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Between A Rock And A Hard Place:
*Argentina in the Second World War*

By Joshua M. Hannan
The history of World War II is usually written in terms of the Axis powers of Germany, Japan, and Italy versus the Allied forces of the United States, the Soviet Union, and Great Britain. While this is the most obvious approach to the subject, it leaves out essential elements of the events surrounding the war. While World War II is often referred to as the “Good War” by those who view it as a conflict of ideologies, it has its roots in a more basic struggle, a struggle for economic and political power. It is within that struggle that we find the complex relationships that Argentina held with Germany, Great Britain, and most importantly, the United States.

In the years leading up to the war Argentina had begun to position itself within the international community. A budding world power, Argentina saw the war not as a battle of ideologies but as an economic and political opportunity. Unfortunately, for Argentina, somewhere in the strange web of international politics, they upset the balance of power and despite a short-term economic windfall, came up short.

Delving into the various, sometimes complex, issues surrounding Argentina in the period leading up to, during and after World War II can be confusing. Before doing so, one should have a general understanding of the events that lead up to this point, as well as an idea of what was at stake. While the focus of this paper is on the events surrounding the war
and its outcome, the events leading up to it are possibly the most important.

The League of Nations had been formed, however, the United States Congress was preventing its nation from joining. Argentina saw this as an opportunity to work within the world community to displace the United States in the Western Hemisphere. A dispute between Paraguay and Bolivia created the perfect testing ground for this new challenge. The United States and Argentina were both interested in heading the peace negotiations between the two belligerent nations. The United States allied itself with Colombia, Cuba, Mexico, and Uruguay while Argentina created a group comprised of itself, Brazil, Chile, and Peru (ABCP). Because the members of ABCP were also border states, Argentina started with the upper hand. This was a position that they would be successful in holding.

From a position of newly gained power, Argentina took full advantage of the United States vulnerability. During negotiations with the League of Nations Argentina was able to distinguish itself from the Pan-American countries by stating, "the Monroe Doctrine...is a unilateral declaration, which in its time lent distinguished service to the cause of American emancipation, but which does not constitute a regional
agreement as the mentioned article expresses it.\textsuperscript{1} After releasing themselves from some of the political strings of the United States, Argentina took it a step further. Using its strength within the international community—in the form of Woodrow Wilson's League of Nations—Argentina challenged the United States legitimacy to negotiate the dispute. Moreover, although tensions between the two countries would continue for many years, Argentina had scored the first victory.

Despite these early antagonistic beginnings with the United States, Argentina actually chose the position of neutrality at the beginning of World War II. This initially conformed to the United States policy and Argentina's neutrality was confirmed in Panama (1939) where the First Meeting of Consultation of the American Foreign Ministers was held. The conferences leadership group was that of the Pan American Union (a group that Argentina would later come to ignore). It was in these meetings that a hemispheric resolve was met. At the center of this resolve were three guiding principles: "neutrality, protection of peace in the hemisphere, and economic cooperation to ameliorate the effects of the war on the economies of the American countries."\textsuperscript{2}

\textsuperscript{2} Ibid. pp. 51
The resolve of the conference was quickly tested. Dr. Leopoldo Melo, the head of the Argentine delegation, had predicted trouble. When the British-German naval conflict off the coast of neighboring Uruguay ended in the sinking of the German cruiser, Graf Spee, it came as no surprise. Because Argentine officials had suspected that an event would challenge the resolve of the conference, they began to question how the coalition would proceed. When no response came, a split soon followed. This would come to be seen as a turning point for Argentine leadership, who set out to redefine the uniform neutrality of which they were a part. They did not find an ally in the United States although questions remain as to whether the Argentine policy was, in reality, a split from United States policy.

A festering split between the United States and Argentina made itself evident at the Second Meeting of the Foreign Ministers of the American Countries in Havana, 1940. Dr. Mello and Cordell Hull, the moralistic U.S.

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3 Argentine neutrality is sometimes referred to, as a concept called "non-belligerency". It has been described as, "a status somewhere between belligerency and neutrality and more a political concept than a legal one. The essence of non-belligerency, as it was pursued in World War II, is the favoring of one of the belligerent states or coalitions in a war to the extent of rendering economic and other support while at the same time continuing to enjoy the rights of neutrality. International legal experts (as of 1998) agree that non-belligerency is not an accepted status under international law."

