THE 'ARGENTINE PROBLEM': AN ANALYSIS OF POLITICAL INSTABILITY IN A MODERN SOCIETY

bу

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ABSTRACT

This thesis is designed to explain, through political and historical analysis, a phenomenon identified by scholars of political development as the "Argentine Problem". Argentina is seen as a paradox, a nation which does not display the political stability commensurate with its level of socio-economic development. The work also seeks to examine the origins and policies of the most serious manifestation of dictatorial rule in the nation's history, the period of military power from 1976 to 1983. A review of the relevant literature indicates a shortage of studies which address the "Argentine Problem", as well as the political and economic policies of the military regime, or which seek to place that regime within an historical context. Therefore, this research will help redress some of those deficiencies.

The use of an analytical framework based solely on the application of over-arching theories of comparative development, which tend to explain the Argentine case as an example of a general tendency among nations, has been avoided. Instead, an historical-structural methodology which integrates elements of dependency theory with variables unique to Argentine society has been adopted.

An attempt is made to help in the creation of an emerging framework for understanding Argentina's circumstances. The work builds a case for the hypothesis that the persistence of political instability throughout modern Argentine history is condi-

tioned by historically verifiable patterns of economic development and social life. Furthermore, it provides evidence that the origins and policies of the military regime of 1976, a combination of free-enterprise economy with state terrorism, were firmly grounded in the nation's past.

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PREFACE

I have chosen Argentina as a case study for personal and intellectual reasons. First, there are many links between the Italian cultural community to which I belong and Argentina. I was interested to learn about a nation where I have relatives, and where I could very well have been born.

Second, in an academic sense, Argentina is an intriguing object of inquiry. To the student of political development, the nation is an anomaly. It does not fit into most of the global categorization schema which are at the core of the discipline. It is a society which does not manifest the political behavior suited to its level of development. In Argentina, a high level of social instability has persisted in the face of modernization.

In the course of my research, I became concerned with the capacity of conventional methodologies to explain Argentina's unique status. The reasons for my selecting two of them, Modernization theory and Dependency theory, are found in Chapter One. While I found in Dependency theory more elements to help in the understanding of the Argentine case, it was essential to complement that framework with an historical-structural analysis as outlined in Chapter One. This is necessary in order to better comprehend the persistence of such phenomena as

militarism, Peronism, socio-economic turmoil, and what has come to be known as "stalemated pluralism".

The thesis attempts to assess the relationship between patterns of economic and social life and the persistence of instability in the modern era. The analysis suggests that the maintenance of dependency and certain forms of political behavior have contributed to the turmoil experienced within the nation. Second, it attempts to show how significant events, social forces and political regimes throughout the nation's history each contributed to the worsening of societal conflict over time. A synthetic historical treatment is necessary in order to understand the origins and nature of the focus of the thesis, the Process of National Reorganization carried out by the military between 1976 and 1983.

The thesis is ordered in the following manner. Chapter One begins with a definition of the research problem. And then critiques two dominant analytical methodologies with respect to their capacity to explain that problem. Finally, it outlines a research method which is to be used in addressing the Argentine case. Chapters Two through Four take the form of an historical structural analysis. Their purpose is to identify those economic and political patterns which contributed to the events analysed in Chapters Five and Six.

Chapter Two is a synthetic treatment of the period 1600 to 1930. It traces the evolution of the export-oriented agrarian regime. It addresses those hallmarks of the era: acute dependency, the growth of an exclusionary ruling class, and unscrupulous political practices and evaluates their subsequent impact.

Chapter Three covers the period 1930-1966. It investigates the connection between the Depression and changes in Argentine society: notably industrialization and the triumph of Peronism. It links certain patterns associated with this era, as well as legacies of the agrarian period, to the worsening of social instability. This occurs in the context of an analysis of the climate of "stalemated pluralism" existing between 1955-1966.

Chapter Four is a rather more extensive analysis of a shorter period, 1966-1976. It focuses on the attempt by two separate regimes to impose themselves on the increasingly fragmented society, and their failure to do so. The analysis details how their policies, in combination with longstanding socio-economic patterns and novel circumstances within the social environment (such as terrorism of various shades), contributed to an unprecedented unravelling of the social fabric.

Finally, there is an assessment of the relationship between this era and the formation of a pernicious alliance determined to smash the cycle of instability. Chapters Five and Six deal with the rise and fall of the military regime and its "Process

of National Reorganization". They cover the period between 1976 and 1983. Chapter Five provides a brief analysis of the development of the <u>Proceso</u> and the link between its political and economic facets. A large section is given to a synthetic analysis of the origins, characteristics and consequences of the state terror apparatus that was created to assist the military in transforming Argentine society.

Chapter Six provides an account of the economic program of the military, and its relation to the repressive state. It also chronicles the events leading to the downfall of the Generals.

The thesis ends with some conclusions (Chapter Seven) which assess the prospects of the bourgeois-democratic government of Raul Alfonsin.

CHAPTER ONE

INTRODUCTION

This chapter will be devoted to an appraisal of both Modernization theory and Dependency theory as they relate to the Argentine case. It will also examine some internal characteristics of the South American country which are essential, for a comprehensive understanding of the political process in Argentina. The relationships between political instability and militarism will be sketched, as well as the processes of discontinuous modernization and political stalemate that have been evident since the 1930's.

I. Modernization Theory and the Argentine Paradox

The purpose of this section is to assess the worth of two dominant analytical frameworks, Modernization theory and Dependency theory, in analyzing the origins and maintenance of political instability in Argentina.1 Each of these perspectives claims to provide an explanation for economic underdevelopment and socio-political discord in nation states; however, they differ with respect to their fundamental assumptions and research strategies.

Modernization theory is behavioral and microsociological.

It concentrates on the values and norms of individuals. In contrast, the Dependency approach is structural and macrosociological. It emphasizes the mode of production, patterns of international trade, the political and economic linkages among

elites in the nations comprising the center and periphery of the global economic system, and the class structure of the nation being studied. In Modernization theory the unit of analysis is the nation state, while the Dependency framework considers the global system as the object of inquiry.

Although no comparative method of inquiry can provide more than a partial explanation for the persistence of social conflict in Argentina, Dependency analysis is of far more utility than Modernization theory in this regard.

The destruction of European colonial empires after World War II led to the emergence of nation states beset with persistent economic underdevelopment and social discord. Westerninspired efforts to solve these problems failed. These circumstances, coupled with the ongoing attempt by the Socialist bloc to secure allies in the Third World, led academics and policymakers to investigate the impediments to modernity in these nations and to offer solutions. The perspective which emerged focussed primarily on national and non-economic variables as the reasons for underdevelopment.

According to Modernization theory, emerging societies are burdened with cultural traits that block their passage into modernity. Valenzuela and Valenzuela, in a critical analysis of this theory, state:

The literature assumes that the values, institutions and patterns of action of traditional society are both an expression and a cause of underdevelopment and constitute the main obstacles in the way of modernization. To enter the modern world, underdeveloped societies have to overcome traditional norms and structures opening the way for social, economic, and political transformations.2

Although Latin American nations became independent in the nineteenth century, this did not exempt them from analysis by Modernization theorists. 3 An early and influential study was undertaken by Seymour Martin Lipset, who offered the following rationale:

The relative failure of Latin American countries to develop on a scale comparable to those of North America or Australasia has been seen as, in some part, a consequence of variations in value systems dominating these two areas. The overseas offspring of Great Britain seemingly had the advantage of values derivative in part from the Protestant ethic and from the formation of "new societies" in which feudal ascriptive elements were missing. Since Latin America, on the other hand, was Catholic, it has been dominated for long centuries by ruling elites who created a social structure congruent with feudal social values. 4

The second component of this analytical framework was a prescription to assist countries in Latin America, Africa, and Asia in overcoming the legacies which constituted obstacles to modernity. This remedy was derived from an assumption that all developing nations would evolve along one distinct continuum emerging eventually as liberal democracies, if they were helped by the Western nations. The "diffusion" of values and institutions by Western governments and corporations would assist the evolution of these nations into Western democracies immune to Socialist advances. 5

The assumptions, methodology and conclusions of Modernization theory have come under increasing attack in recent years both in the United States and Latin America. For my purposes, I will focus on two related criticisms. The first is contained in this passage from Valenzuela:

The problem with the model and its behavioral level of analysis is that the explanation for underdevelopment is part of the pre-established conceptual framework. already "known" that in backward areas the modernity inhibiting characteristics play the dominant role, otherwise the areas would not be backward. As such, the test of the hypothesis involves an a-priori acceptance of the very hypothesis up for verification, with empirical evidence gathered solely in an illustrative The focus on individuals simply does not permit consideration of a broader range of contextual variables which might lead to invalidating the assumptions [...] Discrepancies are accounted for not by reformulation, but by adding a new definition or a new corollary to the pre-existing conceptual framework.6

The second criticism is as follows. Studies based on Modernization theory draw their data from most if not all contemporary societies. While it is possible to establish a positive correlation between socio-economic development and political democracy, it is not justifiable to conclude that this correlation may hold for each group of units that constitute the larger set. In fact, the opposite may be the case. 7

The shortcomings outlined above become glaring when the theory is applied to the Argentine case. The origin and persistence of its socio-economic instability cannot be explained by Modernization. When Argentina's level of modernity is quantified, a paradox results. It fails to display the "political"

maturity" expected from it according to its level of socio-economic development. 8 Most Modernization analysts have never questioned the epistemological capacities of their framework; instead, they have labelled Argentina as a deviant case whose existence does not warrant further inquiry. No attention is given to the question which arises from the Argentine paradox: under certain circumstances could the development of capitalism and the achievement of a high degree of modernization lead away from a Western democratic system, to one characterized by protracted political crisis and bloody chaos?

II. Dependency and the Argentine Case

Concerns with the ethnocentricity, inapplicability and "national" focus of Modernization theory led Latin American social scientists to frame new ways of investigating the origins of Latin America's economic underdevelopment. The United Nations Economic Commission for Latin America (ECLA) criticized Modernization theory's refusal to assess the impact of industrial nations on economic underdevelopment in Latin America, and its focus on cultural as opposed to economic circumstances in describing this process. In the 1950's, Argentine economist Raul Prebisch and his colleagues adopted a global framework of analysis positing a link between the industrialization of a metropolis composed of the nations of Western Europe and North America and the increasing underdevelopment of a periphery of nations exporting raw materials and importing finished products. The key to this dynamic was the growing inequality of the terms

of trade and a net drain of wealth towards the industralized center. A solution was posited and adopted by several Latin American nations, calling for a diversification of exports and accelerated Import Substituting Industralization (ISI).

Increasing economic underdevelopment, the growth of militarism and spiralling social instability led to a critique of the ECLA perspective. While it correctly linked underdevelopment with the insertion of Latin America in the global economy, the ECLA framework overlooked the social structures (expressed as social classes and the relationship between classes) that acted to perpetuate the status quo.

During the 1960's, these insights were combined with Marxist and other theories of Imperialism into the conceptual framework called Dependency theory. 9 This rejects the concept that cultural variables are determinants of underdevelopment in favor of a proposition stating that underdevelopment of the periphery and development of the metropolis are poles of a single world process. It asserts that financial and investment decisions of the metropolitan nations (in conjunction with peripheral elites) have enriched those nations while impoverishing other sectors within peripheral societies. Second, it states that the tensions created by that economic structure condition socio-political instability. To quote Suzanne Bodenheimer:

The dependency model takes as its point of departure a concrete dictum which has conditioned Latin American history: that since the Spanish conquest [...] Latin America has played a certain role in the political economy of one or another dominant capitalist nation [...] Thus the Latin economies have always been shaped by the global expansion and consolidation of the capitalist system, and by their own incorporation into that system.

...the development of that region has been shaped since the Spanish conquest by a general structural characteristic of capitalist expansion - its unevenness. [...] This unevenness has been manifested through an "international division of labor": while Western Europe and the United States industrialized, Latin America remained for centuries an exporter of primary raw materials and agricultural products. And even the faltering steps toward industrialization more recently have not altered the fundamentally complementary character of the the industrial sectors remain depen-Latin economies: dent on imports (of capital goods) and, as a result of the increasing foreign control over these sectors, growth is still governed by the needs of foreign economies. 10

Social structures within the peripheral nations - in particular the coincidence of interests between dominant classes and agencies of metropolitan nations - reinforce economic underdevelopment. Dependency posits a link between social structure, the flow of surplus, and social instability in peripheral nations. Here, elites and metropolitan nations enrich themselves by exploiting the country's resources and the majority of the population. This situation leads to social conflict between dominant groups seeking to retain their positions of privilege and the masses who demand an overthrow of the system or a more equitable distribution of its rewards.

Dependency theory gives a more useful definition than Modernization theory of the term "Third World". The latter theory

denies the definitive trait of all those nations - their history of economic domination. In Dependency, the Third World consists of those nations whose economies were warped by their insertion into the global capitalist economy. All Latin American nations were conditioned by this process. Their evolution was not spurred by an internal dynamic. It resulted from the needs of metropolitan nations for precious commodities, foodstuffs, raw materials and markets for manufactured goods. This process resulted in nations characterized by social upheaval and vulnerable economies.

Dependency assumes that Argentina's under-development resulted from the same process that conditioned that status in other Latin American nations. From this perspective, Argentina is not an anomaly to be dismissed. It is a nation whose circumstances can be partially understood through an analysis based in dependency.

The Modernization perspective adheres to a system of principles which make the outcome of conflict within underdeveloped societies seem pre-ordained. The use of this overarching theory makes analysts victims of the unexpected. The Argentine paradox is one such example. These results raise an important point. When analysing social conflict, the more systematic the approach, the more impoverished is the resulting diagnosis. It is necessary to undertake a more concrete examination of the history of the society under study. This is necessary because each peripheral nation labors under a unique form of dependency.

The dynamic of international capitalism integrated each Latin American nation uniquely. These differences are rooted in the diversity of natural resources between nations, the period when each nation was incorporated, and the different moments in which dependent sectors and classes allied themselves or clashed with foreign interests.

Dependency is an evolving and imperfect analytical tool, but it is far superior to its counterpart. Modernization theory is precise in its research techniques and microsociological in its orientation. It is given to precise explanatory propositions. Dependency is less rigid in its method and macrosociological in orientation. Its hypotheses are more valuable because they do not result from the application of a single set of narrow assumptions. Because Modernization theory relies on a simple conceptual framework and a reductionist approach, it is of little use in the study of complex phenomena such as the development of underdevelopment.

The relative strength of Dependency lies not only in its consideration of a richer body of evidence. Its fundamental advantage is that it is open to historically grounded conceptualizations while Modernization theory is locked into an illustrative methodological style by virtue of its own assumptions. Most importantly, the value of Dependency lies in its applicability and utility in analyzing the Argentine case. This perspective recognizes Argentina not as a deviant case to be shunted away but as a case to be analyzed. It accepts the real-

ity of that nation: persistent instability in the context of a high degree of socio-economic modernization. Dependency theory suggests that a partial explanation for Argentina's condition may lie in its evolution as a peripheral capitalist society.

Although Argentina's history is unique it shares features with other Latin American nations. Their evolution has proceeded in stages corresponding to changes in the global system: the Mercantilist colonial period (1500-1750), the period of "outward growth" based on primary exports (1750-1914), the era of crisis of the Liberal model (1914-1950), and the current state of Trans-national capitalism. My analysis will utilize Dependency theory. It will entail a rigorous historical analysis based in the above periods, with particular emphasis on the role of social class in the reinforcement of economic dependency and social conflict.

Argentina was integrated into the global economy during the second era above, resulting in a dynamic agrarian dependency which reached its zenith between 1880-1914 11. It was controlled by Britain and a modernizing agrarian bourgeoisie. Their patrician and exclusionary attitudes and status as a ruling class gave them the name la oligarquia. Their hegemony was unsuccessfully challenged by a nascent and eclectic urban middle class. The capitalist crisis of World War I and the Depression disrupted global trade patterns, and reduced impediments to industrialization. This resulted in a defensive industrial

strategy designed to maintain the shattered status quo by producing previously imported goods.

The socio-political consequences of the Depression (a change of allegiance within the Armed Forces and the creation of new social classes) destroyed the politico-ideological hegemony, if not the economic base, of oligarchic power. What emerged under Juan Perón in 1946 was a distributionist regime formed by social classes and fractions politically and economically excluded from the previous cluster. These were the burgeoning urban proletariat, small and medium industrial and commercial entrepreneurs, and rural and middle agricultural bourgeois sectors. These factions and their military allies rooted in the import-substituting sector, promoted its expansion.

By 1950, the coalition began to crumble due to a slowdown in expansion of the industrial dynamic. The industrial base was incapable of producing more than the simplest manufactures. Autonomous attempts to "deepen" the industrial sector (allowing it to produce sophisticated consumer and capital goods) by incorporating foreign technologies failed for lack of foreign exchange. To break the stalemate, Perón opened this sector to unrestricted foreign investment, which led to its capture and satellization by American multinational corporations. What resulted was a debilitating form of industrial dependency, consisting of wholly owned American subsidiaries (and domestic concerns) producing consumer goods for the internal market. The most important consequence of the drain of wealth which resulted

was ongoing economic instability. This led to acute sociopolitical conflict between the agrarian and the industrial sectors and between fractions of classes within each sector.

By 1955. Peron's coalition had crumbled and he was toppled in a bloodless coup. The nation underwent its third and final socio-economic reformulation assuming its modern form. The dependent agrarian elite (reliant on world markets) faced a dependent industrial bourgeoisie (reliant on metropolitan nations for vital inputs). Though natural adversaries, struggling over the appropriation of agrarian surplus, they formed an uneasy alliance to reinforce the bonds of dependency, and to repress all those beneath them. The main line of cleavage united imperialism, local monopoly capitalism, and a somewhat subdued agrarian bourgeoisie. These confronted the industrial and increasingly displaced rural proletariat. Though conflict between workers and the bourgeoisie grew more intense as industrial dependency increased, its nature remained constant. Argentina's proletariat remained the largest and most powerful in Latin America, and it could not be crushed.

The tenor of social conflict changed with a shift in the middle layers of society composed of the petty bourgeoisie, small landowners, salaried professionals, and students. Since the Depression, the heterogeneous class situation and the contradictory political consciousness of this class made it politically ambivalent. As Argentina's dependency increased, its socio-economic status deteriorated. By the mid-1960's the mid-

dle classes had been driven to a radical alliance with the working classes. The next decade witnessed an unravelling of the nation's social fabric. By 1976, the nation stood poised on the brink of disintegration. The economic and social consequences of dependency and radicalized social forces became impossible to manage. These circumstances gave way to an unprecedented attempt to reformulate society.

III. <u>Political Instability and Militarism</u>

The impact of the Armed Forces on Argentina's troubled history has been profound. It is essential to analyze reasons for the persistence of militarism. 12 Most accepted explanations are based on Modernization theory. One general perspective suggests that this phenomenon is an instance of a tendency within the Hispanic cultural community, one exacerbated by the violent nature of the independence process within those nations. This assumes that the doctrines of Positivism and Lockean Republicanism were superimposed on a polity not predisposed to the maintenance of tolerance and the rule of law. pervasiveness of militarism in Argentina is perceived as a "cultural vestige" of the climate of civil war and caudillismo within the nation before 1875. As other Modernization-based conceptions this hypothesis is ethnocentric and lacks universal validity. Brazil, since 1964 the prototype of the modern military state, won its independence peacefully; but the inverse is evident in Mexico. During the civil war years, the Mexican

military was preeminent; since then it has been incorporated into the political system.

These cultural specific explanations lost credibility when militarism became apparent in the newly emergent nations of Asia and Africa. A broader rationale was applied to the Third World. This posited a direct correlation between the frequency and intensity of military interventions and the relative underdevelopment of the nation concerned. The more diversified, pluralist and complex the nation, the less was the military's propensity, capability and opportunity to intervene. When this conception was applied to Argentina, a second paradox emerged. Argentina has been called one of the most diversified and modern Third World nations, yet it is one case within this global subset in which military intervention has been the most frequent. Moreover, as modernization has become more pervasive, so has the presence of the military.

Equally flawed are deterministic Marxist theories seeking to explain the creation and persistence of rigid authoritarian regimes in the industrial nations of the region. These claim that their armies have acted as puppets of the vanguard of imperialism, the multinational corporation. These views may provide insights into the regimes established in Argentina and Brazil. They do not explain, however, the nature of the state of exception established in Argentina in 1976. Here, the military pursued a policy of de-industrialization which debilitated the multinational sector.

As in the discussion of reasons for socio-economic development above, it is evident that an accurate analysis of the Argentine case cannot be managed with research tools that are only macropolitical and comparative. What is needed is an historical analysis which links militarism to the unique social, political and economic evolution of Argentina. Rouquié, in his excellent study in this mode, Pouvoir Militaire et Société Politique en République Argentine, links militarism to the nation's political instability and its dependency.

Military interventions in Argentina are obviously inseparable from the chronic political instability the country has known for forty years. But they are not the causes. On the contrary, they appear as the consequences and the expression of a prolonged political crisis. Therefore, one must find the roots of military power in global society, in its cleavages, conflicts, and its contradictions. In the same way, the insertion of the armed forces in the political and social systems account for the mechanisms and institutional modes of material hegemony. 13

The purpose of the study is to investigate the reasons for the persistence of social instability in Argentina. I have argued that it is essential to focus on an historical analysis which traces the evolution of Argentina as a dependent capitalist nation. While this methodology is necessary, it is not sufficient to our needs. It must include an historical analysis of the link between "political culture" and persistent instability. These social traits, unique to Argentine society, have interacted with the nation's ongoing dependency to condition the maintenance of social conflict.

IV. Discontinuous Modernization and Political Stalemate

Argentina's economic dependence has proven to be a conditioning but not a determining factor in the persistence of sociopolitical instability. Other, poorer Latin American nations have failed to exhibit such conflict. In these nations such brutal consequences of dependency have been suppressed for long periods, either through complex political schemes as in Mexico or by force as in Brazil. In Árgentina, the existence of a unique set of circumstances has made it impossible to implement either of these "solutions."14

Like all dependent societies, Argentina is characterized by social disarticulation, resulting from an historical accretion of disparate modes of development. Unlike many modern or developing nations, industrialization occurred without a social revolution incorporating and subordinating agrarian elites. To quote Juan Corradi:

...Argentina has been built like a palimpsest of half concluded projects [...] With the end of the prosperous society based on agrarian exports, a new industrial structure grew, and when it faltered in turn, modern enclaves of growth developed around transnational investments. As with the accretion of strata in the history of a geological formation, none of these societal forms managed to displace the other entirely. The old and new remained juxtaposed in odd co-existence. 15

The consequence of these circumstances in Argentina has been a pernicious spiral of social conflict. One reason is economic, the continuing need by the incomplete industrial

sector for the export income of the agrarian one. The most important reason, however, is that each successive societal form gave rise to a network of interests which was incapable of subordinating the others and unwilling to compromise with them. As a consequence, the social history of modern Argentina has been characterized by a negative pluralism. A mosaic of groups have selfishly pursued their narrow interests to the detriment of the whole community.

A second hallmark of the nation's experience after the onset of industrialization has been political stalemate. social stratum resulting from the nation's economic development has become highly mobilized, capable of defending its particular interests in an articulate manner. The landed and upper classes shaped and occupied a series of public and private strongholds. The middle classes used educational institutions and the professions to lift themselves into the social hierarchy. Workers defended wage rights through strong unions. Monopoly capital established and maintained its own inroads. Each constituency has its own language, its own concept of the nation's destiny. No vision has arisen within one sector which has proven powerful enough to reach the others, or to provide the key to lasting hegemony. No national consensus has emerged. Civil society has often looked to the state to unify and order society. But its constituents have never been willing to grant the state sufficient autonomy to legislate in the public interest, or to abide by decisions which clash with their narrow interests.

These circumstances, within the context of continued dependency, have reduced political life to a Hobbesian stalemate. To quote Corradi again:

Hence, though intellectually brilliant and culturally creative, more "modern" than other Latin American societies, Argentina falls prey to political decay. Its political system functions like a wild market. There is no largeness of aims, no solid rule, only some partial answer to blockages and reciprocal vetoes. 16

Throughout its history, but especially since 1930, the nation's political process has been dominated by "Sectoral Individualism". The rules of Bourgeois Democracy have seldom governed social life. The political process has been reduced to a situation where each self-interested constituency has sought to monopolize the market of political power, to seize the state for its exclusive benefit. As the currency used in these transactions is violence, those who have succeeded have been allied with the Armed Forces. No attempt to instrumentalize the state has endured. The pressures of continuing dependency coupled with those of disenfranchized constituencies have dissolved each ruling coalition.

This thesis seeks to provide an explanation for what has been called the "Argentine paradox". The nation's modern history has been characterized by ongoing instability in the context of a high level of socio-economic development. The analytical method will combine the use of elements of Dependency theory with an historical-structural approach. The synthesis will become more detailed as the narrative approaches the main focus

of the paper, that being the military regime established in 1976. An organic historical approach is essential because the origins and policies of the regime in question were intimately linked to longstanding patterns of national development and political practice. A thorough analysis of the evolution of Argentine dependency and social structure, as well as the significance of the politics of unprincipled public action in the nation's history, is essential for an understanding of the Argentine case.

Chapter 1 - End Notes

- 1 There are many analytical frameworks dealing with socio-economic development. I have chosen to focus on Modernization, the predominant mindset of Western analysts, and Dependency, that framework which is most useful for providing some reasons for the persistence of socio-econ-The book by Ronald omic instability in Argentina. Chilcote, Theories of Comparative Politics: The Search for a Paradigm, Boulder, Co., Westview Press, 1981, synthesizes and assesses the literature of four additional streams: see Political Development (pp. 271-271), and Imperialism (pp. 313-324). For additional analysis of these perspectives, see Ian Roxborough, Theories of Underdevelopment, London: Macmillan Press, 1979.
- Arturo Valenzuela and Samuel J. Valenzuela, Modernization and Dependency, Alternative Perspectives in the Study of Latin American Underdevelopment", Comparative Politics, 10, July, 1979, p. 538.
- 3 There are four major streams within Modernization Theory. The original stream was prompted by the emergence of many new states in the Third World. Gabriel Almond and others in the book The Politics of Developing Areas, Princeton: Princeton University Press, 1960, directed attention to backward areas that promised to develop and tied ideas about the nature of the political system and political culture to development. In a book with G. Bingham Powell, <u>Comparative Politics: A Developmental Approach</u>, Boston: Little, Brown and Co., 1966 (2d ed., 1978), Almond more consciously began to work out a model of concepts and stages that would characterized development. This analysis attempted to utilize traditional notions of democracy and to recast them into a more sophisticated, sometimes abstract terminology. An elaborate stage theory of development is depicted in A.F.K. Organski's The Stages of Politi-

cal Development, New York: Alfred A. Knopf, 1965, a work influenced by Walt Rostow's theory of economic stages. These conceptions of political development rest heavily upon the Anglo-American experience in politics. the second category focus on the conceptions of nationbuilding. They attempt to combine old notions of nationalism with new interpretations of development. Deutsch's Nationalism and Social Communication: An Inquiry into the Foundation of Nationality, New York: John Wiley and Sons, 1953, is a classic study of nationalism and its developmental implications. Modernization is the focus of Examples of this type of thw third category of studies . literature include David E. Apter's, The Politics of Modernization, Chicago: University of Chicago Press, 1965. This author emphasizes two models of modernization - the Western democratic and socialist or traditional collectivist models. Apter examines characteristics of modernization and tradition within a structural-functional The fourth category comprises studies of framework. change, a prominent example being Samuel P. Huntington's Political Order in Changing Societies, New Haven: Yale University Press, 1965. For a more complete discussion of these streams, see Chilcote, Theories of Comparative Politics, pp. 279-283.

- Seymour Martin Lipset and Aldo Solari (eds.), Elites in Latin America, New York: Oxford University Press, 1967, p. 4. The assumption that the key to Latin American society can be found in its culture has remained salient in the literature; its latest reflection is found in the school of "New Corporatism". Two representative titles are Kalman Silvert, Essays in Understanding Latin America, Philadel-phia: Institute for the Study of Human Issues, 1977, and Howard Wiarda, Corporatism and National Development, Boulder, Co.: Westview Press, 1981.
- For an excellent synthesis of Diffusion and American policy in Latin America, see Ronald H. Chilcote and Joel Edelstein (eds.), Latin America: The Struggle with Dependency and Beyond, Cambridge, Mass.: Schenkman Publishers, 1974, pp. 13-24.
- 6 Valenzuela and Valenzuela, "Modernization and Dependency", p. 552.
- Guillermo O'Donnell, Modernization and Bureaucratic Authoritarianism: Studies in South American Politics, Berkeley: University of California Press, 1973. See Atilio Borón, "New Forms of Capitalist State in Latin America: an Explanation", Race and Class, 20, 3 (Winter 1979), pp. 263-276.

8 The following is statistical evidence supporting the conception that Argentina superficially belies its Third World status. From "Argentina", Latin American Working Group Letter, 5 No. 2/3 (Feb., March 1978), p. 4.

SOME BASIC FACTS ABOUT ARGENTINA

AREA: 2,776,656 square km

POPULATION: 25,384,000 (1976)

GROSS DOMESTIC PRODUCT (1975) \$35.689.4

per capita \$ 1,425,5

PER CAPITA INCOME (\$U.S.): 1960 1970 1972

Argentina 560 1,041 1,016 Canada 1,909 3.266 4.260

INFANT MORTALITY: 63.1 per thousand

LIFE EXPECTANCY 68.3 years

LITERACY: 92.6%

NEWSPAPER CIRCULATION: 3,998,000

PRIMARY STUDENT - TEACHER RATIO: 19

DISTRIBUTION OF GDP BY KIND OF ECONOMIC ACTIVITY (1970):

	•	
	Argentina	Canada
	() - Change since	1960
Agriculture	12 (-3)	4 (-2)
Manufacturing	33 (0)	20 (-3)
Other Industrial*	4 (+2)	6 (0)
Construction	5 (+1)	5 (0)
Wholesale & retail trade	15 (-6)	11 (0)
Transport & Communi-		
cations	9 (+3)	8 (0)
Other**	22 (+4)	33 (+5)

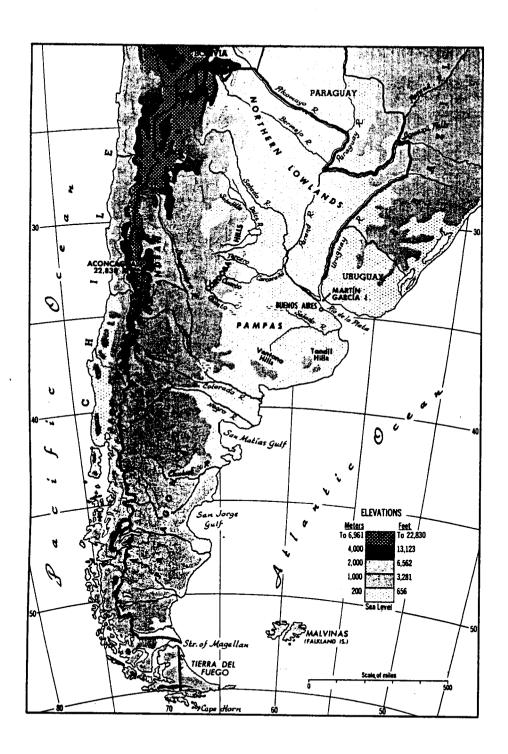
- * mainly mining
- ** mainly public and private services
- The following are excellent overviews regarding the question of dependency: Suzanne Bodenheimer, "Dependency and Imperialism: The Roots of Latin American Underdevelopment", Politics and Society, 1, 3 (May, 1971): pp. 327-357; Ronald Chilcote, "Dependency, a Critical Synthesis of the Literature", Latin American Perspectives, 1,1 (Spring, 1979), pp. 1-23; Richard Fagen, "Studying Latin American Politics: Some Implications of a Dependencia Approach",

- Latin American Research Review, 12, 1 (1977), pp. 3-26; and Chilcote, Theories of Comparative Politics, pp. 300-307, Patricia Salinas, "Critical Dependency Analysis in Latin American", Cornell Journal of Social Relations, 14, 2, pp. 139-154.
- Bodenheimer, "Dependency and Imperialism...", pp. 332-10 Some excellent histories of Latin America from the Dependency perspective are Barbara Stein and Stanley Stein. The Colonial Heritage of Latin America: Essays on Economic Dependence in Perspective, New York: Oxford University Press, 1970; and E. Bradford Burns, Latin America: A Concise Interpretive History, 2nd ed., Englewood Cliffs, N.J.: Prentice Hall, 1977; Berch Berberogla, "The Political Economy of Historical and Contemporary Structures of Underdeveloment in Latin America", Canadian Review of Sociology and Anthropology, 15, 1 (Feb. 1978), pp. 76-92; Fernando H. Cardoso and Enzo Faletto, Dependency and Development in Latin America, University of California Press, 1979; Celso Furtado, Economic Development in Latin America: Historical Background and Contemporary Problems, Cambridge University Press, 1976.
- The examination of class configurations is based on Juan Corradi, "Argentina and Peronism: Fragments of the Puzzle", Latin American Perspectives, 1, 3 (1974), pp. 3-6.
- 12 This section is based in Alain Rouquié, Pouvoir Militaire et Société Politique en République Argentine, Presses de la Fondation Nationale des Sciences Politiques, Paris, 1978, and "L'Amerique Latine hantée par ses mili-, Le Monde, (30-I-83), [Supplement No. 11, 821], pp. XIII, XV; Alexandre de Barros, Edmundo C. Coelho, "Military Intervention and Withdrawal in South America", International Political Science Review, 2, 3 (1981), pp. 341-349; Darío Cantón, "Military Interventions in Argentina: 1900-1966", Conference on Armed Forces and Society Working Group, International Sociological Association, (Sept. 14-16, 1967); Fernando H. Cardoso, "On the Characterization of Authoritarian Regimes in Latin America", Center of Latin American Studies, University of Cambridge Working Paper 31, 1979; David Collier, ed., The New Authoritarianism in Latin America, Joint Committee on Latin American Studies of the Social Sciences Research Council: Princeton University, 1979; C.B. Corbett, "Politics and Professionalization: South American Military", Orbis, 16, 4 (Winter 1973), pp. 927-951; Thomas Davies, Brian Loveman, eds., The Politics of Anti-Politics: The Military in Latin America, University of Nebraska Press, 1978; Abraham Lowenthal, ed., Armies and Politics in Latin America, New York: Holmes and Meier, 1976; José Luis de Imaz, Los que Mandan, trans. by Carlos A. Astiz and Mary McCarthy, Albany, N.Y.: State

University of New York Press, 1970; Guillermo Makin, "The Military in Argentine Politics: 1880-1982"; Millenium: Journal of International Studies, 12, 1, pp. 49-67; George Philip, "Military-Authoritarianism in South America: Brazil, Chile, Uruguay and Argentina", Political Studies 32, (1984), pp. 1-20; Robert Potash, The Army and Politics in Argentina, 1928-1945: Yrigoyen to Perón, Stanford: Stanford University Press, 1969; Robert Potash, The Army and Politics in Argentina, 1945-1962: Perón to Frondizi, London: Athlone Press, 1980. Stanford: Stanford University Press, 1980.

