

CHAPTER VI

THIRDWORLDERS

Thirdworldism is a phenomenon which affects both the Third World and the developed countries. In the former, it manifests as aggressive feelings toward the latter, on the assumption that all of their ills are caused by the developed countries. And in the latter, the feeling is that their progress has been achieved at the expense of the former.

In order to determine who belongs in the Third World, it is usual to adopt a point of view which includes both economic and political considerations. Thus we find in it developing countries and countries in states of extreme poverty, the free and the oppressed, the aligned and the non-aligned. For the sake of simplicity—and in order to avoid prejudiced classifications according to which political orbit a country belongs in, as in the case of Cuba—let us consider the Third World as formed by the underdeveloped countries. Thirdworldism has caught fire at every level, from socialist politicians to Marxist priests, including *the intelligentsia* and a good number of international organizations. This is partly due to a magnification of certain errors and abuses committed by the developed countries, and partly derived from communist theses. The central economic theme of Marxism, the exploitation of labor by making use of surplus value, was later extrapolated to the relations between poor and rich countries.

Determining how deep thirdworldist ideas are entrenched in the hearts of poor peoples is not easy. In El Salvador, for instance, the people generally prefer North Americans to

Mexicans. But if we asked them whether in all honesty they consider themselves exploited by the rich, most would probably answer that they do. Does that prove anything? Only in a relative sense. As posed, the question is a leading one, taking advantage of all the propaganda which confuses the people. It must therefore be rephrased as follows: Does your boss exploit you? I have witnessed how the answer changes most surprisingly: No! My boss is good, but the others are exploiters!

Imperialism and exploitation

In the discussion to follow, we will refer fundamentally to the relations between Latin America and the US. The belief that imperialism is the supreme state of capitalism, is mostly due to the influence of Lenin, who argued that capitalism cannot survive without the exploitation of colonies, and that colonies cannot make progress because of exploitation. Yet countries which were never colonized have remained poorer than others who were, despite the similarity of their basic economic characteristics. Carlos Rangel illustrates that with the example of Ethiopia, an extremely poor country which had practically no contact with the outside until 1935; its poverty was due to the characteristics of its population. Nigeria, Rangel points out, which had no available resources before 1890, became progressive from the moment it was colonized, and by the time of its independence was exporting several products developed by its colonizers, similar to the case of Malaysia. Capitalist countries, Rangel asserts, have not made progress exclusively or mostly because they had colonies. Look at Sweden, Switzerland, Canada, Austria, Norway and Australia, among others. It is a fact that the economic expansion of many countries began only after they lost their colonies. As Rangel states, sometimes colonies were even bad business.¹ I would not have anyone believe that colonization was motivated by altruistic purposes, or that plundering has not occurred. In fact, colonialism is the anti-praxis of legitimate imperial expansion. All I am trying to say is that colonization also had positive aspects, and that colonized countries could have advanced further had they planned better after they achieved independence. In the supposed North American

colonialism, there has been no formal aggression to the sovereignty and independence of peoples. That is why Latin American countries cannot be considered US colonies, and why the term dependent countries has been coined.

When the North American Empire started to form, there were certainly some sectors with a spirit of conquest, and yet conquest never took place. But it seems that certain US presidents—Theodore Roosevelt, typically—thought it their duty to teach their Southern neighbors the norms of civilized behavior, and that they had to act as policemen in the area. Given its substantial investment in Latin America, revolutionary upheavals in the area were always deemed dangerous to US interests. But on the other hand, many so-called revolutions were really caudillo-led insurrections, and on more than one occasion became anti-North American in tone, endangering US citizens and allied peoples. North American intervention has been most accentuated and direct against nationalist movements in Central America. Elsewhere in Latin America, many not quite pro-US governments have paraded, and the US hardly fought them except on special occasions. All of that has motivated more than one intervention, some of them libertarian, at least in the sphere and motivation of preventing a communist takeover. But the US failed, unfortunately, in encouraging (or at least not opposing) the installation of corrupt oligarchies for the sake of maintaining the status quo. Opposed as I am to that, I also recognize the inherent difficulty of formulating an adequate policy against corrupt non-enemies: the US cannot declare war on them either.

As I just said, the US has intervened on certain occasions for at least partly legitimate reasons, as when Salvador Allende and Jacobo Arbenz were overthrown. It is irrelevant that Allende was democratically elected; allowing anti-natural ideological parties to attain power vitiates the electoral process. Besides, his majority was only relative: the other parties together had the greater number of votes. Some, like LaFeber, argue that Arbenz was a nationalist who only wanted to liberate Guatemala from dependency.² But although there is certainly a tendency to label many true nationalists as communists, that was not the case with Arbenz. Once he rose to power in Guatemala, also by majority vote, he proceeded to expropriate

the United Fruit Company. It is difficult to evaluate this action, given the record of United Fruit. However, Arbenz had allied himself with the communists, allowing them to gain strength by infiltrating the labor unions. Arbenz had also expropriated land from the *oligarchs*, without offering adequate compensation, and he was also organizing armed communist militias. Despite what I previously said, and to avoid clashing with the established democratic ways, I will concede that an elected communist government does not have to be deposed if it respects the rights guaranteed by a previous social contract, not going beyond enforcing left-wing capitalist policies, and remains distant from Soviet influence. When it grows closer to the international communist movement, it poses a geopolitical threat to freedom, and supporting those who seek its downfall is a genuine example of nomocratic praxis. Of course, what good may result from such actions does not preclude the undesirable counterpart of those who are motivated to act more by what they perceive as the dangers of nationalism than against the real ones present in ideological incompatibility.

History has given us countless examples showing that foreigners which help peoples to preserve their fundamental values and rights are considered as liberators. Direct, large-scale, anti-communist intervention would be welcome with open arms in Central America today, at least by allies, the ones who really matter. Besides, the US encouraged Latin American independence from European (and other) colonizers. Mexico, for example, has not been without imperialist ambitions in Central America—like Guatemala and Nicaragua on a lesser scale—but US influence and expansion discouraged all their dreams of conquest.

The US was in a highly advanced state of development when it *colonized* Latin America, much like when England colonized India. As Rangel notes, the writings of Marx embarrass thirdworlders. His anti-British ideas can already be seen in an article published in the *New York Daily Tribune* on June 25, 1853.* Yet Marx never attributed the progress (over-production) of capitalist countries mostly to exploitation of the colonies, but to bourgeois creativity. It was Lenin who greatly

*"The British Rule in India," *The Portable Karl Marx*, pp.329-336. Penguin Books, New York 1983.

magnified the role of such exploitation. Let us note in passing that some Latin American countries which enjoy greater resources and better planning, Argentina and Costa Rica for example, are not suffering from dire poverty.

Marx himself saw no other remedy for backward countries than their economic awakening as a result of the imperial expansion of Western countries.³ He foresaw the fall of capitalism more as a result of self-destruction, but since that did not occur, communists were forced to resort to theories about the exploitation of the Third World in order to explain capitalist advancement. Now then, Marx was never fond of colonialism, and considered it perhaps a necessary evil. He always said that if the bourgeois ever bring progress, they do so by dragging others into misery and degradation. He had conflicting opinions on the matter: although he deduces that foreign enterprises will have to exploit local labor by appropriating surplus value, he recognizes that there are benefits to be derived by the colonized country. According to Marx, when England decided to build railways and irrigation systems in India, all it wanted was to obtain cheaper cotton and other products for its manufacturing industry. But Marx himself recognized the enormous benefits India would derive from its railway system.⁴ There are always other factors to be considered. Disproportionate population growth and its own philosophy have sunk India into poverty as much as, perhaps more than, anything else. But I would not attempt to generalize, nor I defend British colonization, but I wonder how India would have fared today if the British had not created the infrastructure that enables it to make use of its resources. And the aftermath of the episode is India's privileged place within British foreign policy.

