

1932

TOP SECRET

December 12, 1946.

Memorandum to the Ambassador:

The following represents my personal opinion on all the important considerations which, in my view, bear on the question of an Argentine policy. It is divided into three parts:

- I - A Brief Analysis of "The Case Against Argentina", and Comments on its Validity;
- II - United States Intervention in Argentina; Its Effect on Hemispheric Relations;
- III - United States Argentina Policy in Connection With its World Foreign Policy.

I - A Brief Analysis of "The Case Against Argentina", and Comments on its Validity

This "Case" claims that Argentina (a) gave aid and comfort to the enemy during the late war; (b) has a Nazi-minded government; (c) has a perniciously militaristic government and (d) has not fulfilled its commitments made at the Rio de Janeiro, Mexico City, and San Francisco conferences.

The latter contention must be dealt with in detail and separately. The following observations, therefore, refer only to the first three points.

Did Argentina render aid and comfort to the enemy?

(Note: The following observations are based on a careful reading of all the material on which the Blue Book is based, with the exception of a small amount which Mr. Mann has told me exists in the Department and which is too secret to have been furnished the Embassy. I can only speculate as to the nature of this data. Some of my impressions should be checked more thoroughly with other Embassy sources, but I have considered it unwise to do so at this time.)

Through

Through lurid newspaper accounts from the Blue Book and from other sources, the people of the United States have received the impression that Argentina actively aided the Axis powers during the recent war. Before examining some of the specific charges to this effect, it is pertinent to consider whether the Argentine Government was sympathetic to the Axis cause; the existence of such sympathy would have been a prerequisite to such aid. The sympathies of the Argentine people are not discussed because no qualified observer has ever accused more than a small minority thereof of having been pro-Axis.

In the beginning it should be clearly understood that no case can be made against the present Argentine Government on the basis of information concerning the Castillo Government, which undoubtedly was largely pro-Axis. The present administration is to a certain limited extent the successor of the military, de facto regime which followed the Castillo Government, but in no sense is an ideological successor of the latter.

The de facto government was principally military in nature and undoubtedly contained a considerable number of Axis sympathizers. The Argentine Army, but not the Navy, was modeled on German lines, was taught by German Army teachers, and was in considerable measure indoctrinated with Prussianism. A minority probably was clearly fascist. For several years German power was in the ascendancy and many Argentines, including even United Nations sympathizers, thought that the Axis would win the war; success attracts sympathy. Furthermore, there undeniably existed among certain Argentine Army officers a real fear that the United States might attempt to dominate Argentina by military force in order to achieve its aims in this hemisphere. In some, therefore, there did exist considerable sympathy for the Axis powers and their cause among officials of the Argentine de facto government. This sympathy, if not coupled with deeds, hardly constitutes justification for the Argentine policy of the United States Government, even without consideration of the neutral status of Argentina. It does explain the Argentine Government's failure to halt certain Axis activities in Argentina during the war. It will be seen from the following that the case against Argentina rests principally upon this failure to halt Axis activities rather than upon positive aid to the Axis.

Many

Many persons only superficially familiar with the "Case Against Argentina" believe that Buenos Aires during the war was a hotbed of the most effective espionage and sabotage activities against the United Nations. This is not entirely in accord with the facts. It was a hotbed but it was not highly effective. In a sense, it does not matter how efficacious such activities were; their existence would be sufficient grounds for resentment. On the other hand, public opinion in the United States has been unduly excited because it was believed, for example, that many Allied ships and men were lost because of these activities.

British Embassy officers have stated privately that they know of no ships lost because of information sent by the enemy from Buenos Aires and that there is considerable reason to doubt that any were so lost.

Enemy attempts at ship sabotage were bungling and almost completely unsuccessful. The Argentine authorities promptly arrested and later convicted the German agents involved in the one attempt in which a bomb actually exploded without causing appreciable damage.

Enemy espionage in general was largely unsuccessful. Any number of attempts to set up radio transmitters and sabotage rings failed to materialize for various reasons although some were successful. Espionage apparently was directed principally at political information of a general nature, ship movements, and military actions and installations of the United Nations, principally the United States.

Smuggling of "strategic" materials to and through Buenos Aires apparently was more successful, although much of this apparently concerned not so much strategic materials as it did readily saleable drugs to obtain cash for use in espionage work, and for maintaining the operation of the German drug firms in Argentina. The control of smuggling operations is, at best, a difficult task and the Argentine authorities appear to have cooperated with the Allies to a considerable extent in this matter throughout the war. Probably the most accurate charge which can be levelled against these authorities in this connection is that they were not so interested in enforcement as would have been a nation at war.