- Rouquie, <u>Pouvoir Militaire et Societe Politique</u> p. 693.

 (All translations from French and Spanish are mine. A.M.)
- This section is based in part on the following:
 Juan Corradi, "Argentina and Peronism: Fragments of the
 Puzzle", Latin American Perspectives, 3, 1 (Fall 1974), pp.
 3-21; "A Story Behind a War", Dissent, 29 (Summer 1982),
 pp. 285-93; The Fitful Republic: Economy, Society and Politics in Argentina, Boulder, Co.: Westview Press, 1985.
- 15 Corradi, The Fitful Republic, p. 111.
- 16 Corradi, "A Story Behind a War", p. 289.



Adapted from James R. Scobie, Argentina. A City and a Nation, New York: Oxford University Press, 1971, p. 8.

CHAPTER TWO

RULE BY OLIGARCHY

This chapter begins the analysis of the roots of social instability in modern Argentina. I will use a synthesis of Dependency theory with an historical-structural approach. The emphasis is on those patterns which contributed, in part, to the turbulence of the modern era. This chapter will outline the evolution of the agrarian dependency, its "Golden Age", and its impact. It will focus on the development of the nation's ruling class, the landed bourgeoisie, its relationship with other social sectors and its legacies. The politicization of the middle classes and the problems brought about by the 1930's Depression, economic dislocation and military intervention, will also be assessed. Finally, the chapter sketches the origins and growth of a political culture of unprincipled public action.

I. Spanish Mercantilism and the River Plate

Modern Argentina's social instability is based in the way
Spanish Mercantilism and British Liberalism affected the River
Plate Region. 1 In the fifteenth century, changes in global
trade patterns made the maritime nations of Western Europe world
powers. The discovery of America was both a consequence and a
catalyst of an ongoing commercial revolution. In the sixteenth
century South America, heretofore integrated into sophisticated
communalistic societies like the Inca Empire, was conquered by
the Spanish and the Portuguese. The new colonies became appendages of a system based on Mercantilism and monopoly, designed

to siphon wealth (raw materials, exotic comestibles and precious metals) to metropolitan Spain.2

The export orientation of Latin American dependency was established between 1500-1700. In Mexico and Peru, the two poles of colonial wealth, the Spanish built mines and a supporting network of landed estates. Colonial mining and landed elites, the commercial bourgeoisie of Seville, Church and Crown officials and, ultimately, the industrial bourgeoisie of Western Europe, reaped the benefits from the extraction of gold and silver. The system had catastrophic consequences, death and cultural genocide for the Indian peoples who labored in the mines and the estates.3

Throughout this period, there was a striking contrast between these export enclaves and the rest of the continent. The fertile plains and the Río de la Plata river system were poorly suited to the needs of mercantilist Spain. The humid pampas of what was to become Argentina - a region of optimum rainfall and rich soil, extending like a fan 500 km from the fledgling port of Buenos Aires - were an economic backwater. The region was removed from the established trade routes, poor in readily exploitable mineral wealth, and thinly populated by nomadic and hostile Indians.

As the region became strategically important, a viceroyalty was established in 1776 with Buenos Aires as its capital. To maintain its sovereignty, the Crown encouraged settlement.

Because the pampa was all but worthless, it was ceded in huge parcels or Latifundia to merchants, retired soldiers and imperial "hangers on". From the moment Argentina became integrated in the global economy, the agricultural land base was concentrated in the hands of a few struggling ranchers and merchants. These ancestors of Argentina's only true ruling class survived by slaughtering cattle and exporting small quantities of hides, salt beef and tallow to Europe and the Caribbean. 4 As long as Latin America remained firmly in Spain's grasp, modern day Argentina's Andean west was the Viceroyalty's growth center. To quote Corradi:

In point of fact, the socio-economic configuration of Argentina was, throughout the colonial period and well into the nineteenth century, the opposite of what it looks today. As one travelled from the Eastern Seaboard to the Northwest approaching the silver mines of Potosi, one met with increasing activity and prosperity. Raising mules and producing foodstuffs for the mines of upper Peru gave impulse to local economies. But this stimulus barely reached the grasslands of the Littoral. There, self-sufficiency and economic stagnation prevailed. 5

II. England and the Roots of Agrarian Dependency

Despite the creation of a vast overseas empire, Spain lost the battle for supremacy in Europe. She did not use her accrued wealth to industrialize under a modernizing bourgeoisie. Instead, she became an economic dependency of Northern Europe, exchanging Peruvian silver and Mexican gold for manufactured goods.

By 1800, England emerged as Europe's pre-eminent military power and the leader of the Industrial Revolution. Spain and Portugal had become little more than appendages of their colonies in the Americas. England coveted these regions of the New World not as suppliers of precious metals, but as sources of foodstuffs, industrial raw materials, and as a market for her manufactures. The Bourbon monarchs of Spain instituted political and economic reforms to prevent her possessions from gravitating into the orbit of British imperialism, but these proved fruitless.

The struggles between metropolitan powers created a conflict over the course of dependent development within the Viceroyalty of the River Plate. One side consisted of those Spanish colonists who had settled on the vast network of the prairies of the River Plate, appropriating tracts of land the size of English counties. These grew increasingly wealthy as cattle multiplied prodigiously on the rich grasslands. They allied themselves with those merchants who were not guaranteed monopoly concessions by the Spanish crown. This clique was opposed by those classes and regions whose self-interest lay in maintaining a connection with Spain: the Peninsulares, members of the ponderous Imperial bureaucracy, Spanish and colonial merchants who enjoyed a monopoly over trade and elites in the Andean west who supplied provisions and crude manufactures to the Peruvian mines.

The mold of Argentina's dependency was cast as the Imperial Spanish state fell before the armies of Napoleon in 1808.6 the midst of the resulting chaos, British capital and the Pampean ranchers struck a bargain. England, identifying the region as a source of food to stoke the bellies of her expanding industrial proletariat, offered to provide the markets, capital and technology necessary to turn it into an informal agricultural colony. It offered to make those agrarian capitalists who monopolized the land base junior partners. This satisfied the interests of both parties. England retained a rich source of foodstuffs and a lucrative market for manufactures and investment capital. To the fledgling agrarian bourgeoisie, the arrangement offered effortless enrichment and a monopoly of political power within the dependency. The coincidence between the wealth of the pampas and the desires of the world's foremost metropolitan power changed the nature of Argentina's dependency and propelled the domestic agrarian elite into socio-economic preeminence. After 1810, the national consolidation of the pact between England and this regional elite became inexorable.

By 1800, ranchers and merchants in the present day province of Buenos Aires pressured the hapless viceroy to grant them free trade with England and to open the port of Buenos Aires to British commerce. In 1810, these "free trade" elites proclaimed their independence, and in 1816 they established a self-styled "national" congress. These events complemented the profound economic changes in the humid pampas around the port city. As dependent ties with England strengthened, the market for hides

and other cattle products grew, and land values appreciated.

There was a steady increase in the trade of agrarian products for imported commodities. The benefits accrued to the merchants of the port city not previously allied to Spain.

These developments and the expressed desire of Buenos Aires to monopolize the benefits of growing agrarian dependency created profound cleavages between this region and those previously integrated by Spain. Buenos Aires' free trade policies threatened the Creole elites of the Western Interior associated with the colonial mining region of the Andes. The ongoing integration of the nation's economy with overseas markets, increasingly separated the interior from the areas with which it had formed an integrated whole. The Andean west's economic stability rested in its attaining relative political autonomy, and some form of customs union to protect its fragile economy from the impact of English manufactures promoted by the merchants of Buenos Aires.

The ranching provinces of Santa Fe and Entre Rios, located on the fringes of the humid pampa and oriented towards the external market, resented the monopolization of all commerce and finance by the cattle producers and merchants of Buenos Aires. These regional cattle breeders and commercial elites demanded a federal system and direct access to foreign markets through their own river ports. For half a century after independence, these regions resisted attempts to be drawn into an export oriented regime controlled by elites from the port city and its

hinterland. However, the interior provinces lost their battle for autonomy. They were forced to cede ever more wealth and jurisdictional power to Buenos Aires province which, in turn, was quick to utilize the favorable location and superior capital resources to subordinate them.

The national consolidation of Buenos Aires' socio-economic project was accelerated when Juan Manuel de Rosas, an erstwhile caudillo, became governor of that province in 1829. His most significant contribution was to use military force to expand the land base available to the agrarian bourgeoisie. By 1830, grazing had approached the limits of its profitable expansion in the areas of original settlement. In response to the insatiable demands of the English market, cattle breeders, with the aid of a newly created military contingent, pressed south into Indian territory in search of new land. Within five years and at the cost of thousands of Indian lives, vast territories, stretching south to Patagonia and west to the Andes, were added to the holdings of established landowners. 7

Rosas' policies placed all of modern Argentina firmly in the grasp of British capitalism for the next eight decades. He also consolidated the power of the cattle barons of Buenos Aires. As this class held a monopoly over productive land, and since it retained such close ties with the metropolitan power, it became an unchallenged ruling elite. By 1890, as no free land remained, its membership became stabilized, limited to a few hundred landowners and their offspring. 9 The geographical

center and inner circle remained the great estates of Buenos Aires province, but Creole or old colonial families of the interior, the sugar barons of Tucuman and vintners of Mendoza provinces were also included. This "closed elite" distanced itself psychologically from other social classes by wrapping itself in a virulently Conservative and exclusionary ideology, which it has never relinquished.

The estancieros or large landowners maintained exclusive political associations such as the Sociedad Rural Argentina (SRA, Argentine Rural Society) and social clubs such as the Buenos Aires Jockey Club, membership in which was steadfastly denied to the beneficiaries of subsequent commercial and industrial development. They refused to live on their estates, preferring to settle together in the most exclusive areas of the Capital. The Tudor or Renaissance faces of their mansions were symbols. They were barriers behind which the estancieros adopted European mannerisms and culture as a means to distance themselves from their rural roots and the peones who worked their estates.

In political matters, this self-styled aristocracy adopted an exclusionary conservative ideology. It considered itself a natural elite - much like the Guardian class in Plato's Republic - with a god-given mandate to guide the nation's destiny. It refused to share political power with outsiders. This reactionary stance was not matched in economic policy. Here, the

agrarian bourgeoisie imposed the tenets of Liberalism ruthlessly.

The legacies of oligarchic rule were two-fold. The first was economic misdevelopment. The nation paid a great price for the effortless enrichment of this ruling class. The second was an ongoing commitment by the agrarian bourgeoisie to sectoral individualism. As mentioned in Chapter One, the evolution of Argentine dependency destroyed the landed elite's hegemony. Throughout modern history, its power has been subdued, but its influence has remained decisive. This class has retained control of the nation's most stable and (with respect to its capacity to generate foreign exchange) most wealthy economic sector. More often than not, it has retained the allegiance of the Armed Forces.

The agrarian bourgeoisie has implanted within society an image of itself as a stabilizing and modernizing force which has exhibited remarkable resiliency. To project this image, the landed elite has used its control of the press (the largest papers, La Nacion and La Prensa, were established by the "grandes familias") and its influence on the development of school curricula. This has allowed the agrarian bourgeoisie to "govern from a distance" through the formation of public opinion. Finally, this class has become the ideological reference point of social sectors throughout society. The middle and working classes have, in various degrees, adopted the norms and values of the "oligarquia". This decisive power has been employed by

the agrarian elites to hold back the "democratizing" consequences of the nation's evolution.

Much of the social conflict within modern Argentina has resulted from the clash of two disparate modes of production existing within the same nation. Changes in the global environment resulted in a dependent industrial dynamic growing up beside the agrarian one. As the industrial classes grew, they began to demand a share of agrarian surplus, and socio-political participation. The Argentine elite chose to cling to privilege through political fraud and military dictatorship. When this failed, this class chose to use those capacities it retained to single-mindedly pursue its self-interest. No political community can remain healthy when a powerful social sector adopts such a strategy. In Argentina, each major constituency adopted such a narrow vision in its turn, partly as a defensive response to the agrarian bourgeoisie, partly on its own initiative. This could have no other consequence than the periodic collapse of civil society.

III. The Golden Age of Agrarian Dependency, 1852-1916

With the overthrow of Rosas in 1852, the agrarian and commercial elites of the province and port city of Buenos Aires emerged as the arbiters of national development. They cooperated with British capital, integrating the entire nation into the export oriented framework and monopolizing the benefits.

There were four parts to this dynamic. The first was staggering economic development in response to increased demand in Europe for the products of ranchers and later grain farmers. The second was the import of capital to develop infrastructure, railroads, docks, and commercial facilities. The third was an increase in the supply of labor through immigration. The fourth element was a final expansion of the agricultural land base.

From 1896-1914, the nation witnessed the most favorable conjuncture in its history. Internationally, markets were strong and the terms of trade between primary and manufactured goods were in the nation's favor. It was Argentina's "Golden Age", an era fondly recalled since the Depression and the onset of concerted industrialization.

Unfortunately, economic modernization was not autonomous, but was conditioned by the need of England (and other metropolitan nations) for foodstuffs, investment and market opportunities. It was also the result of technological advances in manufacturing and transportation originating in these countries.

National development grew out of an international system characterized by unfettered flow of money and resources and a global market for agricultural products unrestrained by tariffs or nontariff barriers to trade.

This process of dependent modernization had pernicious consequences. First, the project required so many foreign resources that the nation became heavily indebted to English (and to a lesser extent, American) financial interests. 10 This tightened the bonds of dependency, as the nation was forced to concentrate on the production of exportable staples or go bankrupt. Second, the nation's stability came to depend on a favorable climate of international trade and capital movements, two variables over which the governments had no control. In time, the nation would fall prey to the consequences of acute dependency outlined by the American sociologist, Carl Taylor:

A society depending almost altogether on the extensive production of cheap raw products is a slave of export markets on the one hand and the exploitation of its lower classes, on the other hand. It is, therefore, socially unhealthy, both domestically and internationally. 11

Between 1860 and the cataclysm of the Great Depression, the agrarian bourgeoisie presided over a dynamic export-oriented dependency. This "Generation of 1880" retained control over the agricultural land base. The refining and marketing of agricultural produce remained in foreign hands. Within a generation, the socio-economic complexion of the entire nation had changed.

An important aspect of this evolution was the growth of grain production. Land that had been idle, or used to graze cattle, was converted to the growth of cereals. Crop acreage and production climbed in response to the implementation of foreign technologies. 12 Livestock products remained the second source of agrarian wealth. Again, technological innovations prompted increased production. The development of refrigerated shipping led to the establishment of freezing plants (controlled)

by British and American investment) and a lucrative trade in chilled meat. As the European desire for better grades of beef could not be met by the feral or semi-domesticated cattle of the estancias, European breeding and production techniques were imported and a modern cattle rearing industry was established. The nature of this process of dependent modernization was reflected in the development of the railroad network. By World War I, it had assumed its modern form.13 All the major lines pushed out from the capital city like spokes from the hub of a great wheel. The radial pattern of the railroad lines expressed their economic function: they were conduits to funnel surplus first into Buenos Aires, and then to international markets.14

Socially, the most significant consequence of economic growth was massive immigration and the creation of a new social stratum, the middle classes. From 1856-1932, some 6.3 million foreigners arrived; 3/4 were Italian and Spanish, but lesser numbers from most every European nation also came. Some coming as seasonal tenant farmers or ranchers were known as golondrinas (swallows), because they returned to Europe after harvest each year. Most immigrated hoping to settle permanently as farmers, but land had become so valuable that the agrarian elite would seldom release title to it for colonization purposes. (Unlike Canada or the United States, there was no "open frontier" for the immigrants to homestead and no government-sponsored program to set aside lands for this purpose). As the state was the creation of the landowners, it had no commitment to democratize the polity through a diffusion of the means of production.

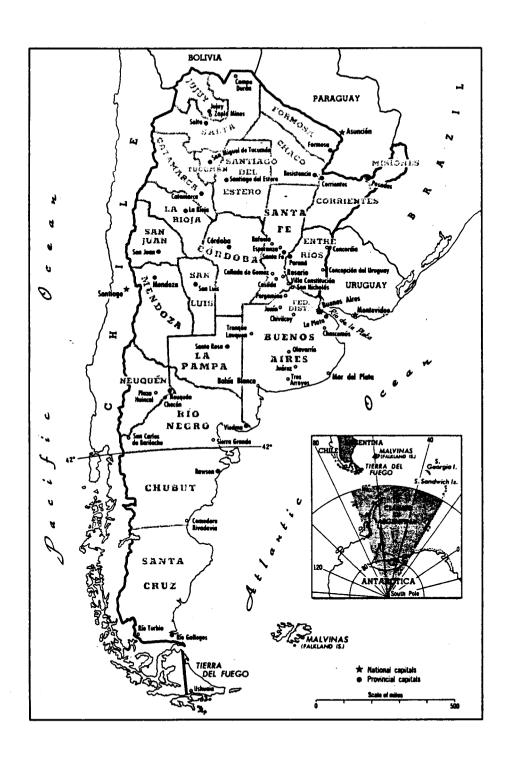
Between 1850 and 1914, over 100 million hectares of virgin land were alienated, yet the tracts were distributed among less than 2000 established landowners. 15

One half of these immigrants returned to their lands of origin. Some of those who remained settled in the countryside, purchasing marginal plots of land or working on the latifundia as wage laborers or share-croppers. Most settled in towns along the main lines of communication or migrated to the port city. 16

During this period, the economy was incredibly buoyant. It effortlessly enriched the elite, while leaving enough surplus to provide some urban immigrants with a high standard of living. 17 These enjoyed rapid upward mobility and full employment in a disproportionately large urban service sector characterized by a huge number of speculative and commercial activities. What emerged was a numerous and largely unproductive middle class.

With reference to the pattern of national development discussed in Chapter One, this "social" modernization was more apparent than real. A service oriented urban society was superimposed on an agricultural base. The latter, however, remained socially and economically dominant. The new class did not develop an autonomous economic power base; its livelihood derived from the monopoly export sector. As such, the middle class became dependent on the largesse of an agrarian bourgeoisie for its social status and political power. Between 1890 and the Depression, the nation's circumstances granted the

oligarquia the self-confidence to tolerate a variety of opinions and to grant the middle classes superficial political power. In 1930, that confidence, based in prosperity, was undermined by the effects of the Great Depression. The landed elite called upon the armed forces to remove the Radical Party from party 18



Adapted from James R. Scobie, <u>Argentina</u>. A City and a Nation, New York: Oxford University Press, 1971, p. 9.

IV. <u>Political Participation and the Middle Classes</u>, 1890-1930

By 1890, the growing social stratum of clerks, bureaucrats, petit bourgeois shopkeepers and professionals united to form political parties. 19 The most important was the <u>Unión Cívica Radical</u> (UCR, Radical Civic Party). Unlike subsequent instances, the politicization of this new class had no effect on elite hegemony. The composition of the economic base of the middle class led it to adopt the Liberal values and political discourse of the bourgeoisie.

The Radical Party's heterogeneous class composition (Hipolito Yrigoyen, the party's leader, was a small landowner), and the general prosperity of the nation, prevented it from demanding changes in the economic order. It demanded political participation for the middle classes through popular suffrage and the implementation of the spirit and letter of the Liberal 1853 Argentine Constitution. Initially, the landed elite remained unwilling to enfranchise the middle classes. They felt it would result in "black parliamentarianism", the seizure of power by a more numerous but perceptively inferior class, with pernicious consequences for the nation. The landed interests countered the demographic weight of those middle class fractions that could vote by using the Army to rig elections and assure victory for its party, the Partido Autonomista Nacional (PAN, Autonomous National Party).

By 1900, the UCR had adopted a policy of electoral abstention, as a form of protest against these circumstances. Tt. also allied itself with sympathetic factions in the military to stage serious, if abortive, rebellions in 1893 and 1905. attempt to coopt the allegiance of the officer corps alarmed the landed elites. They had created the Army as a tool to exterminate the Indians and to repress any concerted opposition in the interior provinces to the consolidation of the oligarquia's project. The Army had remained a tool of the elite when it became clear that they could not secure enough support to win an honestly contested election. Though the Army had remained loyal, its officer corps was predominantly of middle class origin and vulnerable to the destabilizing appeals for political reform. To avoid a potentially disastrous split in the pact of domination, the more enlightened elements of the elite proposed the integration of middle class elites through a limited electoral reform.

The legislation of 1912 was a calculated act by President Roque Saenz Peña to salvage the prevailing system. 20 He knew that the middle classes would dominate any future government. He was also cognizant of that stratum's commitment (especially that of its leadership, many of whom were affiliated with the aristocracy) to the maintenance of the socio-economic order. Saenz Peña's class gambled that relinquishing superficial control over the government would not prevent it from continuing to control the nation's affairs.

Once in power, the UCR operated in a manner acceptable to the landed bourgeoisie. It zealously reinforced economic dependency after the onset of World War I weakened the international conjuncture that had given rise to the nation's prosperity. The conflict in Europe led to shortages and high prices for imports, creating advantages for potential national industries. The UCR did not seize the opportunity to consolidate those chances through subsidies or tariff protection. (The foreign exchange surpluses resulting from the sale of commodities to war-torn Europe were used to reduce the foreign debt.) Politically, although the middle classes controlled the Chamber of Deputies, the landed bourgeoisie retained a majority in the Senate. (Marcelo de Alvear, the second leader of the UCR, who succeeded Yrigoyen from 1922-1928, was by birth and inclination more of a conservative than a radical.)

V. The Great Depression, Economic Dislocation and Military Intervention

The second Yrigoyen regime (he was re-elected in 1928) was cut short by the Great Depression in 1929. This event had catastrophic consequences in a nation so dependent on the international trade in grain and meat. 21 The price of imported goods rose dramatically due to a sudden contraction of industrial production in Great Britain. The government was powerless to deal with the inflation and unemployment that resulted. Customs revenues fell and the UCR, devoid of other revenues, could not

maintain the elaborate patronage network that had kept it in power.

The re-alignment of the global economy shattered the economic complementarity between Argentina and England [see Chapter One, II] which had allowed the nation to evolve as a reasonably open, ostensibly modernizing and relatively wealthy society. The international cataclysm threatened the economic basis of the oligarquia's hegemony. This circumstance rekindled those reactionary and authoritarian tendencies within the landed bourgeoisie latent since 1912. It cancelled its political bargain and sought to regain dictatorial control of the government to consolidate its rule. The elite called on the military to overthrow the government.

The Great Depression changed the course of Argentine history. It was the impetus behind the evolution of Argentine dependency and society. The coup of 1930 was also a watershed. It was the first instance, in the modern era, of what has been referred to in Chapter One as sectoral individualism. In opting for an end to superficial democratization through dictatorship and a re-negotiation of dependency, the landed bourgeoisie put their interests ahead of the nation and established a disturbing pattern. The persistence of this phenomenon is a primary reason for the persistence of political instability since 1930. Since then, the destabilizing consequences of economic dependency have been supplemented by an increasingly pernicious spiral of unprincipled public action.

On September 6, 1930, the army under General José Félix Uriburu deposed Yrigoyen and proclaimed martial law. This initiated the sequence of events resulting in the "Argentine paradox", modernization with continuing social instability. Uriburu, an officer with Conservative connections, was inspired by the successes of Fascist regimes in Europe to prosper in spite of the global depression. (It is important to note that this act was sanctioned by such political parties as the anti-Yrigoyen Radicals and the right-wing Independent Socialists.) The general's corporatist dictatorship was ineffective, devoid of popular support and short-lived. Uriburu was replaced by an exclusionary "limited democracy" under General Agustin P. Justo, an anti-Yrigoyen Radical. Politically, the regime was committed to restricting political participation to the landed elites and the highest stratum of the middle classes. Economically, it was committed to stabilizing the tottering agrarian regime through a policy of "defensive industrialization".

The army's decision to intervene was not based on its independent assessment of the nature of the crisis and how it reflected on its institutional interests. In 1930, the military shared the values of the landed elite and acted as its "Praetorian Guard". With respect to Chapter One, III, the coup of 1930 was the first modern example of another phenomenon which was to become pervasive: militarism. 22 The Armed Forces have always been politicized. Internally, factionalism has always existed. Officers' Lodges, in reality secret pressure groups,

have always been important in this regard. Since 1900, the military has been active in national politics.

With respect to the discussion in Chapter One, a rationale for militarism is that, historically, the military lacked the presence of an external enemy to justify its existence. To compensate, they adopted the role of "guardian of the nation" against attempts to subvert it from within. To quote José Luis de Imaz:

The military men see themselves as the guarantors of the continuation of the spirit of the fatherland, as the legatees of historical tradition and of the heroic virtues of their ancestors, and as the custodians of national values [...] to see themselves as the perpetuators of the glory and tradition of the nation.23

There are other explanations for military intevention, the most credible of which is the one which holds that the propertied groups in Argentina had been incapable of organizing a political party which could win elections.

The Armed Forces exhibit the political ambiguity of the class to which they are affiliated. They have never been the preserve of the landed elite. The military have always been meritocratic in organization and open to recruitment from different classes - a ladder for upward mobility. The overwhelmingly middle class composition of the military has never prevented it (with the exception of the first years of Peronism) from pursuing policies that are inimical to the majority of the population.

Chapter Two has applied the historical-structural framework outlined in Chapter One to an analysis of the export oriented regime which dominated the nation to 1930. With reference to the methodology outlined in that chapter, I have attempted to note those patterns associated with the nation's dependent development and political practice which formed the roots of modern Argentina's circumstances. Chapter Three applies this methodology to the period 1930-1966. This analysis shows how the persistence of certain legacies combined with changes in Argentine society, brought about by the Depression, to worsen social instability. It notes changes in the nature of the nation's dependency as well as continuities in social and political life. The chapter postulates that, while the events of the 1930's changed the socio-economic complexion of Argentina, the fundamental nature of the society remained the same. Despite industrialization and the growth of new social forces, economic dependency and unprincipled public action continued to worsen social instability.

End Notes - Chapter Two

¹ I have found the following sources especially useful in this chapter: Alain Rouquié, Pouvoir Militaire et Société Politique en République Argentina, Paris: Presses de la Fondation Nationale des Sciences Politiques, 1978; Juan E. Corradi, The Fitful Republic: Economy, Society and Politics in Argentina. Boulder, Co.: Westview Press, 1985; "Argentina", in Ronald H. Chilcote and Joel C. Edelstein, eds., Latin America: The Struggle with Dependency and Beyond, New York: Schenkman Publishing Co., 1974; H.S. Ferns, Argentina, London: Ernest Benn Ltd., 1969; Aldo Ferrer, The Argentine Economy, Berkeley: University of California Press, 1967; Guillermo Makin, "The Military in Argentine Politics: 1860-1982", Millennium: Journal of International Studies, 12, 1, pp. 49-65; Anne Potter, "The Failure of Democracy in Argentina, 1916-1930: Institutional Perspective", Journal of Latin American Studies, 13, 1 (May 1981), pp. 83-109; Peter Smith, "The

Breakdown of Democracy in Argentina: 1916-1930:, in Juan Linz and Alfred Stepan, eds., The Breakdown of Democratic Regimes in Latin America, Baltimore: Johns Hopkins University Press, 1978; David Rock, Politics in Argentina 1890-1930: The Rise and Fall of Radicalism, Cambridge: Cambridge University Press, 1975; Peter Snow, Political Forces in Argentina, New York: Praeger Press, 1979; James Scobie, Argentina: A City and a Nation, New York: Oxford University Press, 1964. Carlos Vilas, "On the Crisis of Bourgeois Democracy in Argentina", Latin American Perspectives, 9, 4 (Fall 1982), pp. 5-30; Latin American Working Group, "Argentina", L.A.W.G. Letter, 5, 2/3, 1978.

For a recent historical text covering the period under study, see: David Rock, <u>Argentina 1815-1962</u>: From Spanish Colonization to the Falklands War, Berkeley: University of California Press, 1985.

Throughout the period of Spanish domination, the integra tion of any Latin American region depended on its resource base vis-à-vis the needs of Mercantilism, the accessibility of the region to maintain trade routes, and the availability of an exploitable labor force. (The remnants of conquered Indian populations were supplemented by a thriving slave trade):

The method of economic organization in Latin America differed from that established in New England. Here, production was organized by autonomous settlers in small/medium enterprises geared to dynamic local markets. The division of labor became fairly complex. In New Spain, production was organized in large scale monolithic enterprises utilizing slave or servile labor. These were controlled by the Crown, a mixture of royal capital and private enterprise, or merchants/landowners who paid a tax (the Royal Fifth) to the Crown. This yielded an essentially different social order characterized by a ruthless extraction of wealth in the context of economic dependency and rigid social stratification.

The development of extractive enclave economies resulted in a critical and enduring social legacy. It prevented the formation of any elite class with strong local roots and loyalties tied more to local markets than to metropolitan interests.

- For excellent treatments of this topic, see: Barbara Stein, and Stanley Stein, The Colonial Heritage of Latin America: Essays on Economic Dependence in Perspective, New York: Oxford University Press, 1970; E. Bradford Burns, Latin America: A Concise Interpretive History, 2nd ed., Englewood Cliffs, N.J.: Prentice Hall, 1977; Benjamin Keen and Mark Wasserman, A Short History of Latin America, Boston: Houghton Mifflin Company, 1980.
- 4 For an excellent summary of life during this period, see

Scobie, Argentina, pp. 64-88.

- 5 Juan Corradi, The Fitful Republic, p. 10.
- Modernization theory uses a "social heredity" thesis to 6 determine why Argentina and the United States developed so differently after independence. A more applicable explanation holds that differences in national development law in the outcome of the same capitalist inputs upon different physical and social environments. The crucial variable in the analysis was the method by which productive land was In the United States, circumstances prevented the monopolization of land by a small clique. Such was not. the case in Argentina. Here the landed bourgeoisie established a mode of production based not on the productive labor of independent settlers, but on the bounty of nature and the demand of foreign markets. The natural wealth of the pampas stimulated a type of dependent capitalist development oblivious to the internal market.
- Aldo Ferrer, in <u>The Argentine Economy</u>, points out that 35,000,000 hectares became available, either for cultivation or cattle breeding, as a consequence of the military campaign.
- 8 This analysis is based in part on Rouquie, <u>Pouvoir Militaire</u>, pp. 38-43.
- By World War I, the pattern of land tenure was firmly established. It indicated a high degree of concentration of land ownership: 35% of all land was held in parcels of 2470 acres or more. There were 500 properties of 250,000° acres or more. One family in Buenos Aires Province owned over 300,000 acres. In the more remote regions of the nation, properties of 500,000 acres or more were frequent. Statistics from: José Luis de Imaz, Los Que Mandan, trans. by Carlos A. Astiz and Mary McCarthy, Albany: State University of New York Press, 1970, chpts. 4,5.
- The expansion of the agrarian dependency was paralleled by the penetration of direct foreign investment and additional extensions of credit for infrastructure development, both of which reinforced the export economy. During the period 1800-1914, Argentina absorbed \$10 billion in foreign capital investment and credit according to Aldo Ferrer. In this period, that figure accounted for
 - "8.5 percent of all foreign investment carried out by capital-exporting countries. This figure also represented 33 percent of aggregate investment of the United Kingdom in the same region." From Aldo Ferrer, The Argentine Economy, p. 89.
- 11 Carl C. Taylor, <u>Rural Life in Argentina</u>, Baton Rouge: Louisiana State University Press, 1948, p. 207.

