CHAPTER V

SWING OF THE U.S. POLICY PENDULUM BETWEEN CO-OPERATION AND CONFLICT WITH ALTERATION OF POWER IN ARGENTINA.

Argentina, situated strategically in Plata river basin is one of the most important centres of political and economic development in Latin America. It is one of the leading nations of the western hemisphere. Argentina had made rapid strides in its industrialisation during the two decades after the second world war. Apart from purely local industries, whether backed by local or foreign capital, there exist a number of large enterprises, various auxiliary factories and assembly plants for worldwide industrial concern including the American multinational companies. The U.S. has enormous investments in Argentina like many other Latin American countries. Vast and varied resources of Argentina, including agricultural, mineral and uranium resources, constitute the foundation of her rich national wealth and international importance.

United Kingdom remained Argentina's principal customer and investor upto the 40s. But in the post war period, the United States gradually occupied that position comparatively.

with more dominance. During first half of 70s the period that mainly attracts in this chapter of U.S. policy in Latin America, the U.S. investments in Argentina mostly remained unchanged and its relations with Argentina stood status-quo except for a short duration in 1973-74. During this period Argentina experienced, like previous decade, great deal of political instability and social crises. During these five year period Buenos Aires witnessed four governmental changes. Violence and military coups had become as if an integral part of Argentina's politics. In 1970 itself, a military coup put up another new military regime succeeded to control Argentinian presidency. Fortunately the then military regime organised the General Elections in 1973. Utilizing it as a golden opportunity, Argentinians elected a nationalist government led by Dr. Hector Campora, a men of Peron. He took over the presidency but within a few months was gripped with violence between diverse terrorists groups and subsequently desperate economic conditions forced yet another replacement of presidency when Juan Peron, once regarded as the "Bismark" of Argentina, reassumed Argentina's highest office after 18 years in exile. But he expired in 1974 and his wife Isabel, then vice-president, took the responsibility of ruling.

Argentina. Not much educated, Isabel and her government proved to be deplorably weak and, therefore, overthrown in 1976 by a military coup.

Thus, during the first half of 1970s, Argentina was seized by internal political and economic crises. However, Washington anticipated a danger to the U.S. interests by the reemergence of Juan Peron who had been the strongest and most popular figure in Argentine history during 40s and 50s. Peron encouraged the nationalistic and anti-U.S. sentiments in Argentina, though not as rigidly as Allende did in Chile, and was considerably concerned with rising U.S. influence over Argentine economic structure. In about one year of his presidency, obviously, the relations between the U.S. and Argentina remained under severe strains. Significantly, Peron favoured Allende's socialist transformation and strongly criticised America's covert involvement in Chilean affairs.

Except Peron in 1974, the military rulers usually determined the fate of Argentina. These rulers provided favourable conditions for U.S. investments in Argentina. They compromised Argentine economic interests with the
interests of the U.S. In other words, Argentina's rich natural wealth was in a broader sense, sold out to big U.S. business by the military junta who had frequently captured power in the country in 60s and 70s through bloody coups. 4

Significantly, the U.S. companies provided highly paid executive posts to Argentine military officials, who enjoyed substantial financial advantages.

ARGENTINE MILITARY RULERS AND CONSIDERABLE U.S. COMMAND OVER ARGENTINE ECONOMIC INFRASTRUCTURE:

Since 1968, during Ongania military regime the United States petroleum companies Sinclair, Shell, Ohio continental oil, Union oil and Tennessee immutably established themselves in Argentina. In order to facilitate their penetration of the country, during 60s, the Argentine regimes gradually liquidated the State-owned petroleum company Yacimientos Petroliferos Fiscales. 5 Besides oil, the U.S. monopolies also obtained control of Argentina's deposits of lead, Zinc, tin, copper, uranium and other minerals. Notably, high-ranking Argentine military officers assumed well paid posts in the local subsidiaries of the U.S. and foreign monopolies. Significantly, during Ongania regime which was overthrown in June


