

## ARGENTINE PROSPERITY: A DETERMINING FACTOR IN THE HEMISPHERE'S WELL-BEING

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In 1911, Argentina was ranked the seventh most developed country in the world according to socio-economic indicators.<sup>1</sup> This placed Argentina ahead of the United States at that point, and well ahead of Spain and Italy—the countries which had provided most of the immigration by the end of the last century and the beginning of this century.

Examining the indicator's more recent periods, we find that Argentina is now ranked thirty-first, behind countries such as Spain and Italy (where the immigrants came from just fifty to sixty years ago). Though the foregoing does not provide an answer to Argentina's problems, it is an important aspect and has influenced and affected how the Argentines deal with their problems.

Looking at United States-Argentine relations, and summarizing very broadly: (1) United States relations in Argentina have seldom been very close and, in fact, have often been rather bad; (2) we are currently on an upward trend and our relations are getting better; (3) but how long that lasts—how durable that improvement is will depend as much upon internal factors in Argentina as on the particular issues in our bilateral relations.

### I. HISTORICAL PERSPECTIVE

As with all countries some historical knowledge is essential to our overall understanding of the country. The following are a

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1. In the State Department Library, I picked up a Review which had an article in it consisting mainly of a table. It was a table of socio-economic indicators showing how various countries ranked. I do not necessarily place a great deal of faith or reliance on such listings, but it was interesting. This particular one, which claimed to be better than previous tables, was organized in five-year cuts going back to 1868. It ranked all of the countries in the world.

number of points which are useful to know in dealing with Argentina.

First, even though Argentina declared its independence and was independent from very early in the nineteenth century, it did not really become a unified nation in the normal sense until the 1880s. For much of the nineteenth century, Argentina went through a series of internal wars between the federalists and those who wanted a unitary country of dictators. Not in an insignificant sense, Argentina is a much younger country than the United States and other countries of Latin America.

Second, Argentina started off in what you might call a truncated form. When the creole settlers in Buenos Aires and Argentina declared their independence, they lived in what was, at that time, known as the Vice Royalty of the River Plate. The Vice Royalty included Bolivia, Paraguay and Uruguay, as well as what is now Argentina. But very quickly those other three countries split off. In the case of Uruguay, the country was enabled to split off by the British who thought their influence would be greater by creating a buffer state between Brazil and Argentina. As a result, the Argentine nation started off with a national psychosis that it had been deprived of its full patrimony and dimensions.

Third, in talking about United States relations, it must be noted that the United States was not a major influence, or even the dominant influence until the Second World War. The British held that dominant position during most of the period prior to the war. Even as late as the Second World War, there was serious consideration given to the idea that the United States could not physically protect or support the entire hemisphere, and that we should have a "quarter-sphere" policy, including most of Brazil, but totally excluding Argentina.

### *A. United States Influence*

Obviously, there were some United States influences prior to the war. The Constitution of 1853 was largely based on the United States Constitution.<sup>2</sup> One of the most famous Argentine Presidents, Sarmiento, was Ambassador in the United States and also lived here in exile. He was very influenced by the United States experience. The large European immigration into Argentina at the end of the nineteenth century and the beginning of this century was also

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2. A. PEASLEE, 4 CONSTITUTIONS OF NATIONS 7 (1970).

modeled after the United States experience. The Argentines saw what had happened in this country and what we had developed; they did the same thing in Argentina. In fact, Argentina, for a period of time, had a higher proportion of immigrants (foreign born) within their total population than any country in the world.

Coinciding with the large-scale immigration, there was very rapid economic expansion and prosperity (which led to those figures such as were revealed by the socio-economic indicators). Argentina was an equal of the United States in many respects, and considered itself a rival; this has colored our relations in both directions ever since.

Some of the legal doctrines which we have all read about, including the Calvo Clause<sup>3</sup> and the Drago Doctrine,<sup>4</sup> are Argentine in their origin. Argentines were among those pressing hardest to multilateralize the Monroe Doctrine.<sup>5</sup> The doctrine of nonintervention received its first full expression at the Pan American Conference of Buenos Aires in 1936.<sup>6</sup>

Finally, we should note that while very few South American countries were involved in the First World War, many of them did join the allies in the Second World War, or at least broke with the Axis Powers. The best one could say of Argentina is that it was neutral until very late in the war—actually until just before the United Nations was formed. It did finally break relations with the Axis Powers, but clearly there were many people in Argentina whose sympathies or views of the national interest lay in the other direction.

