The rise and fall of the third position. Bolivia, Perón and the Cold War, 1943-1954

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SUMMARY
The doctrine of the Third Position drawn by Peron between 1946 and 1955 was an attempt to find an alternative to the opposition between the Liberal West and the Communist East. In practical terms, it resulted in the project to create a bloc of Latin-American nations independent both from Washington and from Moscow. Peron's project interpreted the region's peaking nationalist feelings and amounted to a challenge on the United States in the toughest phase of the Cold War. However, the Third Position soon revealed the limitations -economic weakness, diplomatic dilettantism- that led to its demise and sub-ordination to the iron logic of the Cold War. This article examines one of those limitations, scarcely explored by the literature: the hegemonic, even sub-imperialist aspect that the Third Position assumed in the eyes of Argentina's neighboring countries. This trait would eventually induce those countries to seek the protection of a strong and distant Empire, the United States, before submitting to the ambitions of a weaker, closer power, Peron's Argentina. This article reconstructs such political dynamics drawing on the competition between Washington and Peron for the control of Bolivia between 1943 and 1955 as an example.

Poor but ambitious, weak but feared. Caught between the Atlantic and the Pacific, between Brazil and Argentina, between the embrace of the tin barons, the misery and bitterness of the Indians, the silent anger of the miners, and annoyed with neighboring Chile that had once deprived them of the sea, Bolivia was a useful ally, a precious colony or a time bomb that needed deactivation. In the Second World War and at the beginning of the Cold War it became disputed territory. On the one hand, the United States decided to include the country in the system that crowned its “manifest destiny” in the Americas, the guaranty of hegemony and security; on the other, the exuberant Argentina of Perón, was ready to make her a minor partner in the nationalist axis which it had ambitions to create and lead. In the midst of the rivalries swarmed, equally sensitive to Bolivia’s destiny, a dense net of hates and loves, of sympathies and antipathies, of new and old ambitions that sliced through the map of America. Certainly, this competition between Washington and Buenos Aires was unequal. Perón came out damaged but full of vitality as, after all, it was no more than a mirror of the division of waters between two histories, two souls, two Americas: the Latin and the Anglosaxon.
Before becoming submerged in the “war for Bolivia”, it is worth positing two premises. The first, everything began in 1943. First in June, in Buenos Aires, when the military imposed a nationalist regime from whose breast Perón would emerge; later, in December, in La Paz where, with the complicity of Argentina, something similar occurred. Both regimes, visualized as followers of fascism, incurred the wrath of the United States and would suffer from the drastic counter measures that this country would put in place. The “war” came to its end in 1954 when Eisenhower took Bolivia under his protection even though it was still governed by the same party, the MNR (Movimiento Nacionalista Revolucionario), and the same man, Victor Paz Estenssoro. Both had been denounced by the North Americans as agents of the now definitively vaporized expansionist plans of Argentina. Bolivia distanced itself from Buenos Aires and drew closer to Washington, in compliance with the rules of the bipolar world.

The second premise concerns the sources used and the point of view that they impose. Unpublished and, for the most part, Latin American, they force us to transcend the bilateral dimension, which is to say, the relations between the United States on the one hand and Argentina and Bolivia on the other. What these sources reveal is that the results of the skirmish between Washington and Buenos Aires was not determined solely by the implacable logic of the Cold War but also by the history and structure of regional relations. Ambitions, resentments, fears and interests divided the Latin American countries to a degree sufficient to induce them to prefer a wealthy and distant referee over the Peronist siren songs; they preferred a strong imperialism to a poor and invasive sub-imperialism which lacked any legitimacy.

1.  Truman, Perón, Villarroel, or the roads that forked: 1943-1946

On June 4, 1943 the military took power in Buenos Aires, establishing a regime that, although with conspicuous peculiarities, could be included within the family of fascisms. It encouraged a visceral nationalism and ambitions for power; its sworn enemies were liberalism, capitalism, imperialism, protestantism. Was it not the Anglosaxon “plutocracy” that had reduced Latin America to servitude, imposing foreign values and ways of living? Certainly, the regime never stood out for its cohesion, nor did it enjoy favorable conditions. Even so, the able leadership of Perón, capable of building around himself a consensus necessary to win elections, avoided succumbing to the vortex that was swallowing other members of his political family. Foreign policy continued to be a strong umbilical cord between Perón and the military government in whose bosom he had grown. And, in effect, he received neutrality as an inheritance. This was a policy not so much or even exclusively centered in the war, although he and the military remained neutral while it was possible. It was, above all, a position taken with regard to the conflict between the liberal West and the communist East. Perón, raised in the shadow of fascism and Catholic traditionalism, retrieved the ambitions of a third way; which is to say, to create and lead a Latin bloc of nations, autonomous from Washington and from Moscow. It was an indigestible aspiration for the United States, insistent in reuniting around itself the whole hemisphere, first in the war against fascism, after in confronting communism. As things stood, the collision between the United States and the Peronist Third Position could be taken for granted.

In addition, the clash was assured by the expansionist inspiration of the Third Position. With this, Argentina and Perón claimed a universal mission: to convert themselves into guides of a civilization – Catholic, Hispanic, Latin – threatened at its material and spiritual base by liberals and communists, individualists and collectivists, Protestants and atheists. A civilization suspended between a Europe in ruins and a Latin America subjugated to the United States, in which Argentina stood out for its vitality, wealth and culture. In conclusion, the Third Position reflected Argentine exceptionalism, equal to and opposed to the United States.
Meanwhile, in Bolivia, on December 20, 1943, a replica of what took place six months earlier in Buenos Aires took place: a military coup, with the backing of the MNR, defeated the regime of the “crown”, the local oligarchy. The proclamations of the new leader, Colonel Villarroel, and of Paz Estenssoro, back from exile in Buenos Aires, left no doubts: nationalism and anti-imperialism were now in charge. Already quite alarmed by what had happened in Buenos Aires, which had led to the tough response of a quarantine, the State Department began to smell fire. Did the long arm of the powerful neighbor reach as far as La Paz? And behind it, the Axis itself? It was plausible that the Argentine military had been involved and, moreover, there was no doubt that the Argentine ambassador in La Paz knew of the developing machinations, nor was there any uncertainty with respect to the sympathies of the golpistas for the government in Buenos Aires and its neutrality policy. Neither was there any question about the visit that had just been made by Paz Estenssoro to the Argentine capital, nor over the fury that the golpe would unleash in Washington, with the consequent risks of Bolivia’s economic strangulation.

The affinity between the regimes in Argentina and Bolivia were evident. The Papal Nuncio in La Paz, confident of the honeymoon between Buenos Aires and the Holy See, thought that the sources most able to give him information about the stability of the new government were the Argentine diplomats. The new regime had already let it be known, through the mouth of the new Ministry of Foreign Relations, that it expected to be recognized by the Vatican and Argentina to the point that a priest, close to the authorities that had just taken over, predicted Bolivia’s entrance into the Argentine sphere of influence.

It was not accidental that the United States, certain that the coup in La Paz had been planned in Buenos Aires, avoided all contact with the new regime. “It’s a shame that Bolivia doesn’t have a port,” growled a North American naval official, “because by now they would have learned what the U.S. Navy is worth.” Returning to the issue of an Argentine colleague he added, “Soon we will no longer greet each other.” The Chilean government, no less worried about possible golpista schemes, shared the opinion to the point that it found a way to warn the Argentine government, revealing that it was aware of the interviews that Paz Estenssoro had in Buenos Aires on the eve of the coup in La Paz. This calling a spade a spade meant that Chile was on the alert and that it would not be converted into another Bolivia.

Taking into account how the war was evolving, Bolivian dependence on U.S. purchases of tin and Argentine isolation, the result of the clash between Washington and Buenos Aires was a given. For its part, the United States didn’t exactly use silk gloves to advise the disobedient Bolivians of the unhealthiness of the Argentine embrace. In line with the early prediction formulated by the Navy official, Uncle Sam was extremely tough. The commitment made by Villarroel to the United Nations was not enough to calm it down, nor his decision to maintain relations with Argentina frozen, sending an chargé d’affaires there with the unpleasant mission of cultivating Argentine friendship without losing that of the United States.

Washington was persuaded of the interference of Buenos Aires in Bolivia and took the unilateral Argentine recognition of the new regime in La Paz as an open challenge to hemispheric unity. Walter Lippman saw in this act the first step of a strategy leading toward the creation of a fascist bloc in Latin America. The United Stated responded with the toughest admonition directed at another American country since Roosevelt inaugurated the Good Neighbor policy. From the stand point of La Paz, this was an injustice. What is certain is that the government, accused of destabilizing the region and undermining the United Nations, found that the United States refused to recognize it and that Bolivia was left isolated.
Meanwhile, neighboring countries fearful of the Buenos Aires-La Paz axis, fed the war of nerves. It even came to the point that there was a rumor that Brazil, the center of the North American system of alliances in South America, was disposed to occupy Bolivia. On finding out that Chile was already massing troops on the frontier and that U.S. aviation contingents collaborated with the Chileans in the construction of new airports, in March 1944 the Bolivian government sounded out the degree of Argentine friendship in the case of an emergency.

