasury in accordance with the Fishermen's Protective Act.³³ The first seizure by Mexico occurred

- ³⁰ In a treaty signed on November 22, 1971, the United States ceded the Swan Islands to Honduras. *The New York Times*, November 23, 1971.
- ³¹ David R. Robinson, "The Treaty of Tlatelolco and the United States," *American Journal of International Law*, 64 (2), April 1970, pp. 296–297.
 - ³² United States Department of State, Press Release No. 81, April 23, 1971.
- ³³ From statements released by Congressman Thomas M. Pelly and the American Tuna Boat Association. United States reimbursement to the fishermen for fines paid is based on United States government requests to the fishing fleet not to make any agreement with the West Coast Latin American states that might imply a United States recognition of the 200-mile limit.

in June 1970 when two United States boats were seized. That this incident was kept secret for two weeks indicated the sensitivity of both countries to the event.³¹

United States boats have not been the only ones involved. France's "Lobster War" of 1963 with Brazil was the continuation of a dispute of many years' standing arising from the operation of French lobster and shrimp boats inside Brazil's 12-mile fishing limit. Despite subsequent agreements by France to employ Brazilian fishermen on its boats. Brazil in 1966 seized 28 French fishermen ("fishing technicians") off Fortaleza. 35 Canadian, German, Spanish, Cuban, Japanese, and Soviet vessels have also been involved in disputes with one or several Latin American countries. The year 1968 was especially discomfiting for the Soviets. In May the Brazilian Navy held a Soviet vessel for ten days until the Soviet Embassy apologized. In June Venezuelan naval vessels seized another Soviet ship. In the same month Argentina apprehended two Soviet vessels; one escaped when being escorted to port, the other paid a \$25,000 fine after being held for seventeen days.³⁶ Uruguay also protested a Soviet violation of its territorial waters.

These incidents led to a flurry of diplomatic activity, but it was the United States that first attempted to substitute a more general resolution of the issues for sporadic diplomatic reactions. This has so far been achieved only in the case of a five-year agreement (1967) with Mexico.³⁷ Following the renewed seizure of United States tuna boats by both Ecuador and Peru in 1968 and 1969, the United States imposed a ban on military credit sales to these countries in accordance with an amendment to the Military Sales Act that made the ban mandatory. After this ban was lifted, Chile, Peru, and Ecuador met with the United States to discuss fishing issues, but without any formal agreement being reached. The ban was reimposed on Ecuador following repeated seizures in January–March 1971. The State Department, on the other hand, has never invoked the Pelly Amendment to the Fishermen's Protective Act

³¹ The New York Times, June 20, 1970. Another United States tuna boat was detained by Mexico in December 1970 for an alleged violation of the Inter-American Tropical Tuna Commission Treaty. Los Angeles Times, December 6, 1970.

³⁵ Le Monde, November 9, 1966.

³⁶ The New York Times, May 9 and 18, 1968; Los Angeles Times, June 18, 19, and 23, 1968, and July 11, 1968.

³⁷ See United States Department of State, *Bulletin*, March 18, 1968, p. 398.

TABLE 1.1

Limits of the Territorial Sea and Exclusive Fishing Zones Claimed by
Latin American and Caribbean States

| State | Territorial Sea ^a | Exclusive Fishing Zone b | Notes |
|---------------------|---|-----------------------------|---|
| Argentina | 200 miles, 1966 | | By a 1967 agreement nationals of Argentina and Brazil may fish in each other's territorial sea beyond the 6-mile limit. Permits to fish in Argentine waters may be granted foreign vessels subject to conditions of Decree No. 8802, November 20, 1967. |
| Barbados | 3 miles | | (1) New legislation is under con- |
| Brazil | 12 miles, 1969 200 miles, 1970 | | sideration. (1) See Note (1) under Argentina. (2) President Emílio G. Médici issued decree extending territorial waters to 200 miles, New York Times, March 26, 1970. |
| Chile | 50 kilometers, 1941 | 200 miles, 1947 | (1) Line 1 of Chile is national legis- |
| | (200 miles, 1952) | | lation. (2) Line 2 is based on the Declaration on the Maritime Zone of 1952 signed and ratified by Chile, Ecuador, and Peru which proclaims sole jurisdiction and sovereignty over the area of the sea, the subsoil and seabed adjacent to their coastlines and extending to a line parallel to, and not less than 200 nautical miles from, the said coastlines. |
| Colombia | 3 miles, 1964 | 12 miles, 1923 | (1) Colombia has talked of extending its fishing limit to 200 miles. Latin America (London), March |
| Costa Rica | "In accordance with international law," 1949. 3 miles, 1950. | | 20, 1969, p. 103. (1) Adherence in 1955 to Declaration on Maritime Zone of 1952 was vetoed by President in 1966. Sala de Casación defined territorial sea as 3 miles in 1950. |
| | 200 miles, decree pending, January 1972. | | (2) Costa Rica's foreign minister announced January 22, 1972, a decree would shortly extend territorial sea to 200 miles. |
| Cuba Dominican | 3 miles, 1942 | | territorial sea to 200 lilles. |
| Republic Ecuador | 6 miles, 1967 200 miles, 1966 (200 miles, 1952) | 12 miles, 1967 | (1) Line 1 is national legislation. For line 2 see Note (2) under Chile. |

