

Report for Mr. [unclear]  
 [unclear] 22 JAN 1952

Memorandum  
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January 14, 1952.

Q. M.

The appended article entitled "Efforts of Perón to separate the Latin American countries from the U.S." appeared in "Novedades", one of the leading Mexico City dailies, on January 13, 1952. There have been indications within the last few months that Perón is endeavoring to revive the A.B.C. idea. His personal situation in the Argentine has become such that he has to look for things to talk about which will distract the attention of people in the Argentine and in other countries from the real situation. Although no steps are being taken to deal with the cumulatively disastrous industrial, agricultural, financial and social situation in the Argentine, the Government is doing all kinds of talking at home to divert the attention of people everywhere from the facts.

The interesting thing about this whole business of Perón's reviving the idea of the A.B.C. etc. which I believe he is doing, is that when Perón became President there was very real fear in Brazil, Chile, Uruguay, Paraguay, Perú and others of the Latin American countries, that Perón would endeavor to form a South American block centering around the Argentine. In those days it looked to some of the politicians in Latin America as though the power of Perón was unlimited and that he would last for many years. There were many ways in which the Argentine could in a limited way exercise economic and even political pressures on the other Latin American countries. The fact however is, I am convinced from my conversations with Perón in those days, that is, 1946-1947, that he really did not have any idea of pressing this old Argentine idea. I think he really knew that he had not anything enough to offer and that it would not work anyway, and I do not believe that for the first four or five years of his presidency he really thought much of pressing the idea.

Now that the position of the Argentine is so bad internally, and that it has lost prestige in the other Latin American republics as well as elsewhere, Perón is reverting to this idea, not so much with the hope of accomplishing anything, but in order to do something for Argentine public consumption. He has to do everything he can to maintain the idea in the Argentine that it still has the same power and prestige that it had before.

This gesture, therefore is purely a political one.

When Luzardo, who was the Brazilian Ambassador to the Argentine when Perón became President, was sent back to the Argentine as Ambassador by Getulio Vargas, some time after Vargas had been elected, it was a bad omen. Luzardo had been very helpful to Vargas before the election, which brought Vargas to the presidency, but Vargas could not give Luzardo the jobs in Brazil which Luzardo wanted. He did not even wish at first to appoint him ambassador to the Argentine when Luzardo realized he could not get these other jobs. Now, since Luzardo is back in Buenos Aires, he is playing the same old tricks. He is a completely irresponsible individual,

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completely untrustworthy, and in fact a fool, but he and Perón are very good friends and Perón treats him with great consideration now, as he did before, and Luzardo is really playing the role of a courtier to Perón. It is not impossible that Luzardo is encouraging Perón in his idea of the A.B.C. Block etc., and certainly Luzardo is no friend of the U.S. It is doubtful whether Luzardo, in spite of being so close to Vargas, could in any way influence Brazilian policy. It is also doubtful whether Chile will have any interest whatever in this business, and it is equally doubtful whether the other countries of Latin America who know how the Argentine situation has deteriorated, will have any interest in furthering this idea.

It must not be forgotten, however, that Luzardo is a bad actor and in some respects a dangerous person, and my own opinion is that it is he who has encouraged Perón in this idea of reviving the A.B.C. idea and is trying to stir up anti-U.S. feeling in the other American countries.

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