One well known complaint against the Argentine Government was its failure to deprive the German Embassy of code communication facilities and telephone communications which undoubtedly were used to transmit intelligence information. The difficulty in this respect in Argentina was not unique. Similar difficulties were encountered in most neutral countries. Our own attitude in the first World War was similar. It sometimes is argued that Argentina, as an American nation, had a greater moral obligation than European neutrals to cooperate in such matters. This, however, is just a contention and while it perhaps justified United States resentment at a sister nation which refused to act like a sister, it hardly warrants continued unfriendly relations with a country which has, after all, been accepted as a member of the United Nations.

Axis spies operated with considerable freedom in Argentina throughout the war as they did in Sweden, Switzerland and many other neutral countries. The same is true of Allied spies. Both were arrested and imprisoned on occasion, usually when the Argentine police could no longer ignore their actions. Allied spies probably had more freedom than did their Axis counterparts because of the pro-Allied feelings of the majority of the people, and because of the pressure of the United States through the inter-American system. On the other hand, Axis spies probably had more sympathy from certain quarters within the de facto government for the reasons outlined above. The Blue Book speaks of an arrangement whereby Axis spies and Argentine Government officials exchanged information with regard to the Allies. I find the documentary evidence available to the Embassy in this regard very unconvincing; it apparently is based mostly on the testimony of one German official questioned in Europe since the surrender.

The Blue Book attempts to make much of Argentine-Nazi cooperation in the Villaroel revolution in Bolivia. Apparently there is no question that both nations were involved in this revolution to some extent. To what extent is not fully known. Both nations undeniably were interested in the overthrow of the Peñaranda regime and the accession to power of a more friendly administration. But it is doubtful if there is any proof of cooperation between Argentina and Germany in this regard. Perhaps their interests merely coincided fortuitously. Of course such activities are reprehensible but they frequently are resorted to by many nations. Our own records contain many

examples

examples, one of which was about the same time.

Thus, while Argentina rendered little or no co-operation to the United States and the United Nations in their war effort, it can hardly be said with justice that it rendered aid and comfort to the Axis. It then becomes pertinent to consider whether the present administration can be held accountable for the failure of its predecessor to cooperate with the other American nations. This must, of course, hinge upon the attitude, during the period of the de facto regime, of those government officials who remain in responsible positions in the present constitutional government. In reality, however, it hinges almost solely upon the attitude of President Peron.

President Peron undoubtedly must share part of the responsibility for Army pro-Axis sympathies of the de facto government. He was from the beginning one of the group which inspired the revolution. He came to hold the dominating position in that government. On the other hand, this dominating position was not achieved until some time in 1944 and it never was absolute even in the period before his temporary overthrow in October 1945 or prior to and after his election to the presidency on February 24, 1946. He must not, therefore, be held responsible for all the acts of the de facto government and its officers. Peron and his present administration do not consider themselves the unqualified successors of the de facto government as is shown by Peron's break with a number of the previous administration's leaders, by Congressional debates referring to this matter specifically and to the dismissal of de facto government officials from certain important "career" and political posts.

Is the Argentine Government "Nazi-Fascist" inspired?

As is pointed out above, the present Argentine Government is not entirely a successor to the previous de facto government, and therefore should not be judged entirely by the acts of that military regime. However, it is true that there is a considerable element of continuity and it is therefore proper to consider some of the undesirable features of the de facto government in this regard and the possibility that the political philosophy they portray is continued, or that it may be momentarily dormant rather than completely eradicated. The "undesirable features" are said to be, in general, two-fold: fascism or state socialism, and pernicious militarism. First: to examine the validity of the charges

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that the de facto government was a fascist dictatorship or was fascist inspired. The term "nazi-fascist" or fascist is used herein simply because it is the opprobrious epithet frequently applied to the Argentine Government by its critics who have not clearly defined their meaning.

It is true that throughout most of the period of the de facto government there existed political prisoners in Argentina. This however, was greatly exaggerated in the popular conception. However, most of the prisoners, and contrary to many sensational press reports there probably never were more than 300 not counting those held for only a few days, were labor union agitators, Communists and Communist sympathizers. While the freedom of a humble labor union member, or of any person, certainly is as sacred as that of the most prominent politician or civic leader, a realistic approach demands recognition of the fact that the great hue and cry was hardly warranted. The reference to the arrest of prominent political leaders, educators and the like, referred to persons in almost every case held only a very few days. On the other hand, many of the latter were exiles in Uruguay and elsewhere; some were voluntary exiles, while others chose exile to imprisonment under a constitutional provision allowing such a choice, a provision honored invariably although sometimes tardily, by the de facto government.

It must be recalled too that open defiance of the government, to say nothing of revolution, constantly was being conspired. The government hardly can be blamed for attempting to defend itself. It is a fact that on several occasions military men known even to the Embassy to be plotting revolution, were released by the government on its own initiative or upon court order, at a time when their freedom represented a positive and considerable danger to the de facto government.

There is no reason to believe that there have been any political prisoners since 1945. Freedom of the press undoubtedly was restricted in varying degrees during part of the de facto regime. Nevertheless, most of the time the newspapers were filled with violent attacks on the government and there was never a time when the opposition press did not in some degree attack the government or its

policies

policies. At the height of the restrictions on the press, stage shows in Buenos Aires bitingly lampooned the government and its leaders. There is now complete press freedom in spite of a few unsubstantiated claims to the contrary.

