1823

S E C R E T

December 4, 1946

MEMORANDUM FOR THE AMBASSADOR:

In accordance with your request, I am submitting herewith my personal views in respect of our policy on United States-Argentine relations.

In my estimation, the policy of the United States vis-avis Argentina has, over the last six years, been obscure, vacillating, inconsistent, and out of step with events. It seems to me that now, for the first time, we are about to bring it in line with current developments in the United States, and in Argentina, in the light of hemisphere and world events. It is my opinion that our policy has been founded on four fundamental errors and/or weaknesses, aggravated by considerations of less magnitude in themselves but having great effect.

First: Our policy has been developed by, or under the control of, officers of the Government who do not understand the basic motivating forces of the Argentine temperament. Thus, due weight has not been given to the isolationism engendered by Argentina's geographic position, nor to the Argentine arrogance which, seeing itself as the largest frog in the only visible puddle, assumes its preëminence with respect to all the puddles beyond the horizon. Similarly, we seem to disregard the Argentine's passionate pride in the development of his country, and his devotion to the luxury of independence which, in terms of international relations, has given rise to a long-standing and irritating intransigence. And, finally, the Argentine's ability as a wily, often unscrupulous trader with a standard of business ethics greatly different from that of our country, causes great annoyance. This is particularly true when the Argentine policy follows its traditional course of playing off the British against ourselves or vice versa, and when the British, as it suits them, lend themselves to this.

It may be suitable to mention here also, as a corollary to the above, our failure to appreciate the naiveté of high officials of the Argentine Government since the 1943 revolution, as exemplified in the famous Storni - Hull correspondence several years ago, and the recent episode of the Perón - Higgins letter.

Second: Growing out of the first disability noted above, we have apparently failed to relate the difficulties of our present relations with Argentina to the history of these relations over the past fifty years. Argentina's position as the greatest of all non-ratifiers of Inter-American agreements, her continued intransigence in Inter-American conferences, her

highly objectionable (from our viewpoint) conduct throughout the First World War, having apparently been disregarded, have not been used to provide a proper perspective in which to view recent events. Accordingly we seem to approach current difficulties in a spirit of tackling something new and unprecedented. As one example: The seizure and subsequent publication by us of the Luxburg telegrams, during the last war, created a great sensation and the Argentine Government was rocked to its foundations, but survived. Nevertheless, the failure of this diplomatic effort twenty-five years ago did not dissuade us from the publication of the Blue Book this time. It would seem that, viewed in proper perspective, Argentina's present attitude, unsatisfactory as it may be when viewed alone, actually represents an improvement over the last quarter century.

Third: We completely under-estimated the then Colonel Perón's popularity with the masses of underprivileged Argentines and the justification of their claims for economic consideration. I recall most vividly the march of the "Descamisados" on the 17th of October 1945. The day was almost unbearably hot, yet tens of thousands of these little people streamed through the streets, slaking their thirst at the public fountains, many of them barefoot on the blistering asphalt, doing their poor and inarticulate best for the man who was their hero and whom they believed might do something to improve their lot. At a cocktail party the following day, an overdressed Argentine lady became almost apoplectic when she referred to "those horrible, filthy people in the streets of our beautiful city". Such a "let them eat cake" approach seemed to me to typify the cancerous state of Argentine economic and social conditions. Yet we permitted the great exponents of economic oppression and the status quo to call themselves "democrats" and to wrap themselves in the all but outspoken support of the United States, to cheer to the echo the provocative speeches of our Ambassador, and to use the world's greatest true democracy as a facade for their efforts to overcome the arch-enemy of their anachronistic order.

Fourth: We greatly over-estimated the character, intelligence, force and malevolence of Perón. Perhaps unconsciously, in the desire to have a target worthy of the heavy artillery we trained against him, we built him up in the view of our responsible officials into a "strong man" of Nazi-Fascist tendencies toward whose overthrow the power of world opinion, and the great psychological force of the United States should worthily be directed. In according him such unjustified stature, we defeated our own ends. Perón obviously has many faults. He is completely unschooled in the science and practice of government; trained in military methods, he views his mission as that of a ruler and fighter, rather than that

of a chief executive of a democratic government; he has a limitless ambition toward which that of his wife contributes. He is a curious mixture of cynicism and idealistic sincerity; he would use any means at hand, including the organized Nazi groups, to achieve his ends; he is blindly loyal to those whom he selects as his friends and who are sometimes not worthy of such loyalty. Only history will show whether his attitude toward his descamisado followers is one of cynical exploitation to achieve power, or a sincere effort to improve their lot. I think Perón hopes to find a place in history as a South American Roosevelt; he is in great danger of becoming another Harding.