1970, the Minister of Economy and labour accepted a managerial post in National Lead Corporation belonging to the Rockefeller group. In addition, Minister of Defence enjoyed a top management post in the firm cristalerias Rigolleau and the Minister of Foreign Affairs turned into a manager of the Bromberg Corporation. The top government officials who became corporate officials with Dupont de Nemours, having considerable U.S. investments, and other foreign corporations could also be included in this list. These corporations siphoned off approximately 6,000 million dollars up to military regime of Lanusse in 1973 from Argentina by establishing and maintaining collaboration with Argentina's military regime. The outcome of this U.S. penetration was a rapid devaluation of the Argentine peso, which gifted these supranational corporations with huge amount of benefit so that they could buy stock of Argentine national companies for low prices. In 1973, under the military rule led by Gen. Lanusse, Esso and Shell owned 48 percent of Argentina's refineries and oil business. A major share of this business was also controlled by Pan American Oil and Cities Service.

In addition, more than half of Argentina's cement industry was controlled by the U.S. owned star cement Corporation, while 85 percent of the country's rubber industry were controlled by Goodyear, Firestone and U.S. Rubber. 95 percent motor

6. Ibid.
7. Ibid.
car industry were in the hands of General Motors, Kaiser, Ford, Chrysler, and Fiat Concord. 70 percent of the cement industry were under the control of Duperal, sulfacid, the Dow Chemical Corporation, Williams, Ferro Enamel and other foreign Companies. The Anguilar Company owned the mines in Jujuy province, while the Sominar Company was mining wolfram and bismuth in San Luis province. In addition, foreign corporations, dominated and influenced by the U.S. had acquired the control of 40 percent of Argentina's steel industry, two thirds of the production of rolled steel, 100 percent of the production of non-alcoholic beverages, 95 percent of the pharmaceutical industry, as well as major shares of the meat-packing industry, the production of edible oil, rice, dairy goods, synthetic fibres, cotton, electrical appliances, the building industry, commerce, banking, and insurance companies.

Thus they procured deep-rooted influence almost among every segment of Argentine economic structure. This mass penetration of the Argentine economy by the U.S. and other foreign monopolies was made possible because the military rulers, particularly, General Ongania and General Lanusse, remained loyal to Washington and wanted to suppress the
nationalist movement of the Argentine people mainly guided by Peron from exile, whose victory could have caused difficulties for the United States.

During 60s and 70s, or in other words, after Peron's removal from the office in 1955 the Argentinians reacted to this gradual forcible seizure of power and organised themselves under right-wing and left-wing guerilla groups while on the other, the terrorist methods used to crush them were also further intensified. The guerilla tactics and terrorist tendencies made political environment of Argentina extremely violent. The people's opposition to the U.S. dominance and their hatred towards her penetration steadily increased and were responsible enough for the re-emergence of Peron rule in 1973. Peron had acquired much affinity with common Argentine people due to his own specific personality cult and nationalistic tones.

In spite of U.S. penetration into Argentine economy and internal violent political confrontations, there had been a significant acceleration in industrialisation in Argentina during post second world war years, and Argentina was regarded one of the most industrialised of the "dependent" nations in

the western hemisphere. The dual nature of dependence and industrialisation of Argentine economy turned it slightly different from the dependent and less industrialised nations like Chile. The industrial sector in Argentina served a higher proportion of the gross national product (GNP), and employed a higher proportion of the economically active population than Chile.

Foreign investor, in fact, began to be attracted immediately after the second world war, comparatively more during 60s, toward the large and lucrative Buenos Aires consumer market. Foreign investors including Americans, initially concentrated on the manufacturing sectors except oil exploration field, especially on the production of durable consumer goods either by buying into existing enterprises, or creating new firms. Thus, within the manufacturing sector side by side and in many cases in "joint ventures," there had emerged a strong class of elites or executives, in addition to military officials, who were equally soft to U.S. investments.