Secretary of State spent most of the conference at odds with each other. This was a continuation of a division that started in Buenos Aires (1936) when Hull claimed credit for the developing the “meetings of American foreign ministers...to deal with emergencies,” that had been suggested by the Argentine delegation, without giving them recognition.\(^4\) This was in stark contrast to the early beginnings of their relationship that had started with the two men both politically and socially friendly with each other. Unfortunately, the animosity between Hull and Argentina would grow, consuming U.S. foreign policy towards Argentina and strengthening Argentine resolve against the monster of the North.

Just as with the overlying issue, the views of Secretary of State Cordell Hull are complex and full of dispute. Hull was seen as “a Southern Puritan, who believed in citing the Old Testament and the War of Secession as means of solving contemporary problems” by the Argentine diplomats.\(^5\) He was not viewed much better in his own country where it was suggested that Argentina was given to him as a “play toy.”\(^6\) Historian Warren Kimball asserts that “Hull must not be dismissed as an

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\(^6\) Warren F. Kimball, *Roosevelt and Anglo-American Competition in Latin America from Argentina Between Great Powers, 1939-46*, pp. 27
unimportant, uninfluential foreign policy figure." Kimball's assertions are correct because there is no other figure in United States-Argentine relations at the time that had a greater impact.

While his impact was big, it was not a positive one. Hull felt that all American countries should have stepped up right away and unified against the Axis. Even in his capacity as Secretary of State, Hull was undercut by the Undersecretary Sumner Welles. Welles was the President's friend and the architect of the Good Neighbor Policy. He and Hull were opposites from day one, and on many occasions Welles would simply bypass the chain of command and go directly to F.D.R. For Welles this was a necessity because Hull disregarded what he considered valid information and would not work with other departments unless it served his needs. This created a situation in which Hull found it necessary to prove himself to Roosevelt with the hopes that he would join the president's inner circle. This dispute, while it did not always revolve around Argentina, would end with the resignation of Welles in 1943, eliminating one of the biggest checks on Hull's moral assault of Argentina. Hull's approach, had it been successful, would have resulted in a blueprint for dealing with Latin American countries. Instead, the results were far from what had been desired.

7 Ibid. pp. 27
Hull had known that the Ramirez presidency was in jeopardy. Ramirez had asked for United States intelligence materials on his rivals. Knowing that the materials would essentially seal a pact between the Argentine government and the United States, Hull refused the request. As Randall B. Woods suggests, "Ironically, the Secretary of State contributed to the fall of a government he had already brought under his control, and in so doing provided the opportunity for Colonel Peron...to seize power."\(^8\)

One possible explanation for this move was that when Peron came on the scene as a member of the Grupo de Oficiales Unidos (GOU), the U.S. initially thought they had an ally. Instead what they got was a politician. Peron was someone who knew the value of political wheeling and dealing. He knew that by getting on the good side of the United States he would be able to benefit his country, as well as himself. While Peron was aware the benefits of a political alliance with the United States were positive, nevertheless, he was (at least publicly) upset by the interventionist policies that were a reality despite the Good Neighbor Policy. Partially due to this, he placed Argentina in the philosophical, "Third Position" between capitalism and communism.\(^9\) Although he believed this ideologically, he did not practice it economically. At first, it was his ability to separate the

ideology from the economy that kept him in a position of power both at home and abroad.

A number of sources suggest that the relationship between the United States and Argentina had less to do with Cordell Hull's animosity toward Argentina and more to do with economic and political challenges to the United States. These challenges led to a United States approach that tried to create a politically friendly environment in Argentina. This was despite the Good Neighbor policy's supposed anti-interventionist premises. In the end, Argentina needed little help in destroying its economy. After all, "in 1940 Argentina had a per capita income and a degree of social development which placed her among the most 'advanced' countries in the world. By 1970 she was already a well-established member of the third world."10 Although, it is unlikely that this could be accomplished without an outside influence.

The United States initiated its interventionist activities by leaking diplomatic information to the Argentine press. In addition, the Argentine papers found themselves as the grounds for a propaganda battle between the United States and Germany, both of which funneled financial support in exchange for propaganda. The influence of both the United States and

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Germany lead to an increased destabilization of the already unstable political parties. This was in part due to party ties to the newspapers, which created images of party influence from abroad. This was much more of a problem for the pro-American papers as it was fuel for the anti-American cause.11

From there, an economic boycott began. Between the years of 1942 and 1949 the U.S. refused license to export, "steel machinery, railway replacement parts and rolling stock, petroleum equipment and chemicals, iron and steel, coal, fuel oil, caustic soda and ash, tinplate, etc., to a far greater extent than was justified by wartime scarcities, and with the intention of increasing Argentina’s vulnerability, for which purpose studies were undertaken by U.S. government officials.”12 While these statistics may be questioned as unimportant because of the strength of Argentina’s economic ties with Europe, they become more relevant in light of the enormous shift in North American reliance before the war.13 This situation