- The land under the plow increased from 1.5 million hectares in 1872 to 25 million in 1914. From Gilbert W. Merkx, Political and Economic Change in Argentina from 1870 to 1966, Ph.D. dissertation, New Haven, Conn.: Yale University, 1968.
- Foreign capital was heavily injected into the railroad network which grew from a mere 39 km in 1860 to 35,256 km in 1917. From NACLA, "Argentina in the Hour of the Furnaces", North American Congress on Latin America, 1975, p. 20
- Freight shipments by rail from the interior to Buenos Aires, which monopolized the export business, jumped from 2,257 tons in 1867 to 28,501,000 tons in 1917. NACLA, "Argentina in the Hour of the Furnaces", p. 20
- "The agricultural economy was not developed on the basis of small independent producers, as was the case with our Canadian prairies. The distribution of land exhibited much more of the feudal legacy of Eugope. Even today, 3,400 families control 36% of the land; there are 250,000 family farms covering 46% of the land and 198,000 virtually landless peasant families". Latin American Working Group, "Argentina", p. 4.
- Between 1869 and 1914, the population of the city and province of Buenos Aires rose from 500,000 to 3,600,000 increasing the porteño share of the national total from 28% to 46%. From Scobie, Argentina, p. 147.
- Between 1869-1929, productivity rose at an average of 5%, and income per capita jumped from 2,308 pesos in 1900-1904 to 3,207 pesos in 1925-1929. Ferrer, The Argentine Economy, p. 121.
- 18 For an excellent analysis of the circumstances precipitat ing the coup of 1930, see Smith, "The Breakdown of Democracy in Argentina".
- 19 This analysis is based in part in Corradi, "Argentina", in Chilcote and Edelstein, <u>Latin America</u>, pp. 337-344.
- Prior to 1914, between 5 and 10 percent of the native born population participated in politics, if only to vote. This percentage was not strikingly out of step with standards of political participation prevalent in Europe during this period. Although the electoral reforms significantly increased the participation rate of native born male Argentines, property, residency and citizenship requirements continued to limit the franchise to well under 50% of the population.
- The world crisis led to the closure of major grain and meat markets and a flight of foreign capital. Argentinian exports worth \$2.3 billion from 1928 to 1929, fell in 1933

to \$1.1 billion, later recovering to an average of \$1.5 billion from 1938 to 1939. Foreign investment also fell from \$.4 billion before the crisis to \$3.2 billion in 1939. From Alejandro Dabat and Luis Lorenzano, Argentina, the Malvinas and the End of Military Rule, London: Thetford Press, 1984, p. 18.

- 22 Please see cross reference, Note 12, Chapter 1.
- 23 José Luis de Imaz, Los que Mandan, p. 82.

CHAPTER THREE

PERONISM: INDUSTRIAL DEPENDENCY AND NATIONALIST POPULISM, 1930-1966

This chapter of the historical analysis deals with the period 1930-1966. The first part covers the years to 1955, during which Argentina emerged as a modern nation. It will address the significant developments brought about by the collapse of Anglo-Argentine complementarity: industrialization and the creation of novel social classes, Peronism and the end of agrarian bourgeois hegemony. It will also focus upon the debilitating legacies of this process of discontinuous modernization. Specifically, it will assess the socio-economic consequences of dependent industrialization without an accompanying "industrial revolution", and the failure of new social forces to repudiate the political practices of older ones. The second part sketches the unique and conflict-ridden social dynamics that gripped the nation unabated between 1955-1966.

I. The Great Depression and Anglo-Argentine Complementarity

Argentina's economic health worsened after World War I.1 Globally, the price and demand for foodstuffs decreased, as did the terms of trade for agricultural products vis-a-vis manufactured goods. Given these trends, it is likely that in the long term even without the Depression, the circumstances of peripheral nations such as Argentina would have continued to deterio-

rate. As it was, the control of the nation belonged to the global economic sector most affected by that event.

The Conservative regime that succeeded Uriburu sought to prop up the faltering political order through economic reforms, specifically a policy of defensive industrialization without redistribution. Its second intent was to transfer the negative manifestations of the era to the middle classes and proletariat. This was not a period of overt dictatorship. The facade of democracy assisted the elite in maintaining certain useful relationships such as those with Great Britain. The nominal commitment to democracy notwithstanding, for the majority, especially the expanding working class, the 1930's became known as la década infame, the "infamous decade".

With reference to Chapter One, IV, the policies of the regime of Agustín Justo represented the first manifestation of sectoral individualism in modern Argentine history. An attempt was made to legitimize this seizure of state power by manipulating the electoral process. Unlike in Britain, the agrarian bourgeoisie could not create a political party able to portray class values as national values, and to win fairly contested elections. To maintain a majority in the national legislature, the Conservatives resorted to systematic fraud. This prevented the demographic weight of the middle classes from manifesting itself in an electoral victory of the Radical Party. This tactic was supplemented by the exclusion of certain candidates or parties and the use of the constitutional power of intervention

to overturn provincial governments. Open displays of state
power were employed to suppress militant opposition to economic
and political policies. Finally, the use of civilian and military terror squads became more frequent. Created during the
1919 metal workers' strike, these special formations operated
with impunity, irrespective of formal legality, and without the
expressed consent of the government. Their continued use by the
Conservatives formed the basis of an especially virulent pattern
of unprincipled public action, with devastating consequences for
civil society.2

II. The Depression and Defensive Industrialization

Through the 1920's, Argentina's economy was mainly organized in terms of the international division of labor structured by metropolitan Britain. The industrial base was relatively insignificant, employing fewer people than ranching or agriculture. This sector was composed of firms which refined agricultural staples for export. Its components, the meatpacking and refrigeration plants, the flour mills, ports and railroads were controlled by British and American capital. 3 (The landed bourgeoisie, which controlled the land base and the banking system, financed and produced the export staples.) It is important to note that during this period, social conflict did not erupt between economic sectors, between classes within each sector.

This status quo was shaken by the three main features of the Depression, the constriction of capital movements, falling commodity prices and a shrinkage in the volume of international trade. These circumstances threatened to topple the sociopolitical status-quo. This threat led the Minister of the Economy, Federico Pinedo, to devise a policy designed to foster specific industries to provide certain key products which the national state could no longer afford to import. In time, this policy came to be known as Import Substitution Industrialization (or ISI). These were to be dismantled after the global system recovered, and Argentina resumed its place in the international division of labor as a producer of agricultural commodities and an importer of manufactures.

A second initiative involved renegotiating the terms of Argentina's agrarian dependency. The core of the agrarian bourgeoisie remained the cattle barons of Buenos Aires. The maintenance of their social power hinged on retaining some segment of the vital English market for beef. Because of this, the government negotiated new and highly unfavorable trade agreements, the most significant being the Roca-Runciman Agreement of 1933. Here, Argentina was guaranteed a fixed if reduced share of the British market for beef, but not cereals. In exchange, she agreed to reduce tariffs against English manufactures and to reform her exchange controls to facilitate the remittance of interest and profits. This pact allowed the dependent agrarian sector to remain viable in the face of an international conjuncture that would have otherwise destroyed it. As a result, the

landed elite remained a coherent social class and the arbiter of the agrarian sector. 4

In the decade after 1935, Argentina became an industrial nation. With respect to Chapter One, IV, the nation evolved without changing in important ways. First, industrialization did not prompt the subordination of the landed elites to an industrial bourgeoisie. The agrarian sector remained strategically important, both politically and economically. Second, the Conservative policy of ISI resulted in an incomplete industrial dynamic, based on the production of consumer goods and technological, financial and productive inputs. This sector became dependent on the financial and industrial sectors of the metropolitan nations, especially the United States. This inefficient, high-cost system was incapable of marketing its products internationally. Thus, it could not generate enough income to pay for imported fuels, raw materials or capital goods.

An incomplete manufacturing sector came to rely on income from a dependent agrarian export sector to underwrite the cost of these imports. This, however, did not guarantee stability for the industrial system. As the agrarian sector was inefficient and subject to the vagaries of international market and price trends, export income was often insufficient to meet the needs of the industrial sector.

By 1955, Argentina had emerged as a country wracked with seemingly irreconcilable social conflicts. The first type was

that which occurs in every peripheral industrial state. It involved management and labor struggling over the appropriation of surplus. The second mode of conflict was between agrarian and industrial elites over the appropriation of agrarian surplus and the scope of industrialization. The final type of conflict pitted the combined bourgeoisie against an alliance of urban classes, around the question of who would bear the cost of Argentina's dual dependency. These structural conflicts were compounded by the overarching social malaise of the politics of unprincipled public action.

III. Industrialization and a New Coalition of Interests.

Industrialization had consequences the landed bourgeoisie

could not control. Its scope grew beyond the reckoning of Conservative economic planners, with the number of establishments more than doubling between 1935 and 1946.5

The system remained unintegrated, and dominated by light industry. Despite their wealth and tendency to live in the cities, the landed bourgeoisie did not invest in the new industries. A percentage of investment resulted from American interests establishing "tariff hopping" consumer goods industries designed to service the internal market.6 Most, however, resulted from the investment of monies by small capitalists (most of whom were not Argentine citizens) emerging from the ranks of immigrants and established urban middle sectors.

This pattern was responsible for the emergence of a national industrial bourgeoisie. As the middle classes before them, it failed to develop an autonomous ideology. It accepted the agrarian bourgeoisie's definition of the scope and intent of industrialization and agreed to operate within those parameters. It was the military that formulated an industrial strategy which clashed with the interests of the agrarian sector. The national bourgeoisie, in contrast, never became a potent political force. After 1943, it became a junior partner in the Peronist coalition. With the fall of Peron, this class lost virtually all of its socio-economic power. Most of its members became subordinated to foreign industrial capital.

By 1900, a discernible urban industrial working class had emerged. 7 A small proportion of its members were employed in the ISI sector. Most, however, labored in the packing houses, grain elevators, flour mills, railroads and docks associated with the port of Buenos Aires. Its numbers remained stable until the Depression. 8 This relatively small class was ignored by major political parties and subject to periodic repression by the state. This was most severe in response to periodic general strikes, called to press for basic worker rights or to protest the bourgeoisie's attempt to pass on the consequences of periodic crises in the dependent economy to the proletariat. 9

After 1930, a recession in the rural economy and the presence of jobs in the expanding ISI sector led to a massive migration of dislocated workers and marginalized middle sectors into

the cities of the Littoral, especially Buenos Aires. Between 1935-1946 one half million rural migrants entered the industrial labor force, doubling its strength. By 1940, the working class was numerically significant but it remained politically isolated. It continued to be repressed by both the landed and national industrial bourgeoisie. The new migrant proletariat suffered the most. Neither Socialist parties nor trade unions (whose constituency, the established working class, was in direct competition with the new proletariat) were willing to champion the cause of this burgeoning social sector. It remained a vast untapped reservoir of political power.

The class composition and institutional capacities of the military led it to promote a program of industrialization which clashed with the interests of the landed elite. Its proponents were to provide the leader of a coalition which was to challenge the agrarian elites for control of the state. By 1920, the force that was to prove the catalyst of this alliance began to grow among those classes which did not profit directly from the maintenance of agrarian dependency with Britain. This force was nationalism. To quote James Scobie:

Nationalism developed primarily from the middle and lower classes. It was the son of the immigrant who rallied to patriotic fiestas and parades. It was the city dweller who harkened to the themes of gaucho and criollo. It was the storekeeper, the grocer and the clerk who responded to the denunciations of foreign owned railroads and utilities. It was the peon and the laborer who applauded the diatribes against British pounds and Yanqui dollars. 10

Nationalism had an economic basis, the rejection of foreign exploitation of the nation's resources. It prescribed a rejec-

tion of agrarian dependency and the pursuit of economic autarky. This philosophy became salient among many young middle class army officers by the eve of the Depression. By 1940, these officers, affiliated with such military lodges as the <u>Grupo de Oficiales Unidos</u> (GOU, United Officers' Group), had developed a nationalist-industrialist ideology. It was a response to statements that the maintenance of national defence depended on the state adopting a policy of heavy industrialization. The Colonels began to champion a socio-economic revolution designed to make the nation an autonomous industrial power producing consumer and capital goods, industrial inputs (metals, fuels), and a plethora of industrial manufactures for export.

This mindset put these officers at odds with the landed elites and older aristocratic officers in the military. To the "young turks", the Conservative government seemed incapable of perceiving the relationship between their project and the maintenance of national defence and national stability - two primal values the Armed Forces were sworn to protect. These officers came to question the landed elites' loyalty to the nation and their capacity to make important policy decisions in times of crisis. They became convinced that direct military rule was necessary to effect those economic changes essential to the maintenance of national integrity.11 The officers planned to subordinate the landed elite, expropriating agrarian surplus in the service of industrialization.

By 1945, most of the Armed Forces, the working class, and many national industrialists joined together in a loose alliance. As it was led by the military, the coalition was powerful enough to challenge the hegemony of the landed bourgeoisie. Nationalism and mutual self-interest were the forces which held it together. The coalition's capacity to expropriate agrarian surplus defused the conflict over the distribution of income that had precluded the possibility of an alliance between labor and capital in the 1930's. The military could use export revenue to simultaneously improve workers' wages while assisting the bourgeoisie in capital formation. The prospect of multiple payoffs caused the military and two disparate classes to transcend their longstanding antagonism and join together to expand the industrial sector.12

IV. The Military Coup and the Rise of Juan Perón, 1943-1946.

The ongoing conflict between Argentina and Brazil for regional supremacy was the catalyst for the coup of 1943.13 The Conservatives had responded to certain consequences of the Second World War by adopting a policy of formal neutrality in 1940. In doing so, the government retained the support of pro-Fascist and pro-British sentiment. This expedient allowed Argentina to keep its English markets while benefitting from an inflow of German investment capital. These policies angered the United States, whose repeated attempts to integrate Argentina in a mutual defence pact against the Axis had failed. America began to favor Brazil with economic and military aid. This circum-

stance, coupled with the course of the war in Europe, forced the Conservatives to abandon their policy of neutrality. The Conservatives planned to elevate Robustiano Patrón Costas, a sugar baron from Tucumán province with American connections, to the presidency. His task was to renegotiate the nation's relationship with the United States. The regime's strategy incensed pro-Fascist elements in the military who remained convinced that the Axis would prevail.

On June 4, 1943, the Armed Forces seized control of the government. The army believed an authoritarian industrial regime could transform Argentina into Latin America's dominant power. 14 Government bureaucracies were militarized, the Constitution was suspended indefinitely, and open dictatorship was proclaimed.

As in subsequent instances, this autonomous dictatorship was short-lived. The government soon became muddled in the cross pressures generated by its confrontational policies. Isolated from civil society, the governing philosophy of the Generals gave them no guidelines for effective action. In terms of economic policy and social strategy, the regime moved blindly.

The industrialist vision of the regime would have been dashed had it not been for one event. In October 1943, a member of the GOU, Colonel Juan Domingo Perón, obtained control of the then insignificant Secretariat of Labor. 15 Perón shared the regime's commitment to an autonomous industrial state. He was

intelligent enough to understand that the military's project could not succeed unless the regime courted the support of social classes in the industrial sector. The Colonel was also ambitious. His political genius lay in the recognition that his aspirations and those of the military would be best served through the cultivation of an alliance between the military and the working class.

Peron used the state apparatus in order to stimulate the creation of a new coalition of classes that would support a nationalist program of industrial development. His labor policies offered the workers an opportunity to increase their living standards and political power. In return, the proletariat allied themselves with the military and particularly with Peron, whom the workers perceived as the author of their good fortune, 16

The trade union and socia. welfare policies undertaken by Perón's newly formed Labor Department granted him a tremendous measure of political power. By 1945, he emerged as the leader of a powerful popular coalition. Certain elements in the government, objecting to the Colonel's swift rise to prominence, imprisoned him on October 10, 1945. Within one week, violent and overwhelming opposition by trade unions and sectors of the army had secured his release. These demonstrations were orchestrated by bureaucrats within the Confederación General del Trabajo (CGT, General Workers Federation). Created in 1930, it benefited greatly from its affiliation with Perón, emerging

after 1955 as a well organized and exceedingly powerful actor within the political system.

In two years, Peron had changed from a militarist and an advocate of fascism into a populist and an advocate of democracy. The regime had no alternative but to allow him to participate in an open presidential election. Peron organized a new political party, the <u>Partido Laborista</u> (PL, Labor Party) patterned after its British counterpart. Its task was to mobilize the trade unions to assist the leader in seizing power.17

Peron's victory in the 1946 presidential election was not due solely to trade union support. 18 He had the support of those decisive sectors of the Armed Forces who believed it expedient to make labor a participant in any governing coalition. He had also succeeded in courting the favor of a powerful, deeply rooted institution whose influence reached across class lines, the Catholic Church. To the lower middle classes, Peron indicated a new path to state jobs and upward mobility. Although the national industrial bourgeoisie did not join the Peronist coalition en masse, the trend was set by the affiliation of such key members as Miguel Miranda and Rolando Lagomarsino. (This tendency was reinforced during Peron's first administration with credits and protection for small and medium sized concerns in the light industry sector.) Arrayed against Peron were the elite constituencies of the old agrarian Argentina: the landed bourgeoisie and the more exclusive middle sectors. They were joined by the Union Industrial Argentina

(UIA, Argentine Industrial Union) representing industrial capital, and anti-Peronist factions of the army. Finally, this right-wing coalition was joined by Socialist and Communist parties, who had lost their constituencies to Peron.

V. <u>Dependency and the Fortunes of Nationalist Populism:</u> Perón in Power, 1946-1955.

Peron attained the presidency under advantageous conditions. He was chosen by a majority of voters in open elections, and the nation possessed the capacities to control its economic development. The President stated that his intent was to use state power under a nationalist-distributionist ideology to deepen the industrial process and spread its benefits throughout the country. 19 He wanted to improve education and social services while steering the nation along a non-aligned course internationally. This was reflected in the development of the Tercera Posición (Thir? Position) philosophy.

Ultimately, the Peronist revolution failed. After a decade of rule, the international economy's circumstances were no longer favorable to Argentina. Moreover, she had adopted improper policies and squandered her resources. The political system was hobbled by the persistence of stalemated pluralism. The populist facade masked a continuous struggle between self-interested and combative power blocs unable to dominate each other.

Peron constructed a unique regime characterized by the blossoming of the seeds of dual dependency planted by the landed bourgeoisie and the enfranchisement of the working class. Those who followed in his footsteps could neither destroy it or ameliorate its faults. After Peron's downfall, neither the state, the military or any political coalition could keep Argentine civil society from slipping into a state of latent civil war.

State protection of industry and the enlargement of the internal market were the pillars of Perón's national capitalist economic strategy. The plan was designed to close the national economy to foreign manufactures while strengthening the internal market by increasing the money supply and workers' wages. These would produce a "growth inward" of the industrial sector through two stages: the import substitution of consumer goods and, subsequently, heavy industry. The importance of the agrarian sector was to decline. It was to act as an important supplier of capital in the program's initial stages and, subsequently, as a supplier of foodstuffs to the internal market.

The state gained increased control over the economy. The agrarian sector was coerced into surrendering a significant percentage of export earnings. 20 A state marketing agency took control over the export of all major commodities. The Instituto Argentino de Promoción del Intercambio (IAPI, Argentine Institute for Exchange Promotion) purchased commodities from producers at artificially low prices, and sold them on the international market for much more.

Nationalist rhetoric aside, Peron channelled these revenues to consolidate his political power. He did this by promoting the short-term interests of his coalition while sacrificing the long-term needs of the nation. 21 A wide ranging social welfare program and a generous wage policy resulted in political benefits for the regime as well as full employment and a greatly improved living standard for the working class. The real wages of workers rose by eighty percent between 1943-1949. (This enrichment was subsidized, and it did not reflect increases in labor productivity.)

State-sponsored industrial subsidies and credits did not promote a "deepening" of the nation's manufacturing capacity. The national bourgeoisie was not committed to autonomous industrialization. In exchange for continued support of the government, it was allowed to use state funds to develop more light industries. National industrialists profited as the government's inflationary wage policy guaranteed a ready market.

Peron cultivated the <u>support</u> of the Armed Forces by granting them large <u>sums</u> of investment capital (never less than one quarter of all state investment funds in any year). The military used these monies to build a ponderous and unintegrated military industrial <u>complex</u>. This industrial empire included factories producing a range of products from dental drills to pickup trucks to aircraft. The military supervised the stateowned airlines, shipping companies and seaports. It maintained

control over the state-owned oil company, steel plants; petrochemical and nuclear energy complexes. Unlike the case of the United States, this military-industrial complex did not enhance the autonomy and profitability of the whole industrial sector. Moreover, it was not self-sufficient. It relied upon the imports of strategic commodities and capital goods.

Peronist economic poicy was the product of a coalition whose members were totally concerned with their own interests, and unwilling to compromise in the interest of the nation's stability. Argentina's dual dependency was exacerbated. The industrial sector grew but it did not change. Its appetite for foreign exchange grew ever more voracious. The agrarian sector began to suffer: though its productive capacity had not increased, it was forced to underwrite an import bill that grew ever larger.

Peron's coalition was held together by self-interest. This fact constituted an impediment to any sacrifice of immediate rewards in the interest of long-term self-sustained development. Any step toward a serious transformation of the economic order beyond a strengthening of the welfare state and consumer-based industrialization met with wholesale opposition. Peron was confined to incrementalism, a method of government suited only to a nation with a buoyant economy.

The continuity of Peron's coalition was dependent upon the maintenance of favorable global prices for agricultural products

- a variable over which the nation had no control. In 1948, the regime was hit with the first instance of what would become an ongoing problem associated with Argentina's dual dependency - a foreign exchange crisis. As in subsequent instances, this had pernicious consequences for the government. While the mode of industrialization had reduced consumer goods imports, those of fuel, raw materials, capital goods and technologies had greatly increased. By this time, the agrarian sector could not generate adequate foreign exchange. The lower prices paid by IAPI, and the failure of government to increase efficiency through land reform and invesment in new technologies, coupled with several years of drought, resulted in a decrease in net production. This period also witnessed a global decline in terms of trade for agricultural producers.

In dealing with the political consequences of this crisis, Peron yielded to expediency and his deepest right-wing motivations, sacrificing the most important tenets of his regime, economic independence and social justice. He chose to alienate the trade unions. In order to isolate the regime from the inevitable backlash of a powerful but disaffected class, Peron turned to repression and the monopolization of government power in the presidency.

Peron attempted to mitigate the political consequences of continued dependency and the misappropriation of resources by using the same tactics as governments before and after him in like circumstances. But such tactics, which did not recognize

the existence of stalemated pluralism or the need to engage in consensual bargaining, were doomed to failure. The regime could not survive the pressures generated by its opposition. As in subsequent cases, there could be no decisive outcome, only social breakdown.

The foreign exchange crisis destroyed the system of multiple payoffs that held the governing coalition together. Tn order to maintain the flow of monies to the national bourgeoisie and military industrialists, Peron began to open the nation to penetration by foreign industrial capital. This fateful decision led to an exacerbation of industrial dependency and a quantum increase in the drain of wealth to the metropolitan nations. In 1953 the government negotiated a petroleum extraction agreement with Standard Oil of California. American and European firms began to buy out Argentine-owned companies. With tariff protection working in their favor, U.S., German and Italian firms developed high-cost chemical, automobile and other industries to service the internal market. To enhance the investment climate, the state ceased to be a champion of the workers and became (at best) a neutral arbiter in labor disputes.

To mitigate the consequences of his jettisoning the regime's nationalist sentiments and the disenfranchisement of the working class, Perón modified the state apparatus, centralizing power in the office of the president. In 1947, Perón used his congressional majority to purge the Supreme Court. He later closed opposition organs such as the newspaper La Prensa. He

the regime the capacity to suppress work stoppages and popular mobilizations and attack political opponents with impunity.

Peron also attempted to strengthen his faltering grip over trade unions. They were increasingly bureaucratized, and power was centralized in the hands of leaders loyal to him. Progressive or independent labor leaders were arrested or assassinated.

Finally, in 1949, the PL was replaced by the rigid and personalized Partido Peronista (PP, Peronist Party). 22

By 1955, international circumstances and Peronist policies had resulted in a new realignment of social forces. Peron retained the loyalty of the working class (because it had no other political option), foreign capital and Peronist government, party and trade union bureaucracies. This faltering coalition was opposed by an alliance bolstered by two defectors from Peronism: the national industrialists and the middle classes. The former had found it difficult to reconcile their interests with Peron's labor policies, and the regime's long-range inability to supply that class with investment capital. The middle classes had been alienated by Peron's inflationary wage policy and the increasingly authoritarian nature of the regime. The Church and the Armed Forces grew increasingly ambivalent.

Peron made a desperate move to free himself from the pressures generated by these forces, attempting to neutralize their capacity to jeopardize his leadership. His strategy was to discipline the conservative secondary institutions, the Army and

the Church, before turning his attention to the unions. The streamlining of the Church and the Armed Forces failed. They proved to be resilient and capable of effective countermeasures. In September 1955, a revolt of Cordoba's military garrison precipitated an armed uprising that met with the acquiescence of the working class. Peron boarded a Paraguayan gunboat and was taken into exile.

VI. Peronism's Legacy: Stalemated Pluralism

In 1955, the Ministry of Education created a new syllabus on "Democratic Education". This portrayed Peronism as a short term aberration in Argentine history, interrupting the nation's progression as a stable democracy. This viewpoint may have reflected the wishful thinking of anti-Peronist forces but it was false. Peronism forever changed the course of the nation's history. Unfortunately, it was not for the better. As the landed elites before them, the Peronists governed through self-interest and expediency.

#

Peron's industrial strategy was predicated on the shortterm political interests of the leader and the economic wellbeing of his power base. The consequence was the creation of a dependent industrial dynamic. This was also the reason why no attempt was made to attack the economic base of the landed aristocracy through drastic land reform. With reference to Chapter One IV, Peron reinforced the pattern of discontinuous modernization that has been the hallmark of Argentina's historical development. He made no attempt to lead a thorough revolution designed to subordinate the agrarian sector socially and economically. Peron's legacy was the existence side by side of two modes of production, one old and one new, each incapable of neutralizing the other, locked in perpetual battle over the appropriation of national revenue.

One must not link the nation's chronic instability solely with its dependency. This relationship conditions but does not determine a country's evolution. The possibility for many political and economic solutions to difficulties may exist within this context. Peron perpetuated the landed bourgeoisie's penchant for political policies which fostered constant conflict between social and economic sectors. The purpose of rule was not perceived as the maintenance of the common good, or even long-term national stability. It was interpreted as using all the tools at one's disposal to repress one's adversaries while pandering to the government's self-interested coalition. used the power of the state as a substitute for consensual bargaining with classes and groups outside the ruling clique. In doing so, he maintained the commitment of ruling groups to a crude "public choice" style of government. Because of this, the state lost its autonomy and capacity to command legitimacy as an agent of national development and reconciliation.

When international events moved against Peron, his fragile coalition melted away and he was deposed by a loose coalition

led by the agrarian elite and the Armed Forces, which had grown disenchanted with the quality and intent of his leadership.

Together, they sought to redefine the terms of Argentina's dual dependency. State power was to be used to oppress the "popular sectors" (urban and rural proletariat, the lower echelons of the middle classes, the itinerant workers and the urban poor).

These were to act as a sponge, absorbing all of the liabilities accruing to the nation as a result of that renegotiation. Given this safety valve, the leaders of the "Restoration" felt they could profit from the new status quo while maintaining social control indefinitely.

The designs of the regime were stymied by Peron's most significant legacy: an institutionally powerful and articulate working class. The years from 1955 through 1966 were an era of "stalemated pluralism" within the context of a volatile and unstable economy. The unprincipled and confrontational policies of the Restoration coalition were met with an ongoing attempt by the popular sectors to exercise their sectoral veto. The result was a "Hobbesian Conundrum". No social sector or alliance was able to repress its opposition for a significant period of time. At the same time, there was no commitment within the community to the practice of consensual democracy. Society was wracked by incessant conflict. These struggles were inflamed by the fact that no method of resolution existed save those based in naked force or strategic blackmail.

By 1950, Peron's industrial and social welfare policies had produced a legacy of inflation which he attempted to stabilize through a policy of socio-economic deflation. He used authoritarian and corporatist tactics in an attempt to freeze class and sectoral conflict.

The leaders of the Restoration of 1955 were determined to complete this task. They sought to eliminate the structural basis of inter-bourgeois tensions generated under Peron by finding a substitute method for funding the growth of the industrial sector: the use of foreign capital as opposed to agrarian surplus. Second, the alliance sought to stabilize the economy by eliminating the sources of inflation created by Peronist policies (high wages, massive state expenditures on infrastructure and social welfare, and the growth of the state bureaucracy). The success of this project hinged on the economic repression of the popular sectors and the political proscription of Peronism.

The goals of the program of political repression were unattainable because of the methods employed to achieve them. As in 1930, the regime did not resort to outright dictatorship; it retained a superficial allegiance to the formal mechanisms of democracy, if not its substance. The regime wished to rebuild the structure of pluralism, restricting participation to parties representing middle and upper reaches of society. This arrangement could not but result in socially debilitating political

fraud. It was impossible for the regime to make the old parties seem legitimate in the eyes of the large Peronist electorate.

No government was able to secure the tacit allegiance of the most significant electoral bloc for its economic and social policies. 23 In the absence of rigid dictatorship, effective government was impossible. Over time, this restricted pluralism jeopardized government stabilization policies by making them inconsistent. It also fostered a dishonest charade between center and right-wing parties in a scramble to dupe Peronist voters. It reinforced the opinion among the Generals that civilians were tainted and incapable of maintaining national integrity and values. Finally, this circumstance helped generate a cycle of political instability and military intervention that ended with the demise of the liberal interlude in 1966.

After the PP was banned in 1956, several attempts were made to neutralize the power of its leadership by integrating Peronism's constituency into the political system. These attempts were unsuccessful. The Peronist electorate refused to assimilate. As a result, the exiled Juan Peron remained a pivotal political force. In the 1957 election for a constitutional convention, Peronist participation was proscribed. The party membership responded by casting blank ballots on election day. In the general elections of 1958, Peronists, on the advice of the exiled leader, voted in support of the Unión Civica Radical Intransigente (UCRI, Intransigent Radical Civic Union). (Perón

had secured an agreement with Arturo Frondizi granting limited participation to the Peronists in future elections).

Conditioned participation was accorded to neo-Peronist formations in the mid-term elections of 1962. Their unexpectedly strong showing prompted Frondizi to intervene in the provinces where they had secured victories. Popular resistance to this policy prompted a chain of events leading to Frondizi's overthrow by the military.

In the general elections of 1963, Peronist participation was again banned. This allowed a candidate from the <u>Union</u>

<u>Civica Radical del Pueblo</u> (UCRP, People's Radical Civic Union),

Arturo Illia, to win the presidency with only 25 percent of the vote. (The Peronist vote was split between those who followed Peron's instructions and cast blank ballots, and those who chose Illia as the lesser of two evils, the other candidate being General Pedro E. Aramburu).

After the 1963 elections, there was some degree of tolerance for electoral participation of provincial neo-Peronist groupings, hoping they would eventually desert Perón and become more responsible. This pattern never occurred. The threat of a Peronist victory in a future national election prompted the military to intervene once again in June 1966.

The economic policies of the post-1955 regime reflected the resurgent strength of the landed bourgeoisie and its relative power vis-a-vis the national industrial bourgeoisie. First, the regime's goal was to maximize the production and retention of income in the agrarian export sector. It promoted policies designed to free a maximum of agrarian produce for export. Second, the government moved to free the export sector from underwriting the costs of imports and raw materials by the dependent industrial sector. To these ends, external trade was liberalized. The IAPI was abolished, and the peso was systematically devalued to make exports more competitive.

The interests of the industrial sector were placated by opening the nation to unrestricted foreign investment. This policy, coupled with the dismantling of the welfare state and the disciplining of the unions, was designed to combat a pervasive inflation and to create a stronger manufacturing base.

This scheme failed. While the industrial sector grew larger and more complex, it also became more dependent on American industrial capital. By 1966, this agent had become the most powerful actor in the political system. Increased penetration by and dependence upon foreign nations, coupled with an undervalued peso, resulted in an ongoing shortage in foreign exchange. Governments attempted to alleviate this structural malady with stronger doses of the same poison, ever larger flows of metropolitan dollars and plants. Throughout this period, the

structural basis of inter-bourgeois conflict became more profound. The landed bourgeoisie remained linked to the expanding industrial sector, underwriting the imports of essential inputs and the export of profits by multinational corporations.

A third goal of the Restoration was to make the popular sectors bear the costs of the nation's dual dependency. This proved untenable. An analysis of Peron's most significant legacy is necessary to determine why this strategy failed. Through this period, the Argentine working class organizations proved stronger and more autonomous than their counterparts in other Latin American nations. (By 1951, union membership numbered 3 million.) This continued strength indicates that what occurred under Peron was more than just government manipulation of the working classes from above. Peron created organizations capable of defending the interests of the workers after the fall of the populist government. The proletariat had the power to veto any attempt to maximize industrialization while minimizing social change.