Probably the most damaging charge which can be made in arguing that Peron and the Argentine Government are fascist inspired is in connection with the undeniable "capture" by the government of most of the labor union movement. This was begun while Peron was Secretary of Labor in the de facto government and has been consolidated since the February 1946 elections. This is the road to fascism and is of course deplorable. It must not be exaggerated, however, but seen in its proper perspective and proportions.

The government has intervened all the important labor unions and supervised elections which placed in power persons friendly to, and frequently mere tools of the administration. It arbitrarily refused to recognize unions not affiliated with the federation of unions which it dominates, except when it suits its purposes. With few exceptions, it arbitrarily and with questionable legal rights declares illegal strikes called by anti-government unions. It has helped and continues to help, through its "captured" federation and even by direct action of the Secretariat of Labor, to ring labor union elections.

While these charges in general are undeniable, it is nevertheless important to note that the proof usually is lacking (at least the Embassy cannot produce names, places, and dates) and not nearly all the stories to this effect can be believed.

Many if not most of the labor unions were dominated by long-entrenched, bureaucrat-minded, frequently venal leaders who produced no worthwhile leadership and few benefits for the union rank and file. They probably would have been voted out of office in many cases in any election not dominated by themselves.

It must be remembered too that the very enthusiasm or at least support of the labor rank and file for the Peron presidential candidacy constitutes considerable proof that there was no completely unwilling rape of organized labor.

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It is true of course that Hitler and Mussolini lured and won the working classes by false promises. But the labor movement in Argentina never can be said yet to have reached the depth it touched in Germany under Hitler. Its position has a certain resemblance however, to that of the Italian labor movement under Mussolini. The difference is that unionism in Italy became completely subservient to the fascist dictatorship, while in Argentina it still remains to be seen whether organized labor can and will reassert and reestablish its independence. The position also has points of comparison with that of labor in other countries. There still are numerous independent unions and there are a number of union leaders even within the Peron following who show distinct signs of restlessness. Some of these persons are potential opponents to the administration when the programs of labor and of the president cease to coincide. Their ability successfully to dissent is in question. As will be pointed out below, however, this ability certainly will be impaired if the Peron government is driven into the totalitarian camp by the inability to reach a rapprochement with the United States and Western capitalism.

During the de facto regime the civil rights not mentioned above, particularly those of the political parties, unquestionably were restricted. The extent of these restrictions, however, seems small when it is remembered that throughout the three year period there was open and frequently seditious opposition of almost all types, except from the Communist party which had been obliged to work completely underground since its outlawry in 1930. Many public meetings of the opposition were banned, but many more were allowed. Although political activities were proscribed during most of the time, they were in fact continued to a large extent with the tacit permission of the government. In general it may be said that the restrictions have ceased.

The de facto government and the present administration often are accused of inaugurating fascist-like laws in Argentina. It is believed that this accusation has been adequately covered on various occasions by careful and detailed studies of the laws proposed and those adopted. Many certainly have not been to the liking of a free-trade and free-enterprise-minded United States. But for the most

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part they are merely reminiscent of the first days of the New Deal. In any case, they go not nearly so far as recent legislation in Great Britain and France. It is significant that the opposition parties, in and out of Congress, not only have not opposed ratification of the social legislation of the de facto regime, except in details, but have even proposed to go still further in many cases.

In summary, therefore, the de facto regime admittedly was undemocratic although charges to that effect were greatly exaggerated. Few of the charges apply to the present government. It is of course possible that the Peron administration may prove to be fascist or totalitarian in orientation, and may repeat the errors of its de facto predecessors, but there is little thus far to establish such a contention. One can only speculate. In this connection, I should like to offer my own analysis of Peron, his victory and his administration.

In my opinion Peron is a moderately intelligent man with an extraordinarily likeable personality, an almost limitless ambition, no political education worthy the name, and with basic convictions readily subject to change when convenient. He is fundamentally a demagogue and an opportunist and his conception of democracy is based on expedience. I believe that his ambition is to go down in history as a great president and, therefore, his future is linked closely with the welfare of the country. Perhaps this is not too reprehensible. After all, some of the world's greatest benefactors and leaders have reached their positions largely because of personal ambition.

While nazism was winning in Europe, Peron's thoughts and theories of government evolved in that direction. When that became unwise and unpopular through the defeat of the Axis, he turned toward his own semi-developed sense of democracy. Within the limits of expedience he probably can be convinced that any measure is democratic which suits his own ambition and his notion of the interests of Argentina. In this respect he is not unique among contemporary world leaders. In a sense it is a matter of rationalization.

I know of no proof that Peron himself is venal. Still, he unquestionably has a number of venal persons in high positions in his government, and it is possible that

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he condones and even cooperates with them. I doubt that the latter is true.