TERRITORIAL WATERS

TABLE 1.1 (continued)

| State | Territorial Sea ^a | Exclusive Fishing Zone ^b | Notes |
|------------------------------------|--|-------------------------------------|--|
| El Salvador Guatemala Guyana | 200 miles, 1950 12 miles, 1934 3 miles, 1878 | | (1) New legislation is under consideration. |
| Haiti Honduras Jamaica | 6 miles 12 miles, 1965 3 miles, 1878 | | (1) New legislation is under con- |
| Mexico | 12 miles, 1969 | 12 miles, 1966 | sideration. (1) The Mexico/U.S. Fisheries agreement of October 27, 1967 provides for reciprocal fishing rights for U.S. and Mexican fisherman off each other's coasts in the 9 to 12 mile area for 5 years beginning January 1, 1968. |
| | | | (2) In 1969 Mexico's Congress amended the General Law of National Property and extended territorial waters from 9 to 12 miles. Diario Official (Mexico), December 26, 1969. |
| Nicaragua | 200 7 1007 | 200 miles, 1965 | |
| Panama Peru Trinidad– | 200 miles, 1967 (200 miles, 1952) | 200 miles, 1947 | (1) See Note (2) under Chile. |
| Tobago Uruguay | 3 miles, 1878 12 miles, 1969 | See Note (1) | (1) Exclusive fishing zone: Maritime Zone between the outer limit of the territorial sea and the outer limit of the continental shelf. |
| Venezuela | 12 miles, 1965 | | |

^a Territorial Sea: Numbers not in parentheses are territorial sea limits as defined by national legislation. Numbers in parentheses are territorial sea limits defined by bilateral or multilateral agreements.

by which economic aid in the amount of fines paid is to be withheld from states seizing United States boats in international waters unless they reimburse the United States within 120 days of presentation of a United States claim.

^b Exclusive Fishing Zone: Zones reserved for nationals, regardless of whether fishing by nonnationals is permitted subject to certain conditions. Where no number is cited, it can be assumed not to be less than the limits of the territorial sea, except where special inter-nation agreements are noted.

Sources: Food and Agricultural Organization of the United Nations, Limits and Status of the Territorial Sea, Exclusive Fishing Zones, Fishery Conservation Zones and the Continental Shelf, FAO Legislative Series No. 8, Rome, 1969; and other sources as indicated in Notes.

When Brazil extended its territorial waters to 200 miles by presidential decree in 1970, French, Soviet, and United States boats continued fishing for shrimp, which together with other shell fish Brazil reserved for its own fishermen. The Japanese ambassador in Brazil, on the other hand, indicated that Japan was willing to allow its fishermen to negotiate an agreement; and France is also said now to be seeking an accord. Since such actions might constitute an indirect recognition of Brazil's 200-mile territorial waters claim,³⁸ the United States State Department advised United States fishermen that they might fish in waters claimed by Brazil without buying licenses. However, in late 1971, after several other countries negotiated fishing arrangements with Brazil, the United States opened discussions, while emphasizing that these did not imply any intent to recognize Brazil's 200-mile territorial limit. The United States still adheres to the 3-mile limit, but it is clear that her policy now is to gain support for a new international treaty to extend territorial waters to 12 miles.³⁹ Latin American interest in retaining the 200mile limit has, however, been intensified by increasing technical possibilities of recovering minerals from coastal waters.

3. Antarctica

An additional issue involving sovereignty problems, not in Latin America itself but in an area of Argentinian and Chilean interest, exists in Antarctica. Most of Antarctica is claimed by Argentina, Chile, Great Britain, Norway, France, Australia, and New Zealand. A sector fanning out from the Pole between west longitude 90° and 150° was unclaimed until 1967 when Ecuador's Assembly entered a claim to that part of Antarctica between 84° 30′ and 95° 30′ west longitude. The claims of Great Britain, Argentina, and Chile con-

³⁸ The Times (London), April 2, 1971; Latin America (London), February 5, 1971, p. 43, and May 14, 1971, p. 160; Los Angeles Times, April 4, 1971, and June 3, 1971.

³⁹ The New York Times, February 22, 1970. In accordance with a United Nations General Assembly resolution of December 1970 an international conference on the law of the sea is to be held in Geneva in 1973. In the meantime Ecuador rejected a United States offer to submit their difference to the World Court of Justice. Preparatory discussions for the Geneva conference suggest that the countries claiming territorial waters of 200 miles may be willing to abandon this claim provided they maintain exclusive rights to and control over all resources, living and mineral, within the 200-mile zone. Latin America (London), August 20, 1971, p. 272.