ATTITUDES OF ARGENTINE INDUSTRIALISTS AND EXECUTIVES TOWARDS U.S. INVESTMENTS:

The Argentine industrial magnets also remained responsive to foreign and U.S. capital infiltration into Argentine economy. This attitude had far reaching implications for the society because the position taken by them
on any issue such as foreign involvement in Argentine development often reflected in national political policies.

A sizeable majority of the Argentine industrial sector always favoured foreign participation including the U.S., in Argentine progress. They were also inclined to such participation in the banking and the development of technology. Significantly, up to the 60s almost all Argentina owned industrial enterprises were linked to foreign firms through their technological dependence. Notably, the U.S. investment and participation was heavily dominating among the foreign investment in Argentina. Argentine executives also supported U.S. ownership in economy. They were, therefore, hardly militant nationalists and happily tended to favour U.S. involvement in Argentine development. They believed, in fact, that U.S. capital and technological investment would play a supportive role in the development of the Argentine economy. They, therefore also demanded state guarantee to foreign investments. However, the Argentine executives were divided over the terms of dependency one section of them advocated a 'laissez faire' policy that would open the country to unrestrained U.S.

capital influx, and the other sought to limit and control foreign investment competition with national industries and to direct U.S. investment toward national development goals. Significantly, unity between Argentine industrialists and U.S. and international capital did not mean identity of interests. There were, factually, often clashes and irritation between them. The source of these conflicts, however, was not the desire of the industrialists to abolish U.S. and foreign control over the Argentine economy, but their desire and determination to raise custom barriers against U.S. and foreign competition. Their struggle could not go beyond this. These industrialists were nourished and felt more happy during Campora and Peron regime.

Thus, the division among the executives on the role and extent of the U.S. and foreign investment reflects the two types of dependent outlooks, (1) a section of executives was totally identified with the foreign investor community, and (2) other wished to regulate the behavior of U.S. and foreign investment in order to integrate it with national development. But, significantly, both commonly accepted U.S. and foreign participation and Argentine dependence on their investments. As a result, as already mentioned, the U.S. gradually went far ahead in capital investment in Argentina
and acquired a considerable command over Argentina economic infrastructure.

Factually the most striking change in the field of Argentine foreign trade, after 1945, was the replacement of Great Britain by the United States as Argentina's best customer. This primacy of the U.S. over Britain very soon became permanent. The U.S. also replaced Britain as the largest foreign investor in Argentina till 60s, and had shown its capacity to absorb a large volume of Argentina's basic production for export.

POLITICAL AND ECONOMIC MAKE-UP:

In spite of dependency on U.S. investments and internal military uprisings, Argentine economy made tremendous progress as already described. The country increased her trade besides the U.S. with other Latin American countries, particularly her neighbours in South America including Chile. Argentina proceeded more rapidly, during 60s, with the formation of domestic capital than any other Latin American country. Argentina even granted loans and credits to neighbouring countries in Latin America. The country produced more petroleum, more iron during 60s and in petroleum, she attained self sufficiency and even managed exports. But during the first

half of 70s Argentine economy received severe blows due to great political instability, extremely violent clashes between the terrorists of the Right and the Left wings and continuance of confrontation among military rulers and their rivals. Buenos Aires, therefore, experienced frequent changes of government during this period.

MILITARY THE REAL POWER IN ARGENTINA:

Factually, Argentine military had been traditionally closely affiliated with the politics, therefore, military rulers wasted a great deal of their energy on neutralising those who attempted to overthrow them or tried to put pressure on them or to harass and constrain them.