I feel that most of Peron's errors are due to his own lack of firm convictions and of a well-founded political philosophy, coupled with the curse of bad and incompetent advisers. His nature and his background of ambition for power make it difficult for outstanding persons of great moral capacity to work with him. In that connection it must, however, be remembered that many politicians of all camps in Argentina seem to be lacking in commendable moral fiber.

Peron won the elections this year not so much by the votes of convinced Peronistas, although he undeniably has a great personal appeal which since may even have increased, but because of the great mass of independent, apolitical voters who felt that he was one man at least who was dynamic and had proved he knew how to do or try to do something for the common man. The other parties offered nothing but opposition and they were headed by politicians who were either merely colorless characters with little to offer or who were completely discredited and even unable in many cases to command personal respect. Although this latter charge also was true of many of those on Peron's ticket, their deficiencies were completely overshadowed by Peron's personal prestige. I believe that the democratic yeast at work in Argentina is far stronger than any lid with which Peron and some of his followers might like to contain or direct it should they be driven thereto.

Peron is firmly in the saddle at the present time. A comparable situation was that of President Roosevelt in 1933/34. There is however, a highly vocal opposition and even within the Peron following there are a great number of strong-principled persons who are potential oppositors if the administration should deviate too greatly from democratic principles.

Is the Argentine Government of a pernicious militaristic nature?

It should be necessary to treat this point but briefly and only with regard to the amount of arms and the expenditures for military purposes, but the popular misconception

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in this connection is so out of proportion that it appears desirable to examine it more closely.

It is true that Argentines are somewhat excessively nationalistic, due to the emphasis on patriotism in their school curriculum, an emphasis which has existed for many years. Nevertheless, anyone who knows anything of the Argentine people knows that they are not imbued with a militaristic spirit and certainly not with any warlike intentions. On the contrary, the Argentine takes pride in his assertion--in general true--that his country has never waged aggressive warfare. The military in Argentina has what to North Americans appears to be undue prestige and authority, but this is counter-balanced at least in large measure by a strong civilist spirit which demands that the military remain in its proper sphere. The general population avoids military service to an extent that sometimes is almost scandalous.

The Argentine Navy is admitted to have strong democratic tendencies. The Army, on the other hand, is dominated by officers with Prussian-like ideas of the role of the military, although by no means all of the officer corps can be so characterized. Even the dominating group, however, shares the Argentine historic feeling against aggressive warfare, as mentioned above, while simultaneously feeling sure of its Army's great fundamental superiority over that of "negroid Brazil", its only real rival on this continent.

In this last point lies the key to the Argentine attitude with regard to its armed forces. Argentina considers itself as unquestionably the leading nation of the Americas, after the United States, and in a narrower sense, as the only really "civilized" nation of Latin America. She must therefore demonstrate her superiority not only by maintaining her higher general standard of living--higher at least in the large cities where it is most apparent--her industrialization, and her somewhat superficial Europeanization, but also in her armed forces.

It was therefore more than just galling to the Argentine pride during the war for Brazil and even Paraguay to receive Lend-Lease aid and to build up an Army and Air Force which in the first case rivaled (Argentines never admitted that it was anything more) Argentina's own. This of course, was especially true with regard to the military government.

Argentina

Argentina would not allow herself to be pushed out of her traditional isolationism (similar to our own in the early part of the first World War) by the diplomatic exigencies of the "Colossus of the North" which, by so doing, was "usurping Argentina's natural leadership in South America". On the other hand, her military prestige must be maintained. Hence the attempt to obtain arms from Germany, and the famous Storni letter to Secretary Hull, which not only asked for arms but expressed hope of a general rapprochement. Mr. Hull's blunt reply was a sore blow to Argentine pride but she suffered even greater from the degradation implied by the mere necessity of making such a plea.

The Blue Book attempted to make much of the effort of the Castillo Government, continued by the de facto government, to obtain arms from Germany. It is not clear what it hoped to prove. It might have proved the vague charge of "dealing with the enemy" by a neutral.

Leaving aside the question of how much arms Argentina might expect to receive (and there is every indication that the amount would have been ridiculously small), it surely cannot be said that this episode constituted even an attempt at military cooperation.

The price to Argentina of the arms deal was to have been continued Argentine neutrality. But this is not political collaboration. It simply was a coincidence of immediate aims. It is highly doubtful if anyone believes that Argentina at that time ever intended to be anything other than a neutral. If the deal had been successful it would have represented no threat to the Allied Powers. On the contrary, it would have been advantageous for having deprived the German Army of just that much arms.

The Argentine motivation in this amazingly absurd attempt obviously was the restlessness of the Argentine Army at watching its "inferior" neighbors improve their military position while their own much-vaunted might suffered from obsolescence and a relative decrease. This restlessness was increased by the fear mentioned above, of a United States attempt to impose inter-American unity by military force.