Of less fundamental importance, but of great significance in charting the course of our Argentine policy, has been the choleric dispositions of United States officials charged with responsibility in the matter, and their resulting wholly unsympathetic approach.

I do not know the springs of Mr. Hull's temperament, but the heat with which he blasted the childishly naive efforts of Storni to effect a rapprochement with the United States could not have been expected to achieve constructive results.

The great personal influence of Mr. Morgenthau and his fanatic determination to exorcise Nazi elements wherever they might be, served as a constant behind-the-scenes pressure of great force toward worsening our relations with Argentina.

The personal hatred between Ambassador Braden and Colonel Perón, continuing and feeding on itself now that each is in a different position, has colored and may even be the dominant factor in current developments. Mr. Braden has assumed the position of a champion of the forces of light, he presents himself on all occasions as an uncompromising fighter against the dark forces of "Nazi-Fascism", and prides himself on being adept in using the press to further his views. In this competition, Perón is incapable of more than unsubstantiated denials, and is handicapped by his own incapacities and lack of equal access to the world's press.

All these factors of personalities have contributed in no small measure toward the evolution - only half conscious - of an unfriendly, un-neighborly, destructive policy.

Yet, like the Chinese "death of a thousand knives", no single measure taken by us has been sufficient to bring about an open break nor to achieve our objectives whatever, at the moment, they might have been thought to be. But in the aggregate, they are creating a situation which, if not promptly

remedied, will surely lead to such permanent antagonism between Argentina and the United States as to make any hope of hemispheric unity in our time, fantastic.

Out of the phantasmagoria of our Argentine policy, there has emerged the clear cut sine qua non of the Secretary's statement of April 8, 1946, when he said, with respect to Argentine elimination of Axis elements, that we must have deeds and not promises. But this came only at the end of a series of retreats from the position of six months earlier when we refused to enter into a defense pact with the Argentine government. During the interval, the Blue Book had been given to the world, and Perón had been elected by an overwhelming majority.

Apparently the April 8th statement constitutes the line beyond which we will not go. Thus, any rectification of our relations with Argentina depends upon Argentina taking measures in the field of enemy activities which we can accept as constituting deeds. The standard must be kept fully flexible, in order that it may bend with the storms of world events. Thus, were the United States to become involved in war now, it would be the part of wisdom to accept whatever Argentina may have done as substantial compliance with her commitments, if such acceptance can keep her out of alliance with the enemy. In the unlikely event that the world becomes fully pacified and the only threat to peace is found to lie in the possible recrudescence of German naziism, then it may be safe to withhold the hand of friendship from Argentina until every last vestige of enemy elements has been removed. But, in the world of today, such a course is not safe, and the march of time and world events emphasizes the urgent importance of finding, between the two extremes, some practical solution.

Under date of October 13, 1945, the Embassy forwarded a Despatch 1/ in which it discussed thoughtfully the commitments undertaken by Argentina in respect of enemy property, and the possibility of Argentina successfully maintaining a position, before the bar of Inter-American opinion, that she has actually, already, complied therewith. After a lengthy discussion of the aspects of the problem, and while recognizing that the spirit of the Mexico City resolution may have been evaded, the despatch states:

> "Yet from a strictly legalistic and technical viewpoint it may be well to point out to the Department that Argentina is now effectively controlling fifty percent

1. No. 1056, entitled "Report on Argentina's possible claim to technical compliance with its commitments under Resolution 18 of the Inter-American Conference on Problems of War and Peace."

of the Axis spearhead firms in Argentina and is actively investigating the remainder of the Axis firms, and may now be said to have made a technical and fairly substantial compliance with its commitments in regard to Axis firms". 1/

While this Despatch refers only to the question of Axis property, and does not include a discussion of the thorny problem of agents, it lends some justification to the view that the Department, in an excess of enthusiasm and zeal for the spirit as well as the letter of these undertakings, has made a unilateral extension of the resolutions on enemy property as a basis for criticism of Argentina, and for the establishment of a sine que non to the normalizing of our relations with Argentina.