Argentine coups, significantly, had two common strategies, first was intended to overthrow the constitutional order and the key element of the second was to pressurise the government to prevent the functioning of its administration. The country's instability slowed down the pace of industrialisation on the one hand, and on the other shaped the Argentine political atmosphere with violent colours. The terrorist organisations of the Right and the left both remained very active during the first six years in 70s, particularly between 1972 and 1973 when Peron re-emerged in Argentine politics. In addition, the Argentine military
coup makers believed civilian rulers as absurd, and incapable to direct the complicated national affairs. The military, thus, remained the real power in Argentina. The coups, therefore were very familiar phenomena in the Argentine politics. During 1970-76, five Presidents ruled the country. The U.S., Argentine relations in this period should be studied according to these frequent changes in the presidency and due to internal political confrontations with their implications on the U.S. Argentine relations. The first jerk in Argentine politics came when the government of Ongania was overthrown in 1970.

OVERTHROW OF ONGANIA'S MILITARY REGIME:

In June 1970, the government of Juan Carlos Ongania was thrown out of office by a military junta. President Ongania, a military General, himself captured presidency through a bloody coup in 1966. General Alejandro Lanusse, the stolid commander and military junta acquired the power after this coup. Argentine politics had closely acquainted with frequent coups-de-tats, therefore, Ongania's fall was also hardly astonishing for the Americans. Even then, the U.S. administration did feel some irritation, for, Ongania had provided fruitful economic collaborations to the U.S. as already discussed and remained very loyal to Washington throughout his years in office since 1966.

ONGANIA'S PERFORMANCE:

Ongania's downfall had been in the works for quite some time. While he had made some impressive economic strides during his four years in office, such as slowing inflation rate from 30 percent to 7.6 percent a year and building up Argentina's foreign exchange reserves. But, Ongania had driven his country into political bankruptcy. Ignoring his own pledge to restore democratic institutions, Ongania outlawed political parties, dissolved congress and suppressed the country's trade unions, for which particularly the U.S. was happy with him. Workers, frustrated by low wages, and students, suffocating under the government's hampered repression, exploded in violence in 1969, plunging the industrial cities of Cordoba and Rosario into chaos. Demonstrations, bombings and bloodshed became indespread.

Thus, political terror gripped Argentina. Having been forced underground, political parties on both the Left and the Right turned to guerrilla activities to raise their voice. In May 1970, members of a Peronist terror group kidnapped Pedro Aramburu, a former President of Argentina and a former coupmaker was executed by his captors. Aramburu affair surrounded by violence served to undermine Ongania's regime further. 13

14. Ibid.
U.S. REACTION:

In Washington, the coup was greeted with indifference. Factually, the question of denying diplomatic recognition to the new regime in Argentina was never seriously debated within the U.S. administration, due to constant coups. Noting that Argentina had abolished its constitution in the coup in 1966 and that the U.S. had recognised the Ongania regime then, one official observed in response to his removal, that it was just one unconstitutional government replacing another, so why the hell not recognise it?\(^{15}\)

It was considered in Argentina that Lanusse regime will restrict U.S. influence in country's economy but U.S. penetration remained unrestricted even during his regime. But to his credit, he brought back Argentina to a democratic civilian rule.

MILITARY REGIME OF LANUSSE:

When the military strongman Alejandro Agustín Lanusse was proclaimed by military Generals as new President, the Argentine economy and internal law and order situation were a desperate stage. Lanusse, therefore, had a difficult task afoot. Inflation in Argentina was a staggering 50 percent.

\(^{15}\) Ibid, p.18.
in 1972, third highest in the world after Chile and Uruguay.  

**ANNOUNCEMENT OF ELECTIONS BY LANUSSE REGIME AND U.S. RESPONSE:**

Unexpected by Americans, Lanusse surprisingly decided to restore civilian rule in Argentina. He announced in 1971 the General Elections in Argentina that would be held in March 1973, the first in ten years. Washington, however, welcomed the decision. In the initial months, the U.S. corporations and the U.S. government, however, were suspicious to Lanusse regime to be regarded as an outcome of Ongania's regime which provided pleasant facilities to them. Their tensions began to increase when they sensed the coming re-emergence of Peron's leadership with more pace after the declaration of the elections. Juan Domingo Peron was living in exile. He fled the country in 1955 after being ousted from presidency by a military coup.