More specifically, assertions regarding the extent of Argentine armament were grossly exaggerated. It was but

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natural that Argentina should build up its military establishment in a world at war. Furthermore, the increase was projected several years before the military government came into power. While the figures concerning Argentine military expenditures are not known in detail and although it is true that effective military strength was increased greatly-- principally by requiring additional service by reservists-- it also is known that a great portion of the funds were spent in airports; in industrial plants, so that the Argentine armed forces could remain neutral, still have ammunition and a few semi-modern arms and their pride; and in improved conditions for Army personnel, particularly in barracks and other buildings. After all, a military man can only be expected to favor Army expenditures just as any bureaucrat who became a chief of government would favor his old bureau which inevitably is starved of many of the things it considers essential.

In this regard, it is interesting to consider the secret report prepared by Mr. Carl Spaeth of the Office of American Republics of the State Department, for the background information of American delegates to the Mexico City Conference in 1945. The Military Attaché in Buenos Aires in November 1945 said the following with respect to this report:

"It is stated that Argentina during 1945 would call up enough conscripts to have an army of 200,000. This simply does not square with the facts. Our best estimates reveal that this country does not have an army of more than 105,000. Moreover, it is interesting to note that the last message of civilian President CASTILLO to Congress, 25 May 1943, spoke of the goal of an army of 130,000 as the country's ultimate objective for national defense, the idea being 1% of the total population.

"The report speaks of the strategic disposition of troops along Argentina's borders and the expansion of military installations along such frontiers. This does not necessarily reveal aggressive intentions but rather plans for the country's defense.

"The report speaks of the production of 360 medium tanks, as well as that of 160 light tanks. It is believed that Argentina has not produced any more tanks than the dozen that paraded along Buenos Aires streets on 9 July 1944. Although

page 8 (of the report) then goes on to admit that not more than fifty are in existence, page 15 (8) refers to the allocation of hundreds of tanks to the Army.

"Considerable space is devoted to describing the tremendous quantities of armaments and munitions manufactured by Argentina. The figures mentioned for the most part can only be classified as fantastic and ridiculous. They have no relation at all with reality. A few examples will suffice, e.g., 1,150 75-mm guns, five tanks a day, etc. This information resembles the false and misleading reports fabricated in Montevideo by Communist and German Black Front sources for the purpose of embarrassing the present Argentine régime."

(A copy of the full memorandum is attached as an annex hereto.)

The newspapers of course have carried stories even more exaggerated than Mr. Spaeth's.

A constant cry from easily excitable viewers-with-alarm concerns Argentina's ambitions with regard to an Austral bloc. Again a proper perspective must be reached.

There are three reasons why an Austral bloc is feared. One is that it would be formed by military conquest. Another is that it would work against inter-American unity and against the efforts of the United Nations to achieve freer world trade. Lastly, it is feared that such a bloc would constitute a military alliance, potentially an enemy, and offering a military danger to the United States and more specifically to the Panama Canal.

It would of course be undesirable for the bloc to be formed by military aggression and domination, or for it to work against inter-American and world unity. The first is unthinkable. The Argentine people themselves would never support such a move. Argentina's neighbors could never be conquered to the extent of being absorbed, especially when aided as they would be by all the other American nations. United States aid would not even be required. The proposition is absurd on its face.

In considering the possibility of an economic bloc the following factors first should be taken into account. The

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countries which might form such a bloc have economies which are naturally complementary. Within limitations, therefore, an economic bloc is desirable. That such limits will be exceeded is hardly to be feared when one stops but for a moment to consider the nationalist feelings, protectionist influences, and natural distrust of a small nation for a larger neighbor, all of which safeguard Argentina's prospective partners in the bloc. Our own experience in the difficulty of breaking down economic barriers is at once a guarantee against possible excessive Argentine ambition in this respect, and a reminder that we must not reverse our own policy in this regard merely because we do not fully trust a nation which will not always follow our lead although it is a comparatively small country within the area which we have, on occasion, sought to preempt.

However, the danger which would be offered to inter-American unity and to broader efforts for freer world trade by an economic Austral bloc, are considerably more real. Under the leadership of an Argentina which congenitally opposes United States leadership, it might be even more difficult in the future to achieve essential unity. The principal real difficulty, however, would be Argentine jealousy of or rivalry with the United States, and if the latter's leadership is not inspired by motives and philosophies sufficiently sound to attract the free and full cooperation of the Americas, it would be of little or no value anyway. Likewise, if the benefits of the projected world trade organization are not sufficiently attractive to prevent an economic Austral bloc from becoming exclusive, they too would be of little value.

On the other hand, the lowering or elimination of economic barriers constitutes progress. The United States must not stand in the way of progress in order to perpetuate a political system which represents progress only insofar as it improves the welfare of the people. It may be argued that the system and its unity help maintain the peace and therefore work for the welfare of the people. That, however, is arguing from result to origin rather than from cause to effect. An improvement of the welfare of the people will strengthen a political system if it is elastic and soundly conceived, and peace will therefore be more easily sustained.