After 1955, the nation became gripped by cyclical recessions in the industrial sector. As this sector grew, the intensity and socio-political consequences of these cycles became more profound: their cause is evident in the following analysis. The most strategic input for the manufacturing base was the foreign exchange provided by the sale of agricultural commodites. As the years passed, demand for these currencies exceeded their supply by ever larger amounts.

The cycle worked in this manner. Short-term growth in the increasingly foreign-dominated industrial sector would soon trigger a foreign exchange crisis. Manufacturing sector growth would grind to a halt. In response to the clamouring of foreign and domestic entrepreneurs and creditors, the government would devalue the peso. This would increase the competitiveness of Argentine exports, resulting in a buildup of foreign currencies. The devaluation would exacerbate the recession in the industrial sector by increasing the price of imported inputs.

This policy was coupled with a rigid program of fiscal austerity. It was designed to recoup monies necessary to placate Argentina's corporate and non-corporate creditors, such as the International Monetary Fund, and to reduce the internal demand for exportable agricultural commodities.

The devaluation (and unrestricted inflation) yielded a massive sectoral transfer of income within the nation toward the agrarian producers.

This process created the potential for a schism in the pact of domination. It did not occur because periodic recessions were seen as a necessary evil by the most powerful factions of the industrial bourgeoisie. They were the only way to accumulate the necessary reserves of foreign currencies to facilitate their expansion and the repatriation of profits. 24

Periodic foreign exchange crises and the policies instituted to deal with them had debilitating consequences for the popular sectors in the industrial cities. They became the victims of persistent bouts of stagflation. Economic recession led to bankruptcies for small and medium-sized business and unemployment for industrial workers. These circumstances were coupled with staggering inflation as food products heretofore freely available were sold overseas. The trade unions would respond to this state of affairs by exercising their sectoral veto. By promoting social unrest and paralysing production in the agrarian and industrial sectors, the working class would make any government appear unable to maintain even minimal levels of law and order and therefore deprive it of legitimacy.

In time, circumstances would force beleaguered civilian or military governments to abandon their restrictive economic policies. Pressure from the popular sectors and the industrial bourgeoisie eager to resume the pattern of dependent growth would prove inexorable. It would increase capital liquidity, relax control over the fiscal deficit, increase the supply of foreign exchange (garnered through the devaluation and austerity measures) and channel more income to the workers. Since no steps had been taken in the interim to combat the structural bases of industrial dependency, these policy concessions resulted in new balance of payments crises which led, in turn, to devaluations, stabilization programs, and more profound industrial recessions.

The ramifications of this situation were a political constant from 1955 to 1966. Structural economic crises and violent opposition spelled doom for the prospects of civilian and military governments alike. Each administration sought to maintain a delicate balance between the requirements of accumulation and the need to preserve a firm and if possible "cycle resistant" popular base, and each failed.

During this period, one pattern emerged that was to elevate the level of political crisis through 1976. That was a gradual rapprochement between workers and all non-elite components of the middle classes, and the creation of a defensive alliance between them. As a rule, the middle classes had opposed Peronism because Peron had sacrificed the satisfaction of their demands in order to provide for the industrial working class. During the Restoration decade, however, the middle classes remained alienated, their desires unfulfilled.

Ten years of anti-Peronist blunders and economic stagnation had produced a peculiar result: Peronism became a treasure house of myth and legend for many Argentines, providing a source of political inspiration to a younger generation. In these metamorphoses, Peron's regime appeared as a golden age followed by periods of a baser one in which all manner of greed and deceit broke out while prosperity and loyalty fled.25

These circumstances forced students, petty bourgeoisie, and salaried middle sectors, to move towards a popular alliance led by the working class. (Only the proletariat had the economic power and the organizational capacity to confront the dominant alliance). This coming together was not based purely on mutual advantage. It also resulted from the adoption by the middle

classes of Peronist ideology. The association was beneficial to the middle sectors as it provided them with a powerful ally to be used in the pursuit of its sectoral goals. To the workers, the middle classes offered a wealth of intellectual resources and a partner better able to articulate a policy of nationalist capitalism with social justice.

IX. Radical Governments in a Fragmented Society

The Peronists were overthrown by the Armed Forces under the leadership of General Eduardo Lonardi. He was soon replaced by General Pedro E. Aramburu. The military believed that the suppression of Peronist institutions and legacies and the reformulation of the economy would lead to the re-establishment of a truly "representative democracy", one not tainted with the participation of Peronism. The followers of the exiled Peron were to be absorbed into one or more of the existing parties.

After 1958, elections were won by parties of the increasingly fractious middle classes. Unlike the Conservative party of the 1930's, these were not the creatures of one discrete class. They functioned like brokers, doling out rewards to the competing groups within the fragmented polity. As Peron before them, continuance in power was contingent upon the maintenance of multiple payoffs. This necessitated constant political wheeling and dealing. Each Radical government, however, fell victim to the vagaries of the cyclical econmy, the veto of any

social group adversely affected by its policies and, ultimately, to a military coup.

The first regime was a predominantly left-wing version of Radicalism. It wanted to replace Peronism at the head of the working class. The UCRI sought power in 1958 by courting the support of the exiled Peron. In exchange for electoral support, Frondizi promised to restore the Peronist party's legal status, recognize the outlawed workers' confederation and re-implement some of the nationalist programs of 1946-1955. After assuming the presidency, however, Frondizi turned his back on this popular support. Instead, he sought the backing of the national industrial bourgeoisie which he invited to struggle against the export sector in order to secure resources for a deepening of the nation's industrial development. The agrarian elite, however, vetoed these attempts to wrest funds from them.

Desperate to maintain a system of payoffs, Frondizi opened the floodgates to foreign investment under the banner of <u>Desarrollismo</u> (Developmentalism). This involved a heavy and dynamic industrial buildup controlled by American industrial capital and a concerted attempt to assure necessary stability in the labor force by integrating the Peronist masses into the UCRI.26 From the beginning, Frondizi was pressured by the military which continued to insist on the proscription of Peronism and by the trade unions which continued to shoulder the burden of economic development. Further, the reliance upon foreign investment left the nation saddled with an enormous foreign debt. After a brief

inflationary expansion, growth was halted by a foreign exchange crisis of unprecedented severity. This radically constricted the President's freedom of manoeuver. Consequently, every major decision of Frondizi came to represent a betrayal of one or more of his promises. The UCRI's actions alienated different sectors of the electorate, multiplied suspicions and left the President with political ruse as his only method of government.

The durable Peronists, however, caused the destruction of the regime. In 1962, Frondizi belatedly allowed the Peronists to campaign in provincial elections. The Peronists were far more successful than predicted, retaining the loyalty of one third of the electorate and winning almost half of the seats in the Chamber of Deputies and 10 of the 14 governorships. military intervened, but they were too factionalized to institute a full dictatorship. Instead, it installed Dr. José Maria Guido, the president of the Senate, and instructed him to prepare for new "limited" elections. The Guido administration was marked by two important events. The first was an acute economic recession produced by an International Monetary-Fund sponsored austerity program. One third of the work force went idle. Second, the intense internal conflicts within the Armed Forces were resolved. The various factions coalesced around a new technocratic vocation under the leadership of General Juan Carlos Ongania, who became Commander-in-Chief of the Army. cers agreed to transfer power to an elected civilian government acceptable to the establishment.

The reins of government were taken up by the more traditional wing of Radicalism under Dr. Arturo Illia, a politician from Cordoba. His campaign benefitted from the support of the agrarian elites and industrial capital as well as the military. Arturo Frondizi's difficulties in office caused his electoral support to disperse among several alternatives. Finally, as Peronist candidates were not allowed to participate, Peronist votes were also dispersed. These circumstances allowed Illia to win the elction with only 25% of the votes cast. Initially, the regime profited from a temporary expansion of rural production. For the first time in decades, foreign trade yielded positive balances, but these were insufficient to cover the foreign debts inherited from Frondizi. As a result, Illia had to appeal to unsympathetic international creditors. These creditors once more managed to impose a program of economic stabilization, interrupting the process of growth with manageable inflation that had characterized Illia's tenure.

The stop-go cycle did not debilitate the Illia regime as much as the continuing problem of Peronism. In order to retain its legitimacy with the military, the government had to prevent Peronism from successfully contesting a future election. As it had proven impossible to coopt the allegiance of the exiled leader's following, the government felt its only hope was to concentrate all non-Peronist votes behind the UCRP. Other parties refused to cooperate and grant their support to Illia's government. At the same time, Peronism began to find increasing support among the middle classes. Illia tried to deal with

these circumstances by exploiting struggles within the leadership of the Peronist movement.

The restoration of 1955 left many second-rank Peronist politicians in positions of power in trade unions and provincial administrations. These sought to throw off the yoke of Peron's personalism in favor of a tamed Peronismo sin Perón. The General. from his exile in Madrid, saw these developments as a threat to his power. He began to disrupt the proceedings within the movement as a means to destabilize the position of these leaders, thereby retaining his control over it. In doing so, he pitted different leaders against each other, so as to remain the supreme arbiter of the crises he had instigated. Peron countered the threat to his leadership by sending his wife, Maria Estela (Isabel) Martinez de Perón, as a personal representative. Isabel managed to wrest power from local politicos, and regroup the party under the exiled leader. The provincial elections in Mendoza reflected this outcome. A little known candidate sponsored by Peron easily obtained more votes than the official candidate of the Peronist party. This situation spurred the military to action. It became apparent that if the next national election were completely open, the Peronists would dominate with Peron exercising control from exile. In June 1966, Illia was ousted in a bloodless coup.

Like Chapter Two, Chapter Three has used the same historical-structural method to identify those socio-economic patterns, some novel, some longstanding, responsible for the extreme social discord throughout the period 1930-1966. It posits that, during this period, the nation changed without becoming different in important ways. Despite industrialization and Peronism, the society was still conditioned by two crucial variables identified in the methodological framework as well as the analysis in Chapter Two. These are economic dependency and sectoral individualism. Together, it is suggested that these variables conditioned the development of a modern, industrializing society governed by stalemated pluralism.

Chapter Four assesses two attempts by quite distinct constellations of forces within the fragmented polity to restore order in society. These were represented in the state of exception established in 1966 under Ongania and the Peronist regimes between 1973-1976. The next chapter will investigate why they failed to endure. Finally, it will determine how their policies contributed, along with established socio-economic patterns, to the unparalleled levels of strife during the first half of the 1970's, and the unprecedented brutality associated with the intervention of the military in 1976.

Chapter Three. End Notes

- 1 The following sources were especially useful in this chapter: Eldon Kenworthy, "The Function of the Little Known Case in Theory Formulation: Or What Peronism was Not" Comparative Politics, 6, 1 (October 1973), pp. 17-47; Juan Corradi, "Argentina and Peronism: Fragments of the Puzzle", Latin American Perspectives, 1, 3 (Fall 1974), pp. 3-21; The Fitful Republic: Economy, Society and Politics in Argentina, Boulder, Co.: Westview Press, 1985; Ronald Dolkart and Mark Falcoff, eds., Prologue to Perón: Argentina in Crisis and War, 1930-1943, Berkeley: University of California Press, 1975; Latin American Working Group, "Argentina", Latin American Working Group, 5, 2/3, 1978; Guillermo O'Donnell, "Permanent Crisis and the Failure to Create a Democratic Regime: 1955-1966", in Juan Linz and Alfred Stepan, The Breakdown of Democratic Regimes in Latin America, John Hopkins University Press, 1978; Robert Potash, The Army and Politics in Argentina, 1945-1962: Perón to Frondizi, Stanford, Ca.: Stanford University Press. 1980; David Rock, ed., Argentina in the Twentieth Century, Pittsburgh: University of Pittsburgh Press, 1975; Alain Rouquié, Pouvoir Militaire et Société Poiltique en République Argentine, Paris: Presses de la Fondation Nationale des Sciences Politiques, 1978, Chapts. 5-10; James Scobie, Argentina, A City and Nation, New York: Oxford University Press, 1971; Gary Wynia, Argentina in the Post War Era Alberquerque, N.M.: University of New Mexico Press, 1978; Alberto Ciria, "Peronism, Yesterday and Today", Latin American Perspectives, 1, 3 (Fall 1974), pp. 21-42; Parties and Power in Modern Argentina, 1930-1946 . Albany: State University of New York Press, 1974.
- The most spectacular example of the use of assassins occurred in 1935. Senator-elect, Enzo Bordabehere, was mistakenly gunned down on the floor of the Congress while the intended target, Senator Lisandro de la Torre, was engaged in an extended exposure of the government's "vende patria" relationships with British and American meat-packing houses.
- The only semi-heavy manufacturing established through import substitution was in goods for infrastructure development. It was largely foreign controlled. Argentine investment (under the control of the export-oriented landowning class and commercial bourgeoisie) was tied to the production of perishable consumer goods.
- For a synthetic analysis of this treaty, see Alejandro Dabat and Luis Lorenzano, Argentina. The Malvinas and the End of Military Rule, London: Thetford Press, 1984, pp. 18-20.
- 5 The number increased from 40,000 to 86,000.

- United States capital, at first restricted primarily to 6 the meatpacking industry, began to penetrate by the late 1920's and through the 1930's those sectors of industry which had been neglected to protect British imports. ing advantage of their larger capital reserves and more sophisticated technology, American firms attacked importsubstitution sectors where British strength was weakened by World War I and the 1929 Depression, in anticipation of the growth potential of the Argentine market. By the time World War I broke out, U.S. investment was present in textiles, steel, heavy machinery and motor vehicles, electrical appliances and office equipment, petroleum, rubber and pharmaceuticals. Most of these subsidiaries imported semi or wholly manufactured goods, or engaged in assembly and licensing operations.
- For a detailed analysis of the nature of this class and its role in the Peronist coalition see: Eldon Kenworthy, "Did the 'New Industrialists' Play a Significant Role in the Formation of Perón's Coalition, 1943-46?" in Ciria and others, New Perspectives on Modern Argentina, Latin American Studies Working Papers, Bloomington: Indiana University, 1972, pp. 15-29.
- 8 The number was about 400,000, most of whom lived in industrial boroughs in Buenos Aires.
- In 1919 a metal workers' strike in Buenos Aires called to protest wage restraints in light of the post-World War I economic downturn, triggered a series of strikes in solidarity throughout the nation. The attempt to invoke a nation-wide General Strike was brutally suppressed by the police, the army and paramilitary terror squads operating at the behest of the government. During the "Semana Tragica" that followed, some 3,000 strikers and residents of the industrial boroughs of the city were killed. For a thorough examination of this event, see David Rock, Politics in Argentina, 1890-1930: The Rise and Fall of Radicalism, Cambridge: Cambridge University Press, 1975.
- 10 From Scobie, Argentina, p. 219.
- Elements such as the GOU managed to impart this imperative to the military as a whole. The attractiveness of this option was enhanced by the effectiveness of authoritarian industrial regimes in Germany, Italy and even Spain in transcending the consequences of global recession. Second, it was assumed that the implementation of such a project in Argentina would grant the members of the Armed Forces a preponderance of socio-economic power. The military would assume the status held by the landed elites prior to the Depression, a ruling group whose power lay in controlling the "engine" of the economy.

- For a detailed overview of this process, see Peter Smith, "Social Mobilization, Political Participation and the Rise of Juan Peron", Political Science Quarterly 84,1 (March, 1969), pp. 30-49.
- This short section is based in part on Juan Corradi, "Argentina", in Ronald H. Chilcote and Joel C. Edelstein, Latin America, the Struggle with Dependency and Beyond, New York: Schenkman Pub. Co., pp. 357-360.
- The Junta sought to construct a powerful bureaucratic apparatus in order to free it from pressures exerted by civil society. Structures to maintain the autonomy of the military in power were implemented in subsequent states of exception in 1966 and 1976.
- For a detailed analysis of this process, see E.S.
 Wellhofer, "The Mobilization of the Periphery: Peron's
 1946 Triumph", Comparative Political Studies, 7, 2 (July
 1974), pp. 239-251.
 Specifically, for an analysis of the bridge building process between Peronism and the trade unions, see A. Lawrence Stickwell, "Peronist Policy in Labor, 1943", in Ciria and others, New Perspectives on Modern Argentina, Latin American Studies Working Papers, Bloomington: Indiana University, 1972, pp. 29-49.
- 16 It is incorrect to assume that Peron gained the allegiance of the working class solely through force of personality. The support of the trade unions was very rational. The established worker organizations were instrumental in Peron's rise to power. These unions were articulate and well organized even before the formation of the GOU. Perón did establish a special "emotional" relationship with the migrant proletariat, named the descamisados by Perón's wife, Eva Duarte, which grew during the 1930's. Oppressed, ill-paid and often seasonably employed, these workers had no protection until Peron came to control the Labor Secretariat. He created trade union structures for these sectors, protected their leaders and brought them into the government. The existence of state-organization linkages, coupled with Perón's cultivation of a close paternalistic relationship with the descamisados created a tight bond between them while long-established unions retained a degree of organizational autonomy. The new proletariat became a personal source of power that Perón couldwield against military or civilian adversaries.
- 17 For an analysis of the evolution of Peronist political organizations, see Alberto Ciria, "Peronism and Political Structures, 1945-1955" in Ciria and others, New Perspectives on Modern Argentina, pp. 1-15.
- 18 From Ciria, "Peronism Yesterday and Today", pp. 212-3.
- 19 Peter Ranis, "Early Peronism and the Post-Liberal Argentine

- State", <u>Journal of Inter-American Studies and World Affairs</u>, 21,3 (August 1979), pp. 313-338.
- It is important to note that the economic base of agrarian power was not compromised. Land reform was never contemplated. The main export industries were not expropriated. Though the Central Bank was nationalized, private banks most of which were controlled by the landed and commercial elites were not. For an excellent analysis of the relationship between Peronism and the agrarian elite, see Rouquie, Pouvoir Militaire.
- 21 For an analysis, please see Wynia, <u>Argentina in the Postwar</u> Era and Ranis. "Early Peronism", passim.
- See Ciria, "Peronism and Political Structures", pp. 9-15.
- Paul H. Lewis, "The Durability of Populist Followings:
 The Vargas and Peronist Cases", Polity, 5, 3 (Spring 1973),
 pp. 401-414; Peter Ranis, "Peronistas without Peron", Society 10, 3 (March-April 1973), pp. 53-59.
- Large-scale industrial capital had the accumulated savings and preferential access to internal credit necessary to weather the storm. Since this sector marketed its commodities to the highest income earners, its sales were not critically touched by policies which generally affected lower income strata. Finally, recessions prompted the process of capital accumulation within the large bourgeoisie, which bought out smaller concerns driven to bankruptcy.
- 25 Corradi, The Fitful Republic, p. 78.
- In 1959-1960, new foreign investments reached \$576.3 million as opposed to \$16 million between 1951 and 1955 and \$257.7 million in 1956-1958. Most of the foreign corporations that operated in Argentina were firmly established through substantial investments by the end of the Frondizi government (1962). See NACLA, "Latin American and Empire Report", p. 5.

CHAPTER FOUR

THE CLOSING CIRCLE; MILITARISM AND PERONISM IN CRISIS, 1966-1976

This chapter concludes the historical-structural analysis of the events leading to the military regime established in March 1976. It focuses on the decade between 1966 and the military coup. Specifically, the chapter seeks to relate long-standing patterns in economic and social life and events of the years under study, with the formation of an alliance between the Armed Forces and the agrarian elite. It also assesses the relationship between historical circumstances, the social environment at the eve of the state of exception and the formation of a political agenda that was to find expression in the "Process of National Reorganization".

The chapter begins with a discussion of the growth and impact of international capital on national life, and upon the composition of the Ongania regime established in 1966. The analysis then discusses the relationship between the Armed Forces' policies, historical constants, and unprecedented social instability associated with the period including popular insurrections and guerrilla insurgency. The relationship between these variables and the return to power of Peronism is then examined as well as its contributions to the unravelling of the social order. Finally, a relationship is established between historical circumstances, the disintegration of Peronism, and the consequences of urban insurgency. These led to a rapproche-

ment between the military and the landed bourgeoisie. They developed and implemented a method to shatter the stalemated pluralism that had been the hallmark of social life in the modern era

I. Multinational Capital, the Military and Authoritarian Rule, 1966-1970

After 1955, the growth of the dependent industrial sector caused a profound change in the balance of power between the components of Argentina's fragmented polity. 1 By 1966, American multinational subsidiaries manufacturing products for the Argentine market greatly influenced the state for two important reasons. First, large scale North American investments had come to dominate the industrial sector. Second, the Armed Forces had become wholly committed to a project of authoritarian industrialization designed to benefit multinational capital.

On June 28, 1966, the military, in conjunction with civilian technocrats, deposed President Illia in a bloodless coup. The socio-economic instability of the restoration decade (1955-1965) had proven incompatible with the objectives of long-range corporate growth. It was also inconsistent with the technocratic ideology of the Generals whose vocation it was to reformulate society around the value of corporate efficiency. 2

The aim of General Juan Carlos Ongania's Revolución

Argentina (RA, Argentine Revolution) was to produce a new and

conflict-free political order based on a dynamic industrial dependency. The intent was to use the Armed Forces to dash the stalemated balance of social forces while allowing foreign capital to capture and renovate the unstable economy. The above was supposed to result in a new social order characterized by the subordination of the landed bourgeoisie, the neutralization of the national industrial class, and the repression of the popular sectors.

Ongania's bold proposition flew in the face of political reality. He did not foresee the risks involved in an attempt to produce a new type of social order through a tightening of the bonds of industrial dependency and unprecedented coercion. The capacity of the regime to promote a new social order proved much less than its capacity to destroy the older one.

The policies of the regime's first months reflected the fact that the coup was a response to a profound political crisis. It had been predicted that the elections for the National Congress in 1967 would result in a Peronist victory and the possibility of basic change beyond the boundaries of capitalism. Democratic government was suspended, and all political parties were banned. Unlike previous instances of military intervention, the junta did not proclaim an intent to prepare for new elections. The Generals vowed to rule indefinitely. Those institutions and processes which were deemed obstacles to the designs of the regime were simply destroyed. So savage was

the attack upon state and judicial institutions, that it was to prove impossible to restore them to health in future years.

This policy of political demobilization prepared the groundwork for the economic phase of the revolution begun in 1967 under the aegis of Adalbert Krieger Vasena. Incomes policy involved wage freezes and public sector expenditure cuts in the context of an unprecedented use of state coercion to break strikes and neutralize recalcitrant labor unions. Fiscal measures aimed at increasing efficiency in the public sector. [A large scale reordering of state railroad, port and other facilities resulted in widespread unemployment.] Exchange policy took the form of a massive devaluation of the peso (40%). To avoid the usual consequences of such a policy - a transfer of income to the agrarian sector - a land tax was instituted.

These policies sped up the ongoing denationalization of the industrial sector that had been occurring since the Frondizi regime. Between 1955 and 1972, net direct foreign investment totalled \$U.S. 1.3 billion. Most of this happened under Krieger Vasena. American capital was responsible for 70% of this increment. During this same period, the participation of foreign, particularly American, firms in industrial production grew from 8% to 40%. The devaluation was responsible for most of this increase. It triggered a wave of bankruptcies among companies which could not compete with the advanced technology of foreign corporations and which could no longer afford expensive capital inputs. These firms were purchased by American multinationals.

In 1973, the book value of U.S. investments in Argentina was reported at \$U.S. 1.3 billion or 56.5% of all foreign investment in the country. By this time, 25 of the 50 top non-financial firms in Argentina were controlled by foreign, primarily American, interests. 3

The most important economic consequence of this process was an intensification of the flow of wealth out of the nation. Socially, this process meant the reduction in strength of the national industrial bourgeoisie. Technically, the new investments were largely capital-intensive. The result was a decline in the capacity of the industrial sector to absorb labor and increased unemployment among a working class that had expanded under the labor-intensive import substitution era.

The over-devaluation of the peso, coupled with the denationalization of the industrial sector, exacerbated the economic hardships experienced by the working and middle classes between 1955-1966. These urban sectors became mired in an unprecedented and ongoing bout of recession with persistent inflation. Economic exploitation in the context of the proscription of working and middle class parties and widespread socio-political repression by an arrogant military, created the final consolidation of a defensive alliance between workers and middle sectors.

This union was strongest and most radical in the newly industrialized cities of the interior. Here, the scope of proletarian action was not conditioned by affiliation with Peronist

structures which were conservative in nature. The workers were amenable to the adoption of radical forms of action beyond immediate economic demands.

In May 1969, these cities were rocked by the first truly popular insurrections in the nation's history. Trade unionists and students, supported by other middle class sectors, seized factories, college campuses and barricaded residential districts. They were a veto of the military's attempt to renegotiate industrial dependency at the expense of the popular sectors. 4

To regain control of the cities, the government had to send in the army's armoured columns with air support. Only the unity of the military and the unruly nature of the uprising prevented the episode from causing the revolutionary collapse of the state.

The outcome of the "Cordobazo" (as the movement came to be known) was a tremendous psychological victory for the masses. They developed a new sense of power and a belief that continued uprising would defeat the apparatus of repression. The regime deteriorated rapidly. It was confronted by an agitated agrarian sector, work stoppages, popular demonstrations and guerrilla operations. Its major ally, foreign capital, began to waver in its support.

On June 8, 1970, Ongania was deposed by his own officers.

For the Armed Forces and their corporate allies, the grand designs of the "Argentine Revolution" were replaced by a more modest goal of political survival. The task of General Roberto Marcelo Levingston, Ongania's successor, was to defuse a social situation that threatened the maintenance of the dependent capitalist status quo. The nation teetered on the brink of a civil war that no component of the fragmented polity could win.

Krieger Vasena's formula was jettisoned in favor of a moderate and nationalistic plan aimed to appease the defensive alliance and the agrarian sector. Economic decompression was coupled with a political strategy designed to create a coalition capable of defeating Peronism in an open election. These concessions were fruitless. A new round of urban insurrections rocked the industrial cities of the interior.

On March 22, 1971, the President was forced to resign. The Joint Chiefs of Staff assumed direct control of the government and Commander-in-Chief of the army, General Alejandro Lanusse, became President. Faced with spiralling popular discontent and the implausibility of continued military rule through a brutal dictatorship, Lanusse accelerated the process of negotiated political retreat. He attempted to salvage some planks of the military's original project by proposing a patriotic covenant, the Gran Acuerdo Nacional (GAN, Great National Agreement) designed to create a "proper" or controlled democracy guided by interests

supportive of the status quo. This was vetoed by the Peronist and Radical parties.

By December 1971, the regime remained politically isolated and the economy showed signs of rapid decomposition. Inflation and unemployment broke all past records, and workers' share of national income reached an all-time low.

II. <u>Terror and Social Disintegration</u>: Guerrillas and the State Response, 1969-1976

After 1969, the nation was increasingly governed by an unprecedently virulent form of sectoral individualism. An increasingly salient thread in the overall tendency was the use of armed groups to add force to the exercise of various sectoral vetoes. In time, this conflict took on the hallmarks of an undeclared civil war. This conflict provided stark evidence of the social and institutional weaknesses inherent in Argentine society.

Peronist guerrillas developed as the "armed guard" of the Peronist left in its quest for supremacy within the movement and as a means to carry on its desires in the broader society. The political right, Peronist and otherwise, responded with covert terror of its own. Marxist guerrillas attempted a popular insurrection in Tucumán province while they attacked military targets and assassinated officers.

These challenges to the task of government and to its physical safety forced the military to adopt the one response to which it was predisposed. This was counter insurgency based on the <u>Doctrine of National Security</u>. (See Chapter Five, pp. 144-151)6 After 1974, civil society disintegrated in the wake of a vicious spiral of repression and insurrection. To the terror of guerrillas (holdups, kidnappings, occupations of public sites and political executions) the Armed Forces - in conjunction with civilian formations - responded with abductions, the routine torture of suspects and the execution of opponents.

After 1966, the use of government and civilian death squads became an instrument of policy. The closure of avenues of political expression coupled with the use of violence by the military to quell dissent resulted in a predictable response by the constituencies of the defensive alliance. The provocative posture of the Armed Forces

...led many to consider that, in the words of Peron, against brute force, only intelligently applied force can be effective. 7

The leftist formations that emerged from this climate used violence in the pursuit of distinct political agendas. 8 To quote Richard Gillespie again:

Urban guerrilla warfare should not be confused with "terrorism", especially when the latter term serves as a pejorative. It can best de defined as "a form of unconventional war waged in urban or suburban areas for political objective", and differs from political terrorism through being more discriminate and predictable in its use of violence. 9

After the <u>Cordobazo</u>, three Peronist and two Marxist groups were operating in Argentina. Their ideological and tactical leadership, as well as most of their membership, was drawn from the middle classes. In order of importance, the Peronist formations were the <u>Montoneros</u>, the <u>Fuerzas Armadas Peronistas</u> (FAP, Peronist Armed Forces), and the <u>Fuerzas Argentinas de Liberación</u> (FAL, Argentine Liberation Forces). These were numerically and financially much more powerful than the Marxist formations. Their base of support was in the urban communities of the East coast and the Littoral. Their ideology grew out of the sociopolitical alienation and economic repression of the lower middle classes after 1955, and their gradual rapprochement with Peronism. They advocated the capture of the state apparatus, the expropriation of foreign companies and the creation of a capitalist-distributionist regime.

The most significant faction was the Montoneros, which had an estimated strength of 100,000 active guerrillas and sympathizers in 1974. These adopted the name to associate themselves with the pastoral mountain rebels of the nineteenth century Andean West. 10 They burst into national prominence in 1970 with the kidnapping and murder of former President Pedro E. Aramburu. The Montoneros acted as the armed wing of the Juventud Peronista (JP, Peronist Youth), which was to prove instrumental in the election and prosecution of the policies of the Campora government in 1973.

The Marxist paramilitary formations were the Ejercito
Revolucionario del Pueblo (ERP, People's Revolutionary Army),
and the Fuerzas Armadas Revolucionarias (FAR, Revolutionary
Armed Forces). The ERP was the only guerrilla group to become
active before the Cordobazo. It was formed in 1966 as the armed
wing of the Partido Revolucionario de los Trabajadores (PRT,
Revolutionary Workers' Party), founded in Tucumán province to
mobilize the plantation workers. Its power base, and the venue
of its activity, were the agricultural regions of the Northwest
and the industrialized cities of the Interior, where the workers
were more receptive to Marxist leadership.11

The ERP was intensely anti-Peronist and Trotskyist, dedicated to the overthrow of capitalism and the socialization of production and exchange. Though relatively impoverished in resources and support, the ERP was much more active than the Peronist formations. It fueled one of the first sustained conflicts between security forces and popular forces in the period. This occurred between 1967-1968 in Tucumán, where the rationalization of the plantation economy caused widespread socio-economic dislocation. Second, it provided the organizational catalyst for the popular urban mobilizations after 1969.

The armed conflict between right and left took the form of clashes between bands of highly organized, heavily armed cadres on the one hand, and the Armed Forces, police and civilian armed groups of the Right on the other. This pattern resembled the

internecine struggle within the cities of Northern Ireland, rather than Castro's classic campaign in the Sierra Maestra.

Though articulate and highly organized, the guerrillas labored under a false assumption. They mistook mass militancy in civil society for revolutionary fervour. The "objective revolutionary conditions" which the guerrillas hoped to spark through calculated violence did not exist. Those constituencies the guerrillas hoped to mobilize remained intellectually aloof. Guerrilla violence did have one significant consequence within civil society. It generated a call for order at any price. By 1976, the Armed Forces would use this demand to seize power from an inept civilian regime.

The growth of guerrilla insurgency was a significant factor leading to the intervention of the Armed Forces in 1976. The presence of this phenomenon and the "white terror" that emanated from the political right and the military in turn, conditioned the spiral of instability in civil society which led to the state of exception and the Process of National Reorganization. More specifically, the "terror process" which grew out of the Cordobazo helped create a climate of opinion that supported a state of exception of unprecedented severity. First, most constituencies outside of the process came to accept the need for a stern regime (which would not benefit them) as a mechanism to restore order. "Responsible society" was mistaken as to the origin of social conflict. It would pay a heavy price for its misconceptions after 1976.

Second, guerrilla violence was a crucial factor in the alliance between the Armed Forces and the agrarian bourgeoisie and their formulation of a political agenda which found expression in the Process of National Reorganization. Guerrilla insurgency attacked military personnel and institutions. The Armed Forces felt justified in militarizing the whole of society to successfully confront this challenge to its constitutional monopoly over coercive force, to defend its values and the safety of its members. More importantly, the existence of guerrillas was a major catalyst in the adoption by the Armed Forces of the Doctrine of National Security. To the Generals, the actions of the Montoneros and the ERP provided tangible proof that civil society was ill, wracked with the virus of Communist-inspired subversion. From this diagnosis came a Draconian prescription. This entailed the militarization of society and the treatment of each citizen as a potential subversive.