The State Department placed Villarroel between a sword and a wall. The report from its representative in La Paz left no margin for compromise, nor did it distinguish between Bolivian nationalism, an Argentine drive for hegemony and Nazi expansionism. The two groups that controlled the government, it argued, the military and the MNR, were under Nazi influence. The MNR was especially characterized by its Nazi ideology and antisemitism. From its birth as a movement it had insulted the “pseudo democracy” sold to foreign capitalists and had subordinated individual rights to those of the State. Paz Estenssoro himself was defined as a Nazi worshipper and an assiduous visitor to the German legation. In addition, everything indicated that his party acted in accord with the Argentine regime. It revealed the honors rendered to Paz Estenssoro in July 1943, during his visit to Buenos Aires, when in the opinion of Washington the coup, realized with Argentine arms and money and the help of the leader of the Spanish Falange in La Paz, had been proposed without a time table. Moreover, those responsible for the U.S. report appeared to believe that General Gras, the new Argentine ambassador in Bolivia, must be organizing a secret service set up to attract the neighbor into the Argentine orbit. In short, what happened between Argentina and Bolivia was the epitome of a war against fascism. From the point of view of Buenos Aires the actions being developed by the United States were purely extortionary and had frozen the revolutionary spirit of Villarroel and compelled him to call elections before he was able to put his ideals into practice. Relations with Argentina were damaged as the Bolivian government abandoned the idea to carry out “in its most absolute form” the understanding between the two countries.

The U.S. counteroffensive yielded its fruits. Whether because of political pressures, the cancellation of some contracts and commercial facilities or the exclusion of Bolivia from Lend-Least Law, it is certain that Villarroel decided to water down the wine in the glass and distance his government from the MNR. After six months of ostracism Washington recognized the regime, following the advice of Ambassador Warren, whose mission, on passing through La Paz, had been able to gauge the rapprochement with the United Nations and the coolness toward Buenos Aires. Perhaps Warren’s recommendation was dictated by other motives. In his trip through the Altiplano he had sensed for himself the wave of anti-American hatred that the isolation imposed was feeding; in other words, that the withholding of recognition ran the risk of being counter productive. As Sumner Welles observed, its employment as as weapon of political pressure was for Latin Americans the emblem of the U.S. will toward domination. This “purely negative policy” inflamed anti-American sentiment. If what was intended, concluded Welles, was to place limits on the Argentine government, in reality it was benefiting. Perón’s electoral success less than two years later would prove Welles right.

In effect, the nationalist ghost did not disappear from Bolivia, nor did the fear of an axis with Argentina vanish. On the contrary they continued to populate North American nightmares as well as those of neighboring countries and even of the Communists. They revived quickly which confirmed that the political crises in the two countries were not simply a leftover of European fascisms which, moreover, by 1945 were beating a retreat before the Allied victory. The United States practically stopped worrying about Bolivia, other than to impose its will in specific cases such as Villarroel’s break with Madrid. A decision “of demagogic purposes”, given the Bolivian given Bolivia’s sense of unity with Spain, but comprehensible because the decline of his Argentine and Spanish relations obliged Villarroel to transmit an image of recovered innocence. United States encouragement wasn’t
necessary: “I have confirmed – informed Spain’s chargé d’affairs in La Paz – that this government is absolutely tied to United States concessions for mining exports and that impedes all liberty of action.”

Even if it had been Washington that demanded the rupture or if La Paz anticipated North American desires, Bolivian sovereignty was limited: the market and price of tin depended on the United States whose government also prohibited Bolivia selling rubber to Argentina. The North Americans lost interest in La Paz just as the situation in Argentina again became alarming. But, of course, as the Argentina wound remained open. Certainly, by 1945 the military and Perón were up against the ropes; nonetheless they still held power and they held in their hands the keys to the storeroom for their neighbors: wheat. This was known in Washington as evidenced by the attempt to block an exchange of wheat for petroleum. This attempt had a little to do with trying to inhibit a kind of trade – later typical of Peronism – that was alien to free markets, and a lot to do with forcing Argentina back into the Panamerican camp, through closing its energy sources. But, how was Peru to manage if Argentina stopped sending wheat? And Bolivia?

The Bolivian crisis also reminded the United States that a poor but disputed country “sells” its loyalty to the highest bidder, after obtaining the best possible price by means of kindling the competition among those who are courting it. For example, the sudden U.S. decision to buy Bolivia’s tin at the price it had been reclaiming for some time was attributed by many to the rumors of an imaginary deal between the Bolivian government and the Soviet commercial attaché in Buenos Aires. Lastly, after this point, Washington had to see this as one of the most pernicious consequences of the Argentine attempt to achieve regional leadership. This pretention exacerbated the tensions in the region, increasing instability and threatening to open a weapons race that could end up undermining hemispheric security. There was no lack of threats of a scenario of this nature, as when Chilean diplomacy made it evident that it suffered a real syndrome of encirclement. Peru and Bolivia, thirsty for revenge for the defeat suffered in 1879, and protected by Buenos Aires, wouldn’t manage to settle accounts with Chile? And that country, bastion of the United States in the Pacific, didn’t have the right, then, to accumulate more weapons?

It was then that the United States, guided by Ambassador Braden, readied itself to end the game banishing the risk of disaster that seemed to weigh on its plans: the electoral victory of Perón. Already winning the war, getting rid of Perón seemed simple and Braden did everything he could to defeat the hated colonel. The Blue Book with which he denounced the cohabitation of Perón and his Bolivian imitators with the Axis became a pebble in his own eye. To the cry of “Braden or Perón”, the caudillo gained the nationalist fervor of many Argentines and was elected. For Washington, the mistake could no longer be reversed: Perón forced them to reopen the question that they had hoped to bury, the problem of a regional bloc under Argentine leadership. Villarroel, on the other hand, was near the end and the Peronist success did nothing so much as hasten his fall. Before Perón could invoke friendship to take up camp in Bolivia, the enemies of the Bolivian president brought him down. It is difficult to say if there was or wasn’t external meddling in the July 1946 uprising that crushed Villarroel and destroyed his body. For the Argentine commercial attaché there “had been no planned act”. Others, in contrast, saw things in a different light. For example, Ernest Galarza, a Mexican trade union leader, left his post in the Panamerican Union, blaming the United States for the Bolivian unrest. Or the Spanish ambassador in Washington, for whom “certain elements” in the U.S. were not “alien to the events in Bolivia”.

There is no doubt that, once Perón was elected, Washington, as well as other neighboring countries, tightened the knot around Bolivia to the point that Villarroel tried to save himself by denying that he owed anything to Argentina; but that wasn’t enough. “Fearing reprisals or for genuine conviction,” the United States embassy in La Paz reported in May 1946 “Bolivia had entered a bloc” with Argentina. This was evident in the jubilation over Perón’s victory and the Argentine desire to accomodate the Bolivians at any cost. The sending of emissaries
to Peru and Brazil, the influence exercised over Paraguay and the blackmail of foodstuffs sent to Uruguay, revealed the Argentine plans to create “a bloc of Atlantic nations reaching to Peru and Bolivia, that would leave Chile isolated. How could there be resignation to becoming mere spectators?

While the government and the MNR fought over Perón’s favors, Villarroel was headed for the abyss. In May the opposition boycotted the elections; in June unrest broke out and was followed in July by the revolt that put an end to the regime. In this way, while Perón began to take his first steps as president, the body of the person that had first embraced his cause hung from a lamppost in the Plaza Murillo in La Paz. But if Braden had proposed to kill the dog to get rid of the fleas, his calculation failed. The flea, Villarroel, was dead, but the dog, Perón, was still alive. And with him the idea of forming a regional bloc lived on.

2. Bolivia, the pleasure and pain of the Third Position: 1946-1949

Victor Andrade, Bolivia’s ambassador in Washington, was sure that the tin barons were hidden behind the fall of Villarroel. On the other hand, in diplomatic circles it was explained by the competition between the United States and Argentina. Perón’s assumption as president inflamed Argentine society and Bolivia became an anti-Peronist symbol. The Socialist newspaper La Vanguardia called for a revolt similar to that which had tumbled Villarroel, and some joker hung the effigy of Perón on a lamppost in the Plaza de Mayo. Colonel Silva, an intimate of Perón’s, for whom some Bolivian provinces were Argentine by right, was singled out by radicals as an example of expansionist aspirations. But neither the internal opposition nor the warnings from Washington nor the upset in La Paz led Perón to back down on his projects; all the more since Argentina maintained an enormous influence over Bolivia.

