

Concepción, June 1, 1958

OUTLINE OF A PROPOSAL FOR U.S. POLICY CONCENTRATION  
IN LATIN AMERICA ON UNIVERSITY REORGANIZATION AND  
ECONOMIC INTEGRATION

I. INTRODUCTORY OBSERVATIONS

A. THE PROBLEM:

Right or wrong, the Vice-Presidential tour took place. With the cooperation of Cominform organizational efficiency and coordination the visits brought out into the open what most of us who live in this part of the World have known for years:

1. The populations of this Continent, even our best friends among them, with every day that passes get more fed up with the avoidable mistakes committed on an ever increasing scale by the official organs representing U.S. policy toward Latin America both at home and abroad.

2. Everybody knows this to some extent, except of course the vast majority of those who are supposed to represent U.S. interests here. Choked by red tape and entangled in intramural struggles, slowly recovering from the insidious effects of "McCarthyism" in the bureaucratic ranks, most of this personnel is tied to an ineffective tread-mill of paper shuffling, cocktail and party attending, and fighting off a two-front war: one against Washington, the other against increasing pressure from their host country.
  
3. Anyone who attempts to cut through this costly, worse than useless, vicious circle is subjected to psycho-social pressures practically impossible to resist. If he surges forth to associate with other than his own or "authorized" representatives of the host country's elite, he is apt to be accused of either "going native" or of corruption or worse. Real contacts with the country's population at large to ferret out real problems, real needs and practical solutions to them, seem as rare as they are dangerous to those who attempt them.

4. Such information, easily obtainable in the free give-and-take of friendly personal relations with any cross-section of the population, is instead officially "spied out" as if it were a military secret. Relegated to our "intelligence services" these matters are artificially complicated. Men singularly unqualified for an essentially unnecessary job try to pry loose information that is common knowledge to all who have eyes and ears - and friends in the country - to note what is going on.
  
5. Such information, mostly obtained through fawning national informers and "processed" in the hush-hush atmosphere of conspiracy and intrigue, can not possibly reflect the real state of affairs. It is bound to be hysterical, either far too alarmist or much too indifferent.
  - a. This may explain why the State Department appears to have had no finger on the pulse of public sentiment when the "The Tour" was organized - why it has failed to come up with successful institutional and procedural changes

to meet the needs and challenges posed in this area. Instead of promoting a dynamic policy of order and development it has permitted the set-in of chaos and dissolution.

6. To blame it all on the Communists is an ostrich policy that may become outright dangerous if permitted to persist. Falling for one's own propoganda has no survival value at all. To insist that "basically" U.S. policy can not do anything different from what it is doing now, is to defend a serious error or to admit permanent failure.

**B. THE SOLUTION:**

1. It is the conviction of the undersigned that there are vigorous, imaginative and effective new steps that can and must be taken to deny failure and rectify our errors. This conviction led to the present memorandum which is dedicated to the proposition that a new policy in two important areas can turn past failures into a resounding success and make the U.S. a real leader of Latin American integration and progress.



2. Apart from a basic change in attitude and procedure of Foreign Service and ICA personnel abroad, a change of U.S. policy toward Latin America would do well to concentrate all efforts on two critical control areas:
  - a. A radical change in the structure of Latin American Universities;
  - b. The speedy and effective integration of all Latin American economies in a Common Market.
  
3. If parallel to our present efforts, not to be suddenly altered or suspended but rather gradually supplanted; a new long range policy would slowly emerge, imaginatively conceived carefully planned and efficiently pursued with constancy and dedication, we would create a promising future, profitable to ourselves and decisive for our Good Neighbors. The following two proposals rest on this premiss.

II. A PLAN FOR U.S. INITIATIVE IN THE ESTABLISHMENT OF A  
TECHNICAL ASSISTANCE PROGRAM FOR L.A. UNIVERSITY  
REORGANIZATION

A. THE NEED FOR UNIVERSITY REORGANIZATION:

1. Higher education in L.A. is almost everywhere centralized, State controlled and identified exclusively with professional schooling. This unwarranted equation of university education with professional careers represents a real barrier to the industrial, technological, economic and social growth of this Continent, despite fervent declarations by all concerned that this is just the type of growth desired.
2. L.A. needs specialized men in great numbers, men with initiative, imagination and know-how in the most varied fields of human knowledge and endeavor - more desperately than machines, unintegrated money grants or abstract theoretical planification.