Imperialism and expansionism cannot be attributed to any particular system. These are phenomena which have been occurring for thousands of years under different systems of life and are also evident today. Soviet communists argue they owe Latin America nothing, dismissing the suffering and destruction they have brought to it. And they certainly owe a great deal to Poland, Hungary, Czechoslovakia, Afghanistan and others. Neighboring countries are simply annexed by the Soviet Union. Since not all communist powers show expansionist tendencies, cultural factors probably play a role here.

This seems to be the case of Russia. Its previous lack of colonies overseas, when it was a kingdom, was probably due to its late development of sufficient resources to attempt colonial ventures. But now it has them by the handful, as pawns committed to exporting revolution.

In commercial and economic relations between North and South America, there is no doubt that the former have benefited much more, but this cannot be called exploitation per se because as a rule the reason lies in the better use of resources by the more developed country. It can even be asserted that those who receive high-technology products receive an extra bonus which should propel their development and shorten the distance separating them from the more developed country, to parallel some ideas of Ayn Rand. No one can allege that the high-rise buildings in New York and the great harvests of the Mississippi Valley owe their origin more to the appropriation of the resources of others than to effort, inventiveness and good planning. And all the repetitive labor engaged in correcting deficiencies due to poor planning and lackadaisical effort—the terrible waste which characterizes Latin American countries—has not become a part of the North American way of life. But neither because of that are we to ignore unduly advantageous treaties which the US has achieved through the influence of its might.

Conflicts arise not only in the Third World but everywhere, especially between neighbors. But our concern here is the manipulation of the Third World for political gain. Regarding the claims made against former colonialist countries for plunder of resources, it would be impossible to determine the impact of the amount stolen in the overall context of the colonial administration, or to calculate the balance of all this today. In attempting such a thing, Latin America would have to start by placing claims against Spain and Portugal, and India would have to do the same not only against England, but against Arabs, Tartars, Turks and even the Macedonians or their descendants. In Latin America, it would prove difficult to decide who should get reparations. Certainly not the Aztecs or the Incas, who had themselves subjected other peoples. In the last instance, we would have to go back very far in time in order to determine the original dispossessed inhabitants and

do justice to them, or at least to the last traceable legitimate state in the area. Many things can no longer be remedied, nor should they be. Other men and other times and customs which we cannot fully understand (because we are so far removed in time) determined events, and the new generations cannot be held responsible for the wrongdoings of the older ones. In fact, the above case is one of trans-generational dismissal of permanence. If we attempt today to correct the past, we will surely have a real world war. A similar dilemma, although in a different context, is posed by the attempts to reverse the territorial changes brought on by past conquests and wars. This would make unfeasible to keep a lasting peace for it would require redrawing the political maps, and because most people who find themselves integrated with others wish to stay that way. Patently, there are many exceptions here, as when regional inhabitants remain annexed by force or are discriminated. And the first countries which should be freed from this bondage are the ones in Eastern Europe. In an effort to sum up, we can say that it would make some amends that developed countries—particularizing each case, obviously—gave disinterested aid to the Third World, and they must start by promoting nomocratic capitalism in it.

There are three basic ways of explaining exploitation:

- 1) minuscule wages, theft from the state treasury, failing to pay tribute, usurpation, and unfair-advantage trade;
- 2) appropriation of surplus value; and
- 3) colonization by foreigners.

The disregard real oligarchs exhibit for the interests of the nation, perhaps the most frequent cause of the misery of a people, is more to be blamed for the first category than a formally unjust economic structure. The second explanation is characteristic of communists, many thirdworldist ideologues, and left-wing economists; the surplus value theory is false, however. We will analyze colonial exploitation next, stressing the ideological aspects over the properly historical ones.

How is a country neo-colonized?

Since the Third World is said to be colonized, it would be good to examine the mechanisms which are adduced to justify

that assertion. In truth, real and effective colonization can only be achieved through territorial occupation by settlers and the military intervention of sovereignty. We are asked to believe that there is today an *informal imperialism*, a neo-colonization which is being carried out less by orthodox means than by new ones, such as immigrant labor. But in truth, some of the colonizing mechanisms mentioned in these cases are simply derived from previously analyzed Marxist theories, and yet others are gross calumnies. The perennial basis lies in not recognizing the merits of those who stand out, whose progress and natural influence compared to the backwardness and susceptibility to influence of others is in this particular case labeled colonization.

These mechanisms would act and be carried out as truculent plans of conquest. The key word here is *dependency*, but it is worthwhile to study the mechanisms separately, in the understanding that they naturally overlap. The mechanisms serving to colonize Third World countries would be:

1) establishing puppet governments, 2) displacing the native-born, 3) establishing Mafia-type enterprises, and 4) creating dependency.

Americans are accused of conspiring to achieve the subjection of the Latin American peoples. In an article on the matter, which appeared in the Miami Herald, Carlos Montaner asserts that *Americans do not exist*. There is simply no plan, no office, no power center in the United States, in or out of the government, capable of carrying out such maneuvers. Hispanics, Montaner says, are eager to believe in the existence of such conspiracies, when there is nothing more than a huge conglomerate of human beings whose principal activity is commerce. He may be underestimating the problem, but the fact that certain corporations can make large profits at the expense of Latin American countries is no license to lay the blame on Americans. There are also Colombian drug consortiums making huge profits at the expense of the pockets of the consumers, and that is no reason to label Colombians or the Colombian government as exploiters.

1) Puppet governments.

Often, their existence is assumed by the support of Latin American political parties or power groups which share cer-

tain interests with the US. Although that would be a formal feature of a neo-colonial system, no colonial structure can exist without the loss of important spheres of the local autonomy. Probably prompted by hegemonic aspirations, and in alliance with corrupt local elites, the US has supported unpopular and therefore dependent governments as part of its foreign policy. But Latin American peoples have also been subjected to local tyrannies acting independently and dealing covertly with certain foreign interests, whose economic power is enough explanation for their influence. There is no need to suppose they necessarily act within some context (or with the complicity of some agency) of US foreign policy.

2) Displacement of the native-born.

Nationals can only be displaced when they do not get equal treatment before the law. Otherwise, their displacement is a consequence of their lack of creativity. If those who only produce for today go on like that, they will always be *displaced*. The lack of education and services for the great majority, however, constitutes acts of indirect displacement—since it is not yet orthopraxical for the family to take over the providing functions of the state—but unresponsive government is to blame, not a plan by the presumed colonizer. Latin American governments have had sufficient resources to bring these services to the masses, yet they have not fulfilled their subsidizing role. But on the other hand, it is in general the natives who stand out as the ones to achieve relevant positions within the social structure. Foreign enterprises may own the most substantial assets, but these assets have never represented but a small part of our national patrimonies. In any case, displacement relates more to the legitimacy than to the distribution patterns of the resources.

Because of diverse circumstances, America was recently the recipient of a great influx of immigrants. They were mostly adventurers and ambitious men who were poorer than church mice, but with much more initiative than the native-born for developing the great potentialities of the new world. They progressed substantially as a result, and gained distinction among their new co-nationals, especially their descendants, which should be considered as much native-born as anyone else. We cannot limit the use of the term to designate the

descendants of pre-Columbian races—which never had fewer opportunities than they did in colonial times. The point which must be made is that immigrants work for the benefit of themselves, not in order to favor an imaginary colonizer. The arbitrary use of the term “native-born” could lead us to consider many English-descendants North Americans as displaced by the Irish, the Central Europeans, the Italians and so on.

3) Mafia-type enterprises.