It may have been true that the United States was to be found behind the new government but by no means was it able to replace Argentina and its wheat. The urgent priority was to negotiate a trade treaty to back up this economic penetration and induce La Paz to draw closer to Argentina. Economics should be at the service of politics. On the other hand, precisely in the political terrain, Perón continued to count on enormous means of pressure on Bolivia, where the orphans left by Villarroel were many and it was possible to see a rapid erosion of the alliance between the forces of the left and the tin magnates. That quickly opened the way for Buenos Aires to move its pieces: the powerful miners union and its chief, Juan Lechin, associated with the Argentine Partido Laborista; the army, an “indestructible” political reserve; the MNR, the enemy most feared by Bolivian authorities. In conclusion, many of the keys to the complicated Bolivian situation could be found in Buenos Aires where the man who was the black beast of the Pax Americana had found refuge: Victor Paz Estenssoro.

For Perón the time had arrived to go on the offensive. Argentina was rich, feared and able to attract, with the example of its social achievements, workers from neighboring countries. The ambassador from Lima recommended prudence and caution so as to not prick Argentine sensibility: “we come back every time to Argentina to ask for all kinds of things that we don’t return. The fountain could run dry”. Bolivia, although its government was not friendly, remained ideal for a well structured strategy of Argentine penetration. To grease the road of a trade treaty and capture the population, the Argentine ambassador in Bolivia counseled, it could donate a bit of corn and wheat, followed by cultural and ideological propaganda following the example of the Instituto Sanmartiniano, created not long before in La Paz, and the Instituto Nacional de la Tradición from which a delegation was soon to arrive. Lastly, the trade union terrain was very propitious, in view of worker
discontent: It would serve Buenos Aires well to send two Bolivian trade union delegations for discussions with the Peronist CGT.

It had been some time since Perón had elected the trade union front as one of the strategic pillars of the Third Position. For which reason in September 1946 he founded the school of information for labor attaches to Argentine embassies: unique figures who enjoyed diplomatic status, in practice they were agents of Peronist propaganda and, as such, provoked phenomenal imbroglios. Perón told his “social apostles” that the June 4 1943 revolution had not yet begun to “expand to the exterior”, that the task before it was to “tell and impose the truth to all, by means of representatives of the working class”; words that, as the Peruvian ambassador observed, were not precisely subtle; and it was his government that was one of the first to protest against the labor attache, with notorious antecedents as an agitator, that had been sent to Lima. The labor attaches quickly began to gather expulsions for their rude interventions\(^27\). The criteria employed to choose them certainly didn’t improve their profile; in this, as in many other things, loyalty to Eva Perón weighed more than merits or ability and so many of them were shady characters that came to find themselves with diplomatic passports in their pockets. To La Paz, capital of a country without access to a sea, was sent a port worker, which raised as many ironic comments as it did fears, above all on the part of Chile, where the designation sounded threatening. Moreover, the same things occurred with career diplomats; many professionals were replaced by fervent Peronists, ignorant of foreign policy, who turned out to be more damaging than beneficial to the cause they were to defend. It is enough to mention that in Bolivia a brutal conflict between Argentine diplomats, ventilated in the press, cost the first Peronist ambassador his post, just seven months after his appointment\(^28\).

At this point, the Third Position was supported most of all in commercial treaties, as much with countries in the region as with Catholic and needy countries on the other side of the Atlantic, such as Spain and Italy. Bolivia and Chile were test cases that raised suspicions about Argentine objectives; these suspicions were fed by Perón’s own men, like the economic czar Miguel Miranda, who invoked the economic rebirth of the Viceroyalty of the Rio de la Plata as if the emancipation of the region implied unification with its sun: Buenos Aires. Argentina has a Marshall Plan for its neighbors, noted the ambassador in Washington, Oscar Ivanissevich, as if nothing would help them more that the adoption of Peronism\(^29\). In this context, the fruit of urgency and pressures, a commercial accord was signed with Bolivia in March 1947. This was surprising for its suddenness, given that President Herzog had not yet assumed his office, and also for its economic conditions\(^30\). Why such haste? As always, the competition between Argentina and the United States had influence; Perón wanted to be sure of a supply of Bolivian tin before Washington had a chance to impede its delivery. The Five Year Plan was clear: economic independence required industry and industry required raw materials; Argentina would secure its access to them before the barbed U.S. condemnations of its economic nationalism had impact. “We have neither petroleum or coal – decried Miranda – and our railroads are in a bad state. But they ask us to plant more grains. It would only occur to a crazy person to ask us something like that.” The U.S. bloc during the war years was to blame for everything. Ask Braden for explanations\(^31\).

But what was Argentina going to do with the 8000 tons of Bolivian tin a year that it was committed to buy when it barely consumed 400 and had no foundries? According to the government it would construct a smelting plant, like the Texas plant in the United States, and later launch a large industry of tin products\(^32\) (a sector to which the Minister of Economy owed his recent fortune). These were ambitious plans of dubious realism that, in view of the high volume ideological proclamations that accompanied them, provoked more fear than applause. The United States had suspicions that Perón wanted to sell tin to the Soviets; Chile feared losing out if the tin were shipped by land to Argentina instead of being sent to the United States from its ports; Peru smelled the formation of a political bloc through economic integration, an unequal bloc with the handle of the pan in Argentina’s
In the end, the Third Position took a specifically political track, in the course of which Perón began to run into a classical dilemma. Should he support the rising of friendly regimes in neighboring countries or attract government within regard to their coloration? And in Bolivia, was it convenient to bet on the MNR or court President Herzog and resuscitate the “rosca”? Having to pay attention to all, among the thousand voices that rose from his movement, Perón beat both drums according to what was convenient, often using the MNR to soften Herzog. The results were dreadful; in La Paz alarm spread and the government looked for protection in Washington and Rio. Paz Estenssoro began to lose confidence in a friend that was endangering the interests of his country. At the end of 1946, Francisco Franco’s envoy in La Paz, José Gallostra, was able to perceive the ambitions and the limits of Argentine policy, dependent on inadequate diplomats. The conflict between Argentina and the United States grew worse. The North Americans, he told a minister, wanted to keep Perón at a distance, while Argentina, which had imposed an embargo on foodstuffs, threw wood on the fire of the miners’ revolt and managed to export Peronism. And it was true, observed Gallostra: once in Buenos Aires Major Barredo revealed with satisfaction the actions developed among the striking Bolivian miners, the students in Santa Cruz and the garrisons in various cities. With this as background an incident arose between Argentina and Chile in La Paz, provoked by the imprudent words of the military attache, acquired sinister proportions. These expressions revealed the inexperience of a dilettante but, above all, marked a limit than was insuperable for the Peronist strategy, as its desire to satisfy one country could only alienate it from another. Colonel Fernando Carlés had used heavy ammunition: Chile, he said, was indebting itself so much to Argentina that soon it would fall under its tutelage, which would force the return of those territories seized from Bolivia and Peru in the War of the Pacific. Carlés was recalled to Buenos Aires but the fears over Argentina’s true objectives were strengthened by this incident.

In 1947, Perón’s foreign policy navigated between ambushes and dilemmas. On the one hand it was necessary to improve relations with Washington because the economy had begun to suffer a chronic shortage of dollars and, without dollars, he would have to say goodbye to industrialization. But the sky couldn’t clear while Braden held the reins in his hands and so Perón favored the more pragmatic Messersmith, ambassador in Argentina, conceding some successes to him. True, Perón still had a card up his sleeve, an important one: Argentina was crucial to security in the South Atlantic. On the other hand, the Third Position continued to be one of the pillars of Peronism. Besides, given that it was the instrument of organic protection for his movement abroad, Perón proposed reinforcing it from a theoretical point of view, as an ideology of a civilization that reclaimed space and dignity in a world caught between two blocs. Of course, the obstacles were enormous. Washington pulled in the opposite direction and when Argentina threw a blanket toward it, drawing closer to the country, in the act another was left uncovered. Examples abound. So as not to leave the Bolivian issue, in May 1947, La Paz proposed some modifications in the trade treaty that has just been approved to Buenos Aires. Perón did not accept the initiative of opening the borders between both countries in order to avoid the suspicion that the measure could serve for the importation of weapons; Brazil and Chile, key countries for the Third Position, saw in this a hostile act. Precisely during these days Perón met with Brazilian President Dutra and with Chile’s President Gonzalez Videla, but declined an invitation to visit to Lima. This was enough to rouse suspicions in Peru. Was a plan a foot to resurrect the ABC pact, this alliance between Argentina, Brazil and Chile that twenty years before “conspired against hemispheric unity”? The hypothesis was remote but Peru, fearful of being isolated, invoked Panamericanism, which is to say, Washington.
In spite of these obstacles, Perón, cheered by his popularity and by the winds blowing from the Second World War, prepared to give doctrinal coherence to the Third Position, in order to convert Argentina, as the Spanish ambassador observed, into the spokesman for millions of “Westerners, Christians and, above all, Hispanics”. With Argentine economic independence already achieved, Perón announced, “I want to contribute to the economic liberation of all the Latin American countries”\(^{39}\). Nothing was improvised. The European trip made by Evita Perón and the frenetic diplomacy of her husband formed part of the same strategy. Independence, said Perón, should flow from force o a balance of diverse forces and that he wanted to counter balance the dominant in America uniting neighboring and friendly countries with the help of Argentina’s available grains and the atavistic regional hostility toward the United States\(^{40}\). Miranda also, despite the scarcity of hard currency and even though the U.S. ambassador attributed private capital flight to his economic nationalism, thought big: Uruguay would give energy, he said, Paraguay petroleum, Bolivia tin, Chile copper and saltpeter, Peru petroleum and sugar. Argentina would recompense with its industrial products\(^{41}\).