3. Logically, the universities should supply this qualified manpower. Actually, however, they do not. And this, despite heavy investments which represent a real drain on the national budgets which almost exclusively support these institutions.
4. They represent a system of education dedicated to the erroneous proposition that all social needs, all specialized technology and diversified production can be satisfied and forever attended to by a handful of traditional all-powerful professional schools.
  - a. It is a system of education which can think of no solutions to new demands except in terms of old mechanisms within the sphere of authorized and vested interests of the established schools.
  - b. It is a system of education which can not conceive of the right of an individual to acquire knowledge and background education for their own sake or for the interest he as a person may have in a given special field, without immediate utilitarian application.

- c. It is a system of education which is not flexible enough to meet a sudden demand for specialized training that the society in which it operates clearly necessitates but can not obtain within its own boundaries, at any cost or under any but the most makeshift conditions.
5. It does seem obvious that such an educational system has clearly outlived its purpose and should go.
6. Pressures are building up within the social structure of Latin America directed against this impasse and in favor of changes which the universities must provide if these societies are to meet with success the challenges of today and tomorrow.
7. If such tensions find no outlet, no understanding, no mechanism at the top to channel them into new productive activities, if allowed to accumulate further they are bound to lead to violence when violence is the last thing the Western World wants. Hence the tremendous importance of a farsighted policy of varied technical assistance, of unofficial

but effective help and sincere cooperation generously offered.

8. U.S. policy through private initiative must do what is really possible to assist those L.A. educators who desire change and understand the importance of liberating their systems of higher education from the shackles of an almost completely dead past. There are such men. The undersigned knows them in person. If given encouragement and effective means, they can and will transform this archaic system of education into an instrument of innovation, a creator of new opportunities.
  
9. Given such help, wisely and simply, wherever it can be put to good use, exactly when it is needed, based on criteria jointly arrived at in the field, within an integrated program that will insure continuity of effort, it may still be possible to resolve the tensions, aspirations and needs confronting the group as a whole, in an evolutionary form without recourse to disruptive measures. Needless to reiterate that it is later than most of us think.

B. OBJECTIVES OF THE REFORM PLAN:

There is a succinct need to create a government-supported yet unofficial University Reorganization Agency, to promote the following objectives in any form or manner it may consider most appropriate and effective:

1. Diversify educational facilities and break down the monopoly which the traditional professional faculties hold over all university education.
  - a. Devise a coordinated drive to modify gradually and with care the traditional concept of the "concurso".
  - b. Devise a coordinated drive to abolish gradually and with care the traditional concept and institution of the "cátedra".
  - c. Expand teaching staffs in every field.
  - d. Promote the establishment of institutional mechanisms underlying the diversification found in North-American private liberal arts colleges.

- (1) Promote "majors" in every field, from pure basic sciences to specialties in the arts, humanities and social studies.
2. Free the Universities from direct government control.
    - a. Disassociate academic and scientific personnel from civil service status, regulations and salary limitations.
    - b. Provide financial independence to the Universities by:
      - (1) Placing at their disposal annual lump-sum subsidies, based on the British system, with no strings attached.
      - (2) Freeing them from undue State fiscalizations.
3. Put higher education on a paying basis.
    - a. Charge tuition fees on an increasing scale over a ten-year period, until the proportion paid by the student equals the amount paid for him by the State. The responsibility should eventually be on a 50-50 basis.