The assumption here is that every foreign enterprise which comes to the Third World does so intending to gain political power in order to exploit the natives at whim and take the newly created wealth back to their lands of origin. Actually, the blame for this is put mainly on trans-national enterprises; but we do not need to make such a distinction in order to grasp the ideological picture. Exploitative foreign enterprises there certainly are, but from that fact to there being institutional instruments to grab the wealth for their home countries is quite a leap. Even if there is a substantial repatriation of wealth, this wealth is supposedly created by the foreign enterprise. That very question is one of the economic topics most hotly debated these days. Neither can we demand the enterprises from developed countries to pay the natives the same salaries they would pay back home. Wages must be sufficient to enable local workers to meet their basic needs. But they must be determined in attention to local circumstances. Otherwise, we would have to allow an enterprise originating in a country with a lower standard of living to pay salaries on a scale below what is considered acceptable in the country of their new location. The market process usually takes care of evening things out, and foreign enterprises generally offer advantageous working conditions. No country which feels exploited by foreign enterprises was wealthy before they came to it or has become poorer because they did. A foreign enterprise cannot take away more than it produces, except if we were dealing with out-and-out gangsterism. However, in order to be blamed for a state of general calamity, Mafia-type corporations would have to control most of the country's economic activity, not only (as they might happen to do) the exploitation of certain natural resources as oil. This, of course, opens the door for a discussion about the displacement

of local enterprises. Perhaps if the local governments had kept their hands off such resources, today these would be managed by native instead of foreign interests, and we would have a greater share in their exploitation. But in the context which concerns us here, it is more important to realize, for example, that the fact that a foreign enterprise controls the products it harvests and the infrastructure it builds (such as railways) does not in any way presume usurpation of national patrimony. That is where thirdworlders are wrong when they complain that the host country does not control its products, and from a false premise they derive false conclusions. Bananas, for example, are products of the country only in a geographic sense. In an ideologico-juridical sense, they belong above all to the enterprise which grows them or has acquired a legal entitlement over them.

No business would arrive in a country in order to build for others; the enterprise comes to risk resources, work and do for itself, that is, profit and grow. In the process of growing, it also benefits the host country by creating an infrastructure and opportunities for employment, plus on-the-job-training. That is the key. When a foreign enterprise begins operating, it and the host country enter into a contract which must be fully respected, unless it has been imposed or is grossly unfair; the time for renewal and renegotiation is at the end of the contract. The initial exemptions and other incentives which a host country grants for starting operations are not to be considered lifetime privileges by the enterprise, but neither is it permissible for the state to decree taxes so onerous they amount to expropriation. Renegotiation must be based on just and realistic considerations allowing both parties opportunities for self-fulfillment. Coming back to specifics, it may be agreed, as in the case of railways for instance, whether they will belong to the host country but the enterprise will be allowed to use them, or whether possession will be granted for a limited time in return for which the enterprise will agree to render specified services. If no limits are set, however, and if no reasons for dismissal of permanence occur, what the enterprise creates must belong to it for life.

Thirdworlders complain that railways built by foreign enterprises served to transport company products, not the peo-

ple. This is purely a contractual matter: if it has not been specified, and the company needs what it has built, it cannot be forced to give it up. This only means a respect for the rights of each party as agreed in a pact of sorts, which is what every contract means under the capitalist system. There is a difference between foreigners and nationals, in that the latter are obligated to defer certain rights in those cases where, as we have seen, the satisfaction of some organic social need so demands. Foreigners owe the host society no more than has been agreed to by contract. This is consistent with moral principles, since the only possible praxical synthesis for the dialectical situations brought about by the joint economic ventures of two sovereign powers, or two independent units of right, is through a contract. No one will invest in another country if the state is empowered to seize company assets whenever it suits its needs. Abusing foreigners can only create discord between peoples. Given adequate indemnification, a foreign enterprise can be expropriated in very special circumstances. But confiscation is only permissible upon confirmation of actual exploitation or grave violations of the law. And when a foreign enterprise becomes the victim of abuse, the home country has the right to protect it, just like it protects the life and property of its own tourists and residents abroad. This also cannot be labeled imperialism or colonialism.

It is to be noted that certain extragovernmental centers of power in a metropolis can exert coercion over weak countries, but that such centers may very well be labor unions, not enterprises. Some colonial enterprises, however, may have merited fines, expropriation, or even confiscation. What I reject is the thirdworldist mentality on the matter. An enterprise which is making fabulous profits, and yet brings no benefits to a country, is exploiting that country. However, while the benefits for the country must be distributed among many, that is less true for the enterprise. So shareholders may become millionaires, and the country still remain poor due to factors alien to the activities of the enterprise.

4) Creating dependency.

This is allegedly the primary basis for neo-colonialism. Some mechanism towards that end are said to be control of the economy, poverty-creating loans, forced concentration on one

crop, and Mafia-type enterprises, so the natural polar-pull dialectics would be left out and the freedom-coercion one would take over. Dependency is said to be created when certain local elites join with foreign investors for the purpose of controlling the economic life of the country: those elites would surrender the country to the foreigners, and the foreigners would protect them from the wrath of the subjected population. This gross calumny, aimed at mass manipulation, is what LaFeber, Wheller and others deem *social imperialism*. Control of the economy by elites may be nothing more than a natural event deriving from their excellence. And their relationship and kinship with foreigners is, as a rule, based on their position in the business world, their studies abroad, their limited social circle, and even some *Malinchismo*.*

There is a type of dependency which is not planned or imposed, and which occurs when one country needs the products or capital which only another possesses and can provide, at least in an efficient manner. Circumscribing to a single trade to illustrate, countries in need of machinery are more dependent than those in need of the coffee bean because coffee is relatively less valued than machines. But as long as the effective socio-mercantile powers at play remain balanced, the case can be deemed a natural calamity and morally acceptable. The concerns begin when one party has no choices against opportunism. Because even though as a legal category anti-libertarian dependency can only occur within a group ruled by a common law and not among independent production groups, it does exist in relation to a loss of sovereignty and as a moral-humanistic category.

Withal, the needs of poor countries are relative in nature: no one really needs the latest products of science and technology. Dependency on these products is less a creation of producers than a perception of consumers. Underdeveloped countries are generally capable of meeting their basic needs. Not infrequently, it is the desire for an anachronical super-development which creates their dependency. All that underdeveloped countries have to do to break those chains is to resign

**Editorial note*: Often used in Latin America to denote a collaborationist attitude, or one of preference towards foreigners. It is derived from Malinche, the Indian woman who became the lover of Hernán Cortés and supported him in his conquest of México.

themselves to an additional delay, say half a century or so, and start to build on their own resources from that moment on, importing only what they cannot function without. They can stimulate agriculture and basic industry, together with proper population planning. Adopting a simpler lifestyle, they would have no great need of loans from abroad, and at no great cost could put to good use the knowledge gained from more highly developed countries. Thus, foodstuff-producing Third World nations would not have to sell their production to the point where they can no longer meet their own internal needs. Withal, I concede that the globalization of economies may demand a different approach.

Here, we will disregard the role that multi-national corporations may play, because the ideological analysis we are interested in is transparent only in the purity of international relationships. Today, developed countries have themselves become dependent on Third World nations. Even some of the latter now depend on other Third World nations, as has occurred because of the increase in the oil prices. Their lack of group consciousness has resulted in a merciless rise in crude oil prices, which has hurt countries with limited resources most of all. On the one hand, crude oil had been underpriced, and oil-producing countries had every right and incentive to better their take. On the other hand, if the Third World is to break its chains it must start by showing solidarity, and the countries which must give the example are its natural leaders. Unfortunately, there has occurred a politization of the market which has distorted its normal mechanisms. Selling the oil for different prices to different consumers might seem to be a solution, but it could lead to yet another politization of the market. Perhaps the best way of alleviating the situation is by means of additional commercial treaties with the economically disadvantaged consumer countries.