**ECONOMIC COMPULSIONS BEHIND THE ELECTION DECLARATION AND PERON REEMERGENCE:**

In fact, Argentina's economic morass and the increasing national disencouragement with the military junta that had ruled Argentina since 1966, along with the overwhelming persistence of the Peron mystique forced Lanusse

17. See *Time*, April 24, 1972.
to declare elections in Argentina. Besides, Lanusse seemed willing in himself to return Argentina to constitutional government. For this purpose, he allowed Peron to come out of exile. He did feel, in fact, that without the co-operation of the exiled leader's still potent followers there was no possibility of Argentina's return to constitutional government.\textsuperscript{18} Again, nearly two decades of weak presidents and heavy handed military governments, nine since 1946, have ruined the Argentine economy. Argentina had then chaotic economy saddled with inflation. Inflation for the first ten months of 1971 was staggering 67.3 percent. Foreign investors including U.S. multinational corporations had pulled about \$1 billion in capital out of the country till 1971.\textsuperscript{19} Notably, foreign reserves dropped from \$739 million at the end of 1970 to zero.\textsuperscript{20} However, the exports of goods in 1973 were 57 percent higher than that of 1972.\textsuperscript{21} Gross domestic investment fell by 2.4 percent during his regime. Long-term indebtedness was \$635 million in 1973, while the rate of unemployment was 6.1 percent in April 1973 during his last days in office. The deficit of the national treasury was 19,100 million pesos in 1973 four times the figure of 4,700 million recorded in 1972.\textsuperscript{22}

\textsuperscript{18} See Time, November 27, 1972.
\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid.
\textsuperscript{22} All data are available in Ibid.
Besides, chaotic economic climate, Lanusse's clearance accelerated the clashes between the supporters of Peron and the government. In fact, Peron's return created a new zeal among his supporters. The year of 1972 witnessed the scene of numerous bombings and fightings between Peron's supporters and government troops. Peron declared in Rome, in response to the declaration of the presidential elections in 1973, that he would favour a democratic state in Argentina. He vowed civil liberties and assured to allow a plurality of political parties. "I am not a dictator, I am a slave of the people," he said in the way of coming home.

As a matter of fact, the March elections were the first that the Peronists were ever allowed to contest since the exit of Peron. On three earlier occasions, they had been debarred to set up any candidate and in protest the "discamisados" polled blank votes.

Washington was watching with utmost care, the events leading to the Peron's re-emergence in Argentine politics. Peron, due to his socialistic and nationalistic ideals was not considered as a 'favorable' ruler, in Washington.

In another surprising move, Lanusse regime did not allow Peron to contest elections. Peron, therefore, gave the charge of leadership of his Justicialist Liberation Front to his very confident supporter and an ex-dentist Dr. Hector Campora.24

Peronists fought the elections in collaboration with all and sundry parties representing the right and the left and the moderate elements. The election was contested mainly between Hector Campora and the leader of the Radical Party Ricardo Balbin. Campora swept the elections with 49 percent of the vote. Ricardo Balbin finished a distant second with 21.2 percent. However, Campora failed to get absolute majority but the majority was so impressive that the Military junta waived a run off poll to confirm Dr. Campora's victory because the first vote was two percent less than the majority needed for an outright win.25 Therefore, Lanusse pronounced him victorious.

The vote in 1973 presidential elections was regarded as rejection of seven years of inept military rule. Peron's

Justicialist Liberation Front or Frejuil as it was popularly known, promised a programme of land reform and declared that it will nationalise all bank deposits and take over all foreign trade. There was above $4 billion amount of bank deposits in Argentina. The new regime ushered in significant changes in the economic policy particularly in the external sector. Above all, the programme of Campora government designed to strengthen State participation in the planning and implementation of international trade and finance was very dynamic. The State was given wider powers to intervene in foreign trade under the new policy. In order to enable it to control exports, laws were passed on the trade of meat and grain, which accounted for a substantial part of external sales.