III. Strategic Retreat: The Military and the Return of Peron, 1970-1973

By the end of 1972, the pretensions of the military to crush stalemated pluralism through authoritarian rule and the renegotiation of industrial dependency were dashed in the face of unprecedented socio-economic chaos and guerrilla violence. The military and its foreign allies, fearing that a revolutionary collapse of the status quo was imminent, and unable to con-

trol the consequences of political decompression, cast about for an extrication formula 12

Its purpose was to allow the Armed Forces to retreat to the barracks without reprisals while preventing a Marxist or nationalist-distributionist resolution to the crisis. Ironically, the regime turned to the man who had proven an important wellspring of popular mobilizations and guerrilla violence.

Juan Perón had never completely left the Argentine political arena. His ongoing control over the movement enabled him to manipulate the course of events so as to keep alive the possibility that he might someday return to the presidency. Between 1955-1972 Perón, aptly named the Conductor (leader) wore many masks. Publicly, he cultivated the image of mediator and peacemaker, the only force able to hold together an increasingly more fragmented society. Privately, Perón remained a master manipulator who used his control over both right and left wing elements of the movement to foment discord in strategic sectors of the society. His machinations contributed to the very fragmentation that he publicly decried.

Throughout his exile, Peron retained control of the right wing elements within the movement's political and trade union structures. He also commanded the loyalty of the Peronist left even though its growth was largely independent of Peron's initiatives. The loyalty of leftist militants was based on a wholesale misapprehension of the nature of Peronism. This fac-

tion was a self-styled defender of the nationalist, distributive phase of Peronism. They viewed Peron and the movement as revolutionary, and cited the Peronist bureaucracy as the agency which had compromised its principles. This sector perceived itself as a vanguard to launch a people's war which would transcend reactionary forces and establish a nationalist-distributionist state under Peron. The centrality of Peron in the left's ideology resulted in blind loyalty to the exiled leader becoming the sum total of its philosophy and strategy. This was reflected in the slogan: "Peron o Muerte" (Peron or death). These circumstances allowed Peron to manipulate the left with impunity.

There were three facets of the Peronist left. The first formation was the Combative Unions of the Linea Dura (Hard Line). They were fiercely loyal trade union militants who rejected attempts by various governments to compromise Peron's control over his most valuable constituency. 13 They adopted a variety of tactics: electoral abstention, strikes, violence and assassinations.

The second and third formations arose out of the alliance between the working and middle classes in the context of the Cordobazo. Revolutionary Peronism was the first manifestation of the second tendency. This elite vanguard, existing before the Cordobazo, was active in the shanty towns, factories and working class neighborhoods.

After 1969, the ranks of the left were swelled by moderate disaffected students and urban professionals. This resulted in Revolutionary Peronism being replaced as the vanguard of the non-violent left by a larger but less radical formation, the JP.14 This group advocated the use of the electoral process (in addition to armed struggle) as a vehicle to start a social transformation.

The third formation - an adjunct of the second - was composed of those paramilitary formations, especially the Montoneros, which acted as the armed guard of the Peronist left.

Between 1970-1973, Peron succeeded in overcoming longstanding animosity toward his return to political life while patching up differences between his movement and the Radical Party. He countered Lanusse's political compact with his "Hour of the People", an understanding between Peronist and Radical parties (plus some other political gropus) to demand free elections and respect their results. Peron did not limit himself to demanding a return to democratic politics. He continued to play a dangerous game, refusing to disavow the claims of guerrilla forces which acted in his name. He encouraged what he termed formationes especiales (special formations) as a means of putting relentless pressure on the regime to accede to his demands. The circumstances worked to Peron's advantage.

In the course of events, elites came to believe that only the conductor could prevent the disastrous consequences of the

convergence of spontaneous urban insurrections with guerrilla organizations. For his part, Peron offered these constituencies two alternatives. The first was to allow free elections, which would place the Peronists in power. The second was to brace themselves for a national insurrection, a wholesale Argentinazo.

By 1972, the Armed Forces' strategy of authoritarian industrialization lay in ruins. The Generals were buffeted by unprecedented economic crisis, popular insurrections and guerrilla violence. These circumstances led the military to question their commitment to industrialization and their relationship with foreign capital and the agrarian bourgeoisie. They also sought a way to return to the barracks that would not lead to an explosion of militancy. (This carried with it the possibility of social change beyond the parameters of dependent capitalism).

In casting about for an alternative to their continued rule, the Generals saw no other option but to allow the Peronists to regain control of the government. According to the simplistic logic of the military, Peronism had been primarily responsible for the discord of the period since 1955. It had proven impossible for the Armed Forces (as well as civilian governments) to counteract the movement's corrosive effects or to maintain control over the polity. In lieu of an effective strategy (which the Armed Forces in conjunction with agrarian elites would develop by 1976) to cope with Peronism or the social environment, the military felt it prudent to return power to that movement. It was hoped that once Peronism formed the gov-

ernment, it would discipline its extremist elements and organized labor, preventing a collapse of the social order.

On November 17, 1972 Juan Peron quietly returned to Argentina for the first time in 17 years to bargain with the military. In exchange for assurances that they could return to the barracks without censure, the Generals conceded to a political agenda that would lead to free elections and thus assure victory by the Peronists. Through a last minute amendment to the electoral code, Peron's presidential candidacy was vetoed by the military. This attempt to push the leader to the margin of decision-making was ineffectual. Peron personally chose a presidential candidate who was both a strong supporter and a personal representative in Argentina for some months, Hector J. Campora. The relationship between these men throughout Campora's tenure as president was embodied in an election slogan of the Peronist Youth, Campora al gobierno, Perón al poder (Campora to office, Peron to power.) Eventually, chance circumstances and Peron's scheming would result in Campora's resignation in favor of the Conductor.

Events were to prove that both the military and Peron miscalculated. The Generals overestimated the capacity of the movement to diffuse social tensions. For his part, Peron underestimated how many impediments existed to effective government. Furthermore, he was mistaken in his belief that he could apply the political techniques of decades past to what was a markedly different society with the same degree of success.

The Frente Justicialista de Liberación Nacional (FREJULI, Justicialist Front for National Liberation), dominated by Perón's Partido Justicialista (PJ, Justicialist Party), won the election. 15 Mindful of the social climate and the eclectic opposition to his Peronist left power base, Campora moved cautiously. He sought to salvage the economy through the implementation of reforms that did not challenge basic property relations, even though these did not meet the objectives of the more radical sectors of his coalition.

He attempted to manage the socio-economic consequences of sectoral individualism through the creation of a social pact between the government, the <u>Confederacion General Economica</u> (CGE, General Confederation of Entrepreneurs) representing small/medium capital, and the CGT. These parties agreed to moderate price and wage pressures in an effort to control inflation. The nationalist makeup of the regime was manifested in a plan to establish state monopolies over the export of meat and grain and to channel agrarian and financial surplus into industrial development.

The credibility of the government was destroyed through the manner in which these policies were implemented. The President and several Peronist provincial governors used mass mobilizations by the JP and Montoneros as a lever to carry on reforms. The left managed to extract several concessions which alarmed the larger community. Political detainees were freed and their

police records were destroyed. A Marxist was installed as the head of the University of Buenos Aires. The political activity of the Armed Forces was placed under civilian control, and many officers were forced into retirement. As a consequence of these mobilizations (many were at the behest of Peron) the regime came to be perceived by military officers, landowners, businessmen, and many moderates in the middle and working classes as demagogic and the captive of extremists. Peron and constituencies heretofore opposed to his plans reached a new consensus.

Peron's return to the presidency was contingent on his neutralising the left. The conductor moved to stage a right wing coup within the movement, by mobilizing strategic elements within the state, party and trade union-bureaucracies. The first salvo in this destabilizing counter-offensive occurred during the welcoming ceremonies for the second, more public return of Peron at Ezeiza Airport on June 20, 1973. Right-wing Peronists (under the direction of José López Rega, Peron's secretary in exile and Campora's Minister of Social Welfare) opened fire on left formations precipitating a riot in which several hundred died. Peron waited in seclusion while the government's vestigial credibility disintegrated in a wave of recriminations and violence spawned by the "Ezeiza Massacre". 16

Convinced that a right wing putsch of unknown origin was threatening to destroy the unity of the movement, Campora opted to resign in favor of Peron. On July 13, the president was replaced by Raul Lastiri, speaker of the Lower House and Lopez

Rega's son-in-law. The cabinet and senior bureaucracies were purged and filled with old-line bureaucrats and politicians.

The elections of September 23, 1983 were won in a landslide (62% of the votes cast) by Perón. His third wife, Maria Estela Martinez, known as Isabel, was elected as Vice-President. Perón returned to the presidential mansion, the Casa Rosada (Pink House) on October 12, 1973.

IV. Peron and the Failure of Inter-Sectoral Accommodation, 1973-1974

In retrospect, one has to wonder at Peron's decision to seek the leadership of a fragmented nation which, by 1973, was set on a course toward disaster. No one, not even Peron, could prevent a virulent form of sectoral individualism among middle class youth from precipitating the collapse of civil society. As discussed in Chapter One, IV, since the Depression, Argentina has been without a dominant ideology that has been viewed as legitimate by the whole society. 17 After 1930, the nation's evolution placed side by side groups with no common interests or bonds. Since dominant values could not cement the social order, only the prospect of a simultaneous satisfaction of concrete interests could keep the whole together. Social stability and the legitimacy of any government came to rest on its capacity to "deliver the goods".

The ability of the system to satisfy the interests of workers and the middle classes began to falter after 1955 situation had a particularly serious impact on middle class youth. Their elders responded to the circumstances by retreating to longstanding strategies of survival. Since the youth had no natural reflexes to fall back upon, they responded by a leap into the political unknown. Civil society found no method to communicate with, or neutralize, the Peronist youth. Intellectuals and politicians, puzzled and unable to respond, gave way to Peron and the Armed Forces, whose method of communication was retribution, and whose political strategy was counter-violence. Peron exacerbated the cruel dialectic which rose out of the Cordobazo, somehow believing it would not consume his larger political strategy of accommodation. He miscalculated, because the left was too powerful to be routed. The protracted struggle which resolved frustrated Peron's policies. It also generated a desire within civil society for order at any price.

Peron's strategy of accommodation also faced the hostility of the working class. The experiences of trade unionists after 1955 had made them unwilling to cooperate with the business community. Furthermore, the President had difficulty convincing the workers to moderate their wage demands or tactics.

A third consideration mitigating against Peron's success was the weakness of political institutions. After years of punitive authoritarianism during which political and social institutions were crippled, the military, urgently seeking a way

out, reconvened those battered institutions to control the spiralling social struggle. These were incapable of meeting the challenge. Lacking legitimacy, they could not retrieve the great portion of social power that had accumulated outside their boundaries since 1969.

To succeed, Peron had to control the expectations of his followers and rebuild a battered political system. Bereft of a society-wide consensus or a strong autonomous institutional apparatus to assist him, Peron was left to his own devices, intuition and charisma, but he was no longer a young man. The skills applied by Peron to disband his adversaries proved insufficient to build a viable political alternative.

With his death in July 1974, Argentina accelerated its pace towards political devastation. Flimsy coalitions, such as the Social Pact, collapsed. While Peron had tried to be alert and responsive to pressures from diverse constituencies, his widow and successor did not. She and her clique became preoccupied with secret conspiracies and arcane intrigues. Government became isolated and completely ignorant of many events within civil society. The community in turn lost any capacity to control its actions.

While social contracts and political arrangements were destroyed, the undeclared civil war accelerated. Despite the increase in violence, the conflict did not result in an open civil war. [The efforts of both sides to involve large sectors

of the population in this conflict, however, failed.] Against this background, established social groups and political institutions made no attempt at a resolution, preferring to save their skins in the face of impending doom. In the end, there was no recourse for "responsible" sectors of the community to but wait for the intervention of the military.

After Peron returned to the presidency, the level of statesponsored violence increased. Left wing Peronists were swept
from their posts in the universities, party and trade union
structures and municipal, provincial and federal levels of government. The guerrillas retaliated by stepping up their attacks
on right wing Peronists and the military. In return, the Armed
Forces and death squads of the right jailed and tortured guerrillas and militants, or simply shot them in the streets. On
the labor front, right wing bureaucrats, assisted by shock
troops, moved to supplant activists and to quash worker militancy. Repressive legislation was enacted, reproducing the law
and order measures of the Ongania regime. The counter-offensive
of the right peaked in the Spring of 1974 with the violent overthrow of the left-Peronist governor of Cordoba province, Ricardo
Obregón Cano, chosen in the general elections of March 1973.18

In a final about-face to the forces that helped him to obtain power, the president officially turned his back on the Peronist left. From 1970-1973 Peron had officially supported the left (though secretly subverting it), referring to the Montoneros as

That marvelous youth that struggles against military dictatorship with weapons in their hands and who know how to give their lives for the fatherland. 19

On May 1 (May Day) 1974, at a rally in the Plaza de Mayo, Peron publicly rebuked the tens of thousands of JP and Montoneros who had attended the gathering, complete with banners calling for the institution of what they termed "national socialism". He assailed their philosophy and methods, disavowing them as

stupid, smooth-chinned and mercenary youths. 20

If Peron's political regime was Draconian, his social and economic policies were relatively moderate, not unlike those pursued in the second phase of his initial tenure. 21 He continued with the conciliatory incomes policy, or Social Pact. It held together for some months because international commodity markets were temporarily in Argentina's favor. Unfortunately, the social pact foundered on the shoals of the world petroleum shortage of 1973. Argentina's post-World War II attempt to attain self-sufficiency in petroleum supply had failed. The nation remained largely dependent on the international market for its supplies. The oil import bill rose five-fold in two years. The incomes policy disintegrated in the now familiar wave of foreign exchange and inflationary pressures.

V. <u>Isabel Perón and the Fragmentation of Peronism</u>, 1974-1976

Peron's death heralded the end of accommodation in Argentine politics. 22 The political success of his widow, Isabel, hinged upon her ability to successfully deploy an ensemble of tactics which would maintain a balance of compromises within the Peronist movement and with social forces outside it. Neither the President nor her entourage, dominated by the fiendish José Lopez Rega (known as the Sorcerer for his alleged dabblings in the occult) were cognizant of this fact. 23

The regime was dedicated to a re-imposition of the socioeconomic program attempted by Ongania and successfully implemented by the Brazilian military after 1964. Since the government did not enjoy the support of the Armed Forces, the policy
was doomed to fail. Peronism began to make war upon its most
important constituencies. The most significant consequence of
the regime was to transfer the fratricidal conflict into the
heart of the movement. The result was the wholesale destruction
of Peronism as an accommodative mechanism able to prevent the
complete rupture of the polity. Furthermore, Peronism's disintegration unveiled its weaknesses. It was no longer feared by
the military nor idealized by the popular sectors.

Isabel and her coterie made an attempt to relocate Argentina firmly within the sphere of American multinational capital. In October 1974 the Minister of Economy, José Gelbard, (the former president of the CGE) was fired, and the alliance of labor, industry and government carefully cultivated by Perón was smashed. Gelbard's successor, Celestino Rodrigo, a close ally

of Lopez Rega, duplicated Krieger Vasena's policies by devaluing the peso by 100 per cent and instituting a wage freeze. The consequences were hyperflation, the strangulation of small and medium sized enterprises, and a recurrence of the now traditional, almost ritualistic, conflicts over the distribution of income. These policies swelled the ranks of leftist guerrillas and spurred the popular classes' sectoral veto.

In July 1975, for the first time, a general work stoppage challenged a government supposedly representative of the workers' interests. The Armed Forces, committed to the destruction of Peronism, remained aloof. Once again, a government failed to force the workers to pay the price of a development strategy premised upon foreign capital investment. The trade unions succeeded in forcing the resignation of two of the regime's chief strategists, Lopez Rega and Raul Lastiri.

The adoption of a strategy antithetical to that used by Peron in 1973 resulted in the alienation of most of the regime's social support. Even its erstwhile supporters, pro-U.S. business groups and reactionary constituencies in civil society doubted the capacity of the regime to endure. Twelve months into her presidency, Isabel's administration was cut adrift from most organized support, and became an object of political influence rather than a source of initiatives. The consequence was a power vacuum and a space for new political configurations, but none grew up.24

One concerted response to these circumstances was increased violence between the guerrillas and the repressive apparatus of the state, a mechanism that fell increasingly under the control of the military in the months after July 1975. As the political forces vacillated, the Armed Forces, intent on intervention, waited patiently for the exhausted society to accept it as inevitable, even welcome. In March 1976, the Generals, already in control of the state's repressive apparatus, toppled the hapless government. They justified this through its classic leit motiv, the incapacity of a civilian regime to retain order in a climate of anarchy. So profound was the socio-economic crisis, that for the first time in many years this military discourse produced a muted chorus of support throughout civil society.

VI. The Darkening Sky: Peronism and the Rise of State Terror

The death of Perón was the pretext for a discernible increase in the level of violence. One prominent rationale was the defection of the Montoneros from the Peronist movement. As long as the Conductor remained alive the guerrillas could justify remaining within the movement. They created an elaborate explanation for Perón's May 1, 1974 diatribe and subsequent coercion. It was assumed that these events were part of a wide strategy by Perón to overcome those bureaucratic agencies which opposed his goals. The guerrillas believed his intent was to install a welfare state capitalism which could be transcended through a "People's War" into socialism. They noted both a strategic and political coincidence (socialism necessitated state capitalism while Perón needed the guerrillas to counter

the reactionary bureaucrats), and an ideological contradiction (over the content of revolutionary change) between themselves and Peron. His attacks on the left were based in this contradiction. The political strategy to be drawn from this analysis was expressed by Mario Firmenich, leader of the Montoneros:

We have an ideological contradiction with Peron, but we also have a strategic coincidence. Peron is objectively an anti-Communist revolutionary leader. It is stupid for us to fight with Peron over ideology. We will fight to the utmost for our conceptions, but if we lose we are not going to leave Peronism. It wouldn't have the least sense since we share the same strategic project of Peronism. 25

Throughout the President's tenure, the strategy of the left was to continue its struggle against attacks which it perceived as originating in the Peronist bureaucracy. Peron's death broke the imperative of the JP/Montoneros to remain in the movement. The pronouncements and violent attacks which followed convinced the guerrillas that a direct confrontation with the movement was necessary. On September 6, 1974, they declared war against the government. The guerrillas hoped to recreate the situation between 1969-1972, when it appeared that mass popular mobilizations led by left Peronist and Marxist vanguards might topple the government. 26

The Montoneros slipped into the underground and combined in joint operations with the ERP. This formation had been especially active against military targets and, at the request of the Armed Forces it had been outlawed by interim President Lastiri in the Summer of 1973. Though it exhibited flair and expertise, relentless persecution by the Armed Forces (especially in Tucumán province) coupled with a small membership

and a lack of resources, had elicited a serious contraction in its membership and effectiveness in the ensuing twelve months. An alliance between this technically refined formation and the wealthier, more numerous but technically amateurish Montoneros elicited qualitative and quantitative increases in the level of violence. The scope of guerrilla operations increased, specially in the Federal Capital. Bureaucrats, politicians and military targets were attacked more frequently and with greater sophistication.

The escalation of state repression under Isabel was more than the defensive reaction of a harried government. It was a project of power. The means to suppress guerrilla activities were used to silence the regime's opposition. The conflict between extremist factions and the method of terror that arose to control subversion overwhelmed the entire society.

The state apparatus had two components. The first was overt, and was built on the authoritarian decrees of Ongania and Juan Perón.27 Its most important manifestation was the State of Siege of November 6, 1974, which resulted in the wholesale curtailment of civil liberties. The second element was novel and covert, taking the form of increased activity of the secretive right wing death squads associated with the government. State terrorism and legal oppression served complementary functions. Paramilitary formations composed of ex-policemen, intelligence operatives, mercenaries, militants of the Right, or professional killers performed those initiatives which, because of their

"dirty" nature, could not be carried on by the official forces of law and order.

Isabel inherited several pieces of repressive legislation from her husband. The Law of Professional Associations permitted the Minister of Labor to eliminate the more militant unions through the expedient of state intervention, and the eventual withdrawal of legal recognition. The Law of Compulsory Arbitration in Labor Conflicts allowed the government to declare certain strikes illegal. Her contribution, Law No. 20,840, the Anti-Subversion Law, punished with heavy sanctions groups whose actions had been declared illegal.

With the proclamation of the State of Siege, wholesale state repression was further institutionalized. It granted police and the Armed Forces carte blanche to neutralize institutions and repress activists and political leaders. Trade unions and provincial governments were infiltrated. Industrial police and security guards were installed in the factories and college campuses. Antagonistic political organizations were outlawed. Members of the Senate and the Chamber of Deputies who were critical of the regime were harassed. Activists capable of mobilizing public opinion in solidarity with the victims of repression, especially the Asociación Gremial de Abogados (Guild Association of Lawyers), were also jailed.

These powers were used to conduct mass arrests and interrogations and used to open dossiers of suspected dissidents.

These were then released. The regime avoided the unpopular option of increasing the number of political detainees. After

their release, these suspects were kept under surveillance or preyed upon by clandestine death squads which had access to the

State power was also used to seize control over the media. This was essential as Argentina is a literate society whose attitudes are deeply influenced by its journalists. The purpose of the above was to provide the government with a monopoly over the capacity to shape public opinion, and to shroud the origins of the covert terror mechanism. Organs of the dissenting media were closed or expropriated by the government. Its propaganda portrayed state terror as acts of uncontrollable right-wing fringe elements with no affiliation to the regime. The media that remained autonomous were coerced into a dubious form of self-censorship. The Anti-Subversive Law prescribed severe prison terms for journalists submitting stories which could be construed as giving support to guerrilla organizations, mass struggles or protest demonstrations against the repression.

Certain journalists were assassinated. Many formerly independent daily newspapers made spectacular reverses in editorial policy and subsequently abstained from criticizing the government. As months passed, this pattern became more disturbing. The media began to selectively report the circumstances of the carnival of violence in a manner overtly beneficial to the government. Guerrilla insurgency received far more attention than right-wing terror in the national media and foreign press.

After 1972, the Armed Forces, largely independent of the government, utilized overt and covert methods to protect its corporate interests. They cooperated with Juan Peron to attack the left, but abandoned his widow when it appeared that Peronism was no longer capable of maintaining social stability. Peron, in turn, used covert formations loosely affiliated with the President's office. These directed their energies toward a narrow range of targets directly associated with the left. After his death, government-sponsored terror began its ascent into its eventual position as a system of rule.

In its fight against guerrillas and its ceaseless repression of its opposition, the right enjoyed numerous advantages. The left had to steal or extort material or information expending much physical and intellectual energy in the process. The right could draw on the total fiscal, logistical, and tactical resources of the state (as well as those of neighboring nations). The most significant advantage of the "white terror" was that it operated above the law, and never had to worry about being brought to trial. It operated with impunity, using the state of siege as a weapon in its arsenal.

The methods of the covert apparatus were the bombing of offices and homes, and the kidnapping and murder of individuals. These were either shot or abducted during the day or evening by groups of men representing themselves as police officers or military personnel. The abductees were taken to secret sites, police barracks, government or union offices. They were interro-

gated under torture, and subsequently released or murdered.

Bodies were left to be discovered in fields, buildings or public highways as a means of intimidation. Further methods in this regard were the compilation and posting of target lists of politicians, lawyers, activists, cultural figures, and the persistent circulation of rumors regarding an impending "Night of St. Bartholomew", a large-scale massacre of leftists.

The most notorious death squad was the Alianza Anticomunista Argentina (AAA, Argentine Anticommunist Alliance, or Triple A). It was created in January 1974 by right wing Peronists, 28 the Armed Forces (which were still on good terms with the regime), and the Federal Police. It was controlled and funded by the Ministry of Social Welfare headed by José López Rega. It was made up of active and retired military and police officers, syndicalist bullies, especially from the Metal Workers' Union, and reactionary youth, such as members of the Juvehtud Peronista de la Republica Argentina (JPRA, Peronist Youth of the Argentine Republic). These diverse groups were united by extremism and the opportunity to engage in violence with impunity and the assistance of the state. The Triple A continued to operate under the military after the coup of March 24, 1976. It was responsible for at least one third of all deaths attributable to formations of the right.

By late 1975, the "white terror" had accounted for 1500 deaths, far more than were committed by leftist guerrillas. 29

Because it was used to isolate guerrillas from their support base to carry on an unpopular socio-economic policy, it touched

all sectors of society. Members of the revolutionary formations represented a minimum of the victims. Their structure and function made them poor targets for wholesale repression. Most of the victims were members of the popular sectors: workers who were repressed under the pretext of liquidating "industrial guerrillas", students who were sometimes assassinated just for being students, foreign political refugees accused of being part of an "international subversive conspiracy", and individuals whose only sin was to be related to political prisoners or guerrillas.

VII. Peronism, the Armed Forces and the State Terror Apparatus

Perón's death and the policies of his successor exacerbated civil society's tendency toward sectoral individualism, and created an unprecedented power vacuum. The question, who will govern? came to dominate the nation's political discourse. The retreat of the military to the barracks in 1973 has been interpreted as part of a grand strategy by the Armed Forces. This analysis postulates that the military hoped that Perón's efforts would fail. This is incorrect. The Generals, their allies, and the bulk of civil society placed their faith in the Conductor as the one man who could prevent socio-political chaos.

The military sought to negotiate their own succession and Peron seemed the only credible alternative. In retrospect, everyone over-estimated the capacity of the aged strongman to tame the furies unleashed by so many years of discord. Peron's death and the policy of his widow destroyed the accommodative

social pact and whipped the fratricidal violence into a bonfire. The military distanced itself from a government which had grown incapable of controlling those forces inimical to the interests of the military, the landed and especially industrial interests. The mandate of the military was clear: to destroy the revolutionary forces and to restore order in economic and political affairs. They had no idea how to go about this, however. All previous formulas were bankrupt.

By the end of 1974, the Generals were convinced that these goals could not be attained through super-structural reform. All previous attempts to suppress the sectoral veto of one or more political actors had proven impossible. The alternative strategy, the accommodation of all constituencies under one roof, was seen as untenable given the debasement of Peronism and the structure of Argentina's dependent economy. To the military the only way to break the political conundrum of stalemated pluralism was to eliminate one or more of the participants by destroying the economic basis of their existence. This exercise was predicated upon the wholesale reformulation of the dependent economy. But the question remained: what should the goals and methods of this revolution be?

There was only one political force whose credibility had not been shattered by a direct association with the course of events after 1966. The agrarian bourgeoisie had been shut out of the halls of power by the alliance of the military and multinational capital. The landed elite gained the ear of the Armed

Forces because the wisdom of other constituencies had been discredited by their association with the events of the previous decade. The agrarian elites offered a formula which seemed credible to a military disillusioned with authoritarian industrialization. It involved a wholesale expansion of Isabel's regime of state terror coupled with a policy of selective deindustrialization.

By the end of 1974 the Generals and the agrarian elites had devised a detailed strategy to carry on their sectarian agenda. 30 In the following fifteen months they adopted a program designed to seize power under the most advantageous circumstances. One component was to allow Isabel's regime to collapse under the weight of economic crisis, popular mobilizations, and guerrilla violence. The Armed Forces wanted to have widespread support for its intervention. They hoped that social chaos would become so profound that military rule in the name of order and stability would be welcomed, even among the popular sectors. Secondly, the military moved to monopolize control over the state's repressive apparatus. This was directed at the guerrilla factions which were waging war on the military as an institution. The apparatus was also used as a vehicle through which the military assumed control over the entire state.

The military was assisted in its quest by Isabel's policies and the apathy of the "responsible" sectors of the community in the face of increasing chaos. In general, the rapidly deteriorating political climate, with its high levels of violence,

repression and disregard for human rights, did not produce adequate responses from important and established sectors of civil society. As the violence grew, neither public institutions, the media nor the political parties did anything to stop it.

The military encouraged Isabel, using the pernicious consequences of her policies to legitimize and increase their presence in the state apparatus. The creation of the National Defence Council and the Internal Security Council institutionalized participation of the military in the presidential cabinet. By the Summer of 1975, the Armed Forces, convinced that popular opinion favored a military solution, no longer limited repression to those groups attacking them as an institution.

On November 17, the military high command officially took charge of the repressive apparatus. 31 The nature of the state's response to labor unrest, popular resistance and revolutionary violence, indicates that by early 1976 the military were in control of the government and beginning to use state power to introduce profound changes in society. The torture and execution of detainees (especially amongst those not specifically labelled as political prisoners) and the activities of death squads such as the Triple A (now under the control of the military) increased markedly. There was also an increase in the activities of military death squads which used the tool of the "disappearance". Here, the abducted party was disposed of without a trace. Their actions were concentrated in those provinces

wherein the Armed Forces had the greatest degree of operational control such as Cordoba and Tucuman.

Furthermore, the military began to intervene in labor disputes. In November 1975, the army crushed a month-old strike in the iron mines of Sierra Grande. Three hundred strikers were arrested, four hundred were fired and the army remained at the mines to oversee production.

Finally, the Armed Forces, police and intelligence agencies flooded the province of Tucumán in an attempt to crush the long-standing pattern of popular insurgence and repression, and eradicate the ERP from their mountain stronghold. (This followed closely the model of the American incursion into South Vietnam, a classic application of counterinsurgency doctrine. Unlike in Vietnam, though, the Argentine military did not have to contend with an adversarial domestic press or an external source of support for the entrenched insurgents).

The military utilized measures such as arbitrary torture and liquidation of guerrillas and their "sympathizers" (this term was applied so broadly that anyone could be so labelled and sanctioned). Suspected insurgents were placed in concentration camps while, in an attempt to isolate the rebels, the population was interned in a series of "strategic hamlets". The ranks of the ERP were decimated at the cost of serious socio-economic dislocation.

Chapters Two through Four have used the methodology outlined in Chapter One to plot the reasons why political instability has kept pace with modernization in Argentina. The analysis has shown that the "Argentine Case" has been conditioned by the nation's dependency, the cultural and political context within which that fact has existed, and the class configurations within Argentina over time.

Chapter Four has outlined the combination of longstanding and novel variables which set the stage for the two aspects of the Process of National Reorganization. The ongoing patterns associated with economic dependency and unprincipled public action were supplemented with terror of the left and right, unprecedented popular sector mobilizations and the transfer of the nation's fratricidal conflict into the heart of Peronism. These circumstances led to the intervention of the military and the imposition of the Process of National Reorganization.

Chapter Five is an analysis of the state of exception established by the military in March 1976. Specifically, it outlines the overt and covert components of the state terror apparatus that was created to reformulate civil society around the values of the Armed Forces and their civilian allies. An attempt is made to stress the unique attributes of the regime as well as the continuities between the junta and its Peronist predecessors.

Chapter Four. End Notes

1 The following sources especially useful in preparing this Atilio Boron, "New Forms of Capitalist State in Latin America", Race and Class, 20, 3 (Winter, 1979): pp. 263-276; Juan Corradi, "Argentina: a Story Behind a War", Dissent, 29, 3 (Summer, 1982): pp. 285-293; Julio Fernandez. "The Crisis of Authority in Argentina", Current History, 66, 389 (January, 1974); also "Crisis in Argentina", Current History, 64, 378 (February, 1973): pp. 49-52; Juan Carlos Garavaglia, "Argentina: Two Variants of a Single Design", Politica Internazionale, English ed., 2, 2 (Winter-Spring, 1982): pp. 26-36; Richard Gillespie, "A Critique of the Urban Guerrilla: Argentina, Uruguay and Brazil", Conflict Quarterly, 1, 2 (Fall, 1980): pp. 39-53: Marvin Goldwert, "Dichotomies of Militarism in Argentina", Orbis, 10, 3 (Fall, 1966): pp. 930-939; Daniel James, "The Peronist Left, 1955-1975", Journal of Latin American Studies, 8, 2 (1976): pp. 273-296; Kenneth Johnson, "Guerrilla Politics in Argentina", Conflict Studies, 63 (October, 1975): pp. 1-21; and "Peronism, the Final Gamble", Conflict Studies, 42 (January, 1974): pp. 1-25; David Jordan, "Argentina's New Military Government", Current History, 58, 342 (February, 1970): pp. 85-90; Ernesto Laclau, "Argentina - İmperialist Strategy and the May Crisis", New Left Review, 62 (July-August, 1970): pp. 3-22; Guillermo Makin, "The Military in Argentine Politics: 1880-1982", Millenium: Journal of International Studies, 12, 1 (Spring, 1983): pp. 49-68; Gilbert W. Merkx, "Sectoral Clashes and Political Change: The Argentine Experience" Latin American Research Review, 4, 3 (Fall, 1969): 117; NACLA, "Argentina: In the Hour of the Furnaces", North American Congress on Latin America, Report, (New York, 1975); and "Argentina: the Protracted Struggle", North American Congress on Latin America, Report, 7,7 (September, 1973); Guillermo O'Donnell, "State and Alliances in Argentina 1955-1976", Development Studies, 15,1 (1978): pp. 4-33; David Rock, "Repression and Revolt in Argentina", New Scholar, 7,12 (Spring/Summer, 1979): pp. 105-120; Carlos Vilas, "On the Crisis of Bourgeois Democracy in Argentina", Latin American Perspectives 9,4 (Fall, 1982): pp. 1-28; Dario Cantón, Military Interventions in Argentina: 1900-1966, Conference on Armed Forces and Society Working Group, International Sociological Association, (14-16 September, 1967); David Collier, The New Authoritarianism in Latin America, Princeton, N.J.: Committee on Latin American Studies of the Social Sciences Research Council, Princeton University, 1979; Juan Corradi, The Fitful Republic: Economy, Society and Politics in Argentina, Boulder, Co.: Westview Press, 1985; Richard Gillespie, Soldiers of Perón: Argentina's Montoneros, New York: Oxford University Press, 1982; Guillermo O'Donnell, Modernization and Bureaucratic Authoritarianism: Studies in

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- For a detailed assessment of the process leading to the 1966 coup, see Guillermo O'Donnell, <u>Modernization and</u> Bureaucratic Authoritarianism.
- These statistics are from: LAWG, "Argentina", <u>Latin</u>
 <u>American Working Group Letter</u>, 5,23 (February-March,
 1978); NACLA, "Argentina: The Protracted Struggle", pp.
 1-7.
- For a detailed analysis of the period, see Ernesto Laclau, "Argentina Imperialist Strategy and May Crisis", and Gilbert W. Merkx, "Sectoral Clashes and Political Change: the Argentine Experience".
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- 7 Gillespie, "A Critique of the Urban Guerilla", p. 40.
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- 9 Gillespie, "A Critique of the Urban Guerrilla", p. 40.
- For an analysis of the policies of the Montoneros, see NACLA, "Argentina in the Hour of the Furnaces", pp. 9-12, 88-92.
- 11 For a synthetic discussion of the evolution and policies of the ERP, see James Petras, "Building a Popular Army in Argentina", New Left Review 71 (January-February, 1972): pp. 45-57.

