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Washington

With the Dulles Brothers in Darkest Guatemala

By JAMES RESTON

WASHINGTON, June 19—John Foster Dulles, the Secretary of State, seldom intervenes in the internal affairs of other countries, but his brother Allen is more enterprising.

If somebody wants to start a revolution against the Communists in say, Guatemala, it is no good talking to Foster Dulles. But Allen Dulles, head of the Central Intelligence Agency, is a more active man.

He has been watching the Guatemalan situation for a long time.

It was his associates who spotted the big shipment of Czech arms from Stettin to Guatemala in the first place. They followed it through a maze of phony manifests, from one misleading port-of-call to another, until it reached Guatemala, and they have been active in the defense of the area ever since.

The guess here is that the revolt against the Communists will succeed if the Guatemalan Army is as divided as his. A Communist revolt will not deal with the main Latin-American problem, which is poverty and residence in a rich but divided continent.

That problem lies primarily with the other Dulles. After his bitter experience in dealing with the misery and nationalism of Indochina the Secretary of State is in a mood to review United States policies in the underdeveloped areas of the world. As he sees it, the great political battle of the next generation is going to come in these poverty-stricken areas, and the Guatemalan crisis is a reminder that Latin America is one of the battlefields.

A Disillusioned Continent

Latin America is not only fragmented politically and economically but disillusioned by the United States' emphasis on military power. The dreams of continental economic solidarity, encouraged by Washington during the last war, have not been realized, and the hopes of a post-war prosperity have been disappointed.

Politically, the United States has responded effectively over the last generation to Latin America's juridical principles. Theodore Roosevelt's corollary to the Monroe Doctrine of 1905 was revoked. The Marines were withdrawn from Nicaragua and Haiti. The Platt Amendment was repealed; Woodrow Wilson's unilateral doctrine of non-recognition was abandoned; and the good-neighbor policy established.

In the single generation between the Roosevelts the resentment against United States imperialism was very largely wiped away, but since the war the dollar surpluses built up by the sale of raw materials from 1941-45 have vanished, and the condition of the people has steadily declined.

During the first five post-war years the United States put out more than \$25 billion in grants and credits to foreign countries, only \$514,000,000, or 1.8 per cent, of which went to Latin America.

During this same period the Latin American countries succeeded in attracting only about \$975 million of net private direct investment capital from the United States, and much of this went not into production for domestic markets or industrial development or the fields of education, health, transportation, irrigation or reclamation but into the development of raw materials for export.

While billions were crossing the Atlantic to build strong European economies against the threat of communism Latin America's appeals for a Marshall Plan of its own were ignored. Washington's money, it seemed, was available only to fight the Communists, and this itself encouraged the growth of Latin-American communism.

This very problem was foreseen here at the end of the war. The alternatives were clear, and honest men differed about which policy to adopt. To pursue limited objectives in Latin America, such as procuring defense cases, strategic materials and military support from our neighbors, or to pursue the long-range objectives in which Latin America was primarily interested: high levels of employment and productivity; improving living standards; and sound and expanding economies."

Flaw in the Crystal

It is one of the ironies of the present situation that officials in Washington are coming to believe that the solution to this problem lies in the development of a unified continental economic system, which is about the oldest principle of the Pan-American ideal.

As Ezequiel Padilla, the former Foreign Minister of Mexico, reminds us in Foreign Affairs, the Pan American Union was originally called the "Commercial Bureau of the American Republics." The first conference, in 1889, put forward the idea—still badly needed—of an inter-American bank to help develop Latin America, but whenever the question of constructing a unified continental economic system is raised the Pan-American spirit seems to wane.

Moscow is now definitely fishing in these long-troubled waters. It sees the possibility of Latin America's disillusion. It resents the strong Latin-American support for the United States at the United Nations. It fears United States bases of operation near its own frontiers and is now obviously trying to establish Communist Governments near ours.

Mr. Dulles (Allen, that is) can no doubt help. But the only way in Guatemala but it will take John Foster Dulles and the Congress to bring about a policy change that will deal with the central economic problems of the hemisphere.

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