There is much talk of a presumed US intent of keeping Latin Americans poor in order to make them dependent; however, the benefit derived from dealing with partners having a weak market power is canceled by their reduced purchasing power. The increased political power which might thus be achieved would not make up for the resultant enmity and social instability, and for contradicting the long-term internal

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the sake of simplification, the consequences of competition among the Third World markets themselves, the price of raw material will rise as a function of demand, but demand will not rise until technological advances and proficiency in the developed countries create the conditions for a better and wider utilization of the raw materials, thereby adding to (and sometimes creating) their use-value. Thus, it is the work of molding the raw material performed by the high-creativity nuclei, which starts turning the wheel of wealth for everyone, and that is why these nuclei tend to derive the greater benefit. The other side of this coin is the coercive manipulation of the market and the undue use of a superior effective socio-mercantile power by certain sectors in the metropolis.

That is why, despite adequate treaties on customs and other between the US and Latin America, the products of the former are sold at a reasonable price while some influential sectors in the US are able to boycott Latin American products or resort to other mechanisms in order to bring down the price of those products. The worst of these mechanisms—assuming allegations on the following to have a basis in facts—is the use of political influence by governmental agencies for the purpose of preventing the formation of rival commercial blocs, resorting even to provoking regional conflicts in order to create convenient rifts. In addition to the social and humanistic objections, all such actions would be economically exploitative, given that the price of the abovementioned products—mostly mineral and agricultural—would dip to a level which is unthinkable under market fair play.⁵ But I have myself witnessed periods when coffee exports brought substantial amounts of hard currency to coffee-growing countries. Had that money been properly managed, we would be telling a different story. And there have been similar bonanzas in many other fields, sometimes because the US has paid some countries a premium for their exports. In other cases, as when the product is greatly needed, very little can be done: the inability of industrialized countries to control prices was clearly in evidence during the recent oil crisis, at least for quite some time. Let us note that in ancient times hunting tribes used to face a somewhat similar situation in relation to land-farming and cattle-raising societies who, thanks to more advanced technol-

ogy, had made better use of their resources, had abundant food, and could gain the upper hand in their commercial dealings with the hunters. Many see that as an early form of exploitation. In general terms, however, this only shows the existence at that time of the reason-individualism-capitalism-mysticism axis.

In this, the US has indeed always tried to maintain political influence and preferential trade agreements, which should only have occurred spontaneously as an inherent consequence of their imperial status. For this—facilitated by a lack of national pride in Latin America—more than any other reason, it can be argued that a dependence of sorts has developed and that a plunder of natural resources has occurred, often using such means as opposing nationalist leaders and supporting accommodating collaborators. And although bilateral treaties may provide the weaker country a certain measure of compensation, such a policy gets in the way of alternatives and is not a legitimate mechanism of free trade. In any case, it is clear that if there is or ever was a dependency such as described above, it was not expressly created by means of keeping Latin American nations mired in poverty. US tourism, for example, is a major source of income for some countries, and has never been hampered. In sum, any actual policy of exploitation is not to be seen as a structural but as an intrusive element of US foreign trade strategy.

The subject of the foreign debt is related to the matter under discussion. With respect to that, Rangel states that "...objectively, the origin of that debt is the transference of real resources from lenders to borrowers, frequently under more advantageous conditions (both in loan terms and interest rates) than those prevalent in international financial markets..."⁶ It is said that US loans to Latin America are conditioned to the obligation to make certain purchases in the US, at artificially elevated prices, in order to drive borrowers into poverty and debt. There is no way to enforce those conditions short of sending in the Marines. Such commercial contracts are simply rejected, and more advantageous terms sought elsewhere. We must distinguish between US government policy and dirty deals involving profiteering, exploitative private firms or possible dependency-creating supranational entities.

A country going deeply into debt proves nothing; it simply suggests poor investments, poor planning, Mafia-type practices and outright embezzlements. Fighting this is no easy matter, and neither is abrogating treaties when thieves cover their steps under a semblance of legality. As has been clearly pointed out, the problem with these loans is that they do not take place between private entities, or between these and governments, but are provided by state-funded financial corporations to governments, who use these monies to cover losses and deficits caused by poor investments, obstructing private initiative and propitiating the utilization of international bailouts which lead to massive indebtedness. Although this by itself does not create dependency, the obvious solution lies in developing sound, self-supporting economies.

The loans under discussion should specify certain conditions, both in order to ensure proper functioning and safeguard the investment. Not one of us would lend money for a business we suspect may go wrong, at the risk of losing our investment. And yet, knowing the kind of corrupt administrators who manage monies in Latin America, various financial institutions have lent them huge sums, sums which will soon return to their countries under illegal ownership. But, except for this possibility, massive indebtedness does not seem to benefit lenders: it often leads, as we are now observing, to further borrowing merely to cover interest payments. The risk, then, is complete default, and the days when such a thing meant war are now ancient history. Loans involving nations compromise an entire society, which can only default on them if there is clear evidence of fraud or malfeasance. But it cannot withhold payment, nor can a new government, nor the people, abrogate the contract simply because it is not in agreement or was not involved in the negotiation, just like a new board cannot refuse payment on a loan previously received by the corporation. The worst thing is not to honor payment to the person who, *de bona fide*, have financed and helped Third World countries by acquiring their government bonds. This is a matter of ethics, trust and responsibility, since a nation does not mortgage its resources in order to guarantee payment. Should this were to change, a defaulting country might end up losing national assets or even territory. But they would reassure

their lenders, securing further assistance, and peoples would become more concerned and demand a more honest and responsible economic management from their governments, or better, entrust more and more private enterprises with such management. In the present situation, however, and in recognition of their own irresponsibility, the lenders must agree to renegotiate pending loans under more realistic conditions. Forgiving such debts would hurt lenders which have ventured money in good will. What we need pressingly is an international auditing mechanism which could unmask thieves and confiscate stolen assets; it would make paying the external debt an easy matter.

There is an abundance of examples of how countries are supposedly exploited through loans. One such example refers to the alleged benefits achieved by countries granting soft loans which borrowers can only use for buying surplus (and similar) goods from the lender. Another describes long-term loans which are disbursed (in yearly installments) in such a way that in the final years the borrower ends up paying more than it receives. It may be receiving a million dollars, for instance, and paying one and a half. An economic analysis of these phenomena is beyond my expertise, but it is a matter of elemental logic that a loan which drains capital will simply be rejected: borrowers also have economists capable of analyzing the merits of a loan. But, depending of course on the numbers, just because in the final years of a loan a borrower is paying more to honor the debt than it is receiving in installments does not necessarily constitute evidence of exploitation: we can imagine a situation where the money received in the early years, if put to good use, might have multiplied severalfold and created enough wealth to cover both interest and principal. That is the way it can be if loans are channeled to private enterprise. Perhaps there is in all this a proto-organization which can be manipulated as many fear. In any case, it is also our intention here to show that any such manipulation would be opposed to capitalist tenets.

In sum, I think that we could say that the whole matter belongs less in the political than in the economico-moral sphere. Anarchic trading practices have set a trans-national framework of corruption which, although it does not constitute

a formal aggression, ends up hurting the interests of the poor countries. Finally, a big fish eats the little fish policy, might not even be the concern of juridical right since we are dealing with independent economic units, but it is contrary to the principles of practical reason. In all commercial dealings, both parties must seek their own best interests, but the deal itself must not prevent either party from achieving a rational level of self-fulfillment; depriving the weaker side of fair alternatives is always offensive to human dignity.

