

Nixon's Problem in S. America: Peru

By Drew Pearson
and Jack Anderson

President Nixon faces so many problems on the international front that he probably doesn't realize he is sitting on a time bomb in Latin America. When it explodes, it could result in setting up the first Communist government on the mainland of South America.

The time bomb is in Peru, which for years has enjoyed friendly relations with the United States. Recently, however, a military regime has seized the International Petroleum Company, chiefly owned by Standard Oil of New Jersey. This has touched off repercussions which have brought American-Peruvian relations to their lowest ebb in history.

Ironically the military dictatorship now ruling Peru was originally armed and supported by the United States, beginning in the Truman and Eisenhower administrations. In recent years Secretary of State Dean Rusk and Assistant Secretary Covey Oliver have cracked down on the sale of U.S. arms to Peru and other Latin countries.

However, the Peruvian military, in many cases using U.S. arms, have thrown out the duly elected government of President Fernando Belaunde Terry and are now running things high, wide and handsome.

Ironically, they chucked out

Belaunde just after he had negotiated an agreement with the big American oil combine whereby IPC agreed to surrender its operations in the northern Peruvian oil field. The military didn't like the fact that the surrender was to take place over a period of years. They wanted immediate action.

What makes Peru a time bomb is the fact that seizure of American property abroad automatically requires the United States to cut off both foreign aid and its sugar quota.

Sugar and Copper

This is specified in the Hickenlooper Amendment, written into the sugar quota law by ex-Sen. Bourke Hickenlooper (R-Iowa) at the time the United States was parceling up the very profitable sugar quotas which it took away from Fidel Castro in Cuba.

Peru is one of the beneficiaries of this quota, and the Peruvian sugar industry is now vital to the economy of the country. Canceling the quota would throw thousands of Peruvian farmers out of work and create more animosity against the United States.

In case the sugar quota is chopped off, the Peruvian military are threatening to retaliate by seizing the Cerro de Pasco copper mines. These are among the richest copper properties in the world. Their seizure would immediately

freeze Peruvian bank credit in the Western world.

The military government's alternative would be to turn to the Communist world. Already there are rumblings of this among the hot-headed captains and majors in the Peruvian army who have been pretty well immersed in the doctrines of Mao Tse-tung and Gamal Abdul Nasser of Egypt.

Ironically, it was the Peruvian military which seized control of the government during the Kennedy administration in the 1960s to block the election of leftwing Haya de la Torre and his pro-Indian Aprista party. The young military officers who forced de la Torre out of political power have now gone further to the left than the Apristas.

All this was inherited by the Nixon administration. However, faced with problems in the Near East and Vietnam, the Nixon regime has done nothing about the Peruvian time bomb. It has not yet appointed a new Assistant Secretary of State to handle Latin American affairs.

Meanwhile, the fuse on the Peruvian bomb sputters rapidly.

Future Highway Safety

Front-runner for the post of Federal Highway Administrator replacing Lowell Bridwell is Frank Turner, presently head of the Bureau of Public Roads.

Frank Turner is a career highway engineer who clawed

his way up the bureaucratic hierarchy by being the darling of the highway lobby—particularly the road builders and state highway officials whom he has so carefully courted. He is one of the few untouchable bureaucrats—like J. Edgar Hoover—because he has his own constituency not only in the powerful highway lobby but also in Congress. Turner's views are close to the highway builders—namely, more and more highways. What happens to beautification, mass transit, urban land planning, suburban sprawl and highway design safety ranks low on Turner's priority scale.

Turner is vigorously opposed to the two-step hearing process in planning a new highway and can be expected to advocate scrapping it.

He is a close friend of new Secretary of Transportation, John Volpe, having been his assistant when Volpe briefly headed the Bureau of Public Roads in 1956 under Eisenhower.

If Turner gets the job, Dr. William Haddon will promptly quit as head of the National Highway Safety Bureau. Haddon and Turner are now co-equals on the bureaucratic hierarchy. They have been fighting over safety matters and do not like each other.

If Haddon leaves, the auto safety program will be dismantled even more than it is now. The highway lobby will then be firmly in the saddle.