- 12 For an analysis of this period, see Garabaglia,
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 Jordan, "Argentina's New Military Government"; Liliana De
 Ria, Argentina: Neither a Stable Democracy Nor a Solid
 Military Regime, a paper presented to the Instituto de
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- The most significant challenge to Peron's leadership was known as Integracionismo. This was the focal point of a policy designed to coopt the allegiance of trade unions adopted by Arturo Frondizi. It was designed to undermine the support of Peronist elites by stealing the allegiance of the rank and file via a combination of concessions and promises.
- 14 For an analysis of the ideology and tactics of these formations, see NACLA, "Argentina in the Hour of the Furnaces"; NACLA, "Argentina, the Protracted Struggle"; James, "The Peronist Left".
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- 16 For a detailed discussion of the period between Peron's initial return to Argentina and Cámpora's resignation in favor of Peron see, Joseph A. Page, <u>Perón: a Biography</u>, New York: Random House, 1983.
- This analysis is based in part on Corradi, The Fitful Republic, pp. 101-105.
- 18 See Rock, "Repression and Revolt in Argentina", pp. 115-117.
- 19 Amnesty International Report, p. 8.
- 20 Amnesty International Report, p. 8.

- 21 For a detailed analysis of the economic policies of Peronist govenments between 1973-1976, see Gary Wynia, <u>Argentina in</u> the Post-War Era.
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- For biographical information of Jose Lopez Rega see "Argentina", <u>Latin American Working Group</u> V, no. 2/3 (February/March, 1978), p. 10; NACLA, "Argentina in the Hour of the Furnaces", p, 11.
- 24 See Vilas, "On the Crisis of Bourgeois Democracy in Argentina", pp. 17-19; Fernandez, "Political Immobility in Argentina".
- 25 James, "The Peronist Left, 1955-1975", p. 289.
- 26 For an analysis of this circumstance, see Johnson, "Guerrilla Politics in Argentina", p. 6.
- 27 For a discussion of the link between the policies of Juan and Isabel Perón, see James, "The Peronist Left, 1955-1975", pp. 285-287.
- 28 For an assessment of the origin of right-wing terror (particularly the Triple A) and its relationship with the government, see Johnson, "Guerrilla Politics in Argentina".
- 29 Amnesty International, Report, pp. 7-8.
- The military and the agrarian bourgeoisie did not stand alone in their alliance. They were joined by financial-banking interest. These actors were linked by ideological affiliation, econimic complementarity and by the fact that agrarian and financial interests were linked by professional and personal ties. To quote David Rock

"...the [agrarian] elites still largely dominated the land, and in the 1960s and 1970s they also recovered many of their traditional leadership roles in commerce and finance, reviving their political influence through power groups like the Army" (Argentina 1516-1982: From Spanish Colonization to the Falklands War, Berkeley: University of California Press, 1985, p. 332.)

The economic policies of the regime after 1976 revolved

around drastic financial reforms. Their ostensive purpose was to restructure the national economy and recast the political order. Their adoption was facilitated by the fact that they were a source of astronomical profits, but for military and agratian elites as well.

For a discussion of this period, see NACLA, "Argentina, Y Ahora Qué", <u>Latin America and Empire Report</u> XI, No. 1 (January, 1977).

CHAPTER FIVE

STATE TERROR AND THE PROCESS OF NATIONAL REORGANIZATION, 1976-1983

I. Sectoral Individualism, the Military and Political Reintegration

The military coup of March 24, 1976 is a focal point of this study. It represented the latest attempt by a narrow coalition composed of the Armed Forces and the agrarian bourgeoisie, to seize the state apparatus. As has been shown, until 1930, the military identified the upholding of the nation's integrity with the maintenance of agrarian dependency and the hegemony of the landed elites. The issue of the scope and intent of industrialization caused the values and interests of . the military and landed elites to diverge. Between 1940 and 1976 the agrarian bourgeoisie lost its monopoly over the loyalty of the "warrior class". During this period, the Generals continued to intervene as the "guardians of the nation", but their intrusions were in support of "anti-popular" industrybased coalitions. After 1970, the military's strategy of authoritarian industrialization lay in ruins and a new convergence arose between it and the agrarian bourgeoisie.

The purpose of the state of exception was, in the words of the Junta, "to close the Argentine cycle" of social discord through a Process of National Reorganization. Its real intent, however, was to shatter the stalemated balance of social forces by dismantling those constituencies created after 1930 which had been influential in destroying the political hegemony of the landed elites and the monopoly over coercion enjoyed by the military. The mechanisms were to be state terror of a previously unimagined magnitude, and a destruction of the industrial base not associated with the interests of the ruling coalition. The purpose of the <u>Proceso</u> was to create an environment enabling the coalition to rule unchallenged indefinitely.

Chapter Five is an analysis of the state-inspired reign of terror that accompanied the intervention of the military. It assesses the nature and consequences of this system. The relationship between the terror apparatus and the Doctrine of National Security is sketched as well as that between that apparatus and the economic policies of the regime.

The state of exception established on March 24, 1976 was the legacy of Argentina's rather unique development as an agrarian dependency and particularly as a peripheral industrializing nation after the Depression. 1 No workable political formula emerged from the juxtaposition of old and new modes of production that resulted from the nation's dependent development. What resulted from the nation's discontinuous modernization was an ever more pernicious spiral of conflict between entrenched and self-interested social classes, economic sectors and the military.

As has been argued in Chapter One, the history of modern Argentina had become governed by the primacy of sectoral individualism. Political life was reduced to a state of war between competing actors, the end of which was to seize the state and to use it as a vehicle to empower the victor and subjugate the vanquished. This circumstance has existed in Brazil and nations of the Southern Cone such as Uruguay and Chile. What is unique to Argentina is that because of the existence of stalemated pluralism - stemming from the singular power of the popular sectors - no regime endured. Fragile and unrepresentative democratic regimes were superseded by authoritarian experiments which themselves could not prove durable.

The coup of 1976 was yet another seizure of the state by an alliance of self-interested political actors. For Argentina, it was unique in that its intent was to break this historical cycle. The state of exception was accompanied by an unprecedented attempt to reformulate society so as to allow this alliance to retain power indefinitely.

In determining the military's motives for intervention, two rationales spring to mind. The first postulates that the military filled a power vacuum created by a disintegrating Peronist government. This had kept the Generals at the margin of political decision-making, incurring their antipathy. The second states that in March 1976, the Armed Forces acted to consolidate their de facto hold over the state, secured in 1975. Their intent was to more effectively counter guerrilla activities

which, since mid-1974, had been primarily directed against the military and security forces.

These explanations are inadequate. They fail to provide reasons for the alliance between the Armed Forces and the agrarian bourgeoisie, or for the nature of the regime which the military established. The purpose of the Generals' self-entitled Proceso de Reorganización Nacional (PRN, Process of National Reorganization), is expressed in the following quote from Torcuato Di Tella:

Apart from the military's declared intention, when it took over in 1976 to fight subversion, without the constitutional restrictions set by the rules of law [...] the military also pointed out the need, as one of its long run objectives to produce a "structural transformation" of Argentine society. This implied changing some of the basic traits of the country's social and economic structure, dampening much of the vitality that the social forces comprising Argentine civil society have shown historically, developing a new hierarchical order in society and making more difficult or impossible the repetition of popular or nationalistic governments such as that of Peronism.2

Historically, there have been many reasons given for the frustration of the nation's destiny: imperialism, the Jews, or the national character. The landed elite, as mentioned, has long contended that the problem has been one of leadership. 3 As untenable as these visions may be, they are of immense importance because they form the basis of the diagnosis and remedy imposed by some governments.

In diagnosing the reasons for the persistence of socioeconomic instability since 1930, the Armed Forces and the agrarian bourgeoisie reached the same conclusion. They felt that the disorder of the 1970's stemmed from a distortion of national life that dated to 1946 and the election of Juan Peron. The marriage of Peronism with a state apparatus committed to industrial protectionism had pernicious legacies (see Chapter Three).

These ideological, political and economic distortions were held to explain the historic failure to establish an equitable democracy intent on maintaining the nation's security or its cherished values. They were also seen as the cause of persistent social disorder. These perceptions caused the Armed Forces to choose remedies traditionally advocated by the most reactionary elements of the landed bourgeoisie. Harkening back to the nineteenth century, the Generals asserted that the nation would return to its original principles. These were a restricted elitist democracy in the context of a de-industrialized agrarian dependency. These circumstances were designed to result in a return of the nation to its "Golden Age" of the oligarquia:

The simplicities of this view are not without paradox. The ideas of the moral crusaders are reactive and anti-modern, yet Argentine culture is nothing but a byproduct of the modern Enlightenment. In consequence, the ruling ideology produces the disconcerting spectacle of a young country defending old values, a community of recent settlers endorsing traditions they never had, conservatives with little to conserve. 4

The purpose of the coup was to produce a lasting political transformation that would benefit the ruling coalition. This

was to be accomplished through a revolution based in the tenets of economic Liberalism. This free market ideology had long been espoused by ideologues in the agrarian sector. Its central proposition was that the market, functioning without interference, was the most equitable assigner of a society's resources. It represented a projection into the economic field of an individualistic political philosophy opposed to state intervention beyond narrow limits.

Liberal proponents attributed modern Argentina's malaise to the consequences of industrialization through Peronist policies. These were the distortion of relative internal prices caused by industrial policies and an uncontrolled expansion of state activities. The image of the market in a double sense became the cornerstone of the liberals' position. On the one hand, it implied the opening of the economy, its re-integration into the international market by drastic tariff reductions and the elimination of other "distortions" that had protected "artificial industries". On the other hand, the image alluded to a drastic reduction of the state in the economy, while restoring the initiative to a private sector conveniently induced to invest.

This ideology gained currency among the Armed Forces because liberal pundits successfully demonstrated that the political-institutional structure the military sought to replace was closely tied to the economic order. Only liberal economic reform could purge the nation of Peronist political power. The military based its political project on the establishment of a

free economy, destined to operate a natural selection process in which only the most efficient enterprises would survive

II. The National Security Doctrine and State Terror

The explicit intention of army General Jorge Videla and his government was to end the historical cycle which Peronism had opened. 5 Those constituencies to be disenfranchised (trade unions) or eliminated (the revolutionary formations) were well organized, entrenched in positions of power, and intent on concerted opposition to the PRN. This circumstance made it necessary for the Junta to complement the free market economic strategy with a strengthened repressive apparatus. The Generals' response to the resistance generated in civil society by the PRN was far more widespread than necessary to neutralize the government's opposition.

The explanation that these Draconian measures were the inevitable consequences of a state of civil war (as in Spain) is inadequate. The analogy does not fit the Argentine case. A more attractive rationale states that the tenor of the repressive apparatus was conditioned by a specific mindset within the regime. A major factor in this was the adoption by the military of the Doctrine of National Security. This theory deals with the origins of political instability within Third World nations and the response of the Armed Forces to this phenomenon. This product of the Cold War, first propounded by the French (as a result of their experiences in Indochina), was accepted by the

Armed Forces in metropolitan and peripheral nations of the capitalist West during the 1960's. Like other over-arching theories discussed in this study, the doctrine is simplistic and absolutist to the point of naivety.

The doctrine proposed that since the Second World War, our world has become a battlefield between two ideologies, one good, Liberal Democracy; and one evil, Communism. The latter has been the aggressor, and its aim has been the subjection of the Western world to the dictates of Marxism. The second assumption posits the existence of parity in conventional and nuclear capabilities between Western and Eastern bloc nations. This has forced Socialist tacticians to concentrate their efforts on peripheral nations which, because of a weaker military presence and socio-economic instability, have become vulnerable to Marxist intervention. The method of attack is to use Communist insurgents or trained infiltrators to weaken the nation from the inside. These formations co-opt the popular sectors into wars of national liberation against the legitimate power structure.

The doctrine was adopted in earnest by the Latin American Armed Forces after the fall of the Batista regime to the Rebel Army of Fidel Castro in Cuba in 1959. This had two crucial consequences. Like their counterparts in other nations, Argentine military analysts came to view the crescendo of social instability beginning with the <u>Cordobazo</u> in a new light. First, it was not seen as a consequence of factors within the nation, but as a result of foreign Communist agitation. Second, the

perceived role of the military changed from defending against conventional threats from neighbouring nations, to counterinsurgency, the defence of the nation against internal subversion.

In the words of General Augusto Pinochet of Chile, the new task of the military was to defend against

permanent aggression in the service of an extracontinental and imperialist super power. 6

The military saw its task as a difficult one. First, the state of conflict within the nation was unrelenting. the tactics of the enemy, general strikes and guerrilla warfare. were difficult to counter through conventional means. elements were perceived to be diffused throughout society, like cancer cells throughout a living body. To counterinsurgency strategists, all components of national life, the economy, education and culture became separate fronts in a total war against subversion. To root out this disease, the Armed Forces felt it necessary to militarize each of these constituent parts. They justified their claim to a monopoly of state power by virtue of their professionalism and resolve. In such a National Security State, the military reserved the right to determine what constituted subversion and which classes, professions, institutions or individuals might be enemies of the state.

The Doctrine of National Security gave the military in Latin America a licence to determine the nature or extent of Communist insurgency and a justification for the militarization of society. It also posited tactics to pursue the enemy and sanctions against those detained as subversive. These were de-

rived from a perception as to the nature of the geopolitical conflict between East and West. The doctrine stipulated that each example of popular insurgency was but a battle in the global conflict between Communism and Democracy, one which is absolute or total in two respects.

As the struggle is between good and evil, it precludes compromise. First, any battle in this conflict must continue until its subversive protagonists have been completely eradicated. Second, the fact that government forces perceived themselves as carrying on a holy war gave them a justification for the use of the cruelest tactics. As "God was on their side", they felt no moral obligation to give any quarter, to take any prisoners.

When seen through the lens of National Security, the world is one of absolutes, of blacks and whites, without any grays.

To the military, all internal dissent, violent or non-violent, is illicit insurgency. These subversives are no less enemies of the state than Communist soldiers. According to this perverse logic, dissenters are evil and must be liquidated.

This conceptual framework formed the basis for the response of the Argentine Armed Forces to their opposition after the coup of 1976. But before those captured "subversives" were executed, they were tortured. The purpose of torture was to extract information, the most strategic commodity in the battle against urban and rural guerrillas and subversive ideologues. In a war without discernible frontiers or uniforms, information extracted

under duress was the main mechanism by which the military could identify and eliminate their enemies. The systematic use of torture was justified as a vehicle to save Argentina from those seeking to undermine her as a Christian and democratic nation.

This ideology found expression in the National Security
States established in Brazil in 1964, Uruguay and Chile in 1973,
and Argentina in 1976. They differed fundamentally from the
European Fascist regimes, which were constructed on ideologies
based on the virtues of race and the people's destiny. The cement that held these coalitions together was economic and territorial expansion. Expansive nationalism was not preeminent
among the authoritarian regimes of the Southern Cone, given
their economic dependence and the military balance of power
within the region. [Border disputes such as that between
Argentina and Chile over the Beagle Channel were, however,
important sources of friction in the region.]

Here, the official values were conservative. The vision of national grandeur was transformed into the reinforcement of the state apparatus and the strengthening of the fatherland. Apathy and a lack of mobilization, state but not party, hierarchy but not representation, were the state's ideological apparatus. The links between the government branches and civil society were achieved by co-opting individuals and private interests. But these states did not adopt a corporate form. There was no attempt to stimulate class and sectoral organizations or to promote a doctrine of organic harmony among social groups.

These regimes favored an over-evaluation of the executive which monopolized legislative and judicial capacities within itself The only countervailing force to the military juntas was provided by the technocratic elements upon which the executive grew increasingly dependent as the scope of its responsibility Ultimately, the most salient characteristic of these increased. regimes was government through diffuse terror. A justification and an admission of this is evident in the following quotation from an address delivered by General Jorge Videla at the Nineteenth Conference of the Commanders-In-Chief of the Latin American Armed Forces at Montevideo, Uruguay: that in the face of internal pressures generated by an international Communist conspiracy

In Argentina there should die as many people as necessary until peace returns. 7

After 1966, the level of violence expressed in instances such as the <u>Cordobazo</u> and covert terror of the left and the right attained ever higher levels. After the coup, the violence, especially internecine terror, increased again, but most of this emanated from the state. The Videla government became the author of a reign of terror unparalleled in the modern history of the Southern Cone region. The presence of guerrilla formations provided a partial rationale for the creation of a state terror apparatus, whereby the military adopted the methods, organization, secrecy and ruthlessness of the revolutionary formations in order to neutralize them. The difficulty with this analysis is that the vast majority of citizens imprisoned,

tortured or killed were not associated with paramilitary organizations. Most of them were either individuals who were opposed to the vision and project of the military, or they were politically neutral. This fact indicates that the Armed Forces labored under an ideology that imbued them with a type of mental imbalance evidenced in pronouncements such as this by General Ibérico Saint Jean, Commander of the First Army Corps of Buenos Aires Province:

First we will kill the subversives; then we will kill their collaborators, then their sympathizers, then those who are indifferent, and finally, we will kill all those who are timid.8

The Generals turned the complex circumstances of Argentina into a simple dichotomy: friend or foe. All those who opposed their vision were labelled as subversive. As they were seen to criticize the self-proclaimed mission of the military, they were ideologically reduced to objects, to be destroyed by the state terror apparatus.

Between 1976-1983 Argentina was submerged under two forms of all-encompassing violence. 9 The first was that of a vicious, despotic state controlled by leaders whose values were an amalgam of small-town morality, parochial religion and paranoid conservatism. The second type of violence was that associated with the unfettered competition of the open market. In contrast to Chile or the bureaucratic-authoritarian regimes established in Brazil and Argentina in 1966, the 1976 military dictatorship hid its true face while withdrawing from the public sphere. To

those who were sanctioned, punishment arrived like the incomprehensible act of a hidden god.

The process was reinforced not by a strengthening of bureaucratic control, but by the relinquishing of everyday human
interaction to the "self-regulating" mechanisms of the market.
Unlike the regime of 1966, the Videla regime was portrayed as
authoritarian but not authoritative. Under the umbrella of a
harsh military government, powerful groups roamed uncontrolled,
having managed to conquer strategic positions. The ties that
allied them were unfettered greed, the lust for arbitrary power
and the fear of those underneath.

III. The Open Face of the State Terror Apparatus

When the military seized power it played on the desires of a population exhausted and angered by several years of conflict. The Armed Forces promised to end the confusion and disorder brought upon the country by the events surrounding the decomposition of Peronism. 10 The Armed Forces used this tacit pact between itself and important constituencies of civil society to radically alter the nation's judicial and institutional framework. The purpose of this exercise, however, was not to restore social order but rather to serve the particular agenda of the narrow coalition which controlled the state.

On March 24, 1976, as the Armed Forces occupied the state apparatus, the constitution was modified, the mandates of the President, Congress and provincial governments were declared void, the activities of political parties and unions, business and professional associations were suspended and the Supreme Court was purged. Paramount power was vested in a junta composed of the Commanders-in-Chief of the three services, the consensual leader of which became the President. A consultative body of senior officers, the Comisión de Asesoramiento Legislativo (CAL, Legislative Advisory Committee) was also established.

The junta strengthened the overt repressive apparatus initiated by Isabel Peron. The enactment of special laws and the exercise of arbitrary power was designed to intimidate its opposition. Its second, more insidious, function was to act as a shroud hiding the origins of an expanded, rationalized covert terror apparatus. To quote Juan Corradi:

The generic ground on which laws rested, the discretionary nature of the powers they granted, the creation and functioning of special bodies to which they gave jurisdictional powers, the application of their provisions on a retroactive basis, the punitive measures they authorized - disqualification from holding office, restriction against practicing one's profession, and confiscation of property - and the loss of liberty and life to which they led suggest, as in the case of Nazi Germany,

"a form of society in which the ruling groups control the rest of the population directly, without the mediation of that rational though coercive apparatus hitherto known as the state."11

Strict laws punishing any form of resistance by individuals with such severe sentences as indefinite imprisonment or death were available to the new regime when it seized power. The most important was Security Act 20,840 of September 1974. This prescribed harsh prison terms for persons who advocated the alteration of the established order, even if this occurred peacefully. Decree 21,456 issued on November 20, 1976, reinforced this by providing for the indefinite detention of anyone engaging in those activities. The regime also strengthened the power of the military to apprehend suspected subversives. Law 21,460, passed on November 20, 1976, authorized the police or Armed Forces to arrest on the basis of "strong indications or half-conclusive proofs of guilt." According to Amnesty International, this procedure

...erased or confused the basic distinction between the principal actors in a criminal offence, those who are accomplices in the act and those who are only accessories after the fact. By rejecting the basic differences in accountability of those involved in a crime - differences recognized in every system of law - the military junta have made it possible to detain anyone connected, however remotely, with any alleged crime of subversion. 12

The military recast the trial process in their interests. After the coup, all those arrested as subversives were tried under the Code of Military Justice in front of military tribunals known as <u>Consejos de Guerra</u> (Councils of War). The proceedings were held in camera, and the accused were represented

by military attorneys. Such cases were a direct affront to

Article 10 of the United Nations Universal Declaration of Human
Rights, of which Argentina was a signatory. It stated:

Everyone is entitled to full equality, to a fair and public hearing by an independent and impartial tribunal in the determination of his rights and obligations and of any criminal charge against him. 13

Finally, modifications of the Constitution included the elimination of the final clause in Article 23, known as the Right of Option. This had granted political dissenters, in a period of state of siege, the choice of remaining to face civilian tribunals, or of leaving the country.

Laws 21,322 and 21,325, passed on June 2, 1976, outlawed all social and political organizations not avowedly supportive of the regime. This involved the suppression of all parties of the Center and Left with the notable exception of the pro-Soviet Communist Party. (This expedient was necessary as the regime relied upon the USSR as a primary market for agricultural commodities.) Political activity and discourse not supportive of the regime disappeared from the public sphere.

Ultimately, the military brought the weight of the cryptolegal repressive apparatus down upon the trade unions. This was to destroy the "industrial guerrillas" operating in the radical trade unions and to paralyze labor's response to the debilitating effects of the <u>Proceso</u>. <u>Law 21,356</u> prohibited trade union elections or congresses, and allowed the state to interfere in their affairs. Under this provision, the CGT and sixty-eight of

its most powerful affiliates (including the the metal workers, construction, textile and auto-workers) were taken over by the Armed Forces. They hoped to emasculate and reintegrate these formations as "professional associations", to discipline their membership and educate them in the realities of the new order.

Laws 31,400 and 21,426 were designed to intimidate individual union members. The first provided sentences of up to four years for workers participating in labor stoppages. The latter provided for incarceration of up to ten years for anyone advocating or abetting strike action. Violations of the ban on strikes (as well as the perpetration of industrial sabotage) were dissuaded by wholesale occupations of factories by soldiers and police.

Apart from disarticulating the regime's opposition, these provisions resulted in a drastic increase in the number of citizens detained by the Executive. 14 Political prisoners were categorized under <u>Decree 20,230</u>, issued in December, 1974, as being extremely dangerous and were subject to strict procedures. The constant rotation of detainees from prison to prison made it exceedingly difficult for their families and lawyers to determine their well-being. The fact that political dissidents were known to be detained by the Executive gave them a measure of protection against systematic torture or arbitrary execution. As the policy of the regime was to reject responsibility for the deaths of its opponents, it very seldom made political detainees "disappear".

This is not to say that these people were not subject to systematic brutality. They were victimized by a mind-numbing isolation (both from each other and from the outside world) and psychological assault. Systematic physical abuse took the form of sleep deprivation through redundant interrogations. Prisoners in Córdoba penitentiary, under the control of the sadistic General Luciano Benjamín Menéndez, were subject to brutalities usually reserved for the inmates of clandestine centers: beatings and torture with electric shock. Political detainees were also murdered. These killings most often occurred during the transfer of individuals from one facility to another. These were justified through the Ley de Fuga, the prisoner being shot while supposedly trying to escape.15

IV. The Hidden Face of the Repressive State

Thousands of people, not all of them Argentine citizens, perished between 1976-1979, the years of the most intense repression. 16 The purpose was to facilitate the political reformulation that was at the heart of the PRN. It was the main instrument in the "Dirty War" (which recognized neither natural nor moral limits) against armed insurgency. The Armed Forces sought to crush the guerrillas by adopting their tactics. A related purpose was identified in a statement of Federal Police officer, Rodolfo Fernández, who served under the Minister of the Interior, General Albano Harguindeguy.

Fernandez says that he witnessed conversations between Harguindeguy and a number of high ranking officers, including Generals Viola, Videla and Galtieri, in which it was made clear that the doctrine of generalized ter-

ror in the population was to prevent the guerrillas from moving like fish in the water. This doctrine was formally articulated to retired generals and former commanders-in-chief in 1976.17

Furthermore, the system sought the elimination of all other apparent dissent and the neutralization of all potential opposition. In the words of Juan Carlos Garavaglia,

Obviously, another target for the repressive institutions was all these activities representing a threat to the state's ideological apparatus. Thus the regime's repressive madness found victims among those journalists, actors, professors and teachers, psychoanalysts, and priests whose activities were judged to be "dissolvent". This is a word that crops up constantly in the jargon of the Latin American right, and for once it is highly appropriate: the kind of activity indicated tended to "dissolve" the style of ideological representation that the ruling elements demanded of the mass media, the church, the school system, etc. 18

The form of the terror process, applied continuously from 1976 through 1979 and sporadically after that, was different from the overt reign of terror that occurred in Chile after . 1973. The unique feature of Argentine terror was the duplicity with which it was administered and suffered, ranging from the government's disavowal of responsibility to a dichotomy of perception and articulation within civil society. The nation was ruled by both a visible and an invisible government, by officious generals and by secretive terrorist associations.

To wage war against subversion, the high command secretly organized and armed separate units within the Armed Forces, the police and the extreme right of civil society. These "task forces" operated with total autonomy and impunity having a free hand in the selection and disposal of their victims. This pat-

tern of decentralization did not create inefficiencies. The ideological homogeneity of the participants assured that covert operatives in disparate regions worked with the same deadly efficiency. The camouflaged counterinsurgency was adopted for reasons of punitive efficiency. An attempt was made to apply those techniques previously monopolized by the guerrillas (secrecy, nocturnalism, surprise, and unpredictability) to liquidate them more efficiently. The network's diffuse nature made it appear independent of the state. Unlike in Chile, there were no clues, no patterns to link the terror process to the government. This allowed the military to use reprehensible methods while avoiding the massive international condemnation the Chilean junta received.

Many of the military's civilian allies tolerated the overt authoritarianism, but would not accept the means adopted to fight the "dirty war". The clandestine network satisfied the need for propriety while allowing the Armed Forces to operate ruthlessly and efficiently. These circumstances led the state to exonerate itself. The ramifications of the quasi-legal mechanism were attributed to the imperatives of national security. The manifestations of the covert system were explained as the "excesses" of "uncontrolled" extremists. The regime argued that since subversives cunningly attacked society, it was only logical that the community defend itself by similar means. The government stated that it was doing everything it could to restore its monopoly over coercion and justice. This conception was evident in this fragment of an address to the United Nations in

August 1976 by the Minister of Foreign Relations, Admiral César Guzzetti:

My idea of a subversion is that of the left-wing terrorist organizations. Subversion or terrorism of the right is not the same thing. When the social body of the country has been contaminated by a disease that corrodes it entrails, it forms antibodies. These antibodies cannot be considered in the same way as the microbes. As the government controls and destroys the guerrilla the action of the antibody will disappear, as is already happening. It is only a natural reaction to a sick body. 19

This rationale was a ruse. The <u>Comisión Nacional sobre la Desaparición de Personas</u> (CONADEP, National Commission on the Disappearance of Persons) was convened, after the fall of the regime, to investigate the disappearance of many thousands in the dirty war against subversion. It concluded that

...human rights were violated in an organic, stateinspired form by the Armed Forces' repression". 20

It also determined that it was the military high command and not isolated extremists which was responsible for the depredations associated with right-wing terror:

This commission states that there were no "excesses", if one understands by them particularly aberrant acts. Those atrocities were common and extended practice and they were the normal and usual acts carried on by repression. 21

Who were the ultimate targets of the state terror process?

At first glance, it appeared to be the victims. Between 19761979, some 10,000 to 30,000 persons were liquidated. Their
extermination was largely a secret, which makes it impossible to
be certain of the precise figure. Most will always belong to a
category of non-persons, trapped between the certified dead and

the living, the <u>Desaparecidos</u> (the disappeared ones). Ultimately, these vanished people were but pawns in a larger gambit.
The true aim of the system was not the defeat of revolutionary
formations and articulate dissidents. Its central purpose was
to intimidate the whole of civil society, to debase its political consciousness and curb its aspirations for social change.

In the counterinsurgency campaign it was obvious that the mere repression of insurgent cadres was insufficient because these, drawn from a human base with considerable political experience, could easily be replaced. 22 An increase in the magnitude of anti-guerrilla terror was coupled with a society-wide extension of violence. Its purpose was to suppress all active cadres which could turn militant at any moment and to eliminate all possible supporters, sympathizers, ideologues, or former militants. For the purposes of facilitating the Proceso, it was also crucial for the military to make the whole of civil society the screen of this macabre performance, in order to break its spirit. In Argentina the practice of counter-subversion permeated the entire community. It locked every citizen into an irreconcilable dilemma. Anyone who questioned the regime risked elimination. Those who kept silent survived, but remained marked because the regime counted silence as consensus and the absence of protest as complicity. This moral blackmail generated a pervasive and debilitating guilt within the citizenry.

To be most effective, it was necessary that state violence take place in public view. On the other hand, it was essential

that such depravity remained hidden. This created a dilemma for any repressive regime. Spurious violence (or "excesses" as they are called in official speeches) denied the legitimacy of state power because it conducted itself in the same manner as its declared enemies. Whoever used state terror to combat dissidence experienced a tension which only furtive publicity could alleviate. As a consequence, the members of civil society knew at the gut level that the state killed its opponents without it ever being proclaimed openly. To quote Alvaro Abos:

Like a capillary network, by the mouth-to-mouth system, the truth spreads. Pockets of disgrace are sewn throughout society - those families who have "had a problem" - who doesn't know of at least one case? A neighbour, a workmate, an acquaintance. One day he disappeared, they say he's probably in jail, no one really knows for sure... Everyone has seen something - an arrest taking place down the street, on an apartment building staircase, an armed group dragging someone away. They have heard it, they have whispered about it, they have told someone else about it. Rumour, with its unreal brightness, blindly penetrates the collective subconscious. 23

But that certain knowledge was too painful to be retained or articulated. So it was supplanted by a form of lingering doubt. This suppression of the truth was a second demobilizing response of civil society to state terror. Very few Argentines accepted the reality of the disappeared. One rationale is that it was difficult to reduce the situation to human proportions. The fact that tens of thousands of people vanished without a trace was especially incredible to the relatives of the disappeared, who developed elaborate theories to keep away the dreaded possibility that these abductees were dead. According to Argentine journalist, Robert Cox:

One father was convinced that hundreds of children were held in secret work camps in the Paraguayan jungle working on ancillary parts of the vast hydroelectric complex being constructed, with Brazil and other neighbouring countries along the Parana River. 24

Cox noted another attitude (which could be construed as a type of denial) that he termed common among "informed people". This was an appallingly callous acceptance of what must, by all civilized standards, be quite unacceptable.