True enemies

I would like now to briefly refer to certain aspects which keep the Third World backward, and which must be combated: thirdworlders themselves when they propose socialism and anti-Americanism, social malcontents, the phenomenon of the rabble, malinchista elites, machismo, bad governments, disunity, and the wavering policies of the United States of America.

Solutions to the problems of the Third World, Latin America in particular, are not easy to find, and require not only their joint effort but the assistance of the developed countries as well. So much should have been done, and has not—the training and preparation of the people, for instance that the task seems overwhelming. But unless we recognize our own mistakes, we cannot overcome them. Without in any way proposing the adoption of another attitude of *mea culpa*, we must note that when thirdworlders observe their own lack of progress, they fail to ask the logical question: not, who is exploiting us? but, where have we failed? The personality thus evidenced is the bitter enemy of progress, because it cannot envision the ideal mechanisms for its development: those of a free economy. These thirdworldist positions are claimed to be redemptive, yet they constitute real enemies of the developing countries for a number of reasons: they distort the concept of capitalism, favor alignment with the Soviet Union, promote socialism, provide excuses, protect communist regimes such as the one in Nicaragua, and others.

When the unwary hear such accusations and observe the situation of their people, they tend to listen. But it is mostly

the intellectuals who tend to accept all the fabrication. And these are very influential within certain levels of political activity or organization. As a result, any anti-government attitude or conflictive political situation will tend to turn anti-Yankee (or anti-capitalist) and pro-Soviet. That is the basis of the thirdworldist ideology which is dividing the West. In its eagerness to oppose US actions, it runs the risk of giving the advantage to the communists, somewhat like the policies of the Contadora Group towards Central America. Professor LaFeber defends the actions of a Nicaraguan government which can no longer even be considered thirdworldist but Marxist. He asserts that it did not support the Soviet Union in the UN vote on the Afghanistan invasion because it feared that the US would then become more involved in the region, thus widening the East-West conflict.⁷ Let little children believe that: even if the UN had roundly condemned the Soviet Union, all that the United States could (or can) do was to send aid to the rebels, which it is doing anyway. A vote of condemnation by Nicaragua would have represented a moral defeat for the communist system; as its ally, Nicaragua could not do that. There was nothing to fear from condemning the Afghanistan invasion, except a reduction in Soviet aid.

Properly channeling our nationalism is imperative, because thirdworldist mentality has penetrated, somewhat modified, various sectors of the population, and acts as a distorting element of the genuine and legitimate Latin Americanist dispositions. A final mechanism postulated as creating dependency is the one which sees the US itself fomenting communist guerrilla insurgency in Latin America. That line of thinking is encouraged by the lack of definition in US foreign policy which results in a lack of conclusive solutions. Therein is born another presumed conspiracy to impoverish peoples: in the assumption that the war will either be won in the long run or become a war of attrition with no danger of the communists gaining power, the global outcome will be submissive allied governments, debilitated and lacking in resources, and therefore dependent. It would seem that while a long, drawn-out war may benefit arms and munitions merchants, and some others, the total cost of maintaining the status quo exceeds the benefits. For instance, the US has invest-

ed substantially in the war in El Salvador, and may never see its investment paying (in the political context as well), as in the case the war is lost. In that case, in order to rescue the country from the communist orbit, it will need to invest more. If the ally is not lost, on the other hand, the US must help it financially so that it becomes productive (otherwise there is no advantage in keeping it dependent), in which case a long period of recuperation must precede exploitation. And so much can happen by then that other businesses, less risky ones, will seem a better choice. Still, some believe that the US would more than recoup its investment, among other ways through new bank deposits deriving from capital flight. The worst thing is that its allies may themselves take these accusations seriously. While other systems of exploitation are unjustifiable, one like the above described would be abhorrent and genocidal, and would justify breaking any alliance forthwith.

The thirdworldist ideas of the minorities (which for several reasons lag more or less behind in the industrialized countries) are usually the result of a sympathy with peoples whom they share historical misfortunes with. Although I cannot agree with their ideas, I believe that the mentioned feelings deserve at least benevolence. Neither will I deny that there are authentic patriotic nationalists who truly desire to rid the world of injustice. I join their struggle. I believe in equitable relations, although not in the name of APRA (a Peruvian socialist ideological movement which is greatly respected among Latin American intellectuals) but in the name of capitalist justice. Let us note that even though the lowest per capita income of the labor force in the region occurs when socialist regimes rule, it tends to be endured. The role of left-wing union leaders is surely at play here.

In the Third World, the phenomenon of *the social malcontent*, which I described in my book on the war in El Salvador, can often be observed. For obvious reasons, he is usually found side by side with the most radical left-wing policies and organizations. He blames his failure on a society which has deprived him of opportunities to demonstrate alleged talents through his subjection by the dominant class. His personality is actually present from childhood. During adolescence, he ideologizes his traumas, takes refuge in any socialist thought,

and fills his heart with poison. The communists we have met in El Salvador are mostly social malcontents; in Chile, perhaps the Meluvilus and the Catrileos of Neftalí Reyes are different. In speaking of how the rich get their things, social malcontents are likely to say, "He just takes his wallet out!" But in order to get to the state where he just needs to take his wallet out, a man must have previously done creative work. When a mechanic acquires expertise, he may just need to turn a screw in order to start a motor and make a few bucks. One who has not done the previous creative work, training to become a good mechanic, may have to work some days in order to put the same few bucks in his pocket. That is why generals *only give orders*, doctors *only prescribe*, and that gets things done or makes them money. He who would just give orders, just prescribe, or just take his wallet out, had better get to work right now!

Money is not earned as a function of hierarchy, unless we are speaking of employee ranks. The *dominant class* makes money through its enterprises, its inheritance and its labor. Its members do not carry labels on their foreheads stating "of prominent ancestry", thus directing the flow of money from heaven to their pockets. Unlike other anti-capitalists, social malcontents need no ideology to hate the rich and the outstanding: their hatred is visceral. As could be expected, they pass for communists, socialists or thirdworlders, when what they really detest is the triumph of others. The social malcontent is a noxious being, a bad employee who hates the factory or enterprise which employs him, thus constituting an additional factor perpetuating backwardness in the Third World.

Another phenomenon which afflicts the Third World predominantly is that of the rabble. It is only secondarily related to a lack of education, and is more of a complex, subcultural, psychological, fundamentally urban phenomenon characterized by the almost total lack of a certain type of aesthetic values, and by the worship of a particular lifestyle, that of the neighborhood oaf. The poor do not have to belong to the rabble. Neither does the rugged individual, rejecting all scrupulousness and softness, like the typical warrior, belong in it. However, and for obvious reasons, members of the rabble are usually also members of the lumpen-proletariat. Poor aesthet-

ic sense is counterproductive, because it tends to lead to stagnation and social failure. The rabble tends to lose its individuality in the *subculture of oafishness*, and many of those so afflicted take the path of the social malcontent as a consequence. And the vicious cycle (oafishness—lack of appreciation of self and others—paucity of achievements) is perpetuated, resulting in anti-social attitudes and behavior, and in harm for the entire community.

There is, within the rabble, a special, more defined group, *the good-for-nothings*, which I also described in my first book. There is a nefarious congregation, of evil sentiments and psychopathic tendencies, but devoted revolutionary, and held in great esteem by the communists for its *defense of the poor*, which is really nothing more than hatred for the outstanding, and ultra-leftist posturing. Still, these and other similar groups can become quite important in number, and the people are always to be exonerated. That is the trademark of today's justice: no matter what, the people are never to blame! The people are you and me, him and them, and we may be to blame, often greatly so.

