

BALANCE SHEET FOR PRIVATE ENTERPRISE

DEVELOPMENTS in a few Latin American countries during recent years have tended to make investors gunshy of the whole area. This is an unfortunate turn of events both for business and for the recipient countries. It is deplored both by businessmen and by the leaders of countries that are really good risks.

The real booger, of course, has been Cuba and what happened there. But now, every shift in power and every extremist outburst and every unfounded rumor tends to be interpreted in the light of Castro's Cuba. The small, active communist minority throughout Latin America couldn't be happier with the results.

Yet, in many countries conditions have taken a good, sound turn for the better, so far as private enterprise is concerned. But these developments are apt to get lost in the smokescreen of Castrofication of property in Cuba and riots in Venezuela. Looking at the balance sheet, these are some of the things we see:

In Argentina President Frondizi seems to have weathered the recent opposition and come out in a stronger position than ever. So strong in fact that he felt himself able to withdraw government support from a long line of popular but inefficiently operated, government-oriented enterprises that have hampered economic development, and to cut them loose to fend for themselves in competition with private enterprise. These include oil, steel and transport. Argentina's stock soared as a private enterprise state.

In Bolivia, newly-elected Victor Paz Estenssoro, rather of the revolution that led to nationalization of the tin mines, appears now to have turned his back on his own revolution and to be charting a course to bring order out of chaos. In Panama, a shift in U.S. policy appears to have stolen the thunder from anti-Yanqui agitators. Brazil's newly-elected chief of state looks good for a sound policy in that fast-growing giant. Mexico and Peru, among other Latin American countries, remain on safe and sound soil. Castro appears to have overplayed his hand, and his influence is declining steadily among but the *chusma* (riffraff) in the other Americas.

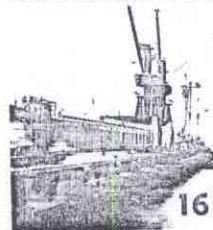
And perhaps the most positive item on this side of the ledger is the United States' own changed attitude toward this area, beginning with the Eisenhower Program and certain to be carried to greater heights by the new Administration. And whatever the Government does to improve U.S. relations with Latin America, and to help those countries in their plight, is going to reflect on the attitude of Latins toward U.S. investment in private enterprise. It is no time for businessmen to back out of Latin America making their heads.

William G. Gaudet

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THIS MONTH'S COVER: El Salvadoran hands sort the coffee beans that make up that nation's number one crop. (Color photo by Ernesto Sol, Jr.)



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