### B. *Peron to Peron*

Until very recently you could describe the post-World War II period as Peron to Peron. Juan Domingo Peron came into power in

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3. The Calvo Clause was originated by an Argentine jurist, Carlos Calvo (1824-1906). The Clause asserts that a foreigner doing business in a country is entitled only to non-discriminatory treatment. H. STIENER & D. VOGTS, *TRANSNATIONAL LEGAL PROBLEMS* 419 (1968); for the leading arbitral decision on the Calvo Clause, see *United States of America v. United Mexican States*, 4 U.N.R.I.A.A. 26 (1926-1927), reprinted in *TRANSNATIONAL LEGAL PROBLEMS*, *supra* at 419.

4. The Drago Doctrine was originated by Luis Drago, once Foreign Secretary of Argentina. The Doctrine denied the rights of intervention to force a government to pay its public debts, J. STEINER & D. VOGTS, *supra* note 3, at 412, 413.

5. See generally Colby, *The Lima Conference and the Monroe Doctrine*, 25 A.B.A.J. 210 (1939); *Monroe Doctrine Made Statutory*, 26 A.B.A.J. 549 (1940).

6. Inter-American Conference for the Maintenance of Peace, Dec. 23, 1936, 188 L.N.T.S. 10.

1945, and was elected in 1946. One of the factors which helped ensure his victory in 1946 (which can be exaggerated) was the effort by the State Department—usually personified in the form of Spruille Braden, who had been our Ambassador to Argentina in 1945 during the war period, and then came up to be the Assistant Secretary of State for Inter-American Affairs—to prevent his election. Three weeks before the election, the State Department put out the famous bluebook which was based upon captured German documents. It was an effort to put on record and demonstrate the extent of contacts and support of the Axis cause by many of the top people within the Argentine government during the war years, including (very pointedly) Peron.

The effort on the part of the State Department did not work. Peron was able to make use of the slogan, “Braden or Peron” in his election. It is quite possible that Peron would have won regardless of the State Department’s effort. But in retrospect, our involvement represented a misreading of Argentine psychology and political forces at work in that country.

Peron was forced out in 1955, but in those ten years, he established a populist movement and changed the political and economic map of Argentina. The weight of that impact is hard to visualize or describe in United States political terms. (If Huey Long had been elected President of this country in 1933 rather than Franklin Delano Roosevelt, we might have a better feel for what happened in Argentina.)

Peron was a populist and a demagogue. He put together a coalition with remarkable durability. Despite all of the in’s and out’s over the last forty years, the coalition still exists and is, in fact, still the largest political force in Argentina. One sobering illustration is the fact that Peron’s second wife who, despite the fact that she demonstrated minimal capacity for government or leadership during those last two years of the second Peron period, may still be a force to be reckoned with in the overall Argentine political picture. For the present time, she is in Spain and keeping a low profile.

### *C. Recent Historical View: Military v. Civilian*

After Peron was kicked out in 1955, we began to see an alternation between the military and civilian governments which is still going on today: the military from 1955 to 1958; then the civilian regime in 1962; a short interregnum and then another election; the military comes back from 1966 to 1973; then the second Peron pe-

riod until 1976; since then, the military again. We often tend to view Latin American politics as a civilian matter with the military stepping in every so often, either because the civilians make a botch of it or cannot agree among themselves. Actually, one can almost look at Argentina over the last fifty years from the opposite perspective. The military (including Peron who was an army officer) has been the dominant factor in politics. The civilians came back in when problems proved intractable or the military could not agree among themselves.

The military has been a major factor in Argentine politics since the 1930s—more than half a century now. This has bred a political disposition and ways of operating which are almost institutionalized. That is one of the problems that both the military and the civilians have to wrestle with as they try to establish a more permanent political arrangement.