When he approached a columnist of a major Buenos Aires daily to determine why that newspaper had not reported or commented on the disappearances, the latter replied: "...but people always disappear in a war."25

This attitude was a partial rationale for the activities of the media during this period, a conduct which reinforced public misconceptions. It basically failed to articulate the issue of state terror to civil society. Newspapers (with the . notable exception of Cox's English language daily, the Buenos Aires Herald, and the conservative La Prensa) avoided the issue entirely. The military enforced this tendency through legislation. The original Communiqué 19, Delito de Prensa (Crime of the Press) of March 24, 1976 was superseded by a more rigorous pronouncement on April 22. Amnesty International comments:

The government has forbidden the publication of all news items concerning terrorist activity, subversion, abductions, or the discovery of bodies unless officially announced [...]. A press secretariat source said the ban on publication of terrorist activities was aimed at suppressing any information which could be

used as propaganda by the subversive groups. "This is a state of war," the source said, "and the government has the right to use this method to prevent enemy propaganda."26

This ban was re-enforced by the vanishing of several recalcitrant journalists. 27 This official censorship was complemented by a continuation of the self-censorship evident in 1974-1975. The media began to focus its attention on leftist insurgency while ignoring right wing violence or the link between that violence and the military government.

V. The Mechanics of the State Terror Process

The cornerstone of the Armed Forces terror project was the disappearance. This "...repressive methodology"28 involved individuals vanishing without a trace. With judicial control absent, it was tempting for the system to make people disappear. This method allowed the state to interrogate and dispose of the victims' bodies according to the whim of the executioner, without time limits and without being accused of abusing its authority. The climate of uncertainty regarding the nature of this process or its origins gave the regime an easy answer to inquiries: "You are demanding the liberty of person X. The state doesn't know who you mean. He was detained by a commando? We don't know, we can't remember, negative."

Beyond the immediate punishment of the abducted person, the procedure guaranteed a more persistent profitability. To quote Abos:

The system obtains a maximum yield of terror for a minimum expenditure of repression. Horizontal violence bends, intimidates, and shrinks good intentions. It seals lips, poisons relationships, erects walls of silence and suspicion, compartmentalizes social life. This of course is one of the effects most desired by the system - a society of distrustful and apprehensive subjects, shut off from the world by their fortresses of privacy, wherein a suffocating breeze of paranoia taints all human relations. In terms of the collective subconscious, all forms of solidarity and dynamic public postures are relegated to the garret of desperate acts of pointless heroism. 29

In carrying on their dirty war, the high command created decentralized systems within each of the nation's four military regions. The central component of each was the "command unit" or "task force". These were constructed to function like the cells of guerrilla organizations, and staffed by the rotation of officers within each regional command. To maintain loyalty, secrecy, and efficiency the military inspired a "cult of victory" among its officers. One component was the creation of a Pacto de Sangre (Pact of Blood). 30 This involved each officer personally executing detainees. These formations worked alone, in cooperation with each other, or in conjunction with right wing civilian death squads such as the Triple A. During the first months after the coup, the task forces operated from prepared lists compiled by the national command in 1975. these were exhausted, more discretion was given to the various services, even individual command units, with respect to whom to abduct and the fate of that person. It was the regional commander (who some say enjoyed the status of a feudal baron), however, who set the tone for the conduct of the dirty war.

There were three steps in the disappearance process. 31 The first was the abduction. These operations (occurring at night or in daylight) were carried out by groups of men, generally dressed as civilians, numbering from six to twenty, who would arrive in unmarked cars. In some cases, they were accompanied by support staff in vans which were used to transport looted belongings from residences. After the presentation of some cursory identification, the intruders would bind and blindfold the victims and hustle them away. When relatives, witnesses or building supervisors reported these instances to local police, they replied that they were not authorized to intervene.

The second step was the investigation. The abductees were taken to military or police task-force headquarters for interrogation sessions called "background inquiries". Testimony received by the Organization of American States Inter-American Commission on Human Rights (OAS-IACHR) indicates that the interrogators were well-trained officers who used ill-treatment and torture as methods of inquiry. Their intent was to obtain confessions, information about collaborators, and to intimidate persons who were with the detainee at the time of apprehension, and who were later set free without being interrogated themselves.

Many thousands of people were abducted and not released.

These fell victim to the third component of the state terror process, the detention/torture. A passage from the Organization of American States report states:

According to testimony received, only a very small number of persons apprehended during this state were "regularized", that is, granted due process or placed under the control of the Executive [...] Instead they were usually transferred to clandestine detention centres. 32

The exact number of those detained may never be known. The diffuse nature of the terror mechanism ensured that accurate records were not always compiled. Those that existed were systematically destroyed in the early 1980's when the Armed Forces came to be on the defensive regarding the prosecuting of the dirty war. The nature of the process mitigated against the retrieval of physical evidence regarding the victims' status. Finally, it is crucial to realize that lists compiled by agencies seeking information only contained the names of those who had been the objects of writs of habeas corpus.

Many of the disappeared did not have writs filed on their behalf. Families, friends and employers were afraid that pressuring the government would result in additional disappearances. Amnesty International reported in 1976 (the year of the most intense repression) that it had received various estimates from priests, lawyers and political groups regarding the number of disappeared. The figure most frequently quoted was 15,000. By the end of 1978, the Argentine Permanent Assembly on Human Rights calculated that at least 20,000 writs of habeus corpus had been served by friends and relatives of the <u>desaparecidos</u> 33

The secret detention centers were located in restricted areas, usually military bases.34 Each military region had its

own series of camps. Here, detainees were tortured, ostensibly to facilitate the gathering of information about subversive activities:

Evidence about the widespread use of torture was received by Amnesty International throughout 1976 [...]. The testimonies are varied and numerous; they have been made by people from all sectors of society: refugees, academics, journalists, lawyers, priests, trade unionists, students. Amnesty International believes that in view of their great number, their circumstantial detail and the range and variety of their sources, these testimonies provide overwhelming proof of the use of torture as an instrument of policy. 35

The nature of this circumstance is evident in the following passage from the CONADEP report, Nunca Mas:

Verification of the extended practice of torture in these centres and the sadism shown by its perpetrators is heart-breaking. There were no known precedents in other parts of the world for some of the methods that were employed. There are several presentations about children and elderly persons tortured with a relative, so that the latter could give the information requested by his/her captors. 36.

Various allegations regarding these practices were vigorously denied by military officials. They were also rationalized by many segments of the population who felt that as the subversives had put themselves beyond the law, they deserved what they received.

The cruel reality of the clandestine repressive apparatus was that most everyone who was dragged into it never emerged alive. Certain notables who disappeared were lucky. In these cases, the regime could not weather the storm of international protest spawned by their disappearances and "coughed" that per-

son up. 37 In other instances, some individuals were detained, tortured and later released.38 The vast majority, however, never reappeared and it is assumed that they died in detention. It is difficult to determine the circumstances of death for most as so little tangible evidence of the process - such as prison records - has survived. It is known that the bodies of victims were disposed of so as to prevent them from being found. Those which were recovered (apart from those which were improperly disposed of) were purposely left exposed as a symbolic gesture of intimidation.39

It is ironic that a regime which claimed no direct responsibility for the disappearances viciously repressed any spontaneous or ongoing public reaction to them. The most systematic pressure from civil society was generated by the "Association of the Families of the Disappeared". This group was founded in 1976 after the normal channels of defence - lawyers, judicial institutions, and the media - had been rendered useless. Association was the object of considerable harassment: scale arrests, raids on its premises by security forces and the disappearance of several members. Its most publicized activity took the form of a weekly gathering of the mothers of the abducted, photographs of missing children pinned to their clothing, every Thursday afternoon, outside the Casa Rosada in Buenos Aires. These "Mothers of the Plaza de Mayo" were arrested and harassed. However, none of these "crazy women", as the government called them, ever vanished.

These specific measures were coupled with a more broadranging campaign on the part of the regime to obscure the origins and consequences of state terror. In the first months
after the imposition of the state of exception, the regime
refused to admit that systematic abductions were taking place.
When disappearances became so numerous as to make the above
rationale seem patently ridiculous, a new one was proposed.

Authorities admitted that a clandestine network existed, but that it was a process involving "uncontrollable bands" of left and right wing extremists. Within this conception, four basic reasons were advanced for the disappearances. They had died in confrontations with the military, police or various paramilitary factions and, due to the condition of their corpses, they could not be identified. They had left the country under mysterious circumstances. They had been executed by subversive groups. Finally, it was stated that they were living underground. 40 These explanations were superseded by yet another rationale when it became obvious that virtually all the writs of habeas corpus were filed in the name of individuals who were affiliated by deed or circumstance with the political left.

The authorities began to list as one of the causes for disappearances "excesses" or abuses by the security forces. The government stated that the diffuse nature of the conflict made it difficult to maintain full control over every unit from a distant central command. General Leopoldo Galtieri, speaking during a visit to the United States in 1980, echoed this theme:

There was a war. There were dead and there were disappeared. In the same way as there was a war and there were dead and disappeared in Vietnam, in Germany, in France, in Italy and in Russia. Wherever there was a war, there were dead and disappeared. That is what needs to be explained. 41

As the months passed, however, cracks began to appear in this monolithic facade. The first related to the fate of the disappeared. In September 1979, the military attempted to put a cynical end to the uncertainty by shutting the missing persons' files. New laws were passed to permit relatives of those vanished since 1974 to have them declared legally dead. Wives or dependents of the vanished could claim pensions or state benefits one year after any disappearance. Observers everywhere drew the same chilling conclusion: all the disappeared had indeed been killed. As General Viola once said: "The disappeared are forever absent."42

The second compromise in the military's rationale regarding the question of state terror was evident in the farewell address given to the Inter-American Defence Board by the chief of the Argentine delegation, General Omar Riveros, on January 24, 1980:

We waged war with a doctrine in hand, with written orders from the superior commands, we never needed paramilitary organizations. Despite accusations to the contrary, we had a surplus of our own strength and legal organizations for combat against irregular forces in an unconventional war [...]. It is a simple matter of not knowing or being aware that this war of ours was conducted by the generals, admirals or brigadiers in each force. It was not conducted by a dictator or any dictatorship, as world public opinion is being led to believe. The war was conducted by the military junta of my country through the chiefs of staff. 43

This clear admission of responsibility was a damning indictment of the military high command. It was also an affront to the carefully orchestrated and largely successful attempt to mask the relationship between those officials and the reign of terror that had gripped the nation between 1976-1979. elaborate charade was constructed by a regime which wanted to undertake its "dirty war" without international condemnation. Mindful of the Chilean experience, the Generals stated a desire to avoid fighting such a battle "in a shop window". A second reason for the military distancing themselves from the terror process was that the Armed Forces knew that their actions would be seen as indefensible by the majority of civil society. it is difficult to understand why a member of the high command would make such a statement. It may have reflected the selfrighteousness of the military or the receptiveness of the audience.

Chapter Five analysed in detail the most pernicious element of the <u>Proceso</u>. There were two sides to state terror: it was institutional, as the Junta ultimately admitted by describing it as "action in the line of duty" and it was clandestine, involving the longstanding tactic of counter-revolutionary white gangs operating incognito with a large degree of autonomy from the ultimate authority. In order to maintain the complicity of many officers, the high commands made all their lower echelons take part in "dirty" operations. Since these were undertaken within a framework that gave wide discretionary powers to every level of the police and military, clandestine terrorist tech-

niques were used as a screen for personal theft, revenge and corruption of every shade.

The analysis of the origins and consequences of the terror state cannot occur in a vacuum. It is necessary to complement it with an analysis of the social and economic policies of the military because of the intimate connection between these and the former. Chapter Six deals in detail with the origins and consequences of the economic policies of the military. It also assesses the social outcome of the Proceso. Finally, the relationship between the PRN, the Malvinas invasion and the dissolution of the regime is addressed.

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- The literature dealing with the state terror network established after 1976 is unanimous in its determination that the vast majority of those killed were not affiliated with guerrilla formations. Moreover, it states that many victims of the repression were not politically active. The following table published by the CONADEP lists percentages of Disappeared by social category.

blue collar workers students	30.2 21.0	
white collar workers	17.9	%
professionals	10.9	%
teachers	5.7	%
various autonomous groups	5.0	%
housewives	3.8	%
conscripts, non-commiss'd officers	2.5	%
journalists	1.6	%
actors-artists	1.3	%
religious	. 3	%

CONADEP, Nunca Más, 480.

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- 18 Garavaglia, "Argentina, Two Variants of a Single Design", p. 32.
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- 25 Cox, "At Least 10,000", p. 47.
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- 28 CONADEP, Nunca Mas, p. 81.
- 29 Abós, "Circles of Violence", p. 11.
- 30 From "A Disappearer Tells All", p. 10.
- 31 An analysis of the three steps within this process is

based in part on the individual depositions to the CONADEP. These are found in Nunca Mas, pp. 15-30.

- 32 O.A.S., Report on the Situation of Human Rights in Argentina, p. 56.
- Neither political prominence nor foreign nationality afforded protection. One of the most famous abductions involved the disappearance of the writer and critical journalist, Rodolfo Walsh. On the first anniversary of the coup, Walsh circulated a letter detailing the illegal actions of the junta, in which he accused the Armed Forces of murdering his daughter. The following day, he was arrested, never to be seen again. Soon after his abduction, an army tank demolished his home. Data on Walsh's disappearance are found in Nunca Más, pp. 371-372.
- For a detailed analysis of the location and nature of these centers, see Duhalde, <u>El Estado Terrorista Argentino</u>, pp. 96-103; CONADEP, Nunca Más, pp. 15-221.
- Amnesty International, Report of an Amnesty International Mission to Argentina, p. 36.
- 36 CONADEP, Nunca Más, pp. 479-480.
- An excellent case study of such an instance is Timerman, Prisoner Without a Name, Cell Without a Number.
- See the following case study from Adams, "The Disappear ance":

 José Louis Robinson was_abducted by Federal Police from the coastal town of Viedma in the Summer of 1976. Though not politically active, he became a target of the repressive apparatus because he had obtained a position as an information officer at a university during Campora's presidency.

The police who dragged José Louis off a street into an unmarked car took him to an unknown destination. Without any word, he was tethered to a chair and subjected to the ablandamiento or "softening up" process. They taped an earphone which emitted a low crackling noise to his ear, gave him no food or water, nor an opportunity to go to the bathroom and left him for 2 days. At the end of this period, he was taken north to the Bahia Blanca barracks headquarters of the Fifth Army Corps commanded by General Osuald Azpitarte. He was tortured repeatedly without charge or explanation by militay personnel (who addressed each other using nicknames so they could not be identified) while an attending physician checked his vital signs at intervals.

José Luis was tortured intermittently for several days. He survived, because he would not sign any forced confessions. He was also very lucky, as he was not taken out and

shot in reprisal for guerrilla actions, his body left in the street near the scene of the attacks.

On Christmas Eve 1976, he was reclassified as a political prisoner and transferred to a civilian prison in Bahia Blanca where he remained until December 1979. After his release, he made his way to Canada. On the very first night of his arrival, José Luis sat down to recount the list of names that he had begun to memorize from his very first week of imprisonment. They were the names of fellow prisoners whispered to him from under a blindfold, or that he had heard screamed out in anguish under torture, or that he had learned from men he later met in prison.

39 It is possible to discover why desaparecidos died by analyzing accounts of the discovery of their remains. 1979, the OAS accumulated evidence of 6,000 unmarked graves bearing the initials NN. The military maintained that these contained the remains of "subversives" killed in clashes with security forces, whose bodies were so disfigured as to be unidentifiable. Amnesty International reported that after many writs of habeas corpus had been served by relatives of the disappeared, the bodies of 34 people were exhumed from unmarked graves in the cemetery of Moreno, a town north-west of Buenos Aires. The remains were identified as those of individuals who had gone missing during a large-scale anti-subversion operation in an industrial suburb of Buenos Aires in April 1976. condition indicated that they had died as the result of torture.

Another discovery pointed to the second cause of death, that being mass executions as reprisals against guerrilla operations. Shortly after the murder of General Omar Actis, head of the state committee organizing the Soccer World Cup Championship on August 19, 1976, thirty bulletriden bodies of missing persons were found near the Pilar outside Buenos Aires. Eye witnesses claimed these corpses appeared to be those of people detained for some time. There was no evidence that they had been tortured. From OAS, Report on the Situation of Human Rights in Argentina; Amnesty International, Report of an Amnesty International Mission to Argentina.

- See the interview with President Roberto Viola, "Dead, Underground, or Abroad", <u>Time Magazine</u>, (July 20, 1981), p. 38.
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CHAPTER SIX

ECONOMIC CHANGE, POLITICAL CRISIS AND THE MALVINAS

I. Economic Change and Social Reconstruction

When the Armed Forces overthrew Radical President Illia in 1966 they were allied with the dominant faction within the industrial sector, foreign (particularly American) capital. The goal of the Armed Forces was to renovate the political order by smashing the stalemate between social forces that had existed for a decade. The intent was to increase the profitability of the dependent industrial sector and strengthen the political power of its elites. Social change became a means to consolidate the economic status quo.

In 1976, the relationship between politics and economics was reversed. Here, a "free-market" economic revolution became a tool to facilitate a political project. A complete reformulation of the Argentine economy, in conjunction with state-sponsored terror, was designed to debilitate the power of all classes associated with the industrial sector and assure the hegemony of financial and agrarian elites as well as the military. Chapter Six will explore the economic policies of the military regime, and assess their social and political consequences. Specifically, it will analyze the relationship between these policies and such phenomena as the de-industrialization and foreign debt. The chapter then shifts to a discussion of the social and political consequences of the PRN, the relation-

ship between the <u>Proceso</u> and the Malvinas invasion and the out-

The purpose of the Process of National Reorganization was to produce a complete change in the functioning of Argentine society so that a repetition of the populist and subversive experiences of the first half of the 1970's would be impossible. The economic program of the Videla regime was the main instrument, along with state repression, in transforming the nation's social structure. The emphasis placed by the Generals on economic reformulation was misplaced, for the central Argentine malaise has never been economic but political.

In comparison with other Third World nations, Argentina's economic predicament has never been too grave. Its per capita income has traditionally been the highest in Latin America. Though economic growth has traditionally been sluggish, in recent decades population growth has also been modest. The nation has always produced surplus, and has the capacity to be self-sufficient in energy. The nation's economic development, however, occurred in a community which never achieved the political sophistication and self-restraint necessary to make participation and freedom compatible. The nation has consistently denied itself that which has always been most necessary, a properly functioning bourgeois-democratic system. Sectoral individualism has manifested itself in economic policies which have been self-serving, inconsistent, and have caused the nation to become increasingly underdeveloped.

Resulting economic crises have heightened social tensions associated with stalemated pluralism. These circumstances have led to attempts to reform the economy. Such efforts have depended on political dictatorship and have lasted only as long as authoritarian regimes have managed to keep their opponents suppressed. As we have seen, with each subsequent attempt at reform, dictatorship has become more vicious, and economic measures more debilitating. Instead of approaching a definite resolution, each period of authoritarian rule has increased the risks of political explosions and social disintegration.

The economic strategy adopted under the state of exception in 1976 was unique in two aspects. First, because the program was perceived by the military as a cornerstone of its political project, it enjoyed a large measure of support. Its architect, José A. Martinez de Hoz, retained an unprecedented degree of power and operational autonomy. His unique status within the regime was reflected in the length of his tenure as economic czar. During the thirty-two years prior to the March coup, the average term of an economy minister lasted less than a year. Martinez de Hoz held sway for five.

During this period, he enjoyed carte blanche to dismantle the productive structure built haphazardly since the 1930's, and beset by the vagaries of the stop-go cycle. Given his alliance with the military, economic reformulation was freed from the

worry of deadlines and from the need to negotiate with the opposition

The second reason for the program's unique status lies in its essential purposes. It sought to rationalize the economy to the point of de-industrialization. The purpose was to cripple the political capacity of those factions of the popular classes associated with the manufacturing base. The shrinking of the industrial sector was designed to physically delimit the size of these classes, and reduce the impact of the exercise of their sectoral veto.

The economic czar, government technocrats and the military placed their faith in a renovated free market as a medium of social, political and ideological change. 2 They set about to dismantle the structures inherited from the early days of Peronism. These were identified as an overextended, inefficient and arbitrary meddling by the state, a habit of protectionism in whose shadow the most bizarre anomalies took place, and a powerful clique of labor unions with extensive financial resources, social weight and political know-how. Finally, and integrated with the rest, were the vices of sloth, demagoguery and speculation.

These features constituted a "Peronist syndrome" that was at the root of the nation's economic and social malaise. The regime adopted a four-pronged strategy of attack to rectify this sickness and to enrich its own constituents. As a remedy for

the swollen public sector, the military proposed a reduction of public employment and the sale of state-run enterprises to private investors. Against the consequences of protectionism, industrial inefficiency, and the misallocation of resources, the Minister proposed an opening of the economy to the cleansing effects of international competition. To confront the abuses of unionism, the regime moved to discipline organized labor, and to debilitate the Peronist-controlled system of unions. As solutions to sloth and demagoguery the regime offered the application of a technocratic calculus with an emphasis on productivity.

To Martinez de Hoz, the success of the free-market revolution depended upon the discipline of civil society and the elimination of competitive politics. His brand of economic freedom went hand-in-hand with the suppression of liberty so dear to the Generals. This alliance counted upon the acquiescence (if not the active support) of a population grown weary of the anarchic social and economic climate. To quote Torcuato S. Di Tella:

A contorted version of "liberalism" invaded our beaches, giving us nineteenth century laissez-faire plus a foolish overvaluation of the peso which made Buenos Aires the costliest city in the world, and rendered competition against imports impossible. Quite a few people thought this was necessary because as the widely displayed sticker on our cars has it, "to reduce the state is to strengthen the nation". The idea is that Argentina would finally be a real part of the western Christian world, and inspired by European and American examples, would throw away protectionism and all its trappings never to look at it again. 3

such as wholesale unemployment.

Given the nature of the regime, many expected that it would carry on its economic program as brutally as the Chilean junta in 1973. In Argentina, the hard line in repression was not accompanied by an equally spectacular economic blitz. The mili-

tary - engaged as it was in a total war against subversion -

sought to avoid some of the consequences of strict monetarism

One cornerstone of the regime's program was to streamline government, to cut spending and to disconnect government from the operation of industry. These goals were impossible to realize because many components of the ruling regime benefited from the longstanding status quo. When the agrarian bourgeoisie and their allies in commerce and finance attempted to implement these reforms, they were confronted by the military bureaucracies. These controlled a state-subsidized industrial complex producing basic goods, energy, steel, petrochemicals, cement and transport, and were unwilling to preside over its liquidation. The resolution of this conflict led to compromises and modifications in the implementation of the Martinez de Hoz program. What emerged was a type of "liberal militarism." It proved impossible to lessen the impact of the state on the economy.

One success of the program was a cut in the public sector wage bill. By 1979, 100,000 public servants had been sacked and the wages and benefits of the remainder reduced. Public sector

expenditures in welfare and education were slashed. Between 1976 and 1979, the government's deficit was also partially reduced though this was due primarily to the increased scope and enforcement of taxation legislation. These small advances in lightening the weight of the state in the economy were more than offset by the failure of the Armed Forces to curtail spending on military hardware, and its reluctance to sell 700 state-run enterprises (largely controlled by it) to the private sector.

A second cornerstone of the Martínez de Hoz policy was the establishment of a new equilibrium level for real wages about 40% lower than the average level of the previous five years. There were three reasons for this. The first was ideological - to discipline labor. The second was to make Argentina a more favorable place to invest. The final intent was to free up agricultural commodities for export, particularly to the newly found markets of the Soviet Union. In the Spring of 1976, nominal wages of industrial and white collar workers were frozen in the middle of a period of acute inflation, intensified by the general freeing of prices. This also affected the small and medium-sized national entrepreneurs, due to a contraction in the purchasing power of workers.

The radical decline in the fortunes of the "defensive alliance" occurred through the opening of the internal market to foreign competition. There were ideological and expedient reasons for the reduction of tariff and non-tariff trade barriers.

It was designed to facilitate the <u>Proceso</u> and to counter infla-

tion. In the battle against inflation, which in the waning days of Isabel Peron's administration had reached astronomical proportions, the military regime first employed the usual weapons, such as wage and price controls. But these were ineffective. Inflation averaged one hundred and seventy-five percent through 1977, a drastic reduction from the seven hundred and thirty-eight percent of Isabel's last year in power, but still the highest in the world.

At the beginning of 1979, a new and harsher course was charted. The policy was designed to reduce inflation through currency devaluation and international price trends. Economic authorities fixed a rate of devaluation of the peso with respect to the dollar at a level purposely lower than the inflation rate. Internal prices were to face stiff international competition. 5 This situation was eventually expected to cause both sets of prices to converge. To increase the pressure of external competition on domestic economic activity, the authorities accelerated the schedule of reductions of export tariffs. The expected convergence failed to materialize. The objective of reducing inflation from three to two digits failed.

The anti-inflationary policies in which the Argentine peso was kept artificially strong vis-à-vis other currencies caused a massive influx of suddenly competitive foreign goods. This drove hundreds of Argentine firms producing for internal and foreign markets into bankruptcy. Aldo Ferrer reported on the consequences of this policy in 1979:

The difficulties of the industrial sector under the present economic policy affect all kinds of firms large and small, national and foreign. General Motors has closed operations in Argentina and a large European car manufacturer that has been suffering big losses in the last few years has moved the headquarters of its South American operations from Argentina to Brazil. The government strategists argue that this is necessary adjustment cost for a more efficient industrial sector. Beyond intentions, the fact remains that Argentine industry is facing its greatest crisis since the end of World War II.6

The consequence of the overvalued peso coupled with the government's wage policy (workers' wages fell 56% in real terms between 1976-1978) was a contraction of the internal market.

The consequence of these policies was a significant contraction of the industrial sector not controlled by the mili-The national industrial bourgeoisie was effectively weakened. The contribution to the GNP by industrial firms not asso-. ciated with the military or commercial interests of the agrarian bourgeoisie declined by twenty percent. Between 1979-1980 bankruptcies increased by seventy-five percent. 7 They were concentrated in those industries that played a crucial role in the earlier phase of ISI. These were textiles, agricultural and consumer goods branches of the metals and electronics industries, and the foodstuff, beverage and tobacco industries (major regional employers of labor), the Mendoza wineries and the fruit farmers of the Rio Negro Valley. Larger, more sophisticated enterprises were also crippled: major integrated enterprises in longstanding financial difficulties (Celulosa) and high cost transnationals.

The social consequences of this process were summarized in the following passage from Dabat and Lorenzano:

Now, if we bear in mind the importance of the consumer sector in the formation of the populist bourgeoisie, it becomes clear not only that the previous phase of Argentine industrial development was being dismantled at an even faster pace, but also that the political groups which had been their traditional representatives (whether in their "Peronist-redistributive" or "Liberal-Radical" form) were rapidly losing their material base for affecting the political and economic options of the country. 8

Moreover, these had been the most important sectors of a previous distribution and concentration of the work force. Together with the "rationalization" of the manufacturing sector, their massive collapse brought about a huge decline in working hours throughout industry. Employment in the industrial sector as a whole declined by twenty-six percent between 1975 and 1980.9 During this period, upwards of one million citizens emigrated from Argentina, because of the political repression, but also because of the ongoing economic crisis. There was also a dramatic increase in the number of self-employed workers, rising in time to perhaps twenty-five percent of the economically active population.

The regime's fiscal policy, especially the overvaluation of the peso, eventually alienated the agrarian bourgeoisie as well. Even they began to demand a devaluation of the currency as agricultural exports became increasingly uncompetitive. 10

If the first serious consequence of Martinez de Hoz' policy was partial de-industrialization, the second and perhaps more debilitating legacy was the massive increase in the nation's foreign debt. In part, the increase was due to the nation's status as a dependency. Like other peripheral nations in Latin America, throughout the 1970's Argentina's balance of payments suffered at the hands of circumstances she could not control. The global recession reduced export earnings, while higher interest rates increased the cost of debt service. Increased penetration of the economy by foreign capital also augmented the foreign debt. While these circumstances (along with the increase in petroleum prices) help explain the situation in Chile or Brazil, such an analysis is inadequate to describe what happened in Argentina. Here, the increase in debt resulted primarily from decisions of the military regime and elites in civil society. One reason for this circumstance lay in the existence of wholesale corruption within the ranks of the military and civilian bureaucracies.11 Massive foreign loans were contracted to cover military expenditures on weaponry of some \$12 billion, and to integrate additional industrial capacity into the military industrial complex. 12 Loans were also raised for public works and the construction of pharaonic infrastructure projects, hydro dams and freeways. Elites in government and civil society took advantage of the overvalued peso to go on an international travel and spending spree. They also exchanged overvalued pesos for foreign currencies, depositing these monies in numbered foreign accounts. The most significant rationale for increasing the nation's foreign debt from \$3.2 billion in 1975 to \$45 billion in 1982,13 however, was speculation against the peso by Argentines and foreigners alike.

When the military seized the government, it expressed a desire to free the nation from the scourge of speculation and to steer it into an era of productivity and efficiency by opening the economy to international market forces. Financial reforms were a pillar of this strategy. In 1976, the regime eliminated virtually all impediments to the flow of currency into or out of the nation. By 1977, in the face of persistent inflation and in order to promote foreign investment, the government freed the level of interest rates that could be offered by Argentine banks. In the short-term, these policies succeeded in ameliorating the balance of payments difficulties. As inflation remained very high, however, interest rates climbed to dizzying heights in order to stay positive, fostering precisely what the authorities said they wished to avoid, a frenzy of speculation.

The nation became internationally renowned as a speculator's paradise. Practically overnight, huge financial conglomerates - the <u>financieras</u> - were organized. Between 1976 and 1980, the financial sector grew by 45%.14 Taking advantage of the spectacular interest rates, Argentines and foreigners deposited billions of pesos in short-term accounts and took the profits out of the country. The consequences were a massive depletion of the nation's supply of foreign currencies

(exacerbated by the slowdown in agricultural exports), and tremendous downward pressure upon the overvalued peso due to the glut of that currency on international money markets. Additional colossal foreign currency loans had to be secured to keep the system operating.

Initially, the policy of laissez-faire had meant unchecked freedom and short-term bonanza of profits for the financial sector and, by extension, the agrarian interests which controlled them. By 1980, this sector was in peril as these same banks could neither provide their depositors with income nor absorb the bankruptcies of their clients in the industrial sector. In the end, four banking groups, including the nation's largest, collapsed. This prompted massive intervention of the very same state that, according to official doctrine, was to stay out of business.

Apart from a partial de-industrialization of the economy, the Martinez de Hoz program did not accomplish any of its goals. The economy remained stagnant, and inflation was held to barely acceptable levels only temporarily through a lowering of real wages. Between 1976-1980, the annual increase in GNP barely kept pace with the growth of population and for two years, between 1976-1978, it was actually negative. The policy failed to streamline the economy. By 1980, the level of industrial production was below that of 1974, but many poorly managed enterprises survived either because their services and products could not be easily substituted with imports, or because they

remained under the protective wing of the military. Many businesses that played the game of nationalization sincerely, went under as the result of reckless exposure to foreign competition. The over-valuation of the peso in the absence of a true export policy had the ironic consequence of damaging that sector of the economy - the agrarian and foodstuff sector - that had comparative advantages in the world market.

Marxists, prone to impose a "reconstructed logic" on events, maintained that the intent behind the policies of the regime was to tailor the Argentine economy to the stipulations of the new international order. Beyond the obvious profit to international bankers, these policies did not satisfy many of its major constituencies such as transnational corporations, some of which abandoned operations in Argentina. The one major change in Argentine trade patterns, a spectacular rise in foodstuff sales to the Soviet Union, does not square with the above interpretation. (The two nations had little in common except the expediencies of rule and the silent complicity in the violation of human rights.)15

IV. The Social Consequences of the Process of National Reorganization

The Process of National Reorganization instituted by the Armed Forces proposed to redraw the map of Argentine politics and to produce a stable economy. The Argentine agrarian bourgeoisie had converged around the military's program to establish

order in the face of the chaos reigning in the previous decade.

By 1980, it became apparent that the Armed Forces could not provide their favored constituencies with the paradise they had promised.

The major failures of the PRN's twin facets, state terror and de-industrialization, is that they failed to neutralize the socio-economic power of the workers and the middle classes.

These constituencies, bloodied and subdued, remained articulate and vengeful, awaiting their opportunity to reassert themselves.

Government policies had promoted rampant speculation and had reduced the economy to a shambles. Both the "stable republicanism" based in an alliance between the Generals and a sector of consolidated economic power, and the "truly representative democracy" that was supposed to arise out of the disarticulated and disciplined popular classes, failed to emerge.

What was the impact of the <u>Proceso</u> on those constituencies targeted by the regime for "discipline" during the period 1976-1980? (Specific reference will be made to revolutionary formations and to the mass elements of civil society.)

In general, insurgents are most successful when they confront weak democratic regimes inhibited by legal restrictions and electoral considerations from all-out repression, but sufficiently intolerant of democratic opposition for guerrillas to be able to credibly pose as the only viable popular alternative.

The second most optimal environment for successful insurgency is against an authoritarian military regime lacking in political legitimacy, already weakened by mass opposition or crisis of some kind, and preparing to return authority to civilians.

