consensus with others who are just as insistent on not agreeing with us is that we drive them toward more and more extreme and hostile positions. Our very reasonableness and eagerness to understand may drive others to unreasonableness and eagerness to offend. We must at least consider the hypothesis that others disagree with us not because either their or our thought processes have been imperfect, but because they attach a positive value to disagreement with us. Wherever this is so a successful attempt on our part to eradicate the disagreement (with respect to one issue) can only lead to it popping up somewhere else, probably in more virulent form. In general, aggressive and offensive behavior may at times be resorted to in order to fend off an unwelcome embrace and would not be indulged in if we were not such determined suitors.

A corollary of our position is that it may be ill-advised to advertise Puerto Rico as the model Latin Americans ought to study, meditate and imitate. Puerto Rico's advances are impressive indeed, but are likely to be discounted because it can never be conclusively proved that its economic progress has not been bought at a price in national independence which other Latin Americans are unwilling to pay. Let us note that they would thus reject the lessons of Puerto Rican development for reasons very similar to those for which we ourselves urge them not to pay any attention to the undoubted economic gains of countries in the Soviet orbit.

But the most important reason for which I would strongly support a lessening of the emphasis on inter-American solidarity is that in this fashion we would actually increase the range of practical cooperation in problem-solving activities between the United States and Latin America. Our present image of hemispheric relations is that we share quite a few basic values and that we can gradually achieve agreement on others provided we are all reasonable and progressive; and our programs of technical and financial assistance are presumed to be based on this kind of consensus. But this image is largely a fiction: the United States and the Latin American countries are not undertaking a series of joint actions because they pursue well-defined and fully shared goals; rather, ties may be established and strengthened as we jointly engage in common programs in the course of which we may be pursuing quite different goals, at least initially.

A frank recognition of this situation may help to enlarge considerably the area of cooperation and the number of problems we can tackle through joint efforts: there is no need to have a consensus on the value of the price system as a mechanism for allocating resources in order to take certain common and common-sense steps to deal with clearly excessive fluctuations of commodity prices. There is no need to agree on comprehensive development plans in order to support a wide variety of obviously useful and productive projects. The United States need not and should not withdraw its support from a common market in Latin America because it feels that some Latin American supporters of the common market have objectives that are anathema to us. In these and many other fields, instead of requiring consensus and harmony at the outset, we may hope for a rapprochement of initially divergent views as a possible byproduct of common and successful action.

It is indeed on this basis that we solve many of our domestic problems. Strangely enough, in our international relations we frequently act as though we believed that political science must stop at the water's edge, a proposition that is even more untrue than the one it paraphrases.

ABRAZO vs. COEXISTENCE: FURTHER COMMENTS

by LINCOLN GORDON

IN the development of its international relationships, the United States finds itself constantly confronted with rival claims for regional loyalty, claims which it is compelled to

Lincoln Gordon is William Ziegler Professor of International Economic Relations at the Graduate School of Business Administration, Harvard University.

adjust to some global pattern of priorities and allocations. Put separately, the special claim for each region seems very persuasive. The Western Hemisphere sisterhood of "good neighbor" American Republics is the oldest. The Atlantic Community, linking North America and Western Europe, now possesses the most far-reaching military commitments and perhaps rests on the strongest political foundations. Among the underdeveloped countries, some voices urge priority for the Western Pacific and Southeast Asian nations, as those "most imminently in danger of Chinese aggression." Others support the case for India and Pakistan as "the great testing grounds for the race between free and Communist institutions in Asian economic development." Still others argue for the Middle East, as the "crossroads of three continents," vital to world strategy and an indispensable source of oil for the Western world. The most recent addition to the claims for top priority consideration is Africa, "the awakening continent, key to the 21st century."

In the two cases of the Atlantic and Western Hemisphere regional groupings, we are active participants and recognized by all as the leading member. Responsible and influential men of affairs have called for major further steps toward the economic and even the political integration of both these regions. Thus it has been suggested that the United States join an enlarged European Common Market, that we join a Western Hemisphere common market or free trade area, and that we develop some form of "confederation" with both the Atlantic and the Inter-American Communities.