Nevertheless, however this may be, Argentine authorities appear to have accepted the situation and, rather than enter into a fruitlessly legalistic discussion, are going about the task of meeting the requirements of our Government, in the hope of accomplishing such normalization of relations.

The urgent need for such normalization at the earliest possible moment is clear. The British are making strenuous efforts to restore their import and export trade with Argentina, and their gains will be largely to the detriment of trade with the United States. Several European countries - Sweden, Spain, Czechoslovakia, especially - are clamoring for the opportunity to supply Argentina's requirements including articles which, in accordance with existing United States policy, Argentina is excluded from purchasing in our market. Russia is preparing to fish in the troubled waters of Argentine internal affairs and will apply to her own advantage any disturbance of Argentine economic or social conditions and any upset in Inter-American relations. The Hemisphere, which is of the greatest strategic importance to the United States in any eventual war, as well as to the position of the United States in the maelstrom of the United Nations General Assembly, is boiling under internal and external stresses. The thin shell of hemispheric unity, constructed with such care, may explode at any moment and the resulting fragmentation will take a generation to mend; without Argentina there is no unity in the hemisphere.

Today, to an extent greater than has been the case in fifty years, Argentina and its government are prepared to enter into a genuine collaboration with the United States. One thing that President Perón may be said to understand is the argument of military necessity, and he can be expected to understand the relationship between the United States and Argentina should another war come upon us. He knows the direction from which it can only come and the terrible form it could take; he recognizes the new vulnerability of Argentina, heretofore so safely isolated; he is prepared to throw in his lot with us if we will provide

1. Underscoring supplied by the writer.

him with the matériel of war. It is not necessary to examine the sincerity of his friendship which is questionable. The arguments of self-interest are paramount and summarized in the reported statement of Doña Eva de Perón to the Russians: "and they have the atom bomb".

To bring order out of the Argentine situation, without further loss of prestige to the United States, we must synthesize a policy somewhere between the extremes represented by the views of Messrs. Hull and Braden, on the one hand, and Messrs. Stettinius and Rockefeller, on the other. It must not, of course, represent a disastrous retreat from the oft-repeated statement of April 8 about deeds and not promises.

Thus, the first step, on which we are already advancing, is to gain from Argentina concrete measures against Axis agents and enterprises which can be accepted by Washington as meeting the requirements of the Secretary's statement. Although difficult enough, in itself, to procure such action by Argentina, that is not, in my estimation, the more trying aspect of the situation.

Considerably more difficult will be the task of persuading Washington to accept such measures as meeting the requirements and thereafter to proceed on a course of normal international friendship. This is true because of the bitter personal hatred which exists between the Assistant Secretary of State, Mr. Braden, and the President of Argentina, General Perón. As long as Mr. Braden is in a position of responsibility with respect to our Argentina policy, it is my opinion that, consciously or unconsciously, the basic, underlying motivation of United States policy will be to "get" Perón,- to bring about his downfall by whatever means and at whatever cost to ourselves or the Argentine people. If this be true, it is an ignoble purpose, unworthy of the great and peaceful people of the United States, and can only lead, in the end, to a recrudescence throughout the Hemisphere of the still latent fear and distrust of the Colossus of the North.

It is desirable that the body of public opinion in the United States, dependent upon and largely formed by, the malicious and irresponsible reporting of a handful of newspaper reporters in Buenos Aires, be accurately informed respecting the situation. This might be accomplished, in part at least, by persuading a group of intelligent representative newspaper editors to visit Argentina to judge for themselves the accuracy of the sensational stories which their papers have been printing. Perhaps, too, a group of influential Senators, particularly, Senator Vandenberg, might come here.

Finally, and most helpful of all, once the present impediments to normal relations have been overcome, a constructive

(1823)

statement by the President of the United States admitting Argentina to our friendship again and announcing the removal of all the pin-pricking measures and our willingness to enter into a defense pact with Argentina, would, I believe, fully clear the air.

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