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10 Carlos Escude, US Political Destabilization and Economic Boycott of Argentina during the 1940’s from Argentina Between Great Powers, 1939-46, pp. 56
11 Mario Rapoport, Foreign and Domestic Policy in Argentina during the Second World War: The Traditional Political Parties and the Military Regime, 1943-45 from Argentina Between the Great Powers, 1939-46, pp. 93-94
12 Carlos Escude, US Political Destabilization and Economic Boycott of Argentina during the 1940’s from Argentina Between Great Powers, 1939-46, pp. 63
13 United States trade from Argentina before 1941 had accounted for only 13-15 percent in comparison to the 40 percent that Great Britain and Germany accounted for when combined. By the end of 1941, Argentina would rely upon the United States for 36 percent of their foreign trade and become almost completely reliant upon for industrial goods. Once Argentina became reliant upon the United States for both importing and exporting; the United States was able to apply pressure. This was only possible in areas that the United States, or its allies, was not reliant upon Argentina for such as linseed and maize.
was no coincidence and it became the second battleground within
Argentina by outside forces.

This time, rather than Germany, England was the opposing interest.
For it was Great Britain's half-hearted support of these measures rather
than Argentine resistance that is usually given credit for the ending of
sanctions by the United States. (While this view is largely agreed upon, the
measures of Argentine political resistance by the various regimes and their
economic success despite the withholding of goods and a policy aimed at
"not permit[ing] the expansion of Argentine heavy industry" must be taken
into account.14)

Two schools of thought have developed in regards to Great Britain's
role. One has suggested that Great Britain tried to build upon the success
it had had before the war in order to have it continue through to post war
matters.15 The second is considered more of a reaction to United States
policy, which Great Britain viewed as unnecessary. While Great Britain
would wage a war of influence with the United States, early on in the war
Britain was primarily interested in Argentine beef.

Foundation, 1941. pp. 46
14 Carlos Escude, US Political Destabilization and Economic Boycott of Argentina during the
1940's from Argentina Between Great Powers, 1939-46, pp. 64

15 Ronald C. Newton, Disorderly Succession: Great Britain, The United States and the 'Nazi
At one point Great Britain completed a contract for 1,500,000 tons of beef. The British were Argentina's biggest buyers of meat during the war. It accounted for 40 percent of the British beef consumption and close to 80 percent of the exported Argentine beef. A surprisingly important political struggle would ensue over the British need for beef.

As the United States began its economic isolation of Argentina, it knew that it had to have the compliance of its British ally. When approached with this request the British response was a puzzled, emphatic no! They were puzzled because unlike their North American ally, they understood that Argentina's position was not out of the ordinary. In fact, Carlos Escude suggests "that the British were actually grateful to Argentina for her cooperation." After all, Argentina had sold it the beef it needed on credit. Another reason for Great Britain's lack of cooperation was the inability of the United States to meet their beef needs and the British unwillingness to meet the United States request to switch to pork. The unreasonable requests by the United States would keep coming.

Despite warnings by his staff, as well as the Treasury Department, Secretary Hull continued to press the British for their cooperation. When

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17 Carlos Escude, *US Political Destabilization and Economic Boycott of Argentina during the 1940's from Argentina Between Great Powers, 1939-46*, pp. 61
he did not receive it, he went ahead anyway. Hull believed that Great Britain, in its weakened state, could not help Argentina that much. It was a miscalculation on his part because, as Randall Woods suggests, “the British were convinced that the vital force behind America’s animosity toward Argentina was Buenos Aires challenge to U.S. supremacy in the Western Hemisphere.”¹⁸ The British also believed that they were “being asked to help restore Washington’s authority in South America, a cause British diplomats were not at all sure was in their best interest.”¹⁹ British investment in Argentina before the war had gone unmatched. In addition to their concerns about the motivations of the United States, the British felt that it was at least partially the fault of Hull and therefore the United States that Peron’s coup had been successful.

The addition of the British perspective initially seemed to complicate matters. Instead, the issues seem much closer to being resolved. No matter what the motivation, Great Britain was able to play the role of spoiler. If the role of spoiler had not already been filled by Great Britain, it would have been filled by Germany.

Nazi propaganda, fascist influence, and the threat of a military “Third Column” made up of German immigrants were ways that Germany

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¹⁹ Ibid.
disrupted the influence of the United States. The Germans, who really played less of a role in Argentina than is popularly believed, needed natural resources as well. In the process, they were able to create a situation that forced the United States to intervene.