The thrust of Ypsilon's argument is precisely in the other direction. He seeks to improve inter-American relations by strengthening Latin America, both absolutely and in relation to the United States. He also wants to alter the relationship by "deemphasizing the *special* inter-American tie, . . . by placing many aspects of our dealings with Latin America in a broader context."

The first half of his prescription will evoke little dissent. It bears an interesting family resemblance to the idea of promoting the unity of Western Europe, not only to add to its own strength but also to make it a more equal, and therefore a better, partner for the United States. The second half, however, raises more far-reaching and difficult questions. It would seem to imply that the forum for multilateral consideration of inter-American political

problems be shifted from the Organization of American States to the United Nations; that multilateral investment activities be shifted from the new Inter-American Development Bank to the World Bank and its affiliated International Development Association; and perhaps that the new program for social assistance and development launched at Bogotá in 1960 be shifted to U. N. agencies concerned on a world-wide basis with problems of education, health, housing and agricultural reform. Without for a moment underrating Ypsilon's objective of removing the cant from conventional protestations of hemispheric unity, solidarity and like-mindedness — an objective even more cogently stated in Albert Hirschman's comments — one may nonetheless enter a vigorous dissent on these policy implications.

The question of special institutional arrangements for the expression of United States political, military or economic cooperation with Latin America should not be confused with the issue of exclusivity. It is indeed to the North American, as well as to the Latin American, interest that the long-standing cultural links between Europe and Latin America be paralleled once again by broader European activity in providing capital and technical assistance to Latin America. Preferential spheres of influence in the various underdeveloped regions for one or another portion of the industrialized free world would be politically dangerous for the advanced nations and economically disadvantageous for the developing ones.[1]

Nevertheless, the scope of United States action in Latin America is likely to be so much larger than that of Europe or Japan that the difference of degree may be reflected in a difference of institutional kind. Europe and Japan may well conduct their relations with Latin America through bilateral or general United Nations action; but for the role of the United States, special Western Hemisphere institutions seem almost indispensable.

Nor is the objective of closer inter-Latin American integration inconsistent with the maintenance or improvement of institutions for Western Hemisphere cooperation. Except with respect to Central America, one's imagination is strained by Ypsilon's concept of the Latin countries being "grouped perhaps in fewer, stronger en-

1. For some expansion of this point, see my article on "Economic Regionalism Reconsidered," *World Politics*, January 1961.

tities," presumably meaning sub-regional confederations of one type or another. But the idea of closer Latin American integration through free trade area or customs union arrangements not including the United States, and through other forms of cultural and economic cooperation, is eminently desirable. It would be a great misfortune if the degree of permissible inter-Latin American cohesion were to be watered down to the maximum that the United States was prepared to accept on its own behalf.

The affirmative grounds for favoring differentiated Western Hemisphere institutions for political and economic cooperation are that the United States does have a "special" relationship with Latin America, rooted in a checkered history but just now showing signs of maturing into an intensive joint effort for accelerated Latin American development. Culturally and ideologically, this special relationship reflects a community of outlook less close than that between the United States and northwestern Europe, but not far different from that between the United States and southern Europe and certainly far closer than with the non-Western cultures of Asia and Africa.

As to development policy, the relatively favorable endowment of natural resources, at least in the southern continent, the already important nuclei of industrialization, the gradual strengthening of the middle class and the development of a lively, if often undisciplined, group of entrepreneurs, all give hope that a well-conceived cooperative effort might, in a mere decade or so, bring the great bulk of Latin America into economic step with the modern world. It is this special set of opportunities, rather than the mere accidents of geographical propinquity (which is hardly very great for southern South America) or the negative fear of communism or *fidelismo*, which really justifies a special form of Latin American development effort, not at the expense of, but in addition to what may be done elsewhere in the world.