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It is also true that an Austral bloc might become a military alliance and a potential enemy to the United States. The same might be said with regard to the formation of a United States of Europe. As in the case of an economic bloc, however, the United States can not oppose a step for the benefit of the countries of southern South America simply because it is fearful of some vague future development.

To oppose forms of unity because of immediate political considerations is to deny the principle which made our own country great.

In summary, therefore, the present Argentine Government does not represent the type of government that the United States would most like. Its record in the recent struggle for democracy was far from cooperative. It has not done a thorough job in its purge of Axis elements. On the other hand, at worst Argentina can only be accused of having behaved like a neutral in a war where the opposing powers took the position that every country was either a friend or an enemy, and particularly where the United States took the position that all the American Republics should be aligned against the Axis. Argentina has done as thorough a job of eliminating Axis interests as have most Allied nations and in many specific respects has done no worse than the United States. Its government, while of course not so democratic as that of the United States, is certainly, in the world picture, very much on the democratic side of the balance. Consequently, if the United States opposes the Argentine regime, which governments in the world can be its friends?

II - United States Intervention in Argentina; Its Effect on Hemispheric Relations.

There are those who will take issue with the use of the word intervention in this connection. It was, however, intervention whether or not it was intentional. Every political note to the Argentine Government and every public announcement made by the Embassy or by the Department from July 1945 to February 24, 1946 (the date of the elections) was designed directly or indirectly to lessen Peron's chances for the Argentine presidency. There is no use alleging that names were not called, that speechmakers always are justified

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in upholding democracy and attacking fascism, and that the United States had the moral obligation to release all information at its disposal concerning the machinations of the Nazis and of certain officers of the Argentine Government. Nevertheless, it was intervention.

The Blue Book at its worst was a product akin to that of yellow journalism. At its best it was a poorly documented, heavily biased, special pleading covering events which principally condemned the Castillo government rather than its successor military government. It cannot be said that its only error was in timing and that it was issued late because it took so long to "correlate" the information it contained. Virtually all the information on which it was based was in the possession of the State Department months before the release of the document. The delay was necessary in order to document a preconceived thesis and to achieve its heavy bias. It was a political document, designed by probably sincere men aiming at fighting what they considered Naziism, to defeat Peron. It was not only a failure but it produced the opposite effect and helped him.

The above opinions were shared by those Embassy officers intimately concerned. While loyally carrying out instructions from the Department in all these things, the true facts were even openly admitted by Embassy officers concerned therewith, in confidential staff meetings. The extent of this intervention was, of course, overemphasized by Peron and his followers for purposes of his political campaign but the United States had expressed itself and therefore was hardly justified in complaining.

In May 1945 new arrivals in Buenos Aires, after experience in other countries of Latin America, were surprised to find that the recently terminated diplomatic isolation of Argentina, which isolation movement had been led by the United States, had produced little resentment of the United States. Among Argentines this was obviously due to the internal political dissension and the widespread desire to return to normal, constitutional government. A certain amount of speechmaking, diplomatic maneuvering and pressure, especially with regard to Argentine action against Axis interests, was not only condoned but even obtained partial sympathy. But the constant weight of adverse press releases began to try Argentine patience. The release in

January

January 1946 of certain German Embassy telegrams concerning Axis subsidization of Argentine newspapers, was received with questions as to the United States purpose. After all, they merely confirmed what everyone already knew. The Blue Book piled Ossa on Pelion. Since then the United States has lost whatever credit balance it had accumulated in Argentina and to a large extent in Latin America, from the Roosevelt Good Neighbor Policy. It had attempted to intervene in internal affairs and furthermore, against the only man who had made positive efforts, and who had achieved some successes, in really helping the lower classes. The watchword became: beware of selfish American economic imperialism! The United States was out to "get" the man who endangered the "excessive" earnings of American-owned industries in Argentina. Thus, in the popular and relatively ignorant mind, the United States is a heavy loser.

As is shown in part I above, the United States was not really justified in its intervention. Of course, its actions may have justified themselves if they had been successful, as is so often the case in history. They were, instead, a resounding failure, and if it should pursue its course with the hope of ultimate success resulting from self-righteous constancy to a narrow conception of democratic principles, it must encounter only a more resounding failure in the break up of the entire American system and the resulting isolation of the United States even in the Western Hemisphere.

Anyone really acquainted with Latin America knows that there is a general fear that the Good Neighbor Policy died with Franklin Roosevelt. The United States Argentine policy is cited as evidence in spite of the fact that it was begun by Roosevelt and Hull.