Cereal, an item that Argentina had sold in competition with the United States before the war, was now a market that they could monopolize, at least in Germany. German stockpiling soon became a problem for both Argentina and the Allies. For Argentina, it was a problem because Germany was selling the goods at an inflated price and in some cases to "their [Argentina's] latino vendors."\(^{20}\) It was a problem for the Allies because they wanted to cut off supplies to Germany. At one point, the Allies started buying, just to stop it from getting into the hands of the Germans.

As if supplying the enemy with food was not enough of a problem for the United States, Argentina housed a number of German owned industries. Again, the United States tried to get Argentina to follow its lead and freeze the German assets. Unlike the United States, Germany allowed technology and money to flow freely between itself and Argentina creating a situation the industry-starved Argentina could not replace.

\(^{20}\) Ronald C. Newton, *Disorderly Succession: Great Britain, The United States and the 'Nazi Menace' in Argentina, 1938-1947* from *Argentina Between Great Powers 1939-46*, pp. 123
That is really what Argentina's dealings with Germany come down to. They would have been willing to curtail their economic activities with Germany had the United States been willing to replace them. The United States, and more importantly, Cordell Hull were unwilling to do so, simply as a matter of principle. He saw this as an issue of Pan-American unity rather than in the practical terms that seemingly everyone else did.

As with the debate over outside influence, different theories have explained the reasons behind Argentina's supposed split from Pan-American Unity. Joseph S. Tulchin suggests that Argentina's "elite remained convinced that their country was destined for greatness and would soon overtake the USA in the race for dominance."\(^{21}\) No where is greater support for Tulchin's findings than in Alberto Conil Pas and Gustavo Ferrari's book, *Argentine Foreign Policy: 1930-1962*. In their book it is stated that, "on the international scene the Argentine attitude was to be so distinguished that she would enter into open rivalry with the United States for domination in the conduct of the hemisphere."\(^{22}\) This comment, while supportive of Tulchin's theory, is not reflective of the tone of their book. Despite the negative light that they portray Argentina in several of

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their referential points are supportive of the need for Argentine independence in the global community.

Tulchin also suggests that frustration at their position would, "permeate Argentine foreign policy and...cause friction in the relationship with the USA."23 His theory is well supported. Argentina's foreign policy during this period tended to be strong, in terms of maintaining independence and asserting itself in international issues. This was exemplified in its rejection of the Monroe Doctrine, its participation in the League of Nations, and each of the Meetings of the Foreign Ministers.

The debate about the supporting material above continued with shifts in thought vacillating--from pro-Argentina to pro-interventionist America--as they do in most historical subjects. In this case, the historiography does not clarify the issues. It is not until inspection of relevant primary sources that the clarity of Argentina's role becomes evident. Jose Maria Cantilo's inaugural speech in conjunction with United States Department of State papers are those primary sources.

"American solidarity, gentlemen, is a fact which no one can or does put in doubt. Each and every one of us is disposed to uphold and to approve this solidarity in the face of any danger, wherever it may come from, that may threaten the independence or the sovereignty of any state of this part of the world. For this we do not need any special pacts. The pact has already been made by our history. We would act with a single and identical impulse, our territorial borders wiped out and under a single flag for all—the flag of liberty and

justice. But Argentina believes that each American people, with its distinctive character, ought to develop its own policy without forgetting thereby the great continental solidarity or the natural gravitation of reciprocal interests that are grouped by reason of geography.

It must be said that our continental solidarity cannot be exclusive of what unites us to the rest of the human race, and that we cannot be disinterested in what occurs outside America. Argentina has not done so and will not do so, not only for reasons in the economic sphere, but also for historical considerations as well as those of sentimental character."

By 1933, as was mentioned before, Argentina had begun positioning itself as a power in the Western Hemisphere, if not in the international community. They had been separating themselves from any attempts by the United States to break economic ties with Europe because it was not in their best interest. Argentina saw the creation of a Western geographical alliance, which was what the United States wanted, as going against its national identity, which was largely European. The Argentine position of national interest, as it was reflective of the position of almost every other powerful country during the war, supported Cantilo's argument.