The words were followed by deeds, facilitated by the frustration of many governments at having been left out of U.S. aid programs. The exclusion of Argentina from the Marshall Plan, Perón confided to the Italian ambassador Arpesani, reflected the mercantile selfishness of the United States that led it to pretend that the country would export meat and wheat at low prices while it had no dollars for importations. Why couldn’t Argentina create a sphere of influence that would assure raw materials and markets, without depending on the dollar? Therefore at the beginning of 1948, the economic influence of Argentina grew “like a tentacle”. Despite stumbles, such influence was sufficient to permit the president of the Central Bank to imagine the founding of a credit institution for regional development. Perón himself had alluded to a peso zone while in the administration of his regime there was talk of a Perón Plan, more useful and concrete for the region than the Marshall Plan. Such degrees of presumption were disconcerting, wrote Arpesani. How was it possible for Argentina to think that, strangled by its modest industrial program, with a poor internal market, lack of basic industries and energy resources, could separate the Latin countries from their “overwhelming dependence on the Anglosaxons?”\(^{42}\)

Despite everything, Washington took the Third Position very seriously. “The threats that most makes us tremble – wrote one of its diplomats – is a Southern bloc dominated by Argentina.” So it was that the tension with Buenos Aires quickly reached a peak in all areas. In the economy, Peronist nationalism challenged the liberalizing prescription; in the trade union arena, Perón played his own game, placing sticks Truman’s road\(^{43}\); in politics he was insensitive to the democratic evangelicals and showed no intentions of breaking with Communists or the Soviets, convinced as he was that his concept of “social justice” was the best antidote to both, and that there was no reason to get rid of the Soviet card, as useful as it was against the United States. In addition, in an open challenge to the North Americans, Perón proposed an anti-Communist front to Chile and Brazil, seeking leadership in this area as well\(^{44}\). The initiative was considered foolhardy by both countries, hostile as they were to Perón’s plans, and they declined the offer and joined Truman’s anti-Communist strategy. But in 1948 an authoritarian undertow rolled over the region, bringing to power some military leaders sensitive to Perón, above all Odria in Lima and Perez Jimenez in Caracas. Was a break opening up for the Third Position? As usual, Bolivia also entered the game. Confident that the Republicans would take the White House, and in the ability of his friend Lusardo to return Vargas to power in Brazil, and while scheming against Gonzalez Videla in Chile, Perón didn’t forget Bolivia. He explained to the Spanish ambassador how he hoped to gain control: with the Bolivian government reverting to economic penetration, on its opposing flank he would cultivate friendship with the MNR, seeking the birth of a regime similar to his own in La Paz\(^{45}\).
But there were few fruits to be seen for the same reasons as always. In October 1947, Perón saw Hertzog in order to accelerate and perfect the advance of Miranda’s project. Given that Chile wanted nothing to do with it, it was punished by Peru being given a role. In Lima it was proposed that Argentine exports be sent through Peruvian rather than Chilean ports. The Chilean vacuum was filled by Peru when each step forward generated a greater and contrary reaction, above all in Washington where it was taboo to talk about regional blocs. Ambassador Molinari, an inept preacher of the Third Position, fantasized that the strategic importance of Argentina would induce a “substantial change” in the attitude of the United States toward the country.

It was not enough that Perón pointed out that such a policy was valid only in times of peace, as in the case of war Argentina would align itself with the West46, above all because the words and deeds were discordant. Had Perón not said many times that with the Third Position Latin America would be free to align itself or not in the case of war? Bramuglia, the Minister of Foreign Relations, was right when he said, on his return from the Bogota Conference, that in April 1948 when there had been a discussion on regional blocs, the persistent hostility of the United States to Argentina’s ambitions had been placed in relief and that the tension with Chile and Brazil was its reflection. This was confirmed in the Paraguayan crisis: There Perón had encountered “the right man” but the United States supported his adversaries47. In fact, to the degree that the Argentina shadow was projected over Bolivia, the old Santiago-Rio axis, directed at containing Argentina and sustained by the United States, became more and more consolidated. With Chile the relationship dropped below zero when in October 1948, a coup plan came to light behind which was seen the hand of Peronism. The road to Chile over the length of which agonized a trade treaty that had never gotten off the ground was totally closed: Gonzalez Videla denounced Argentine interference; Perón threatened to break relations and, with disrespect for Chile’s democracy, he launched into theorizing about the greater reliability of military governments, just as the Berlin crisis appeared to presage a new war48. With Brazil, the real obsession of Argentina foreign policy, the situation was the same. Rivals throughout their histories; since the last war Rio was the prodigal son of the United States and Argentina the black sheep. The tense context was completed by the competition for the tutelage of those countries situated between the two countries. Among these countries, Bolivia was object of a frenetic race for the petroleum in the East, which was disputed by means of the possibilities of locating long and costly railroad lines that could just as well connect with the Brazilian or the Argentina commercial networks. This was a race that was, naturally, agreeable to La Paz whose government was determined to raise the price of its dependence; and a race that, in addition, was to a degree played with loaded dice, given the pressures of the United States in favor of Brazil.

In this way, Bolivia, the nucleus of the South American puzzle, was the place assigned to balance accounts between Washington and Buenos Aires, that once again confronted each other face-to-face following the accusation by Perón in September 1948 that the United States was behind the failed plot against him and his wife. The Argentina position was not very solid: Brazil gained ground, Hertzog resisted in La Paz and the Bolivian Congress had emptied the trade treaty signed the year before of any content. Perón, then, turned to the arrow that he had left: the MNR. While Buenos Aires celebrated the coups in Lima and Caracas, the rumors of an imminent insurrection in the Altiplano were more intense than ever. Rumors that, according to the memorandum of the Argentine ambassador in La Paz, were founded49. In it one can read that the MNR was already preparing to act together with young officials; they were only awaiting arms, which he intuited, ought to be the responsibility of the Argentine Army. Action was necessary because after so much time on slow burn, doubts about Argentine intentions had begun to surface. Later, neither the United States nor Brazil remained with their arms crossed. Juan Lechin spoke of a Brazilian proposal of a military alliance with Bolivia. The United States, taking note of the popularity of the MNR, decided to cultivate its friendship: after all, it was also an anti-Communist Party. Already there was talk of a promise to recognize an eventual government in exchange for loyalty to the West. What is certain is that, faced with so many rumors, alarm bells were ringing everywhere.
They were heard in Chile, where there was concrete information regarding Perón’s support for the MNR and where there was fear of encirclement; above all in La Paz whose government demanded that Perón detain Paz Estenssoro.50 But the hour of the MNR had not yet arrived.

3. The illusion of victory. Perón and the Bolivian revolution, 1949-52

The “battle for Bolivia” wasn’t over, because its result depended on who won the fight between the United States and Argentina, which wouldn’t end until the 1952 revolution. On his side, Perón hit the accelerator of the Third Position, certain that the villages of region were on his side. With economic weapons that were getting rusty, he bet more each time on propaganda, trade union penetration and ideological sympathy, above relations with governments. This exacerbated tensions. For others, these ambitions required resources that in Argentina were not excessive, which pushed them to reconcile with Washington. Faced with this dilemma, Perón opted to flee forward; as he had already done in the domestic sphere, where a rigid orthodoxy was imposed, also in foreign policy the manichean spirit of Evita prevailed over the pragmatism of Bramuglia.

Bolivia was the example. Since the last days of 1948 not a week passed without an Argentina delegation arriving there to sing the praises of Peronism; an aggressive campaign of acquisitions opened access to Bolivian radio and newspapers to Perón’s Media Secretary.51 Finally, Perón declared that Argentina would help La Paz recuperate its outlet to the sea, to which it had a right; a reckless assertion, useful for inflaming Bolivian hearts and making the Chileans feel Argentina’s breath on their necks but which could dislocate very delicate balances.52 Bramuglia tried to undo the damage, which was not enough to calm the Chilean rage but served to reveal the Babel that reigned in Buenos Aires, where the Third Position sometimes assumed genial traits and at others reappeared as the extremism of trade unions and nationalists.