TRADE WITH SOCIALIST COUNTRIES BY CAMROA REGIME:

In addition, Campora regime attempted to widen the range of foreign trade, especially through bilateral agreements. Such agreements were signed with socialist countries and a trade agreement was concluded with Libya in 1973. The most important was the agreement reached with Cuba, which involved exports to the value of $1,200 million over six-years, 95 percent of which would consist of motor vehicles and railway equipment. The agreement reached with Libya covered
the purchase of 3 million tons of petroleum from that country, while Argentine firms were to negotiate the construction of factories in Libya. In respect of foreign investment, the Campora government laid down regulations on the terms of entry of capital, its repatriation, the transfer of profits, reinvestment, and other types of activity. According to the new rules, all foreign investors would have to seek state authorisation. The new acts prohibited the investment of foreign capital in activities relating to national security and defence, public services, insurance, commercial banks, mass communication media, agriculture, stock-raising and forestry enterprises - unless they introduced new technology offering special advantages - and fisheries, unless this provided access to international markets that were closed then. Besides, foreign investors were permitted to remit their profits abroad in amounts not exceeding an annual rate of 12.5 percent, or four points higher than the interest paid in first line banks for the currency in which the repatriable capital was registered on fixed-term deposit for a minimum of 180 days.

Besides new economic measures, Campora took two other radical measures which further antagonised the white House, (1) he announced full-scale amnesty to all political

27. Ibid.
prisoners and guerillas on the very day he took office, and (2) removed the ban on the Communist Party. It added strength to the Peronist coalition besides inducting a new element of pressure to keep the Peronists to the left. Notably, the communist Party, played an important role in forcing Campora's Peronist Party to adopt a socialist programme in line with that of neighbouring Chile.

In response to the declarations of nationalisation of banks and foreign trade by the Campora regime, Washington began to consider the regime as hostile to the U.S. interests. It became more evident when the regime decided to establish relations with Cuba, North Vietnam and North Korea. Notably, several Communist heads of State and their representatives, were present at Campora's inaugural, Cuban President was one of them. In fact, Peron through Campora regime was ambitious to restore Argentina to leadership of Spanish speaking Latin America thereby countering the influence of both Portuguese speaking Brazil, its traditional rival, and the United States. While, to recall, during 60s, the U.S. was making consistent efforts to build Brazil as a strong base in Latin America to expand and to maintain U.S. hegemony in the region.

Thus, Campora made all efforts to establish a Peronist social system in his country. But Campora’s leftist ideals and socialist steps turned Argentine relations with the U.S. in opposite direction. Campora, however, was just an instrument for converting Peron’s ambitious into words to be heard at the White House.

Towards REVIEW OF U.S. POLICY: ARGENTINA:

It was at this time that the White House began to review its traditional policy towards Argentina. With Campora in power, the U.S. could count one more Latin American country around to erase the U.S. colonial influence in the region, besides Chile and Cuba. The new government’s declaration to open diplomatic missions in the socialist countries was a straw in the wind. Pledges to nationalise banks, foreign trade and strategic monopoly industry were obviously not calculated to win friends in Washington.

But on the other hand, Campora regime was suffocating under desperate economy and deteriorating law and order situation in the country. It could not reverse the political climate of confrontation. Terrorism and guerilla activities

29. Ibid.
increased.^{30} Peronist guerillas had developed a high morale in his regime, and they chose their targets in foreign nationals, diplomats and the businessmen, particularly belonging to the U.S. While the right wing terrorist groups who however supported Campora in return to power were not so hostile to foreign nationals and wanted more share in governmental powers. They also desired to contain the regime's shift towards leftism. Peron, of course, once had successfully acquired the support of both the diverse factions of the terrorist groups but their traditional rivalry and opposite line of thinking proved disastrous to Campora regime and later also to Peron himself. Campora regime could not patch up the differences between the terrorist groups.