- b. Use State funds on an increasing scale for scholarship assistance to underprivileged students, thus compensating for the gradual loss of a "free" higher education on a national scale.
    - c. Encourage university investments in productive and remunerative enterprises, the solicitation of endowment funds and alumni contributions.
  4. Provide the social and financial conditions for full-time teaching and dedication to research activities.
  5. Promote a new educational philosophy and outlook for student-teacher relations by changing the framework:
    - a. From memorization to individual thinking;
    - b. From rebellion and hostility to cooperation;
    - c. From politics to other student activities.
  6. Adapt U.S. educational techniques for:
    - a. Curriculum construction and integration;



- b. Student selection, enrolment and follow-up;
  - c. Centralized and standardized university administration procedures.
7. Improve educational standards by:
- a. Providing for educational degrees equivalent to and at the B.A., B.Sc. and M.A. levels;
  - b. Establishing minimum standard requirements for Ph.D. degrees.

NOTE:

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These objectives constitute the framework within which the activities of the undersigned have taken shape over the past few years. It may not be too much to say that an environment favorable to change existed from the start, which has considerably grown in scope and intensity. The climate exists as well as capable people to implement such a policy in their respective countries.

This is the main point whose great significance so far has escaped the attention of the technical assistance agencies such as ICA, UNESCO and the U.S. Foundations. They are so oversized and over-organized that they become insensitive to what is really going on in the field. It takes them months to establish policy and years to implement it, while the world at large is moving at supersonic speed toward ideational chaos and structural dissolution.

Unrealistic categories of how, where and when to assist, arbitrarily postulated on Main Street and thus mostly inapplicable to the rest of the world, make any effective technical assistance an unusual rarity, most of their good intentions a long sad chain of ill-timed projects with too much money at the wrong place, granted too late, at times even for the wrong purpose.

Hence the objective of this memo to cut through the mountains of half-understood data and propose mechanisms that may achieve constructive results before it is too late.

C. THE PLAN:

1. Decide at the highest level to make it a long range objective of U.S. policy in L.A. to promote actively, urgently but unofficially the reorganization of university structures and objectives on this Continent.
2. Set up a private corporation, similar but by no means identical to the Ford Foundation's recently created "Educational Facilities Laboratories, Inc", primarily government-financed but free to solicit assistance anywhere.
  - a. Tentative proposal for a name:  

"PANAMERICAN UNIVERSITY REORGANIZATION ENTERPRISE"
3. Provide ample funds to be used as needed when needed. First year expenditures probably would not exceed US\$ 300.000-500.000. But the U.S. Government should be prepared for an expansion that may lead to a 100-200 million dollar program within 18-24 months.
4. Place at the head of this Agency a man who knows Latin American University Systems inside out and give him executive power to contract the best human elements available at home and abroad.

5. Place the Agency under the supervision of a Board of Directors, composed of representatives from all contributing organizations in proportion to their respective contributions. This Board should be supervisory and fiscal but not interfere executively in the implementation of the agreed upon policy. Its members should have vision and a new approach, be preferably from the social and behavioral sciences.
  
6. Invest the Agency with the necessary freedom to enter into any agreement with interested governments or private institutions that common agreement may consider advisable and convenient. No action can ever be taken without the official invitation or consent of a host country. But conversations leading to an arrangement should be conducted by the Agency's own representatives - similar to the policy followed by private foundations abroad - without U.S. Government participation, interference or guarantees.
  
7. Allow for maximum flexibility to establish assistance policy, without rigid categories or predetermined limitations on what can or can not be done.

8. Make it a basic point of policy to offer assistance on a long range basis whenever feasible and necessary, insuring much needed continuity of effort and concentration to get a single given change accepted and applied.

III. A PLAN FOR U.S. INITIATIVE IN THE ESTABLISHMENT OF A  
PANAMERICAN PROGRAM OF FUTURE ECONOMIC INTEGRATION

A. THE NEED FOR A COMMON MARKET:

1. The spasmodic U.S. buying from one-product countries on the one hand and their increasing demand for U.S. products on the other, growing in geometric progression while L.A. buying power is drowning in inflationary efforts to achieve an archaic concept of chauvinistic autarchy, is taking on ominous proportions that can only lead to bloodshed in the long run. One does not have to be an economist to see this. The Continent wants and needs a Common Market both for economic and social reasons.

a. Coordination of L.A. productive capacities will open new markets for single products, while keeping them in the Hemisphere.

(1) The U.S. can not indefinitely prevent these countries from selling abroad without offering the alternative solution of an expanding internal market.