It should not, therefore, be surprising that the year 1949 was plagued by tensions from the beginning, starting with the commotion raised over the role played by Argentina in the Paraguayan coup, whose victim was a government known for its inclinations toward Rio and Washington.53 The habitual rumors about Paz Estenssoro’s imminent leap to head of the government in La Paz immediately regained credibility, reinforced by the broad mining strike. The governments of Bolivia and Argentina quickly came close to breaking relations because of the infiltration of the MNR denounced by La Paz and the violent repression of the miners condemned by Buenos Aires. The wound didn’t burst in June but in September it became infected by the Mar’s vain attempt to take power.

The hurricane hit, as it became known that the head of the revolt was one of the Bolivian exiles in Buenos Aires, over whose privileges the government in La Paz had just complained, and that the insurgents’ arms came from Argentina. The gale fell above all in Chile where there were invectives against Peronist hegemonic aims and a denunciation in the United Nations was announced, while military collaboration with La Paz was being undertaken.54 Buenos Aires had no means for defending itself against such weighty arguments but it did possess strong cards that forced Gonzalez Videla to step backward. Perón made it known that Argentina could live without Chile’s copper and saltlitre while it would be hard for Chile to forego Argentine wheat and meat; without mentioning the twenty thousand Chilean residents in Argentine Patagonia who weren’t so indispensable.

How was it possible, it was asked, that at the same time that Chile was asking for a moratorium on its debt, it was disposed to take Argentina before a court? Certainly, Gonzalez Videla would not give up Washington’s embrace but Argentina could ration foodstuffs as the United States could loans.
Some influential Bolivian friends of Perón, like the ambassador in Argentina, were left scalded by the last crisis. Perón had guaranteed them that he would not interfere in Bolivian conflicts and the he would put the brakes on the MNR, neither of which occurred. Had he lied? Or had the furious struggle within Peronism escaped his control? If that was the case, Argentine foreign policy would depend on the discretion of the most diverse circles of power: the Armed Forces, diplomats and their military, labor and even religious attaches, and the CGT whose titular head, Eva Perón, was at last able to free herself from Foreign Minister Bramuglia in August 1949. Moreover, before suffering the same luck, Miranda whose eclipse was announcing the end of the economic challenge to the United States, even though Perón who didn’t see things that way, was putting even more determination into looking for regimes disposed to make this challenge their own.

By the end of 1949 the abysmal gap between Miranda’s plans and the country’s economy, between the projects that were formulated and the means available for realizing them, was already evident. As Spain’s naval attache in Buenos Aires said, Argentina now begged for what before it had demand. In diplomatic circles it was said that the blame for the pesos falling value and the increasing cost of living, the decline in production and the lack of dollars for importation, lay in Peronist policies. How could it be that the systemic demagogy, salaries out of proportion to resources, the persecution of private capital, the proliferation of oversized state organisms, the useless effort to create strategic industries and myriad public works at the same time, the waste of hard currency reserves were blameless?

With things as they were, it was understandable that the Third Position made few advances. Relations with Chile were frozen and Paraguay was far from converting itself into the province so avidly sought. As for Bolivia, it had been enough that Perón mentioned its right to have an outlet to sea for a wave of protests to forced him to beat a retreat and to look for consolation in Peru where the axis with Buenos Aires raised objections because of the high prices that Argentina sought for its wheat. Perhaps, as supposed Juan Isaac Cooke, the ambassador in Rio, Perón had dispensed with Miranda in search of rapprochement with Washington: a calvary for Peronism if one thinks of the concessions that the United States would demand and the undertaking it would be to get them digested by rank and file. Raúl Margueirat, Perón’s true shadow, admitted that he would betray his popularity if it caused suspicion that he had yielded.

For these reasons, and given the Peronist cacophony, relations with Washington were converted into a tiring back and forth in which it was not possible to determine if Argentina was turning toward the United States or if the forces dominant in the country wanted to impede this shift. But the economy was suffocating and this shift was increasingly urgent. Perón thought that war would come soon which would make it less painful. Needing Argentina, the United States would stop humiliating it. George Keenan’s imminent trip to South America to plan for an anti-Soviet strategy gave this picture verisimilitude. In effect, the sky then opened a little for relations between Washington and Buenos Aires, with exchanges of delegations and an intense coming and going of military missions. The Peronist press, in order to minimize the idea of Perón making a turnaround, alluded to a U.S. “change in criteria”. In reality, and except for the rapid ratification of the Inter-American Defense Treaty, in which the malicious believed to see a retribution for an Eximbank credit, Ambassador Griffis didn’t achieve much, nor did he manage to bridge the enormous gap between Panamericanism and the Third Position. The United States would not become open to Argentina unless it saw changes in Buenos Aires; first, because it had no trust, and later because it didn’t want to provoke anxiety in Rio, capital of the Pax Americana in the Southern hemisphere.

Not only were there no indications of change, rather various facts convinced Perón the road to the Third Position was clearing. The first of these was the election of Vargas, which immediately led to the illusion that a key
element for the United States would now steer toward Argentina, upsetting the regional outlook. A wave of nationalism seemed to roll over the region and it was possible to suppose that it would lend its ears to Argentina’s siren songs. Therefore, Perón placed high expectations in Vargas. He had wanted and favored his victory, as much as hinting at the recomposition of the ABC axis as inciting his captive press against the outgoing president. Now, he said, Brasil would not be receiving orders from Washington by telephone. But the United States was not going to let its most precious ally be snatched away, and certainly not by Perón, whom it had never left at liberty to recruit members for his Third Position club. Perón could confirm that when in 1951 the war between the Bolivian government and MNR broke out again. In May the Bolivian nationalists won at the urns, leading Perón to look forward to the pleasures of having a friendly government in La Paz only to face the coup by General Ballivian which initiated the last and most arbitrary stage in the conservative restoration.

For the Peronist press, strengthened by the expropriation of La Prensa, the Bolivian coup was emblematic of the “repugnant degeneration” of Washington’s policy, which had fallen into the most sinister interventionism. In short, the brief warm season with the United States was over. True, as always, Perón worked to keep a foot in each camp: while his press screamed and the trade unions considered revenge, he relaunched his old proposals for the economic penetration of Bolivia. Now Ballivian ruled in La Paz and it was with him that he would have deal. It was essential to revive the commercial treaty of 1947 and disburse a new loan in order to finish the railroad between Santa Cruz and Argentina. Only in this way would the flame of the Third Position, threatened by the offensive of Brazil and the United States, be kept alive in La Paz. The two had come to an agreement to connect Santa Cruz with the Brazilian port of Santos; and this would be done with rails from the smelters of Volta Redonda, constructed with U.S. credit to take advantage of the fields found by North American oil companies. It was clear, then, that the triumph of Vargas did not favor Argentina, nor was it ideological affinity that determined relations among states. Perón, and he knew it, was not able to dissipate the specter of a political blockade to his projected ABC, although he tried. Brazil would not go along.

Moreover, in La Paz, as well, Argentina’s cards had become less important than they had been some time ago. Of course, the Bolivian government had confidence in the new financial protocol attached to the commercial treaty; and, as always, the ghost of Perón was useful in negotiations with the United States. But beyond this, Argentina had little to offer, since it was having difficulties complying with its supply commitments to its neighbors, rationing meat consumption and importing wheat. Without petroleum, rationed for some time after the Iranian spigot was closed, energy dependence had worsened, creating a situation of shortages that could only be reversed by foreign oil exploration. With his weapons out of ammunition, for Perón there were few roads left. He could bow his head before Washington or correct the course through a relaunching of production as he tried unsuccessfully to do; but both directions collided with the opinion of his rank and file or with Perón’s own past. Or he could ride the nationalist wave and growing social agitation in Latin America, as if a form of “permanent revolution” could save “Peronism in one country”.

At the beginning of 1952, with the CGT at the height of its power and Eva Perón determined to spend her last energies on the exportation of Peronism, the Argentine government traveled the last of its scheduled roads. It was then that the press went back to thundering against “Yankee imperialism” and Perón embarked on the adventure of founding a continental trade union front that could introduce a wedge between the union forces favorable to Washington and Moscow. From a rib of the CGT the Comité de Unidad Sindical Latino-Americano was born with offices in a number of countries. “The hour of the people has arrived,” thundered Evita; “the battle strengthens everywhere. We should think that no one will give us justice or liberty but that we must conquer it ourselves”; for this “we must make Justicialismo ours”. Peronism, she railed, was a “social doctrine that teaches not to seek domination but, above all, happiness”. It was the first time, the Peruvian ambassador
observed anxiously, the Peronist doctrine pointed toward a diffusion that was “coordinated and simultaneous in Latin America, based on the so-called Third Position”. Argentina appeared to aspire to nothing less than a political direction that was “not only international but also internal” within the Latin American countries, encouraging “an opposition struggling against the United States”. Labor attaches, embassies, news agencies, trade union missions: Perón had at hand powerful instruments.