The Blue Book conspicuously failed to convince Latin America that Peron is particularly to be feared. It is axiomatic that all countries object to anything that smacks of coercion. Latin America is unquestionably and particularly sensitive in this regard, particularly as concerns the United States. Argentina for the most part was in the bad graces of the rest of Latin America for her somewhat sulky failure to make the war effort unanimous in the Americas. United States intervention has reversed the situation. Peron and Argentina now are admired for having confronted the Yankee ogre and having won. Short of utter military domination, the

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even thought of which is repugnant to every North American, the only hope of inter-American unity is in fully voluntary cooperation. An index to this is the complete failure of Uruguay's multilateral intervention proposal in 1945. This proposal possibly might have met with success had it not so obviously been a coercive measure aimed at Argentina. It was too easy for each country to see how it might have been or might in the future be aimed at it instead of at Argentina.

The United States must never again place itself in the position of seeing the rest of Latin America sympathize with a sister nation although the meritorious position may be that of the United States, simply because the latter appears to be the bully demanding action on its own terms and by its own standards.

The United States or even the Pan-American concert can never take one attitude with Argentina and another with regard to Paraguay, Nicaragua and the Dominican Republic for example, to say nothing of Soviet Russia. Argentina certainly is no worse than any of these. Even self-righteousness should be consistent.

III. - United States Argentine Policy in Connection With Its World Foreign Policy.

The United States today is battling to avoid becoming isolated in a totalitarian or state capitalist world. To my mind the National Socialism of Germany, the Falangist theories of Spain and the Socialism (misnamed Communism) of Soviet Russia are in the same category. Although the first of these has ceased to exist, socialism in England, Australia, New Zealand and in Western Europe as well as the paternalistic "democracy" of China has almost as much in common, economically, with the socialism of the Soviet Union, as it has, from a historical and individual rights standpoint, with United States capitalism. Thus the struggle is to prevent the centrists (mostly the socialist and semi-communist nations, but including the still-capitalist nations of Latin America and a few others) from swinging further into the totalitarian orbit. It would be easy to become involved in an argument concerning whether Soviet Russia is leftist because of its radical demands "on behalf of" the proletariat, or rightist because of its retrogression to medieval concepts of human liberties. But this is of no consequence.

The United

The United States tends to think of itself as the champion of the common man through democracy (of an individual nature) and higher standards of living. It comes as more than just a shock, therefore, to learn that an increasing number of persons throughout the world, including Latin America, are tending to look upon Uncle Sam as the champion of rightist, capitalist reaction, greedily defending its commercial interests, its almighty dollar, and its own high standard of living, without great regard for the standard of the rest of the world. United States domestic policy designed for the welfare of the United States citizen, usually is admired. Its foreign policy, however, appears to many persons to be selfishly intended only to protect itself against the "dynamic progress" of socialist communism. The United States no longer is the revolutionary leader of the world movement for the improvement of the lot of the common man that it was in the first part of the nineteenth century when the spread of its doctrines were everywhere feared by the world's reactionaries. Socialism (Communism) has taken that place to an alarming degree, falsely of course.

This is important in the consideration of United States policy with regard to Argentina, in that the latter country is one of the three or four most important countries of Latin America, and this hemisphere is one of the last bulwarks of capitalism and "the American way of life". Its nearness of course makes it doubly important to the United States.

The Latin American traditionally has been a bit fearful of his Yankee big brother because of the usual jealousy and fear of a large neighbor; the semi-colonial nature of the Latin American economy, dependent in large measure on the whims, depressions and politics of the United States; the North American attitude of superiority; the pay discrimination against Latins practiced by most United States corporations operating in Latin America; the long history of United States imperialism, particularly in the Caribbean area; and many other factors too well known and too numerous to mention.

On the other hand there always has co-existed, and it has increased a great deal in the last fifteen years, a somewhat contradictory spirit of sympathy and solidarity with the United States as the country of much admired and envied

material

material progress and a high standard of living, the champion of democracy in two World Wars, and the leader of Western Hemisphere democracy and freedom. Unfortunately most Latin Americans think that their countries are yet far from the advanced stage which they consider necessary for the proper functioning of democracy of the United States variety.

Most Latin Americans also are traditionally very fearful of Communism, a fear due in large measure to the attitude of the Catholic Church. Communism, however, is a bogey not nearly so imminent to many persons as is Yankee imperialism. Every political maneuver of the United States in Latin America is all too frequently explained merely as of a purely selfish nature. The projected Inter-American Defense pact, for example, is widely considered to be but another Yankee trap in which the Latin American nations, once they become thoroughly entangled, will be unable to dance except at Uncle Sam's tune. This feeling is not confined to Communists and is based on something a great deal more deepseated than the propoganda of Communists and professional anti-North Americans. The operation during the war of the United States Proclaimed List, the export quota system, etc., also provided fuel, however mistakenly, for enemies of the United States who lose no opportunity to point out Yankee "intervention" in Latin American affairs.

The United States has by no means lost the contest with totalitarianism. On the contrary, it probably holds most of the advantages. The important thing is to be aware of the cards and the stakes in order better to be able to play the game.