40 Visión, January 31, 1969, p. 4.

flict, each with those of the other two. The non-Latin American states recognize each other's claims. The United States and the Soviet Union make no claims, reserve the right to do so, and do not recognize any existing claims.

In 1944 and 1947 Argentina and Chile established bases in Antarctica in support of their claims. This was an irritant in their relations with Great Britain until the International Geophysical Year (1957–1958) and the Antarctica Treaty signed in Washington in 1959 put claims to Antarctic territory in abeyance while safeguarding them in Article IV of the treaty. There is no evident governmental concern over the uncertain status of the area. Chile, Argentina, and Great Britain, which have directly conflicting claims, amicably arranged for their Antarctic study parties to be located close to each other in case of mutual need.⁴¹

¹¹ Central Office of Information, *Britain and Latin America*, London, 1968, p. 37; and Richard O'Mara, "Antarctica: Where Rivals Work Together," *The Christian Science Monitor*, October 26, 1966. See also Finn Sollie, "The Political Experiment in Antarctica," *Science and Public Affairs*, December 1970, pp. 18–19.

2. National Security Interests

1. The Cold War

UNLIKE the United States, the nonhemispheric governments do not view Latin America as a region closely related to their national security concerns. This simple fact goes a long way to explain some of the differences between their relations with the Latin republics and those of the United States.

In the years before, and during, World War II, a strong German presence in Latin America and the existence of political forces sympathetic to Nazi Germany and Fascist Italy had brought Latin America into the orbit of European as well as United States security interests. A struggle ensued between Germany and the Allies to secure the adherence of the region, politically, economically, and in some cases, militarily, to their respective causes, or at least to preclude the enemy from obtaining such benefits for himself. In the postwar conflict with the Soviet Union, on the contrary, Latin American attachment to Western security objectives appeared initially to be ensured by the region's association with the United States in the OAS, by its conservative and often military governments, by its close economic ties with the West, by its Catholic culture, and finally, by United States readiness to intervene, as in Guatemala in 1954. In the United Nations during the fifties, on cold war issues that brought the United States and the Soviet Union into sharp opposition, the votes of the Latin American republics went very largely in support of the United States and against the Soviet position.1

¹ William G. Cornelius, "The 'Latin American Bloc' in the United

In the fifties, the significance of Latin America for Western, especially European, security interests 2 was diminished by the stress on cataclysmic nuclear wars of short duration. This discouraged in strategic analysis the type of geopolitical calculations dealing with lines of communication, access to vital supplies, and to population reserves so common in Europe before and during World War II.3 In a world in which war was envisaged in terms of weeks or even days, Latin America seemed to have more relevance as an area from which devastated nuclear powers might be able to draw resources for postwar recuperation than as an area relevant to the deterrence or prosecution of nuclear war. The Soviet Union, however, viewed the matter differently. The Cuban missile crisis of 1962 brought the nuclear concerns of the Atlantic Alliance into sudden and close relation to Latin America. But United States action, especially its unilateral character, served further to emphasize that the affairs of the Atlantic Alliance in the Latin American region were largely in its hands.

This, however, did not preclude European beliefs that the United States was not the best spokesman for the Western powers in Latin America, lacking as it did affinities and sensitivities that derive from European historical, cultural, and linguistic ties with the subcontinent. But it was only Italy, among the NATO powers, that took the trouble, in the political rhetoric of the Saragat–Fanfani

Nations," Journal of Inter-American Studies, III (3), July 1961, pp. 420-421. See also Gastón de Prat Gay, Política Internacional del Grupo Latino-americano, Buenos Aires, 1967, p. 64.

² For a compact account of security affairs viewed from the standpoint of Latin American policy, see Fred Parkinson, "Latin American Foreign Policies" in Claudio Véliz (ed.), Latin America and the Caribbean, New York, 1968, especially pp. 417–422.

³ The Korean War did not greatly alter the preoccupation with nuclear conflict. In any case, the fact that only one Latin American country, Colombia, sent troops to Korea no doubt reinforced the view that Latin America remained on the margin of Western security affairs. Latin American participation in Vietnam has been less than in Korea. According to a 1965 statement of Colombian Foreign Minister Fernando Gómez Martínez, several Latin American governments rejected a United States invitation to send symbolic missions to Saigon. However, in March 1966, Argentinian Foreign Minister Miguel Angel Zabala Ortiz visited Saigon and expressed the solidarity of his government with South Vietnam; and in May 1968, an Argentinian mission of five military officers arrived in Saigon as observers. Rogelio García Lupo, "Argentinos en Saigon," *Marcha* (Montevideo), May 24, 1968, p. 19; *Primera Plana* (Buenos Aires), May 28, 1968.