On the eve of the revolution in Bolivia, the Third Position appeared either anemic or flourishing, depending on the point of view. Anemic because the Argentine economy was up against the wall and needed help from Washington and because Buenos Aires was now hemmed in by a dense web of military agreements between the United States and the countries of the region. The Argentine press criticized these agreements but in the barracks many military, hostile to the trade union orientation of the regime, considered them necessary for containing Communism. This was another reason to consider the Third Position anemic as the growth of its trade union arm, disposed to flirt with the communists with the aim of exporting Peronism was already out of sync with the resolutely anti-Communist military arm. Lastly, the Third Position had an organic limitation: cover a square in the checkerboard meant having to leave another unprotected. Peru could be won over but at the cost of losing Chile and Ecuador; or Chile could be attracted but at the same time Peru would be thrown into the arms of Brazil. Brazil under Vargas didn’t want to or couldn’t enter into the Peronist bloc, nor did it stop competing with Buenos Aires for influencer over Uruguay, Paraguay and Bolivia.

But looked at from another perspective, the Third Position seemed stronger than ever. Latin America swarmed with movements of varied character that clamored for what Peronism believed it incarnated: social justice and independence. In Washington itself there were many who, critics of the intransigence of Braden, admitted this reality. Perón’s followers couldn’t help but grow as the enormous propaganda apparatus busied themselves making known among their colleagues in other countries the well-being reached by Argentine workers. In Chile, Gonzalez Videla, Perón’s archenemy, was nearing the end of his term, and already the success of his old friend, General Ibáñez, was taking shape. In Ecuador the triumph of Jose Maria Velasco Ibarra, an admirer and protégé, was announced. Even in Colombia, devastated by violence, Peronist roots were sprouting inspiring General Rojas Pinilla since 1953. Also, Peru and Venezuela had regimes that were well disposed toward Argentina which also conserved its influence in Paraguay. Perón fantasized that all was not lost even with Brazil. After all, in Rio Vargas was in charge, and would have to reconsider its alliance system if Argentina captured it faithful Chilean ally. At this very moment Bolivian conservative regime collapsed, between accusations of “economic aggression” against the United States, which could only sound like music to Perón’s ears. In La Paz the hour of Paz Estenssoro had finally arrived. Had Perón at last been able to cast his mantle over Bolivia?


For the Spanish ambassador in La Paz, the geopolitics of Latin America had two axes: one that united Buenos Aires with Lima and one that connected Santiago de Chile with Rio de Janeiro. While the second was a “feudal” appendage of the United States, the first challenged it and whoever united the extremes surrounding Bolivia “could win in the long run”. The image is without doubt attractive but also deceptive, given the asymmetry between the power of Washington and that of Buenos Aires. Nonetheless, the Bolivian revolution appeared to evoke this image, since La Paz then seemed like a new pearl in the Third Position’s necklace. Ballivian and the Spanish appeared sure of it, which the Fundación Eva Perón inundated the Altiplano with aid and a multitude of trade union leaders arrived there. Argentina and Bolivia appeared to be walking arm in arm: they fantasized about Argentine investments administrated by the resuscitated Miranda; some witnesses returned from Bolivia assuring that the Argentina embassy manipulated the strings of the MNR. Bolivia did nothing to dampen the
rumors, to the point that its representative in Argentina proclaimed his admiration for Perón and called for its help. Without failing to celebrate the Bolivian revolution as a new stage in the insurrection against Wall Street in the path already opened by Perón, he did, however, express doubts over its nature: it was necessary to “channel” the revolution, “to win it for the national cause”.

For others, the MNR was not a product of Peronist seduction. Nationalist as it was, why would it yield to an eventual Peronist hegemony? Moreover, going beyond appearances, Perón and Paz Estenssoro were not congenial; Perón’s chronic disposition to sacrifice the MNR on the altar of Argentine interests had wounded Paz Estenssoro. In the end, Bolivia was not interested in turning itself, bound by its hands and feet, over to Buenos Aires as was shown by the fact that when the representative of Paz Estenssoro, after seeing Perón, continued on to Washington. There he sustained that if the United States bought Bolivia’s tin at a more reasonable price, La Paz would avoid a more massive doses of economic nationalism in which the President did not believe. Blackmail, if one wishes, and an appealing political move, with which Paz Estenssoro presented himself as a candidate ready to put limits on the radical wing of his government and, while at it, to act as a dike against Peronist trade union expansionism.

The reactions of its neighbors confirmed that in La Paz the Peronist triumphal march would not be so easy. The deluge of Argentine propaganda that flooded it discomfited the border states. The fear that Argentina would nail its stake in Bolivia grew within the foreign ministries, to the point that Peru, Chile and Brazil discussed with great urgency the opportunity to elaborate a plan to help La Paz. The government in Santiago was the one that had the most to fear, as was confirmed at the World Congress of University Youth, celebrated in Buenos Aires in May 1952. There, in a climate of Peronist proselitism, the Bolivian delegate revindicated the outlet to the Pacific, and at the same time, a scandal over the enormous resources employed by Perón’s Secretary of Communications to favor Carlos Ibáñez came to light. But Perú, caught between the pressures from Washington and Argentina’s failure to comply with economic promises, also sought to protect itself. With the complicity of Perón, Peruvians thought, Bolivia and the MNR had been converted into a sanctuary for the APRA. So it was that the confidence between Lima and Buenos Aires was left in fragments. Providing greater reason, Perón, anxious to “Peronize” South America, embraced the cause of Velasco Ibarra in Ecuador just as he revived its old dispute with Peru. The quarrel was regulated by a treaty that supervised a commission in which Argentina, Lima’s supporter for a long time, began to accommodate Quito. This pushed Peru toward the other members of the commission: Brazil and the United States.

Brazil for its part, was irritated by Perón’s offensive in Bolivia as revealed by the alarm raised by Ambassador Lusardo, the most Peronist of the Brazilians, over the dangers to Rio’s influence in the Altiplano. Tensions with Buenos Aires were already sky high. Still another raw spot was found in the affront of a certain Brazilian diplomat who mocked Perón’s “matrimonial government”. It remained alive in the mystery of the credit offered by Brazil to revive bilateral trade but which was paralyzed by Argentina’s difficulties. The tie between Rio and Washington, reinforced by a military treaty, did not contribute to improving the climate and, in the end, the dreams of Perón were buried by the failed results of a visit to Buenos Aires by General Goes Monteiro. The military officer returned to his country disillusioned for the usual reasons. Rio wanted an understanding with Argentina but not at the cost of the one it already had with the United States. When Goes, full of optimism after his interview with Perón, head Vita’s virulent attacks on capitalism and the United States, his humor changed tone and by the time of his meeting with the heads of the Argentine Army it was already an intense black. During it he received the proposal of a bilateral military treaty; a treaty that prefigured an ABC bloc opposed to Washington. With Argentina immersed in such projects, it was to be assumed that it disdained the credit offered by Brazil and Goes Monteiro’s invitation to reconcile with the United States. So it was that the Bolivian
revolution came to inflame the regional climate already heated by fears of Peronist expansion from far away Panama to nearby Uruguay.80

When Eva dead, in July 1952, Perón found himself facing the usual crossroads. Orphaned by the woman who had been its guide, the trade union version of the Third Position, so hateful to its neighbors, could perhaps be contained. Perhaps it would be possible to reach the easing of tensions necessary to reduce the confrontations with Washington and clean up the economy. But once more Perón vacillated and, moreover, after he took over control of the CGT, he got tougher. The ATLAS, his project, had begun recently. How could it be stopped? For some time it was the key strategy of the Third Position. How could renge on it without tearing down one of the ideological fundamentals of Peronism? And how to dismantle the enormous apparatus that had grown to service it? Perón, instead of making a decision, was diverted by illusory affirmations: in five years, Miranda announced, Argentina “would be the happiest country on earth and one of the greatest powers in the universe”81. It was understood that during months, he would continue to squander his efforts to found the hemispheric bloc with its capital in Buenos Aires. The victory of Ibáñez in Chile threw more wood on the fire of these illusions, already inflamed by the events in Bolivia. Weren’t Peronist ideals demonstrating their unrestrainable progress? Did this not forecast the defeat of the alliances that up to how had tied the wings of the Third Position? The Rio-Santiago axis was left disarticulated and with it the prevailing balance in South America82.