Assuming no wrongdoing, it would seem logical to judge a rich man we had never met as being honorable, devoted to work, capable, or at the very least lucky. But since money is not by far the only measure of honor, when we judge a man by his wealth, it is not the sum total he possesses which counts so much as the extent of his achievement in expanding the welfare of society. We do the same when we evaluate men according to their successes in professional or other fields. Judging the poor better than the rich is a subjective bias. The only *a priori* approach in this matter, if there were one, it would point precisely the opposite way. It is a fact, however, that circumstances are not always favorable for all men to exhibit their talents in the labor of creating wealth. Besides, the poor often manifest their contribution to society in other ways. Admiration for the achievement of wealth, though, now there is an attitude which fosters progress.

I do not defend permanence of positions. Merit must be rewarded with upward mobility in every ethical society. But no one should be forced to associate with anyone he does not choose, and not everyone fits everywhere. The upper classes

may be the object of envy, of sycophancy, and of calumny regarding how their assets were obtained, and their clubs thus tend to be less open. Only those who suffer from an inferiority complex, the social malcontents, and the communists feel harmed by this. Those who have appropriate self-esteem pay no attention to such minutiae. The worst thing is that there are those who are taking advantage of these situations to create enmity between the social classes. It must be said, however, that an important distancing factor in the Third World, more than the insensitivity demonstrated by certain members of the moneyed strata, is their thinly-disguised arrogance. Often subservient to foreign values, they act as if scorning the indigenous culture—usually cherished by their humbler compatriots—somehow elevated them. And such an attitude, in addition to distancing the social classes, makes them ill-prepared to defend the interests of the nation.

Neither am I unmindful of the harm not a few rich men cause to the group when their unfair and opportunistic actions prevent the harmonious and total development of society. This phenomenon is not worth dwelling on, however, since it is discussed separately in various contexts. What matters here is the general thirdworldist perception of the rich and of the natural consequences of wealthbuilding. We must change the prevalent mentality, and realize that some things are reserved for the few, and that the wealthy bring benefit to society. The satisfaction of *bourgeois* tastes and needs constitutes a legitimate requirement of certain levels of self-fulfillment, and diminishes neither labor resources nor the total wealth. Rather, it creates a favorable production-consumption economic cycle. Only actual waste is to be censured. Everywhere in Latin America there are luxuries and entertainment which few criticize as they should: bars and taverns are packed, not exactly with the rich; so are houses of ill repute. What the rich *squander* in building luxurious mansions or dining out in expensive restaurants benefits the poor more than the money that is spent recklessly on vices by the social malcontents and the good-for-nothings, among other things because in so doing the rich either consume nothing—in strict economic terms, investments in building turn into capital and into sources of labor—or consume no more than otherwise they would have at

a lesser cost. Whether a steak order goes for thirty dollars or for three, the same resources (the meat) are lost to the group, except that in the first case more money is put into circulation, away from the deposit vaults and, to a great extent, into the pockets of the poor. We cannot reduce the notion of social benefit to a single economic moment where the distribution of what is intended, let us say, to build a private luxury house, benefits more basic needs of a wider group of people. For that leaves out of consideration the economic moments that led to the creation of resources which allow such an enterprise. And in the absence of the incentive brought by the possibility of expending the created wealth as one sees fit and fulfilling—building a luxury house in our case—the mentioned economic moments would not take place. Such has been the outcome of every single socialist scheme.

Let us also mention here something that plagues Latin American countries, which is *machismo*. It is a producer par excellence of orphans, hoodlums, drunks, louts and prostitutes, and is so generalized a subcultural phenomenon that it almost constitutes a cultural trait. *Machismo* is most strongly manifested in the lower classes, where the evils brought about by it are instead blamed on the government (which can only be secondarily responsible) and on capitalism. One of its aspects, the lack of family conscience, cannot be excused either by economic or educational deprivation: it is a clear fault of *the people*. Primitive and other economically deprived societies do not regularly manifest this characteristic; poverty and honorability are not mutually exclusive. In El Salvador, for example, despite low salaries, the monies stolen from the people, and other situations creating economic disadvantage, families which remain united, where the father is neither burdened with machismo nor riddled with resentment or vices, and where there is a modicum of common sense, the next generation can expect a better tomorrow.

A fatal enemy of the Third World is the lack of planning at every level, and few aspects demand to be handled with more caution than the matter of available jobs not keeping pace with population growth. When the market is unable to absorb productively the incoming labor force, the people grow poor. This was hardly a problem when there was little population

growth. But today, when such growth is almost vertical in some Third World countries, the challenge to both free enterprise and the state is almost overwhelming. Patently, in the pure productive context, not family planning but development is the answer to the problem. But absent the latter and in the face of parental irresponsibility, institutional family planning measures may be justified, ideally through incentives.

Whatever harm the United States may have caused to our region, infinitely greater harm has been caused by scheming and inept governments. Third World countries do not constitute a uniform economic group for various reasons, disparity in natural resources among others. But those which have had the fortune of being led by men of clear heads and not driven by greed can glimpse a better tomorrow, or enjoyed times of prosperity during their rule. This fact puts into question (or at least reduces the importance of) the role of unfair-advantage trade and capitalist-imperialist exploitation. Nothing has been more injurious than corruption at high levels: unable to flaunt ill-gotten wealth, thieving officials have exported these monies and therefore deprived the people of needed resources. Low-level corruption is also damaging: while it does not remove capital from the country, it places resources in the wrong hands, promotes corruption at high levels, and disheartens the people. A black economy of fiscal evasion and generalized bribery may work, but it fosters abuses and trickery, and prevents good subsidiary planning on the part of the government. Unfortunately, Latin America has seen plenty of the above.⁸

As if that were not enough, as soon as the opposition manages to take over, it becomes bent on settling old scores: rather than working in a non-partisan spirit for the good of the country, it focuses on removing every last member of the old order, or on putting a stop to everything others have started no matter how valuable their work. The loser, in turn, does its best to prevent the success of the incoming administration in order to ensure its eventual demise, a typical drawback of immature democracies. For all these reasons, the education and training of the citizenry—which in our circumstances could have been achieved timely only through the agency of the state—have been woefully neglected. To mention only one

aspect illustrating the seriousness of the problem, look at the remarkable absence of technicians capable of repairing the industrial, medical and other machinery imported from the industrialized countries. As a result, this machinery is not used efficiently, and often goes to waste. Thus, less is produced, time is lost, foreigners replace native personnel, and capital is unnecessarily siphoned out of the country by the need to repair or replace prematurely worn-out machinery. Third World countries have also tried to reduce unemployment through inflating bureaucracy. This takes potentially productive resources away from taxpayers, allocates demagogically and anti-organically, sets an anti-praxical and politicized priority, and clashes with the third principle of nomocratic right. And things have reached such an extreme, since nothing functions as it should be, that when able people appear there is often no room for them; many end up emigrating, thus causing the country further loss.

Disunity and unequal treatment among its nations are other basic problems of the Third World, almost always originating in the vested interests of the ruling oligarchies, and resulting in a long series of conflicts. As I see it, all of Latin America should join in a great federation, which would constitute an imposingly strong and self-sufficient nation. It should at least make an effort to integrate a common market. Our peoples share so much that they could well agree to a union which would be in their benefit, although not to the benefit of those who take advantage of the weakness of its isolated markets. Matters such as oil and others in no measure favor a united policy to oppose the developed countries. And I speak of opposition in terms of natural market mechanisms. Just as Europe is doing, Third World countries have every right to unite in defense of their interests, in accordance with the most basic principles of capitalist philosophy. Among other things, union would create an effective barrier against communism. This does not please those who sail with Latin American flags, but whose goal is Soviet hegemony.