Specifically, the United States needs Argentine support, first because of the importance of Argentina itself, but also because of the fact that such cooperation will virtually assure hemispheric solidarity for defense and for the dynamic ideological offensive which should be undertaken in conjunction with efforts for an international government.

Argentina has been successful in the last three and a half years in beginning to meet the demand for social change, and in staving off the communist ideology by a combination of demagogy, revitalized capitalism and something else which can be called state socialism or fascism depending upon the viewpoint and upon the individual calculation of the extent to which the Argentine Government has gone. The Catholic Church calculates this much as it

does

does in Spain. To the Church the Perón movement represents a bulwark and a fighting answer to Communism. On the other hand, as already has been pointed out, the Argentine trend is not nearly so socialistic as that in England and France for example. The explanation really is that Argentina is embarked on a program which can easily become state capitalism or which can remain capitalism of the general American species; the deciding point has not yet been reached. From this point it is easy to see that failure to obtain understanding and help from the United States will oblige Argentina to follow the trend towards state capitalism, and thus totalitarianism, in greater or lesser degree. This is the deciding time when sympathy and cooperation from the United States may well be able to gain an ally in the fight against totalitarianism and for true democracy. Certainly Soviet Russia and other countries are more than just ready and willing to tug in the opposite direction. And virtually for the first time in history there exists an Argentine government which, although for selfish reasons or those of expediency, is prepared to ally itself fully with the American system and to accept the concomitant necessity of full collaboration with the United States in the interests of mutual security.

After all Argentina and Brazil by virtue of their lack of population pressure, their wealth of natural resources and their possession of a continental land mass are in a position more than most countries of the world to follow a free-enterprise system. They are, therefore our natural allies.

If it is now an opportune time for maintaining Argentina in the capitalist fold, the issue may reach a crisis and thus become a necessity within two or three years when, as many careful observers believe, the results of inflation, the renewal of world trade and the resultant competition for Argentine industry, and the ill-conceived paternalistic or "captive" labor union policy of the Argentine Government are felt with full force. That point will be the crucial test of the Perón Government which probably will be shaken to its foundations. The Communists who now are so busily infiltrating will be the big gainers, but they will not then gain political dominance. It is more likely that, if Perón can no longer remain in power (whether really or nominally is not important) a

strong

strong dictatorial government on the pattern of the Franco Government will replace it and will inevitably move further still into the realm of state capitalism and thus, eventually, into the totalitarian camp shared principally by the Communists. Such a path may well lead in the end to outright Communism. I do not expect this to happen but it is a distinct possibility which must not be overlooked.

The best hope of the United States is to cooperate with Perón in order to prevent this, not in the narrowly conceived manner of the Catholic Church but in a broader sense aimed primarily at the betterment of the lower classes which is the only real way to combat Communism as everyone, including President Perón, is very aware. The best defense against Communism is obviously a spirited offense against a low standard of living.

The solution then is many faceted. It is obviously fundamental that there be full and free inter-American unity and cooperation for mutual protection in a world where Britain and Western Europe are moving toward socialism, the former bulwark constituted by the British Empire is breaking up, China and all the Far East is in danger of becoming Communist (socialist) and Soviet Russia is dynamically infiltrating in every possible quarter. The United States must not be content with plaintively asserting that its brand of capitalism most benefits the common man economically and in the realm of individual liberties, and with pointing to its own achievements in this field. It must convince the rest of the world that these are facts of current validity and that the American people propose to assist the rest of the world eventually to achieve the same level. A nearer equality in standards of living is essential for the complete success of the United Nations. A good place to start is in Latin America and an understanding with Argentina obviously is the first step.

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In summary, therefore, I believe that our "Case Against Argentina" had some merit and still has some merit, but that it has been much exaggerated and, in any case, sadly fails to add up to a reason to refuse our cooperation with Argentina;

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that our hemispheric position has deteriorated greatly as a result of our Argentine policy; that as a further result, the United States is in danger not entirely immediate but none the less real, of becoming isolated in the Western Hemisphere and in the world at large; and that as the hemisphere is a key part of our world defense picture, so is Argentina a key part of our hemispheric defense pattern. We must achieve free and full inter-American cooperation and we must combat our ideological enemies with an offensive based on a true hope of a better life for the less privileged classes. Our cooperation with Argentina is one of the immediate steps to be taken in this direction.

As long as the United States can obtain sincere collaboration from Argentina, whether or not based on self-interest which we trust would be of the enlightened nature, we should move rapidly for the implementation of such cooperation, without regard for the number of German agents who may be deported from Argentina, or for the number of Axis commercial firms which may be liquidated by the Argentine Government. These agents and firms represent no immediate danger. On the other hand, a policy of full cooperation eventually will be better calculated to bring Argentina to a recognition of any eventual real danger, and to action calculated to remove that danger, than will any continuance of our present intransigent demands and attitude.


R. Kenneth Oakley

Annex:

Memorandum dated October 23, 1945 from the Office of the Military Attaché.