The neighbor’s fears grew even greater: Argentina’s threatening will to domination was now projected its shadow over Ecuador, Paraguay, Bolivia and Chile. Only Brazil, Uruguay and Peru resisted. Perón, forgetting previous fiascos and headaches, cultivated grandious projects. Argentina and Chile, said the Chilean ambassador, Rios Gallardo, should create a customs union to which Peru and Brazil would be attracted. Chile would convince Lima, giving assurances over Perón’s objectives and Perón would talk to Vargas...as though things were going well with Rio. Once the big countries united, the smaller ones would follow. This Latin American policy was, for Perón, “family politics”, in which the fraternal spirit would overcome the “technicians”, who were always disposed to defend the “numbers but never their friends”. It was as though no one saw the hatred toward Argentine ambitions that was secretly building up83.

When in February 1953, Perón signed the Acta de Santiago, initiating economic integration with Chile, his plans were put into action. It mattered little if Perón believed or didn’t that the moment of the Third Position had arrived, or that it was more a matter of remaining strong as Eisenhower’s arrival at the White House would free the road to Washington. More important was the avalanche of suspicions that his moves gave rise to in the region. The Acta de Santiago didn’t necessarily shred the axis between Chile and Brazil. It’s true that with it Ibáñez made a shift in Chilean foreign policy but he had no intentions of breaking with Rio or Washington. What would be the benefit? As was observed in Rio, Ibáñez was more expert and more cautious than his impetuous neighbor, suffocated by the embrace of the CGT84. Why exclude the possibility that Ibáñez would moderate Perón, as Rios Gallardo appeared to expect? But faced with doubt, Peru and Brazil reacted vehemently to Perón’s Chilean offensive, and in August 1953 there was a hurried summit between Odria and Vargas that raised a furor in Buenos Aires.

The accumulation of economic and political tensions caused night shadows to descend between Peru and Argentina. When in 1952 Lima delayed an agreed upon shipment of petroleum, just as Argentine threshing machines were to begin the harvest, Buenos Aires suspended meat shipments. Odria, already a faithful ally of Washington and a convert to capitalist orthodoxy, had been in the sights of the Argentine press for some time.85 For Lima, the guilt lay with the CGT, whose labor attaches were active spreading Peronist propaganda in Peru, even in the Quechua language. The ties between the CGT and Bolivia’s Central Obrera Boliviana (COB), and
the liberty that the APRA was afforded in both countries, kept the Peruvian government awake at night. Who should they pay attention to in Buenos Aires? To the hostile CGT? To the Army, united with Peru since forever? To Minister Remorino who denied the existence of problems? As for Perón, was he counting on Lima to make himself heard in Washington or did he hope to use the APRA as he had used the MNR in Bolivia? It was certain that Perón and the APRA had always along like cats and dogs but they were united by their nationalism and anti-imperialism. Odria was certain that Perón helped the APRA and Velasco Ibarra, for which reason it was a delusion to think about Peru adhering to the Acta de Santiago. As a result, Perón had to absorb yet another failure.

When Santiago tried to convince Lima to subscribe to the Acta, the response was decisively negative. How to believe in Argentina’s “false promises of friendship”? Nor was Perón able to attract Brazil. The already tense relations with Rio worsened on their own when, owing to the price of Argentine wheat, the signing of a trade accord was postponed. The new and precipitous meeting between Perón and Ibáñez made things worse. Finally, even Lusardo gave up. Perón, he admitted, was looking for a continental bloc opposed to the United States. Brazil and Peru responded with a summit of the ministers of foreign relations in order to strengthen “inter-American cooperation” “in harmony” with the United States. For Perón this was a hostile act but what did he want, asked Lusardo. It was absurd, he said, to imagine wars or little wars of certain countries against others in the hemisphere for the pleasure of a fugaz hegemony, as if the vigilance and force of the United States didn’t exist, or in the interest of defending Western civilization from Communism. Still nothing kept Perón from professing the brightest optimism. As he wrote to Vargas: “I remain loyal and sincere in the same postures as always, honoring the promises exchanged three years ago”. Perón remained determined to do with Brazil what he had done with Chile. Vargas could not follow him, because his enemies wouldn’t allow him; but Perón could wait because, as he said, Argentina had no problems.

Perón felt strong and although he lost some friends, he gained others. He was already in the midst of a honeymoon with the Colombian Rojas Pinilla and the Nicaraguan Somoza, and there was also Remorino’s visit to Quito and Caracas and the initiatives with Paraguay, to all of which must be added Bolivia. Nonetheless, it was easy to see the glass he thought full as half empty. Were these relations solid, diverse and monitored from Washington? In addition, while Brazil obstructed Perón’s plans to advance in other countries, the Third Position was stuck in wait-and-see. “There is much skepticism here over the possible successes of the foreign policy” of Argentina, wrote the Italian ambassador in Rio. The apparently culminating moment of Peronist luster was, in fact, its swan song. In Chile itself the ratification of the Acta de Santiago found strong resistance, felt by the Argentine pretension to celebrate the accords quickly, without consulting with its ally. Moreover, Ibáñez doubted Argentina’s capacity to honor its economic commitments. Lastly, in the military and political arenas, barely a year after Perón’s historic visit to Santiago, there was very little remaining. On the contrary, in Chile already calls were raised for a rapid return to friendship with Brazil and the United States.

Perón didn’t stop accusing the United States of scheming to wrest away allies but he knew that he ought to come to an agreement with the North Americans. Many people asked for it and all of the circumstances appeared to impose this way out: the economic situation, the limits on his regional projection, the death of Stalin and the phantom of war, invoked so often by the Third Position, the appeals from Washington to hemispheric unity against Communism, growing internal difficulties. The hour had arrived for Perón to adapt to the geopolitical imperatives. But, how was he to reconcile with Washington and at the same time preserve the primacy of Argentina’s potential and the ambitions that Peronism thought it deserved? With Eisenhower in the White House the greatly awaited opportunity presented itself. His administration, determined to combat Communism without entering into quibbles over the democratic qualities of its allies, considered nationalism to be the principal
vehicle of the spread of Communism in Latin America and that indiscriminate hostility to nationalist regimes had served to feed it\(^9\). Why not do something else? Why not look for understandings with nationalists like Perón and Paz Estenssoro who were at the same time popular and anti-Communist and that needed help? Why not encourage them to contain Communism from within their own regimes? Old enemies could be useful allies and it was possible that U.S. aid could also serve to moderate their economic nationalism and their authoritarianism.

This was a tempting occasion for Perón who sought prestige in Washington as an element of stability, showing off his unobjectionable anti-Communism but taking note that the United States would dissuade him from creating regional blocs and propel the eradication of Communism from its trade union bases\(^9\). The equation was complicated and Perón tried once more to negotiate, selling the idea that it was the United States that implored him and making sure that each gesture toward opening was followed by a baring his teeth\(^9\). The strategy of drawing closer to Washington presaged the appearance of conflicts, above all between the military and the CGT; this was obvious, given that it implied a radical change of fronts. This was confirmed by a memorandum from the Argentine Ministry of Foreign Relations on the convenience of a military treaty with the United States\(^9\). There were arguments for and against signing this instrument. The military saw the favorable side, the trade unions the unfavorable. Among the arguments in favor, the break in isolation, the access to the largest arms supplier in the world and the economic advantages were emphasized. Aid would permit “the growth or the preservation of the political, military and economic preeminence of the Republic”. But to sign the treaty, and herein lay the disadvantages, would undermine Argentina’s prestige and implied abandoning the Third Position; this was not even to mention the political consequences as “nationalist public opinion would react” to the signing “in a visible and spontaneous manner”.

It was clear that the time to take a decision had arrived and the occasion to do it was the visit by Milton Eisenhower in July 1953. There is no rivalry between Argentina and the United States, Perón declared to Washington journalists, while the Argentine press calmed down before the “beginning of a new era” between the two countries. “Progress is so evident that it can be noted just by sight,” Nufer said with satisfaction. The Secretary of Inter-American Affairs, John Moors Cabot, said in response to objections from the progressive press of New York, that after all the United States had other dictators as allies. For his part, Perón gave some relief to the economic leadership, sanctioning a new law on foreign investment\(^9\). The turn was so decisive that in August 1954 it was taken for granted that there would be a credit from the Eximbank and an agreement with U.S. oil companies. Remorino could almost not believe it: he himself, the friend of Washington, had to control Perón’s enthusiasm\(^9\). And the Third Position? After all, the greatest outcome it had produced was isolation. Its exhaustion was indicated by the round of encounters among heads of American states, previously aligned with one or the other side\(^9\). The “tenacious” efforts of Perón to “exercise a certain hegemony over the other Latin American nations” confirmed the Chilean ambassador in 1955, belonged to the past and the apparatus that it had sustained no longer existed: the Secretary of Communications was eliminated; the press agencies closed; and ATLAS was dying. To the “violent anti-Communist campaign unleashed in his country, he added in full support of “our bloc”, as he called it, against the Communist threat in Guatemala, where the United States wiped out Colonel Arbenz\(^9\). The suicide of Vargas, the chill in relations with Ecuador, parallel to the efforts to warm relations with Lima by breaking with APRA: everything had changed.