The Americans too were soon convinced that the government was unable or unwilling to control the guerillas. Dozens of foreign executives, who had been the favourite targets of leftist terrorists, had begun fleeing the country. An American businessman remarked in June 1973, "We have been getting threatening calls for months, now we are listening to them."^{31}

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First few months of Campora regime proved that the regime could not successfully bring about improvements in the internal political situation and economic developments of Argentina. The regime's failure left Peron as the only alternate hope in Argentina. It was considered in political circles that Peron alone could bring back unity in the country and discipline among Peronists as well. Peron himself intelligently judged the mood of the people and considered the time best for substitution in the leadership.  

PERON ASSUMED THE PRESIDENCY:

Campora remained unable to control Argentina's spiraling urban violence which deeply antagonised the U.S. government. During 1973, alone there were at least 100 political assassinations. It became necessary, therefore, to transfer the power to Peron, one of history's imponderables.  Juan Peron, subsequently, assumed the Presidency in July 1973, after staying 18 years in exile.  Isabel Peron, Peron's third wife, became the Vice-President. Thus, history in troubled Argentina completed a full circle.

The situation on Peron's arrival was also so violent that just below the dias at Buenos Aires airport where

Peron was scheduled to speak, the fighting between the Right-wing union leaders and young Leftists started. 35

Just after Peron's arrival in Argentina, a U.S. businessman John Thomson was kidnapped and was released later only after receiving the record ransom money of $3,000,000 dollars. 36

PERON ADVOCACY OF INDEPENDENT ARGENTINA AND U.S. RESPONSE:

Despite widespread ugly violence in Argentina, Peron appeared to be at a peak of political power. He declared that the economic policies of the Campora regime will continue. However, he emphasized the need for approachment with Latin America and Europe and a cooling off of relations with the U.S., which he considered the real danger to the continent and the cause of Argentina's economic backwardness. 37 Peron moved, on the other hand, against unpopular foreign business interests by having the State buy the ITT-owned telegraph system in Argentina. Significantly, in foreign affairs, Peron was the first post-war advocate in Argentina, of non-alignment, urging a "third position" as an alternative to join the bloc led either by the U.S. or the Soviet Union. He conducted vociferous anti-U.S. campaign, alleging that there was "gigematic North American plot" to seize Cuban sugar, Bolivian tea, Chilean copper

37. Link, September 1973, p. 27.
and central American bananas.  

Peron, an 88 year old general, attempted to democratise Argentina's foreign policy, defended his country's national independence, and pursued an open door policy with respect to the socialist countries. After the military putsch in Chile, he accepted 70,000 Chilean refugees and thus helped them escape from Pinochet's torturers. In March 1974, he granted Cuba a loan of 1,200 million dollars. Under the loan agreement, Cuba was to buy 42,000 passenger cars and lorries from Argentina. However, the U.S. government reacted to this deal by reminding Argentina that the blockade of Cuba was still in effect and that United States firms operating abroad had been prohibited to sell their products to Cuba. The Peron government tersely responded that American companies which had their investment in Argentina had to respect Argentine laws. Since then, relations between the United States and Argentina started deteriorating.

In fact, Peron was South America's most famous contemporary figure. He held out the perennial promise that the reuding privileged and underprivileged of Argentina would one day coalesce and turn their richly endowed country

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39. See, Angelo Colleoni, , . . . . op. cit., p. 185
40. Ibid.
into the leading nation of South America. He rose to power in Argentina with these ideas, as a champion of the exploited urban workers, the "shirtless ones" as he affectionately called them. But, Peron actually had always been an apostle of more of a personality cult than a cohesive political ideology. Peron believed in political opportunism, not in the making of a new social order. But he created an ideological facade that promised the people social change, social justice and economic independence from foreign powers especially the United States.