And socialism is a terrible enemy of the Third World. Although thirdworlders are not necessarily socialists, their emotional disposition tends to make them accept the socialist propositions. In its economic outcomes, there is a difference

between Masferrer's concept of the *vital minimum*⁹ and the honorable minimum wage proposed elsewhere in this book. But their philosophical bases and praxis are truly worlds apart. I cannot agree with the first concept because my platform is entirely capitalist and individualist. Two hundred years ago, people in the United States of America were rather poor. What has since been built would never have existed if the individualist principles stated in the Bill of Rights had been disrespected. Pointing at structural errors is easy when we are poor in resources: every disadvantageous economic situation can be explained away as the product of error. When we are rich in resources everything we do is *right*, unless we are incurably stupid. The Third World must learn to accept that their inherited patrimony does not equal that of the more developed countries, and that the only way to narrow the gap is by making the most out of their own patrimony by installing genuine capitalist economies at home. There may be no private Mafia-type enterprises under socialism, but there are state-run Mafias which manipulate our destinies. Had the Soviet Union, with its vast natural resources, labored under capitalism, it would undoubtedly be the richest nation in the world.

In the developed countries, *laissez-faire* may work even if it is left unrestricted. But, in the Third World, private enterprise is likely to find population groups to take advantage of through its great effective socio-mercantile power. It has not been at all unusual to observe that the demand of certain labors has risen and yet their remuneration has been even lower than before, suggesting a unipolar determination of prices. This, however, has tended to disappear insofar as such countries have ridden themselves of anarcho-feudal structures. Neither can we dismiss the play of adverse social circumstances and calamities.¹⁰ Besides, relying exclusively on private enterprise in those countries may well lead to the neglect of certain sectors of the population whose coverage is not profitable enough to attract private investments. Also, privatizing social services may render them unaffordable for a long time for people of meager incomes. It seems necessary, then, for the state to promote its customary public works in the Third World. This is actually a praxical moment of the principle of social providence. One consequence of the exis-

tence of public welfare institutions is lower savings, so it is said. But to envision a situation in our countries where savings could afford let us say a minimum level of dignified existence for the elder, one has also to conceive of an economic arrangement (on wages, patrimony) far more socialist than the simple institution of a public welfare system. In truth, the existence of state agencies or institutions for the provision of education, health care and other services for the needy, does not by itself imply either a mixed economy (in the Keynesian sense) or a socialist arrangement of society. It becomes socialism (in its anti-libertarian fashion) when the state closes the door to alternatives, and super-institutionalizes or aparcularizes service-providing organizations, which can then be easily converted into centers of oppression, discrimination or indoctrination. Besides, socialist measures are usually accompanied by attitudes which devalue creative work and justify despoilment. Such demagoguery has been practiced in the name of democracy, and capital flight has been one of its consequences.¹¹ And excellence of institutional, union and individual labor within a nation can only arise in an atmosphere of autonomy, subjected only to the fundamental laws of that nation.

This is a good time to return to our previous discussion of the minimum social opportunity. I told in my book on El Salvador how the absence of such opportunity, as shown by the general cultural deprivation and the lack of availability of the most basic public goods—most of them easily affordable—had been due to oligarchic maneuvers, cultural deficiencies, corruption, poor government administration and communist sabotage, not to entrepreneurial triumph by itself. All that we have discussed so far is responsible for the wider gap between the incomes of the rich and the poor in Latin America than in the developed countries. These circumstance poses a difficult ethical problem which can only be resolved by taking the relevant social dialectical moment before the highest criteria of fundamentalist justice of the group, never by simply copying the distribution patterns of societies with a more universal qualification of their peoples. Or are we to deem such societies unfair should a super-developed one appears with figures of distribution near to equality?

Now then, although it may not seem so, a considerable part of the population of the Third World enjoys an acceptable social opportunity. Because such opportunity must not be understood as facilities comparable to those found in developed countries, but rather as those consistent with the development of society in general.¹² The most important thing is to avoid acting in a socialist spirit, as exemplified by the confiscatory measures practically forced by the US in El Salvador* (the so-called agrarian reform, to wit) which violated every principle of nomocratic right.¹³

The last enemy of the Third World is the United States of America, but not for the reasons that might first come to mind. Whatever the mistakes of the past, it is worse to refuse now to fulfill the historical responsibilities of the present. North American imperialism—that is, in its classical formulation—is not the worst enemy of Third World countries. Whatever imperialist sectors there may be (or have been) in the US do not seem to represent the feeling that a nation can be a steadier ally in nationalist autonomy than in servitude. That is what we must consider the national ideology to be in this respect. I say this because the abovementioned feeling is a consequence of the ideology which forged the empire. Any pressure group which is not one with that feeling, or which would manipulate the fate of other peoples by means of a foreign policy which set aside capitalist tenets, contradicts the inherited principles and cannot be identified as with national ideology no matter how popular it becomes in government circles.

An empire based on conquest rules the native-born through the policy which it believes will provide the best ways to exploit them, yet keeping a reasonable degree of stability in the conquered land. Any underlying ideological motivation, if

*The text that follows was written under another historico-political framework, but already some of the predicted results have come to pass. For example, the failure to achieve a decisive victory in El Salvador has led to a peace where communist elements can engage in destabilizing maneuvers, as well as organize a support force that could, when the time is ripe, become a trump card to facilitate a renewed communist momentum. Still we must make the best of the situation, so let us work for peace and hope for the best. But dialogue would have proved more fruitful after a victory, and we would have been closer to peace. And let no one try to tell me that the democratic empire, had it resolved to do so, could not have cleansed the institutions and punished criminals of war.

it exists, would probably be statist in character, no matter the nature of the conqueror's internal economic organization. An empire based on legitimate alliance, such as one which is born out of the assistance provided to gain freedom from despotic regimes, becomes unified by principles both just and libertarian. The allies are independent, but they cannot fail to respect that principle because what happens in such cases is that a tyranny has been installed which, not just the metropolis but the whole empire, is duty bound to oppose. There is no imperialism under those circumstances, only a defense of the primordial reason for being of this type of alliance: safeguarding the principles of nomocratic right. In other words, the only political right that an empire has is precisely the duty to support the fundamental values of the allied nations.

Sovereignty is usually defined as the faculty of self-determination of a people free of outside interference, but this definition is extremely deficient and lends itself to fashionable anti-concepts. When a despot usurps power and sets policy, is that self-determination and sovereignty? Many assert that sovereignty resides in the people, but as we might suppose they identify people with majority, and thus the will of the majority becomes the exclusive expression of self-determination. This definition does not take into account the ethical nature of such determination, and refuses to grant the quality of sovereign to an authentically popular decision to support intervention by a foreign power. I propose that sovereignty be understood and defined as the faculty of a people to guide its destinies in accordance with its fundamental cultural values. A free people is, by definition, sovereign. Evidently, someone within that people will have to be involved in the defense of those values. Outside interference is not a structural determinant in this case; it only helps circumstantially as praxis demanded by the moment in history. And since fundamentalist values are always capitalist in nature, any intervention which supports them is sovereign.

It is praiseworthy the actual tendency in the metropolis to distance itself from its former vested-interests allies, the traditional oligarchies. But through a combination of the assaults we have discussed, this has also led to a failure in its historic responsibility toward its genuine (the ideological) allies, to

defend them from aggression. This lack of libertarian praxis poses more of a threat than Soviet expansionism itself, and may prompt the allies to a closer relationship with the rivals of the leader in order to avoid fighting them at a disadvantage. The nomocratic interests would be greatly at risk, but freedom may be maintained through the formation of large blocs which supported those interests and were able to do without the metropolis once and for all.