Bolivia’s fate, as is known, was linked to Argentina. It should, therefore, be no surprise that Paz Estenssoro, like Perón, now launched himself as an anti-Communist bastion. Perhaps even more so than Perón, as Communism was more of a threat for Bolivia than Argentina. The coldness between La Paz and Buenos Aires seemed to seal the decline of the Third Position; that is, in fact, what happened. For some time the United States had considered Paz Estenssoro a Kerensky over whom Juan Lechin, the mining leader, exercised power, and believed that it was
necessary to help him solidify his own position and free himself from this influence. The umbilical cord to Argentine trade unions would have to be severed and La Paz extricated from the orbit of the Third Position in the effort to separate the “healthy” nationalists from the disguised Communists in both countries.

However, in 1953 the numerous representatives of the CGT and ATLAS in La Paz, on the first anniversary of the revolution, still revealed by their presence the direct inter-relations between the two regimes. The United States resorted to the old arsenal of economic pressures, over ruling the assurances given by its ambassador in La Paz with respect to Paz Estenssoro’s ideology. He, in response, gave Buenos Aires a wink, saying that the phantom of his adhesion to the Peronist bloc would persuade the United States to reduce its economic pressures a little. In this way Washington pushed La Paz toward Argentina, to the point that Perón bragged that he didn’t take advantage of the opportunity.

Then in June 1953 Eisenhower changed direction. In order to discriminate between nationalist of the right and of the left required the implementation of selective aid. Free from threats, Paz Estenssoro could keep the Communists calm and control Peronist ambitions. Brazil would help. The outcome of the summit on Bolivia held at the White House was that from then on the United States would give restricted aid to La Paz for a decade. Milton Eisenhower brought to La Paz a promise to buy tin, the first of numerous steps, with culminated in a grant of US 18.4 million granted in August 1954 and in numerous projects and investments that would make Bolivia the main destination of per capita U.S. aid in the world.

The results were visible. Paz Estenssoro threw the extremists out of the government, purged the Army and promised the Church that he would fight for the Christian West. Perón, meanwhile, with his hands left empty by Bolivian’s coolness toward his hegemonic aims, saw La Paz took its distance from him. The truth is that in June 1955, on the day after the crisis that placed Perón one step from the abyss, the Bolivian government did not deny him its support. But the roles had been reversed; now Argentina searched eagerly for the solidarity that it had previously awarded or withheld. The Third Position had died and Bolivia was lost, to the point that Perón, hostage to the military, was unable to make a visit. Ibáñez, however, did and Paz Extensor scheduled trips to Peru and Ecuador, considered in Buenos Aires as operations directed “against eventual hegemonies”. The Argentina of Perón, no longer loved or feared, was again at square one. And Bolivia was looking the other way.

Conclusions

The Third Position was dead even before the fall of Perón in September 1955. Along with it died the idea of a Latin bloc led by Argentina, able to navigate the undertow of the Cold War. Perón himself had to lower his head and admit the evidence, humbly taking the road to Washington. Nothing was more revealing of this failure than the destiny assigned to Bolivia, a territory over which Argentina had weighed heavily for a long time, only to see it escape its hands, attracted by the United States precisely when the 1952 revolution appeared to have brought it under Peronist sway. It isn’t that the idea of a Third Position had died as it was fated to reappear in many other places and times, under very distinct forms. What no longer exists was the project it incarnated in the Argentina of Perón. Why? The reasons are widely known and convincing: the Cold War left no means for escape; the Peronist regime overestimated its resources; the United States had the strength and arguments to make it return to the fold; within Peronism there were divergent positions which limited its power; the instruments employed were inadequate. All of this is true but there was something else. The failure, in fact, was also due to “bad luck”. It fell to Perón to cultivate his plans in the wrong place at the wrong time. Son of the fascist “Third Way” in vogue between the Wars, Perón tried to apply it in America when the War was burying it; in short, he arrived too late. But in another sense he arrived too early, ahead of another third way that would flow into the non-
alignment. So it was that he found himself alone, in the middle of the Cold War, in the continent where less space existed to challenge the iron logic than any other place in world: the Americas, closely united to Washington.

But if the Third Position was able to dig deep roots it was also for another reason, an older one and, in itself, structural. If Perón wasn’t able to recreate a sort of viceroyalty of the Rio de la Plata and project it onto the hemisphere it was in great measure for the same reasons that this viceroyalty had not survived the emancipation from Spain. The Third Position was never perceived by its neighbors, nor was it presented as an agreement among equals. Perhaps it would have been impossible, considering Argentina’s superiority in many areas. What is certain is that the hegemonic aim was unrestrained, whether in the name of an Argentine manifest destiny or in the name of the revolutionary ethos of Peronism. As in the Independence era, the countries of the region, no less jealous than Argentina of their sovereignty, received these proposals with growing feelings of uneasiness, suspicion, fear. Why obey Buenos Aires? A powerful and distant protector was preferable to an ambitious and invasive neighbor. Once Madrid had had control; after that it was London. Now it was Washington’s turn.


5 AMREA, Jan 19. 1944, quoted; Strictly confidential memo, March 29, 1944.
6 AMREA, “Relaciones del nuevo régimen boliviano con elementos hostiles a la defensa continental”, private and confidential, March 29, 1944.


8 As stated by the Foreign Secretary of La Paz to the Chilean Ambassador, see File from the Ministry of Foreign Relations of Chile, AMREC, “La Paz a Santiago, Visita embajador Warren”, May 25 1944.

9 See S. WELLES: “Necesidad de una doctrina interamericana sobre reconocimientos”, La Razón, La Paz, May 24, 1944.


11 See LEHMAN, Bolivia and the United States..., op. cit., pp. 82-86.


15 For nationalists in Argentina and Bolivia, Braden was the archetype of imperialism.


55 Eventually, who persuaded González Videla to desist was Alessandri, the Chilean conservative leader and a friend of Perón, see AMREA, “Santiago a Buenos Aires, Relacionado con la tentativa chilena de acusar a la República Argentina”, Sept. 16, 1949.


64 La Época, Buenos Aires, May 18, 1951.


67 La Época, Buenos Aires, Jan. 6, 1952; widely echoed by La Prensa, where several MNR exiles were writing at the moment, see AMREC, “Buenos Aires a Santiago”, Feb. 12, 1952, cit.

68 Eva Perón’s address in La Época, Buenos Aires, Feb. 21, 1952.


71 That was the thinking of E. Bunker, ambassador in Buenos Aires between 1951 y 1952, and of many members of the Congress, see AMREC, “Buenos Aires a Santiago, Partida del Embajador de los EE.UU.”, March 18, 1952.


76 As stated by Guillermo McLean Valverde, the right-hand man of Paz Estenssoro, see AMREP, “Buenos Aires a Lima, Agente Secreto del Presidente de Bolivia”, 24 abril 1952; according to Paz Estenssoro, Perón was “the deceitful man”.


81 See La Época, Dec. 8, 1952.

82 As thought by some Argentine military spheres, see AMREP, “Buenos Aires a Lima”, Sept. 5, 1953.


88 The Argentine fears caused by the rapprochement between Peru and Brazil were grasped by the American embassy, see J. VAN DER KARR, Perón y los Estados Unidos, op. cit., pp. 234-241; AMREP, “Buenos Aires a Lima, Convenio comercial con el Brasil”, Jan. 16, 1953; “Viaja a Chile el presidente argentino y visita Río de Janeiro el canciller del Perú”, Feb. 21, 1953.

89 The setter from Perón to Vargas in AMAEA, D. G. de Política, March 6, 1953; Vargas politely requested Perón moderation, see AMREP, “Buenos Aires a Lima, Conversando con el embajador de Brasil”, March 18 / May 28, 1953.


As thought by Foreign Under-Secretary Holland, in J. VAN DER KARR, Perón y los Estados Unidos, op. cit., pp. 265-266; on the subject, see S. G. RABE: Eisenhower and Latin America: The Foreign Policy of Anti-Communism, Chapel Hill, University of North Carolina Press, 1986.

Perón and Nufer talked about the matter on May 14, 1953, see J. VAN DER KARR, Perón y los Estados Unidos, op. cit., pp. 234-241.


AMREA, secret memo, “Negociación de acuerdos bilaterales de ayuda militar con Estados Unidos”, 1953.


J. VAN DER KARR, Perón y los Estados Unidos, op. cit., p. 239.

LEHMAN, “Revolutions and Attributions…”, op. cit., p. 208.