Certain aspects of this effort simply cannot be accomplished through bilateral relationships. If structural social and economic reforms are to be accomplished without violent revolution, some means will be required to promote land and tax reform, effective economic development programming, and the tackling of such thorny social issues as the unassimilated Indian populations. A multilateral mediating body is essential to assist in this process — a body composed primarily of Latin Americans but including United States participation. The World Bank and the International Monetary Fund are ineligible because they are dominated by North Americans and Europeans and are widely regarded in Latin America as mere extensions of United States policy. The United Nations agencies, compelled to distribute their efforts in accordance with global standards of equity and henceforth politically oriented toward the African and Asian continents possessing most of the General Assembly votes, are not likely to meet the requirements.

Apart from its obvious role as the largest supplier of outside funds, and without seeking exclusivity, the United States can make available through specialized Western Hemisphere institutions many of the experiences, techniques and attitudes most wanted and needed by Latin America. This is not only a question of industrial technology, although that should not be disdained. It applies equally to agricultural training and extension, to technical and vocational education at secondary and higher levels, to the organization and administration of a genuinely universal primary and secondary school system, to coordinated multi-purpose river valley development, and to a frequently forgotten richness of experience in voluntary association both for profit-making and for non-profit purposes.

The more subtle argument for "coexistence" rather than "*abrazo*" suggested by Hirschman is that we should discard the blithe assumption that we possess at present any real community of basic values with Latin America. With respect to economic development policy, he argues that we need not agree on the value of the price system, development planning or market integration in order to cooperate on specific, immediate and practical tasks. His terms imply that we may differ as much as the Soviet Union and the United States appear to differ in basic objectives, while still possibly agreeing on specific measures of arms control.

In my mind, Hirschman assumes too readily that the United States and Latin America must approach their relationship with two dogmatic sets of stereotyped economic policies, one sanctifying market prices in all circumstances and damning every form of economic planning while Latin Americans will start with exactly the opposite set of convictions. Certainly we have erred in assuming an identity of social values between Latin and North America. Differences in these values, as well as in economic conditions, will dictate differing economic arrangements and policies. But economic analysis is not a matter of taste. Distinctive Latin American art forms, literature and philosophy are to be welcomed, but there should no more be a "Latin American economics" than a Latin American physics or mathematics. The economic means best suited to attain given social ends may well be in controversy, but there is no ground for systematic alignment of Latin Americans in one school of thought and North Americans in another.

Without, therefore, "requiring consensus and harmony at the outset," I would certainly not abandon consensus and harmony as desirable and ultimately achievable goals. The more successful Latin American development is, the sooner such consensus may be forthcoming.

TWO VIEWS ON INFLATION IN LATIN AMERICA

by Roberto de Oliveira Campos

In several Latin American countries now facing problems of acute inflation, there is a sharp theoretical and policy clash between two groups which, for want of better terms, I shall call the "monetarists" and the "structuralists."

To the "monetarists," views are ascribed that are close to those imputed to the International Monetary Fund, even though several of them dissent from the IMF in many respects. The "structuralists," on the other hand, claim to have support for their views in the studies of the Economic Commission of Latin America, even though official ECLA reports do not show the fatalistic view of the inflationary process in Latin America nor the degree of scepticism toward monetary and fiscal policies that is implied in the "structuralist" view.

In a heroic oversimplification, the views of the two contending schools of thought — at least as expressed in Brazil — can be summarized as follows:

The "monetarists" hold that:

(a) Inflation has ceased to promote development and in fact has become incompatible with it; even those countries that managed to have inflation and development are now facing an acceleration of inflation and a deceleration of development;

(b) Inflation must be stopped quickly, before it degenerates into explosive tensions, and the only effective method seems

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Roberto de Oliveira Campos is an economic consultant; he was formerly Director of Brazil's National Bank for Economic Development, Rio de Janeiro. He holds the rank of Ambassador in Brazil's Foreign Service.