## II. UNITED STATES-ARGENTINE RELATIONS: A CURRENT PERSPECTIVE

In the most recent period of our historical overview, certain issues have concerned the United States in our relations with Argentina. The most obvious is human rights. The military returned to power in 1976 in response to an accelerating breakdown in almost everything—the economy for one, but also in public order. There were organized terrorist groups both on the left and the right. People were being killed daily. There were kidnappings and many other forms of urban terror.

### A. *Human Rights: The Military Steps In*

The military was determined to halt this incipient civil war; it engaged in severe repression against all those suspected of being involved in terrorist activities. The estimates of people who have disappeared in Argentina since 1974 (before the military came into power in 1976) range as high as twenty thousand. The most authoritative list indicates a disappearance of between five to six thousand people. In response to that type of official repression, United States relations with Argentina deteriorated sharply after 1976. We still have the Humphrey-Kennedy Amendment which prohibits the sale of military equipment or military assistance in any form.<sup>7</sup>

The worst of the repression was over by 1978. Conditions have

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7. See *infra* note 10.

improved sharply since then. There have been no disappearances in Argentina since August of 1980. The number of political prisoners is down from eight thousand to under one thousand. The rate of release has been accelerated this past year. The situation is much better; that being one of the things which has permitted a general improvement of United States-Argentine relations—an improvement that began during the last year of the Carter Administration.

### *B. Nuclear Relations: A Double Standard*

Another longstanding issue with the Argentines, going back even before the human rights problem, is the question of our nuclear relations. Argentina has signed the Treaty of Tlatelolco<sup>8</sup> for a nuclear free zone in Latin America, but has not ratified it. Argentina has never shown any interest in signing the Nuclear Non-Proliferation Treaty.<sup>9</sup> Argentina's view is really fairly simple. Being an important country in Latin America and influential elsewhere in the world, the Argentines, frankly, do not see why there should be one set of rules for five or six nuclear power nations of the world, and another set of rules for all of the rest. The Argentines feel that they are perfectly capable of handling nuclear energy in a safe way and that they have just as much right as the United States to develop nuclear explosives options—peaceful, but still nuclear explosives.

The United States has attempted to prevent or limit the spread of nuclear weapons. One of the main ways of doing that has been to get countries to agree to various types of safeguards in return for United States technical assistance and cooperation. The Argentines and the United States have been discussing this issue for a long time. There is some cooperation, but it is a continuing issue because the Argentines will not (at least not to date) accept all of the conditions that the United States would like; we, by law, cannot do certain things unless the Argentines do. On the other hand, there are alternatives, for the Argentines make no bones about pursuing such alternatives in terms of other suppliers. This is an area where the United States believes that it can accomplish more by working with the Argentines to the extent that our laws permit (rather than by simply washing our hands and saying we will not have anything to do with them).

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8. Treaty of Tlatelolco, Feb. 14, 1967, *reprinted in* 6 I.L.M. 521 (1967).

9. Nuclear Non-Proliferation Treaty, July 1, 1968, 21 U.S.T. 483, T.I.A.S. No. 6839, 729 U.N.T.S. 161.

### *C. Embargo Cooperation: A Long Shot*

The third issue, which is more recent and was one of the contributing factors to the turn around in our relations in 1979, was the partial grain embargo. (It must be noted that initially, the Argentines had a reasonable complaint when they were essentially left out of the discussions and planning that went into that measure.) For the Argentines, there can hardly be a more sensitive issue or one less likely to attract Argentines' participation than a grain embargo. Their prosperity at the turn of the century was built on grains and meat. Argentina went to great lengths in the 1930s to preserve its access to the European markets for grains. Despite the development that has gone on since, agricultural products are a very important part of the picture for Argentina. By and large, Argentina is not a highly efficient producer: it could be, but it has not invested in agriculture to nearly the same extent that the United States and some other countries have.

Argentine cooperation in the embargo was at best a long shot, and how we went about seeking their cooperation was not the best way. As it turned out, the Argentine grain crops were much bigger than expected. It was one thing to cooperate if you were not going to have very much grain to export anyway. When they found out they had a lot more, they went ahead and exported it. There was little cooperation. This remained an issue until it was resolved by the fact that we no longer have the partial grain embargo either.