- b. Integration of L.A. economies will tend to diminish the growth rate of unhealthy nationalism and channel the justified pride of an awakening society into healthy and productive economic competition.
  - (1) The existing pathological sensitivity based on frustration and resentment, is beginning to be directed against everyone in general and the U.S. in particular.
  - (2) Within individual countries as well as among each other, local rivalries are exploding with growing frequency and brutality. If allowed to continue the present trend will spell disaster to Inter-American cooperation and eventually engulf the social structure of the entire Western Community.
  
- c. U.S. cooperation with such an eventual Common Market Area would in return open a Continent of 120 million people at present count, a market numerically and qualitatively on the increase and avid for U.S. products at U.S. retail prices.

- (1) The material demand for the good life has been unleashed irrevocably. Either the U.S. finds the economic mechanisms to satisfy this demand within a reasonable length of time, by taking the lead, pointing the way and providing fulfillment, or Soviet ingenuity and conspiratorial ability will turn dissatisfaction and disillusionment into rebellion, with a religious fervor that nothing short of brutal suppression will be able to stop.
- (2) Beyond doubt the first alternative is a bargain, even at the "sacrifice" of lowering or eliminating tariffs, investing publicly and privately on a coordinated basis in projects even when they are controlled by foreign governments, and in general breaking some of those long standing taboos which misunderstood self-interest put there in the first place.
- (3) Investment policy would then favor development projects interesting from a regional rather than national viewpoint, indirectly contributing to the formation of a sane



and objective policy of regional production planning in certain important commodities, with the concomitant obligation to absorb unsold minimum production quotas in the event of a recession.

2. U.S. ingenuity and dynamics, U.S. socio-economic mechanisms and organization, can do the job on a mutually profitable basis and with the willing and eager cooperation of Latin America.
  - a. PROVIDED this leadership is exercised now;
  - b. PROVIDED outdated antinomies of communist vs. capitalist, free enterprise vs. welfare state, socialism vs. democracy, and the like are carefully re-examined for their essential content value;
  - c. PROVIDED a new and flexible policy based on up-to-date concepts, procedural categories that fit reality and a sense of urgency can be promoted while there is still time and opportunity;

(1) Surely the French example of institutional ossification should be a warning as to what can happen to a society that loses its internal ability to meet external change.

3. If our essentially free and materially highly developed way of life is to survive at all, it must be capable to adapt to reality, destroy slogans which have outlived their utility and seize the initiative to mold reality in its own image.
  - a. Materially the U.S. is the most egalitarian society ever to come about for the benefit of the individual rather than a group dominated by a small caste of self-appointed elite. This is the essence of our strength which must not be diluted by stupid slogans.
  - b. This is the essence of our message to the World, a message to which even Soviet leadership has begun to accede. If we do not act according to our own message, the others will; and there is every sign that Khrushchev already launched such a policy.

- c. To have the State Department insist time and again that there is nothing else to do except keep ears and eyes open and adapt to new circumstances, is to relegate U.S. power to imperial passivity in a dynamic, explosive world, to throw away leadership for all times, to kill our own message.

B. THE PLAN:

1. Decide at the highest level to make it a long range objective of U.S. policy to promote actively and urgently the creation of a Common L.A. Market Area.
2. Establish a crash program to pursue the preparation of conditions favorable to this objective, by setting up an independent Agency outside civil service regulations and control, financed by periodical lump-sum contributions subject to "a posteriori" accounting, and given free technical reign to reach as speedily as is professionally feasible and recommendable the following goal:

- a. To take all steps found necessary or convenient to prepare a detailed and integrated blueprint for action on the creation of a Common L.A. Market Area.
3. The Agency will do all planning, conduct all conversations, coordinate all individual and subsequently collective needs, requests and research, finance all national or regional studies indispensable to the project, promote all individual or group meetings, and cooperate fully with all national representatives - as private individuals - to lead the way yard by yard toward a coordinated and integrated action program.
    - a. This action program eventually will then be submitted to the respective legislatures of the interested countries for final approval and adoption.
  4. For internal U.S. control purposes, this Agency could be made responsible to a special committee formed by the Secretaries of State, Commerce, Agriculture and the Interior, under the chairmanship of the Vice-President of the U.S.