"Just as the United States maintained the Open Door Policy in China, was moved to interest herself in the Hawaiian Islands, and then after the 1898 war with Spain obtained the cession of the Philippine Islands—a policy that was not exclusively American—so the interests, and not Argentina's alone, held by the River Plate countries in the European markets are in opposition and do carry weight in their national and international policies. But here economic reasons are not necessarily of paramount importance in determining the course of Argentine international policy. We feel a close solidarity with Europe through the immigration we received so much to our greatness; also to European capital we owe the development of our agricultural production, of our railroads and industries. Even beyond this, our mind is impregnated with the memory of the men who had discovered and populated these lands and with the cultural tradition they had bequeathed to us. From Spain came our race and religion, while from France, Great Britain, and the United States came the doctrinal orientation of our democratic institutions. If to the mother country we owe the basis of our literature, then to French culture we owe the basic formation of our intellectual life and to Italy and Germany all the vital aspects of our evolution.
Hence the predominating influence in our educational system and in our universities is European. This influence obviously affects the international policy of Argentina as it does, I am sure, that of all Latin peoples of this continent; in the same way the interests of the British Empire are cherished and must be cherished by our brothers in the north."

Drawing a comparison with the United States was another strength of Cantilo's argument. He was right to do so. After all, both countries had been isolationist up to this point. Each was trying to assert itself in a way that they had not done before. Images of the best of Europe coming together in a melting pot to create the best of both Old World and New illustrate Cantilo's American Dream. The gulf between the two American dreams becomes evident when he invokes the strength of British ties to North America (U.S.).

"Thus stands determined the attitude which the Argentine delegation is to adopt in this conference, but nothing of this is to sink us into unilateral and sectarian exclusivisms. Universalism, the ecumenical spirit, is the tradition in the country of him who one day in Washington had expounded the motto of Argentine international policy as "America for Humanity." 24

In the final portion of Cantilo's speech, his strongest effort was ignored. In the face of fascism, he urged the members of the other American states to avoid absolutism. Such sound advice combined with Argentina's pragmatic and honest form of neutrality may have kept both countries out of the war. Nevertheless, the United States in the form of

24 Ibid. pp. 44-46
Cordell Hull kept pushing harder towards a point that could only include war.

Interpretations of Argentina's role in World War II have seen no greater evolution than the country with which it has had the most dynamic relationship, namely the United States. While many of the broader aspects of the time such as Axis sympathy and a pro-fascist government still are considered historically accurate, many of accusations have found themselves either proved false or revised over the years. No where is this contrast more evident than in two U.S. State Department documents, Consultation Among the American Republics With Respect to the ARGENTINE SITUATION (1946) and U.S. and Allied Wartime and Postwar Relations and Negotiations with Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury (1998).

The Consultation Among the American Republics, usually referred to as the Argentine Blue Book, stands today as a prime example of misguided U.S. foreign policy. That does not mean that it did not fulfill most of the goals that it set out. The U.S. presented the Argentine Blue Book to the Republics of Latin America in 1946. It was an effort to reveal an Argentina that had politically, financially, and militarily tried to create "a bloc of South
American states, whose center Argentina should be."\(^{25}\) Had Argentina been successful it was suggested, a group of "totalitarian individuals and groups, both military and civilian" would have built "in [the Western] Hemisphere...a totalitarian state."\(^{26}\) The United States contended that it was Argentina, not the U.S., who disrupted the Good Neighbor policy, despite the fact that the Blue Book can only be viewed as an effort of direct intervention on the part of the United States.

While the Blue Book found success in isolating Argentina from the rest of Latin America not all of the results were favorable. Current sources dispute the "successful" findings of the Blue Book. Specifically, the current administration at the United States State Department which says, "U.S. suspicions—[were] never substantiated" and that "the Blue Book gave rise to considerable anti-American public sentiment, and may have helped to elect Juan Peron President of Argentina."\(^{27}\) These findings truly represent the greatest shift in thought possible: The United States government finding itself responsible for events that it blamed on another country. The prudent


\(^{27}\) U.S. Department of State.  U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina.  pp. xxxvi
warnings of Jose Maria Cantilo's speech joined with the propaganda of the Blue Book creates a vastly different picture of the roles of both Argentina and the United States in World War Two.

What replaces the images created by a map of South America written in German and dotted with Nazi flags? What conclusions can be drawn from the various impressions and interpretations of Argentina's role in World War Two? (After all, it was the United State, not Argentina that broke the hemispheric resolve of neutrality with the Lend-Lease Act.)

Argentina was on the verge of a new status within the world community, of that there is no doubt. Unfortunately, they overestimated their own global importance. The world powers were not, and some would argue still are not, ready for Argentina to take a larger role. While that is clear, there is little agreement as to the specific causation. With the death of Roosevelt and the retirement of Secretary Hull came the end of the United States planned destruction of the Argentine economy.28 One can only hope that its long term effects were not as devastating as they seemed and that unlike one British perspective, that Argentina's once bright future is ahead of it and not behind.

Bibliography

Primary Resources


Books