### *D. Bolivian Border*

For awhile there was an issue over Bolivia. Going back in Argentine history, Bolivia is an area where Argentina feels that they have a national security interest. Bolivia is right on their border and the Argentines are concerned about what goes on in Bolivia. Some Argentines (particularly those who are running the country right now) looked with a very wary eye at some of the people forming the democratic government that was about to take over. Argentina certainly did nothing to stop the military takeover. There are many who think that they might have encouraged it, though the Argentines deny it.

We have come to a meeting of the minds in the sense that the Argentines, like Americans, have no interest in Bolivia being a narcotics font for the world. They condemn such things as we do. The Argentines have supported efforts by the United States to slow narcotics traffic. On the democratic side, the Argentines continue to be

much more skeptical than we are, but by force of events, we have had to accept the fact that it will be some time until the Bolivians can move back toward an elected government. The most urgent problems are economic.

### III. CONCLUSION

In general, conditions surrounding these issues are better now than they were a year or two ago. One obvious manifestation is the fact that the Administration, earlier this year, asked Congress to eliminate the Humphrey-Kennedy amendment<sup>10</sup> which proscribed military assistance or sales by commercial firms of anything on the munitions list to the government of Argentina.

The internal political situation in Argentina is worth an overview: Because Argentina went through the entire Peron cycle, and then tried to eliminate Peronism and find alternatives to it—but could not, they finally allowed Peron back. The military took power in 1976 with a new sense of dedication. Argentina is trying to change economic and political structures so as to provide the basis for a stable, progressive, economically prosperous democratic government in the future.

The first couple of years were taken up by the struggle against the terrorist groups; the next two or three years were taken to get the economy on good footing. The plan, imprecise as it was, called for two to three years of reshaping the political context, amending the constitution and reorganizing the political parties. The objective was, and still is, to have four or five large parties, and to break up the Peronist movement. Economic problems have delayed the plan.

Argentina this year has devalued its currency by some 300 percent. There is very high unemployment in Argentina by their standards. The inflation rate, after finally getting down to 88 percent last year (from 500 to 600 percent in 1976), is going back up again.<sup>11</sup> The growth rate this year is going to be zero or even minus. They still have not quite come to grips with the problem of

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10. Act of Sept. 4, 1961, Pub. L. No. 87-195, Part III, ch.1, § 620B, as added Aug. 4, 1977, Pub. L. No. 95-92, § 11, 91 Stat. 619; Act of Sept. 26, 1978, Pub. L. No. 95-384, § 12(c)(1), 92 Stat. 737, 22 U.S.C. 2372 (Supp. IV 1980), *repealed by* Act of Dec. 29, 1981, Pub. L. No. 97-113, Title VII, § 725(s), 95 Stat. 1553.

11. See 3 No. 1-2 STATISTICAL BULLETIN OF THE OAS 74, Table Nos. A-15 and A-16 (Jan.-June 1981); 1 No. 1 STATISTICAL BULLETIN OF THE OAS 36, Table Nos. A-13 and A-14 (Jan.- March 1979). For a discussion of inflation in Latin America, see S. WACHTER, *LATIN AMERICAN INFLATION* (1976).



government deficits and large, inefficient, government-run industries—some of which are controlled by the military.

The economy still has a long way to go. Because of the economic problems, the political parties have been pressing harder, believing that perhaps there is more opportunity to return quickly to elected government. (All of these factors may have contributed to the decision by the military to oust President Viola<sup>12</sup> yesterday—though it is also true that he had a heart problem and had been in and out of the hospital for the past month.) But it also suggests that no one yet has a sure solution to the political puzzle which has paralyzed Argentina for the past forty years. For their own national self-interest, and in the interest of relations between the United States and Argentina, the Administration hopes that there is steady progress. A strong and prosperous Argentina is essential to the well-being of the hemisphere.

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12. President Roberto Eduardo Viola was replaced by General Leopoldo Fortunato Galtieri. *Argentina: General Failure*, 118 No. 26 TIME 44 (Dec. 21, 1981).