Fortunately to the United States, Peron couldn't continue much due to his ill-health. He expired on July 1, 1974 after about one year of presidency. Peron era, once the strongest in Argentina, abruptly came to an end. He was succeeded in office by his wife Isabel.

WEAK ISABEL GOVERNMENT:

Peron's successor Maria Estela Martinez de Peron or Isabel became the first woman chief of state in the history of Argentina and the Americas. Her ability to stand up to the bewildering array of problems facing

42. Ibid.
Argentina was widely questioned. She also felt great difficulty in enforcing peace and unity among Peron's desperate followers. The first year of her rule revealed that she could not be astute enough to withstand the divisive forces of Peronism.43

Isabel opened her term saying "what was good for General Peron will be good for me. Neither at home nor abroad will the national line vary so much as a whit."44 Isabel, factually, rose on the horizon of Argentine politics only due to Peron. But, Argentine's political turmoil continued even after Isabel's succession, and she couldn't maintain the support of Peronists.45 The magic of Peron was gradually diminishing. The Montoneros, a leftist guerilla organisation that helped return of Peron to power accused in 1975. Isabel of "harbouring imperialists and oligarchs" and declared war on her government.46 Her weak command over Argentine political affairs gradually increased interference of the army in civil administration, which revealed its disastrous outcome when Isabel government was overthrown by a military coup in March 1976.

43. See Link, August 24, 1975, p.24.
44. Time, July 22, 1974.
46. Ibid.
SERIES OF NATIONALISATIONS BY ISABEL GOVERNMENT AND
THE U.S. HOSTILITY:

The U.S. administration was hostile to the Isabel
government as it was to Peron. The United States was much
more annoyed when Isabel government nationalised all
enterprises engaged in commerce with liquid fuels, which
dealt a heavy blow to U.S. and foreign corporations.47
In response, the European Economic community, influenced
by the U.S., banned all meat imports in September 1974 to
Argentina. Meat imports constituted one third of total
Argentine imports. Argentina experienced a sharp drop
from nearly $4,000 million in 1974 to 3,000 million
dollars in 1975 in export of goods.48 This was partly due
to the above drastic restrictions by the EEC. The value of
Petroleum imports which had tripped in 1974, fell by
12 percent in 1975. Thus, Argentina during Isabel rule was
suffering serious economic setbacks. Inflation reached
in 1975 to an unprecedented level approximately 40 percent.49
Finally the government could not exist more and was over-
thrown by military up, coup in 1976.

To sum, the United States gradually penetrated its
capital and subsequent influence into the Argentine

47. See, Angelo Colleoni,..... op. cit., p. 186.
economic structure through client military regimes in Buenos Aires. Due to her coups Argentina was regarded as a land of revolutions. As a consequence of these frequent coups, as stable on the one hand, constitutional order in Argentina could not emerge and on the other disorder and violence seemed to pervade almost all levels of Argentine society. In addition, the U.S. policy towards Argentina had the objective to seize Argentina's natural wealth. American Corporations had invested huge capital in Argentina to tap and export raw materials essential for their own industry and thereby to conserve their own natural resources. While the military regimes of Argentina served U.S. capitalists interests, they also remained closely tied with U.S. hegemony and her economic imperialism. U.S. penetration only suffered some set back during the Campora and Peron regimes and to some slight degree under Isabel's rule. But internal political dissensions and early fall of Campora and Peron regimes vanished nationalistic threats to the U.S. interests in Argentina. The last days of 1975 signaled that U.S. Argentina relations would return to old tracks once again in very near future. In March, 1976 Isabel government was overthrown again by a Military coup and the Argentine history repeated itself in its "good" old pattern more suitable to the U.S. interests in Latin America.