5. This Agency would be directed by a hand-picked top economist-diplomat and composed of the best specialists in the Americas that money can buy. They would be expected to work on a full-time basis, unhampered by arbitrary bureaucratic procedures or considerations of hierarchy to coordinate their efforts within the confines of traditional departments, sections and such.
  - a. Each specialist would dedicate himself to his job with the help of a competent steno-secretary and one or more personal assistants.
    - (1) This would constitute the basic operational unit within the Agency -like a mobile unit- capable of being directed in any needed numbers toward whatever problem or activity a job may require.
  - b. Organizational categories and subordination of activities would be left to experience and changing needs. Otherwise, as so often occurs, the organizational structure in the end determines the Agency's output rather than real need and circumstance.

6. The Agency should be an instrument of U.S. policy. HOWEVER, inside strictly defined limitations, with complete executive initiative to do what is needed without seeking permission on procedural matters.
  
7. In every other respect the Agency should be totally unofficial and do its work without drawing attention to it, without propaganda or drum-beating, no matter how great the temptation.
  - a. Its initiative will be private, its consultations on a person-to-person basis, completely outside the orbit of governmental help or interference.
  
  - b. Its conclusions will be those of a private body. They then may or may not turn into official U.S. policy to be submitted and pursued as such at some future Panamerican Economic Conference.
  
  - c. Chances of a Panamerican Agreement at such a conference would be enhanced if most of the then official National Representatives would be the same persons who, as private individuals, already contributed a large share to the preparation, postulation and definition of said policy.

8. The great advantage of this method or approach for the U.S. would consist in a real opportunity to exert leadership in a most effective manner, based on demand, without interference in the internal affairs of the other Republics.
  - a. The U.S. would provide the initiative and the means to hammer out sound and objective steps towards the materialization of a program everyone wants but no-one seems to know how to realize.
  - b. Then it would still be up to each national legislature to approve, emend or reject the plan, without having compromised any national government.

This effective leadership without interference is expected of the United States.

9. The total cost to the U.S. of this project can not conceivably go beyond a couple of million dollars. In the light of technical and military assistance programs, this would be a relatively insignificant sum. Conceivably it could even be furnished by private foundations, thus eliminating completely U.S. Government involvement.

- a. The chances of failure though always present are minimal in this case. But even if the project should fail, the money expended would not be lost. Much larger sums of assistance funds have been spent in the past and no doubt will be spent in years to come without a fraction of the potential importance this project bears for all. And even in failure the project would pay for itself by reaching positively a negative conclusion and placing responsibilities squarely where they would then belong.



C O N C L U S I O N :

Lest there arise any unwarranted expectations of future gratitude to the U.S. for this or other such services, it should be understood that psychologically this is quite impossible.

History shows that in group relationships no leader can ever evoke gratitude for his leadership or protection. At best he can earn respect. Mostly he only provokes resentment.

To this must be added frank envy of U.S. material well being, creating "poor relation" complexes right and left, no matter what the U.S. does or does not.

It is high time the U.S. matured sufficiently to recognize this as a fact with which we must live, like it or not. To resent the resentments gets nobody anywhere except all on the road to disaster. U.S. leadership must be exercised for its own sake, in a spirit of enlightened self-interest and in the conviction that Hemispheric Unity has great survival value. Without it the U.S., and with the U.S. the rest of the World, would be lost.

PERSONAL REFERENCES:

The undersigned U.S. citizen has an experience of seven years in Latin America and the professional preparation and knowledge to interpret the many facts he has gathered.

As a specialist in University Organization he has been four years in charge of a Brazilian university development program and is at present reforming the system of higher education in Chile.

He speaks, reads and writes fluently Portuguese and Spanish, has studied carefully the different social, psychological and economic conditions of this area and knows many important and influential personalities in the ABC countries.

These are the credentials which he believes give him a right to speak up on a topic which is presently receiving top priority in the United States and on whose adequate solution depends much more than friendly diplomatic relations.

RPA/mrs

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