It is worse when people who are not ideological allies attain power, because then rapprochement with the enemies of the leader occurs in another manner. We are already seeing how certain socialist parties or governments are taking thirdworldist positions, renewing cordial relations with communist countries or harboring communist guerrillas in their territories. The worst thing is that the mechanisms for reciprocal military assistance, which could effectively end such local communist invasions as in El Salvador, have been rendered virtually useless. Latin American armies must open their eyes, lest they find themselves obligated to prop up communist governments for such questionable ideals as political neutrality and subservience to civil authority. When the political constitution is violated, the army—even more than any other sector of the population—has the right to rebel. Still, for reasons mentioned before, it is precisely such governments that the US is supporting. Unfortunately, intrigue takes precedence before principles, ideology and high-minded statesmanship. Obscure desires for power, and other factors, are seen as opportunities for manipulation, and advantage-seeking maneuvers are chosen over joint action with those who have given heart and soul to the cause. No aces under the sleeve can make such policies triumph over the long term; history so tells us.

The North American empire is a legitimate one because it is based on alliances which men in each nation forged with libertarian spirit. And the only way of preventing anti-sovereignty designs—expanding the image LaFeber attempts to depict as *the system*—consists in returning to such men the reins of the empire. The fundamentalist ideology and praxis of the capitalist empire must be revived, but not on the basis of the *democratic prejudice*. All the US needs is to widen its alliance base by supporting

the rise to power of nomocratic statesmen. The US is the depository of a power it is duty bound to use well; both misusing and failing to use it are to be condemned, and they will provoke the consequent historical outcomes.

The system, with the communists now ramming the gates, can eventually collapse if enlightened policies are not followed. It cannot continue to consider Latin America merely as the US backyard, and it must avoid all undue interference in the internal affairs of its allies, respecting the particular idiosyncrasies of each one. Above all, the leader must make every effort to establish its system in the region through practical versions of capitalism. Justice is not found in the center. The center is nothing, much less dialectic synthesis. Only what is natural is just. This is not the time for some to feel guilty or for others to hate. It is time for a great awakening to a better tomorrow; the resources can be found in democracy. The US is historically in a privileged position from which they can show that it is possible to conceive of a functioning democratic-capitalist empire, based on alliances respectful of sovereignty.

Notes

¹Rangel, C., *El Tercermundismo*, Ch.V, pp.146-149. Monte Avila Editores, C. A., Caracas 1982. Rangel asserts that some countries, like Holland and Belgium, developed at a fast pace after suffering the loss of their colonies, primarily because they had acquired a progress mentality, and because colonialist countries were already significantly wealthier than their colonies (Ch.VII, p.209). It is important to note that much of the income derived from the colonies often had to go towards the military costs of maintaining dominion.

²LaFeber, W., *Inevitable Revolutions*. W. W. Norton & Company, New York 1984. Even LaFeber's description of the episode (pp. 115-125) leaves no doubt as to the ideology and purpose of the ruler. "By their works ye shall know them." Or, as we would say today, "if it walks like a duck and quacks like a duck..."

³Marx, K., *The Portable Karl Marx*, The future results of British rule in India, pp. 337-341. Penguin Books, New York 1983. The article begins thus: "England has to fulfill a double mission in India: one destructive, the other regenerative—the annihilation of old Asiatic society, and the laying of the material foundations of Western society in Asia." To Marx, however, Britain ended up by destroying Hindu civilization, contrary to other conquerors who instead assimilated the culture of the conquered.

⁴Marx, K., *Ibid.*, pp.337-341.

⁵The liberal position on this is that such prices are irrelevant, the problem being low agricultural yields: to farmer with higher productivity, elaborate products result cheaper. But as long as the demand for agricul-

tural products remain fixed, I am not so sure that the increased trading power brought by a higher number of produced units will not be offset by their devaluation.

⁶Rangel, C., *Ibid.*, Ch.IV, p.117.

⁷LaFeber, W., *Ibid.*, Ch.IV, p.238. LaFeber is one of the most typical representatives of third world ideology in developed countries.

⁸For these, among other reasons, it would seem a good policy in our countries that tax monies were assigned to extra-governmental service institutions, with the state acting as overseer of their management.

⁹Masferrer, A., *Obras escogidas*, Doctrina del minimum vital, Vol.II, pp.53-60. Editorial Universitaria, San Salvador 1971.

¹⁰As we have seen, the problem here is that an adequate minimum wage in the poor countries can only be met by a few enterprises, thus originating a wage differential depending on which enterprise one works in. From here the reason to even up all institutionally determined wages for comparable types of labor. But in so doing, given the general economic standard, minimum wages have to be set low, so low at times, that such measures as progressive or even selective taxes to booming lines of production are resorted to. We have enough reasons now to say that these measures must be a temporary praxis of last resort. What is important to realize from the above is that a general state of poverty can explain the existence of huge economic differences without thereby implying the negation of the common good. For it is the level on minimum social opportunity—which varies more and most significantly from place to place—that contrasted with the wealth of certain enterprises, impresses as an unjustifiable economic difference. In other words, the enterprises can go legitimately to the top relatively unbound by the local circumstances, because their success depends on creative effort, while labor will be more or less well off depending on the general degree of development.

¹¹The socialist third-world mentality makes investors feel insecure, and is a frequent reason for capital flight. The problem is a sensitive one, and demands careful study of right. It is undeniable that there is unjustified and premature flight of hard currency, but the right to property also includes the freedom of every person to choose where to place their assets. The state, however, may be granted special powers to regulate the transfer abroad of locally generated capital and the purchase of hard currency when regulation is absolutely necessary for sustaining a minimum level of welfare within a group. The basis for that is the first right to wealth: its depositary is the group, just as in the case of land. But in order for that to fall within the framework of nomocratic right, guaranteeing internally the respect for property is absolutely indispensable. Otherwise, either the government is violating civil rights or a situation exists which makes it impossible to guarantee them. In that case, although obligated to society, individuals cannot allow themselves to be robbed of the fruit of their labor.

¹²As I have explained before, certain distributive measures, or the channeling of individual right to an alternative expression, may be the right way to achieve the common good. Such procedures, then, would exclude all arbitrary *humanitarian* demands—so in fashion in the Third World these days—that employers assume responsibility for improving the standard of living of their employees, which usually implies a transfer of resources where they are less likely to be of benefit, to the detriment of the entire community. For instance: it is true that if an entrepreneur builds housing for his

employees, these will enjoy additional benefits, will have greater productive capacity, and in a humanistic sense will generally be better off. But had the entrepreneur been able to use as he saw fit the resources destined to build the abovementioned housing, he would have probably started another enterprise or made them available to another entrepreneur for similar purposes. But since that enterprise never gets off the ground, direct and indirect employment opportunities are not created, possibly resulting in poverty and stagnation for those who could have filled those jobs. In economic terms, the matter may be reduced to a simple equation: the benefits achieved by those who obtain (and those who build) new housing versus the benefits achieved by those who obtain new jobs. Experience has demonstrated that the second option is preferable for the purpose of creating wealth, because it does not inhibit the entrepreneur's intuitive bent for investment. What is not created in one aspect (housing) is created in another (new enterprise). And founding enterprises builds a platform for development and opportunities which creates more housing in the long run.

¹³The statist mentality may even reach the extreme of not even allowing the (individual) voluntary separation from the group of those who do not agree with the system. That is not for the state to regulate, and there is not even the excuse of forestalling a brain drain. In extraordinary circumstances, everyone could be required to keeping part of the patrimony—not what they may need to guarantee an acceptable level of fulfillment—within the group. Also, in return for the development which the individual has obtained through the services and facilities of the state—some types of education, for instance—the latter may demand repayment from the individual, but not that he remain forever tied to the group. A social contract is not a lifetime sentence: every association can be legitimately dissolved, and all implied commitments ended, when benefits are waived and the decision is made to sever all ties. That is a fundamental right.