The strategic and political requisites for the success of the guerrillas evaporated after the March 1976 coup. The Videla regime possessed strategic and organizational capacities and the resolve to apply whatever sanctions were necessary to crush the guerrillas and their supporters. It enjoyed control of the media and the tacit support of important constituencies in civil society. The Armed Forces had adopted an efficient clandestine capacity to destroy guerrilla cells and their support base, especially in the cities. Political conditions in the region were such that guerrillas could not leave Argentina until such time as circumstances became better, or to use neighboring nations as staging areas. Armed insurgents were trapped in an arena where they could not hide, and were forced to use a limited range of tactics against an opponent they could not defeat.

As the Doctrine of National Security (see Chapter Five, p. 144) was adopted by the military establishments of Brazil and other nations of the Southern Cone, they began to coordinate their anti-subversive operations. By the early 70's, they had already developed a system called Operation Condor involving the arrest, internment and deportation of dissidents and suspected guerrillas to their country of origin. There were also instances of political exiles being assassinated in host nations

by repressive forces of those nations or their countries or origin. 16

By 1974, political refugees in Argentina had become the target of unprecedented harassment and violence. According to Amnesty International.

The International Commission of Jurists in its report [dated] (September 1975) [...] commented that "thousands of refugees who had fled to Argentina from Chile, Uruguay and other countries were profoundly demoralized and alarmed by the uncontrolled attacks made on them, in part by the notorious Argentine Anti-Communist Alliance (AAA) parapolice organization."17

After the coup, a wholesale repatriation of foreign political refugees was institutionalized. Communique 44, issued March 24, 1976, provided for the expulsion of foreigners for various reasons including "activities which affect social peace, national security and public order." Examples also point to kidnappings and torture, forced return of people to their lands of origin and finally the execution of individuals in Argentina by Chilean and Uruguayan security forces. 18

According to military estimates tabled in 1975, the Montoneros had 25,000 active members and 250,000 supporters while the ERP had 5,000 cadres and 60,000 supporters. So effective and total was the response of the Armed Forces and their allies that the ranks of these organizations were decimated in a few short months after the coup.

There were three patterns of confrontation. The first involved pitched battles between insurgents and security forces

(at times joined by civilian death squads of the right such as the AAA). The second mode took the form of raids on suspected guerrilla strongholds, such as safe houses, sometimes in retaliation, often unprovoked. These entailed the wholesale liquidation of insurgents on site, or their capture and subsequent execution. The third method involved wholesale disappearances. It is impossible to know how many guerrillas were killed or fled the nation, but the losses were heavy. On July 19, 1976, Roberto Santucho, chief strategist and leader of the ERP was gunned down, leaving his successor Enrique Gorriarran as the sole surviving founding cadre of the movement. The Montoneros suffered equivalent losses. In early 1977, their exiled leader Mario Firmenich reported:

In 1976, we lost twice as many men as the year before; it was to be expected. 19

Though guerrilla actions remained salient throughout 1976,20 their logistical and strategic capabilities were soon crippled. Guerrilla insurgency ceased to be a credible threat to the military some eighteen months after the coup.

After July 1978, the Armed Forces began to indicate that the "dirty war" against subversion had been won. The costs had been very high. The ranks of "subversion" had been decimated in a bloody campaign that had claimed many thousands of innocent lives. In two years, the nation had moved from terrorism to state terror, while civil society quivered in mass silence, except during one occasion. In the Winter of 1978, Argentines were allowed to pour out onto the streets again, to celebrate

the world soccer championship that Argentina had won. The event was studiously manipulated by the regime to make the citizenry forget their ordeals. In huge stadiums the Generals and the masses pretended to work together for a common cause. It was comradeship on the cheap, a sophisticated farce, and a prelude to the tragic South Atlantic confrontation of 1982.

But the common people were not fooled by these tactics.

Nor were they deluded into accepting the validity of the "Western Christian" ideology being force-fed by the regime. By 1978, the temper of the citizenry had changed. State terror, the arbitrariness of security procedures, the tales of disappearances, the fear that anyone could be picked up, all of these made denial, rationalization and self-regard become social norms. The timelessness of terror bred a pervasive cynicism while the policy of financial manipulation that channelled resources toward a speculative economy created a new prototype of economic man, the anomic speculator.

Argentina became a land of wheelers and dealers, of speculators and moonlighters, some making or losing paper fortunes overnight, others running ever faster in order to stand still. The carrot was no less demoralizing than the stick. Imagine individuals who run with their paychecks and pocket calculators to study the day's posted interest rates, then place their earnings in thirty day, even seven day investments while inflation and interest yields race each other on a three digit lane. A speculative economy urges the individual to some maximum value. Everything conspires, from the police state to wild market forces to turn a person into a maximizing consumer instead of a cooperating citizen, discouraging and eroding feelings of social obligations. 21

In 1979, in the face of these circumstances, the Armed Forces began to dismantle the clandestine terror apparatus. 22 Only thirty-odd Argentines were reported to have disappeared during that year. The mechanism was no longer necessary. Moreover, the growing impact of human rights lobbies within the nation, and especially internationally, had created a "Nuremberg mentality" among the Armed Forces. They were determined to avoid future indictments by destroying the secret detention centres and disbanding the task forces. Those officers most directly involved were either transferred to obscure ministries or regions, assigned to the diplomatic corps and posted abroad. or forced into early retirement. Those who remained in Argentina moved their families to undisclosed addresses and even changed their names for fear or reprisals by relatives of the disappeared. During this period, the military was forced to contract the services of psychiatrists to assist certain officers in the transfer to civilian life.

V. The Military, Political Legitimacy and the Malvinas Invasion

In March 1981, President Videla stepped down in favor of his close personal ally, who had been Commander-in-Chief of the Army, General Roberto Eduardo Viola. Viola promised a continuation of past policies, but the grip of the Generals over the nation's political affairs was growing increasingly tenuous. The greatest impediment to the regime's legitimacy was not the prosecution of the dirty war, as the military had feared, but

the deplorable state of the economy. It was not only the popular sectors which were debilitated by it. A significant percentage of the officer corps and the agrarian bourgeoisie had become exceedingly disenchanted with the economic regime of Martinez de Hoz:

They felt betrayed; it was as though the Argentine economy had been bombed for the past six years [...] The Argentine military felt that while they did their part in stopping the guerrillas, the specialists they put in charge of economic matters did not do their job. 23

Viola and his cohorts in the ruling junta faced a profound crisis of legitimacy with their support base in civil society. Economically, they had not delivered on their promise of a return to the golden age of 1880. Moreover, the Generals had declared victory in the war against ideological subversion. The government could no longer use the existence of an ongoing struggle against insurgency as a means to justify its every policy. It had to rectify the ongoing economic crisis by jettisoning Martinez de Hoz' program, devaluating the peso and re-establishing some measure of industrial protectionism. But though the officers were compelled by circumstances to loosen the noose from the economy's throat, they did not.

To the pre-eminent military factions, the maintenance of these policies was intimately linked to a final eradication of subversion, corruption and disorder in civil society. Though the Minister of the Economy stepped down with Videla, their successors did not break with the past, - "ideological fascination" was too intense. The only tangible compromise, a twenty-three percent devaluation of the peso on March 31, 1981, induced

a mass flight of capital abroad, and a heightening of the balance of payments crisis.

With the fragmentation of the ruling alliance came the first ruminations of dissent from the subordinate layers of civil society. Long repressed, these arose as a result of the splintering of the pact of domination and increasing contradictions at the heart of the state apparatus. The PRN had reduced and demobilized, but did not neutralize, those classes associated with the nation's industrial base. Despite its claims, the Videla regime did not raze existing trade union structures and created new and subservient ones. Though reactionary Peronists, themselves amenable to many aspects of the military regime, came to dominate union bureaucracies, the rank and file remained violently opposed to it.

With all legal alternatives blocked, workers turned to slow-down tactics and industrial sabotage. Grass roots organizational and communications structures, built and maintained over decades, remained viable. Despite the efforts of the state and union bureaucracies, major strikes did occur in the auto, electric and telephone industries, although these failed to attract widespread support in other sectors.

In 1979, the tide of industrial conflict rose rapidly, acquiring greatest force in Buenos Aires, but spreading throughout the nation. These began to trigger manifestations of popular support. The process gained dangerous momentum in the wake

of the military-bourgeois conflicts during 1981. At this time, the previously ambivalent Peronist union bureaucracy, concerned with losing the allegiance of an agitated membership, reconstituted the dissolved General Workers' Confederation (CGT). This began to serve as a point of reference for workers to confront the dictatorship.

On July 22, 1981, the CGT called a general strike which was answered by and one half million workers. It spread out from Buenos Aires to the nation's main industrial centers. In the first week of November a mass commemorating San Cayetano, patron saint of labor, was used as a catalyst by the unions to stage a peaceful 50,000-strong march for "Peace, bread and work." This march had two significant features: first, it brought together both workers and middle class professionals. Second, not only did the protesters make specific economic demands, they also questioned the entirety of the Proceso.

Another significant event occurred in February 1982, when a column of unionists joined the protests of the Mothers of the Plaza de Mayo outside the presidential palace. They were joined by traditionally acquiescent groups, such as the Buenos Aires Lawyers' Association. Together, these unlikely allies publicly condemned the practices of torture and disappearances. Even existing civil and criminal courts began to hand down sentences out of line with official policy.

These developments pointed to a reconstitution of the once formidable defensive alliance. They were a clear sign that the professional and intellectual middle layers, who had supported the junta's call for "peace and order" in 1976, had grown exasperated with the military dictatorship. Finally, those groups' activities emphasized that the question of the dirty war was now a significant bone of contention between the military and the masses of civil society.

Even the Catholic Church hierarchy began to distance itself somewhat from the regime. After five years of tolerance and complicity, the Conference of Argentine Bishops issued a document entitled "The Church and the National Community". It criticized the excesses of repression while pointing out the dangers of "usury anathematized in the Bible", a transparent reference to official economic policy. In connection with the dirty war, the bishops wrote:

We must be discerning about the justifications for the anti-guerrilla campaign and the methods used in the struggle. The illegitimate repression also shrouded the nation in mourning. 24

The burgeoning dissent was coupled with the creation of an electoral coalition of center parties which was pushed further to the left by the resurgence of mass actions. It was composed of the Peronist <u>Justicialista</u> Party, the Radical Civic Union, the Intransigent Party, the Christian Democrats and the Movement for Integration and Development. This <u>Multipartidaria</u> coalition demanded an end to military rule and open elections.

By Christmas, 1981, the Viola regime was in dire straits, being pressured by all significant actors in civil society. For the moment, it seemed that the military would have to withdraw from direct government under less than auspicious circumstances. Questions surrounding the necessity of this course and the means by which it might be accomplished created renewed conflict between hard and soft-liners in the Armed Forces, the blandos (softliners) and the duros (hardliners) or sanguinarios (the bloodthirsty ones). Neither faction advocated a recourse to direct, free elections.

The PRN had not changed the balance of electoral forces. Peronism, though much more reactionary than in 1973, appeared destined to win any openly contested election. Given the deterioration of the military's fortunes, this party would not be manipulated into making significant concessions in exchange for an electoral opening. The Generals and their remaining allies in the bourgeoisie remained locked in a decades-old quandary.

Since the virtual disappearance of the Conservative Party, the nation has been without a party capable of garnering sufficient popular support to win open elections, while preserving the interests of the bourgeoisie.

The Generals were concerned that any electoral opening (which would amount to an admission of defeat) would create a civilian regime that would undo the regime's accomplishments. Recollections of the 1973-1976 period were vivid and contempt

for civilian politicians remained profound. Finally, military leaders were afraid that their role in the "dirty war" would invite retribution from a successor government, and the Armed Forces were loath to grant power to their own accusers.

The hardliners, who retained the allegiance of the majority of the Armed Forces, did not advocate stepping down under any circumstances. Its leaders, including General Menéndez, the former Commander of the Third Army Corps, advocated a fresh attack upon the vestiges of subversion, and a renewed militarization of the state. The softliners, of whom Viola was a leader, advocated some negotiation with the opposition, and the eventual withdrawal of the military. The means to this end was to be a duplication of the Brazilian experience of "relative democracy".

President Viola failed to assess the political risks associated with his entering into a furtive dialogue with union leaders and political parties. In December 1981, Viola was replaced, ostensibly because of ill health, and a new hardline junta was formed. It was composed of Admiral Jorge Anaya, Air Force General Basilio Lami Dozo and headed by Army General Leopoldo Galtieri, Commander-in-Chief of the Army under Viola. The latter's position, relative to political decompression and the return to civilian rule, was evident in the following quotation:

General Galtieri represents those who think that a quick return to civilian rule cannot be countenanced. In a recent speech [...] he said: "In the past fifty

years other military procesos, faced with the proliferation of criticisms, took the wrong path and thought elections were the solution to the political problem. The history of those successive failures, the after-effects of which we are still suffering, leave us with the hard but wise lesson that we must not make the same mistake."25

On March 30, 1982, as Summer drew to a close, the Galtieri regime faced a demonstration of public outrage not seen since May 1969. Fifteen thousand working and middle class demonstrators confronted soldiers and police along the roads from the working class suburbs to the city centre of Buenos Aires. From dawn to dusk the popular sectors battled with the authorities under the banner of "military dictatorship near its end", relying on their experiences in street combat and tactics of rapid dispersal and regroupment. The same day saw violent clashes in Mendoza and Córdoba. Armoured columns overran these cities while police broke up workers' assemblies at the Renault and other factories. One person was killed, scores were wounded and over 2,000 were arrested.

The military, not willing to make an exit to the barracks, had to find a way to regain its lost legitimacy and to distract the population from the critical state of the economy. The regime could neither marshal the necessary resources to bludgeon civil society into submission, nor focus on the question of internal subversion to justify its continuation in government. The only alternative was to create a state of conflict with an external enemy.

In 1978, the government came very close to provoking a major conflict with neighbouring Chile over the question of territorial control over the Beagle Channel. In 1982, the regime committed itself to what it was certain would be a politically expedient, but much less risky course of action: the occupation of the Falkland/Malvinas Islands. It was a calculated expedient designed to play upon the nationalist, anti-imperialist sentiments of the population, creating a climate of national unity behind the war effort.

According to the junta's scenario, given the successful reintegration of the Archipelago after 149 years of British occupation, the Armed Forces would cease to appear as the oppressors of the nation. They would become transformed into a liberation army garbed in the shining colours of San Martin.

From being the army of the "dirty war" they would turn into patriots bent on recovering for the nation a portion of the territory under imperial occupation. And having risked their lives in the defence of the nation, they would become the dispensers of reward and punishment. All dissent would constitute an outrage against the architects and guarantors of national integrity, who would be in a position to choose their allies and judge their enemies. No one would feel able to discuss its leadership merits or to question the course it charted in the economy, polity and society. 26

This perspective implied that any continuing movement for democracy would become isolated and deprived of moral and political support. Morally, the Mothers of the Plaza de Mayo and other proponents of justice for the disappeared, would be branded as the parents and compatriots of reprobates who had died or disappeared for offending the guardians of the nation. Politically and socially they would stand alone on the side of the "traitors". Finally, the successful recovery of the Malvinas, in the minds of the Armed Forces, would solve the decades-old quandary. It would make it possible to construct a nationalist current directly linked to the Armed Forces, acknowledging them as the national leadership and drawing along sizeable sectors of civil society.

Initially, the invasion of the Malvinas Islands proved a valuable political ploy. As the British fleet sailed down the Atlantic, the multiplicity of pressures that had been brought to bear on the government evaporated. Galtieri presided over a suddenly united military and civilian alliance, leftists and rightists, communists and fascists, torturers and victims. The Argentine people seized the moment as if searching for a long lost paradise. They had been living on the surpluses stored up during the long ago years of prosperity. Without prospects, without a program, without leaders, they saw in the Malvinas an opportunity for national salvation.

Though successful in the very short term, the Generals' gambit proved catastrophic. The military underestimated the response of the British. Argentine diplomacy was an utter failure. It was rooted in the assumption that the British would negotiate rather than accept the high costs and casualties of war. The junta also thought it would have the support of the United States. The Generals had backed American policy in El Salvador by sending military advisors to the Central American nation. They forgot that the Americans were tied to the British through the North Atlantic Treaty Organization.27

The subsequent conflict with the British was a strategic and political disaster of heretofore unparalleled proportions. 28 (It is possible to state that the military defeat, and not the depredations committed by the military in the dirty war and the process of deindustrialization, led the polity to demand the effective withdrawal of the military from power.)

The political calamity occurred, not because the military was defeated per se, but rather because it appeared so manifestly incompetent throughout the ordeal. Though the military had proven hideously efficient in the implementation of the dirty war, it was neither skilled enough nor committed to a sophisticated tactical overture against a first rate military power. Among the 13,000 poorly supplied troops camped on the islands for the seventy-five days of the occupation, ninety percent lacked intensive combat training. They did not know how to use their sophisticated F.A.L. rifles, not their efficient Blow

Pipe anti-aircraft missiles - made in Britain - that the Army had purchased four years earlier. About 200 of these were found intact in their boxes in a warehouse by the British forces. Of even more damage to the military, Argentines were horrified at the manner in which the officer corps humiliated and mistreated the conscripts. Ill-supplied and poorly guided, these conscripts were systematically bullied and often tortured by the officer corps just as if they had been suspects in the dirty war. Conscripts died of exposure only a half mile from the Argentine garrison at Port Stanley because supplies never reached them. When the appalling performance of the officer corps became apparent, in a war for which it had been assumed they had been trained as professionals, the crisis acquired great political importance.

The abject defeat of the military completely destroyed the credibility and legitimacy of the Galtieri junta. The very forces which had caused the alliance of classes in support of Galtieri provoked its destruction. The essence of the post-Malvinas mood was captured in the following quotation from Flavio Tavares:

Every one is trying to forget it, but the Malvinas war lingers in the frustration, the despair, the disbelief and the protest that reside in every Argentine. The war is blamed for everything - unemployment, factory closings and falling incomes. The speculation overlooks the real significance of the turmoil that President Leopoldo Galtieri and the rest of the junta set in motion when they occupied the Falklands.

It is paradoxical that in this educated country there is distaste for war in principle. People are simply ashamed of the defeat. When they berate the military it is not for having precipitated the war in the Malvinas, it is for having lost it. "We were misled," they say, unwilling to assume any responsibility for the defeat even though most of them applauded when the occupation was announced. 29

After the Malvinas episode the social climate deteriorated The defeat prompted conflict within the military itself. Returning soldiers accused the high command of incompe-Members of the General Staff blamed each other and purged the junta which had presided over the invasion. defeat at the hands of the British coupled with the continuing deterioration of the economy fanned the flames of mass opposition that had existed before the Malvinas adventure. the press and the judiciary began to shake off the burden of state repression. Students and organized labor began to agitate ever more stridently. 30 Wholesale opposition to the regime culminated in massive demonstrations of up to one quarter million calling for the transition to democracy in December 1982. More and more the question of the Desaparecidos and the complicity of military and civilian elites in known crimes became the primary source of the regime's discomfort. All of these circumstances made it impossible for the regime to control the process of political decompression.

These circumstances caused the military to resort to a political retreat involving open elections and the transfer of power to the majority party. This was accompanied by an attempt of the Armed Forces to increase its internal cohesion in expec-

tation of assaults upon it by political opponents. The military succeeded in creating a new ideology around the dirty war. The "final document" on the record of the dictatorship published in April, 1983, characterized the war against subversion as "an act of duty" and left it to history to judge whether "unjust methods had been used or innocent people had died."

After the Malvinas disaster, Leopoldo Galtieri was replaced by the more politically astute General Reynaldo Bignone. task was to extricate the military from the responsibilities of government without their being held responsible for the dirty war or the collapse of the economy. The Generals placed their hopes in a victory of the reconstituted Justicialist Party. Events since 1976 had left the Peronist movement under the control of reactionary trade union bureaucrats. The most powerful figure was Lorenzo Miguel, leader of the Metalworkers' Union. He was instrumental in achieving an understanding with the military designed to strengthen the grip of the bureaucrats over the political elements of the movement. In exchange, these factions agreed that upon forming the government, they would allow the military to return to the barracks without censure. Lorenzo and his allies stressed firm opposition to any type of "Nuremberg" justice. The military were certain that their gambit would succeed. They felt convinced that the Peronists would win any election, just as they had triumphed in every previous contest they had been allowed to participate in since the birth of the movement some 40 years ago.

The elections of October 30, 1983 involved a confrontation between the two pillars of the multiparty coalition, the PJ and the UCR. The consensus was that the JP and its candidate, Italo Argentino Luder (a 66 year old lawyer and longstanding party stalwart) would retain their traditional electoral bloc of 60% and form the next government. Political pundits, however, underestimated the degree to which the party rank and file had become alienated by the complicity of the bureaucracy with the agents of the Proceso.

The Radicals were the only alternative to the Peronists in the October election. They were led by Raúl Alfonsin, a long-time party activist and lawyer. His tactical plan was to undermine the PJ electorally while leading a frontal assault on the military/union pact. The economic and social policies of the Radicals did not differ appreciably from those of the Peronists, although Alfonsin took a harder line on the question of the foreign debt. In retrospect, Alfonsin's success lay in his broad appeal for a democratic transformation combined with a desire to bring the military to justice.

In the electoral campaign, Alfonsin indicated that the primary source of Argentina's ills was moral. When elected leader in July 1983 (establishing the supremacy of the party's social democratic wing) he stated:

When a country which once fed the world with its wheat is drowning in poverty; when a country which was free closes a noose of terror around its frontiers; [...] then we have touched rock bottom. Only moral force can save us. 31

For once in Argentina's history, there was genuine commitment behind the rhetoric. An exhausted polity sensed this and responded favorably.

Chapter Six. End Notes

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- 3 From Di Tella, "Liberalization by Omission", p. 394.
- For a more detailed account of the military-industrial complex, see "Nazi A-Bomb", The Weekend Sun, (July 5, 1980), pp. 5-8; "La Industria Militar", Sin Censura, 1,4 (July, 1980); Jorge Bernstein, "L'héritage: une Economie Militarisée, Le Monde Diplomatique, 30,55 (October, 1983), p. 23.
- 5 From Pion-Berlin, "The Fall of Military Rule in Argentina", p. 59.
- 6 Ferrer, "The Argentine Economy, 1976-1979", p. 152.
- 7 Munck, "The 'Modern' Military Dictatorship in Latin America", p. 60.
- Babat and Lorenzano, <u>The Malvinas and the End of Military Rule</u>, pp. 65-66.
- 9 Munck, "The 'Modern' Military Dictatorship in Latin America", p. 61.
- 10 For an excellent discussion of the impact of economic policy on the agrarian sector, see Munck, "The 'Modern' Military Dictatorship in Latin America", pp. 63-65.
- 11 See Duhalde, <u>El Estado Terrorista Argentina</u>, pp. 107-113.
- Dabat and Lorenzano, The Malvinas and the End of Military Rule, p. 69.

- Dabat and Lorenzano, <u>The Malvinas and the End of Military Rule</u>, p. 69. For additional analysis respecting the question, see NACLA, "Public Debt and Private Profit", <u>North American Congress on Latin America</u>, 30,355 (October, 1983).
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- For an analysis of the relationship between Argentina and the USSR see: Daniel Sloani, "Paradoxes d'une Cooperation Commercial", <u>Le Monde Diplomatique</u>, 30,355 (October, 1983), p. 25.
- 16 The most important example was the Sept. 30, 1974 assassination in Argentina of General Carlos Pratts, Army Commander-in-Chief under President Salvador Allende by the Chilean DINA
- 17 Amnesty International, Report of an Amnesty International Mission to Argentina, p. 41.
- On July 6, 1979, four young Uruguayans were kidnapped in Buenos Aires. They were held for one week in a "safehouse" outside the capital where they were tortured by members of the Uruguayan security forces. After their release one week later, they went to France. There, they were examined by a team of doctors who confirmed that the youths had been tortured. From Amnesty International, Report of an Amnesty International Mission to Argentina, pp. 43.
- 19 Labrevéux, "Dark Days for Argentina", p. 12.
- Twenty high-ranking military personnel were executed by guerrillas in 1976. Bombings also continued on July 2, 1976, twenty-five policemen and civilian employees were killed and sixty injured in a bomb attack on the Coordinacion Federal (Federal Police Intelligence Headquarters) in Buenos Aires.
- 21 Corradi, "The Mode of Destruction", p. 75.
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- 23 Di Tella, "Liberalization by Omission", p. 394.
- Dabat and Lorenzano, The Malvinas and the End of Military Rule, p. 180.
- Latin American Weekly Report, "Which Way Now for the Army", p. 9.
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- For an analysis of the conflict, see Lawrence Freedman, "The War of the Falklands, 1982", Foreign Affairs, 61, No. 82 (Fall, 1982), pp. 196-210.
- 29 Tavares, "Argentina's Recovery Struggle", p. 25.
- The 1979-1982 period of trade union militancy was dominated by the struggle against legislation passed in 1979 (designed to "democratize and depoliticize" the unions) entitled the Occupational Associations Act. National union federations and the labor confederation (CGT) were banned, social services previously administered by the unions were taken over by the state, and the unions were banned from political activity. By the Spring of 1973, however, all vestiges of state control disappeared in a wave of unprecedented workers' mobilizations.
- Robert Cox, "Argentina's Democratic Miracle", New Republic, (March 11, 1984), p. 23.

CHAPTER SEVEN

CONCLUSIONS

Autumn 1983 marked the beginning of the latest transition to democratic rule in Argentina's turbulent history. 1 first election since 1983, significant sectors of the electorate broke longstanding loyalties and joined together to elect a government committed to a "moral revolution in democracy."2 victory was secured by the Radical Party, the one political force not tainted with the brush of complicity in the events of the previous seventeen years. It was made possible by the loss of credibility of Peronism and military authoritarianism among their constituencies. Over one half of the UCR support (they received 52% of votes cast)3 came from traditionally non-Radical sectors of the electorate. It came from industrial workers who disobeyed the wishes of reactionary union and party bureaucrats. It also stemmed from diverse constituencies of the center and right who had supported the "dirty war" but had become disillusioned with the Generals over their handling of the economy and the Malvinas disaster.

Since his election, President Raul Alfonsin has remained genuinely committed to leading the nation out of the political instability that has marked its history, particularly since 1930. His government has attempted to develop the one requisite of political stability that the nation has mainly lacked, a functioning bourgeois-democratic political process. From its inception, however, the process of democratization has con-

fronted three daunting obstacles, legacies of the past, which may ultimately prove too great to overcome. Let us look at each, as well as Alfonsin's attempt to surmount them.

The first issue involves the Radical Party's electoral mandate. Politically, the election of Alfonsin did not reflect an essential change in the social ethos of the community. event was not a universal affirmation of the President's desire for a moral revolution and a new beginning. Many supported the Radicals because they were committed to democratic reform. These voters remain willing to endure hardships in order that the nation's transition may succeed. Many others cast their ballots for the UCR to punish Peronist or military leaders or in the hopes that Alfonsin could miraculously transform the nation's economy. These voters will be less understanding of the regime's shortcomings, less patient in the face of continuing economic strife. It has proven difficult to determine the degree of hard-core support that the government can count on in the face of concerted opposition to essential initiatives. made the charting of effective political strategy more difficult.

Since his inauguration in December, 1983, Alfonsin has attempted to consolidate his electoral support. He has tried to transform a loose electoral coalition into a cohesive "Third Historical Movement". This has involved the development of an ongoing dialogue with the non-union constituencies of Peronism and the attempt to create strong organizational structures. Its

ideology is a combination of political liberalism in the context of a moderately populist and nationalist economic policy. At this time, the outcome of the movement as well as its eventual shape (an enlarged Radical party, a new party or an electoral front) remains unclear. Up until now, Alfonsin's attempt at consolidation has met with little success. In the longer term, there is grave concern that a crisis in the deteriorating economy may pre-empt the consolidation of any such alliance.

The second obstacle to the transition to democracy is more profound and longstanding. It is an historic legacy which has haunted every government since the onset of industrialization. Now, as then, sectoral individualism, the commitment to unprincipled public action, lurks beneath the surface of political life.

Many constituencies relinquished their power to a "sectoral veto" by supporting Alfonsin. The military and trade union bureaucracies, and many of their members, however, did not.

Despite the events of the PRN and its aftermath, a state of stalemated pluralism remains. The Armed Forces and union structures remain entrenched in positions of power. They are opposed to the agenda of the government as it seeks to neutralize their capacity to arbitrarily disrupt the political process. Alfonsin has had little success in mollifying military or bureaucratic intransigence or in coopting the allegiance of their elites. In light of this, he has made an attempt to neutralize their capacity to disrupt the transition to democracy. The results have

proven inconclusive - a standoff. For its part, the government has been handicapped by the lack of a coercive capacity - sufficient support within the military high command or CGT bureaucracy to cripple the capacity of these to exercise their sectoral veto. On the other hand, events of the past decade remain very salient in the mind of civil society. Because of this, as of early 1986, neither the unions nor the Generals have been able to perceive enough public support to topple the government.

Alfonsin has acted to the best of his capabilities to reform the unions and the military. To influence trade union activity, the government has introduced a set of procedural reforms in their operation and in the election of officials. This ongoing effort has been designed to create a pluralistic labor movement (hopefully led by Radical and other moderate elements) which would be more receptive to non-confrontational responses to economic reforms. So far, attempts at "de-Peronization" have proven unsuccessful. Peronists of various stripes have won most electoral contests to this time. With these victories has come increased trade union agitation. During the first 18 months of Alfonsin's tenure, union leaders were devoid of sufficient support among their membership to engage in disruptive tactics such as general strikes. Unfortunately, these circumstances have changed with the deterioration of the econ-In February 1986, the nation was rocked by a huge general strike of the CGT. This was called to protest the impact of a government-imposed austerity program on the industrial working class.

After his inauguration. President Alfonsin took advantage of internal disorganization within the military and the destruction of its legitimacy for most of civil society to carry out wholesale reforms. His intent was to subordinate the military to civilian control. The purpose of these proceedings was to restore legitimacy to civilian institutions of the state and to re-establish the primacy of the rule of law. Its second intent was to defuse a major historic cause of political instability. The economic weight of the military in the economy has been reduced. An attempt has also been made to rationalize the Armed Forces' industrial empire, which has traditionally accounted for 1/2 of the nation's GNP. One success has involved the reorganization of Fábrica Militar de Aviones (FMA, Manufacturing Branch of the Air Force) established in 1928, and presently employing 5,000.4

Of greater significance in the life of the country has been the attempt by the government to prosecute those in the Armed Forces for the disastrous adventure in the Falklands and the conduct of the "dirty war". Once again, Alfonsin has acted with courage and necessary prudence. 5 For though the image of the military has been tarnished, its power remains. It still possesses "los fierros" (the hardware) and remains intent on using them to protect its core values. Further, for the most part, the officer corps remains convinced that it acted appropriately in 1976. The government cut deeply into the command structure of all three services. The government arrested the members of

all juntas (except that headed by General Bignone, formed after the Malvinas defeat), as well as some junior officers most active in the clandestine repression. As a response to the power and intransigence of the Armed Forces, Alfonsin took a conciliatory step which cost him the support of many allies in the human rights movement. Congress enacted legislation assuring that Armed Forces personnel would be tried in military courts. To the detriment of the legitimacy of Alfonsin's government, the Armed Forces shirked the challenge to redeem itself. Military judges refused to prosecute their martial comrades. His entire democratic project in jeopardy, the President was forced to take the risk of invoking the portion of the bill establishing an obligatory review by civilian judges of sentences passed by military courts.

In December 1985, the trial concluded with the conviction of five commanders-in-chief (two, Videla and Massera, received life sentences) and the acquittal of four more. In an attempt to close the book on the process, Alfonsin's defense minister stated that this "punto final" (full stop) would allow the country to put the past behind it and move towards reconciliation. This is a vain dream. The events of the PRN and its aftermath have not been such as would encourage optimism about the chances of persuading the military to forget all ideas of fulfilling a dominant political role.

In conjunction with the revelations about the role of the military in the dirty war, has come an attempt to track down the

disappeared. 6 The most noteworthy aspect of this process has been the exhuming of bodies, often from unmarked graves. Extensive difficulties in identifying the remains has led the government to create a Sub-Secretariat of Human Rights and the establishment of an identification bureau. Also, the regime has acquired the assistance of American forensic pathologists.

The third and most grave obstacle facing the Alfonsin regime and the transition to democracy remains the deplorable state of the economy. Long-term misdevelopment and the recent plundering by the military and its domestic and foreign allies have produced two pernicious legacies, continued high inflation and a staggering foreign debt. Inflation has persisted in three figures. The nation's international obligations are between \$44 and \$50 billion.7 This is the third highest total in Latin America and the second highest per capita debt load in the region.

To this date, the government has dealt with these circumstances through orthodox methods. To placate nationalist sentiment and alleviate some of the burden of debt payments, the government has taken a hard line against largely unresponsive international financial agencies on the repayment of the foreign debt. However attractive the scheme, a default on the debt has never been seriously considered. It would provoke an international commercial and financial embargo, a paralysis of the economy and an uncontrolled political breakdown.

To meet the nation's obligations, and to bring down inflation, Alfonsin has been forced to follow his predecessors and induce a recession in the urban economy. To generate necessary foreign exchange, government policy has favored the agrarian export sector at the expense of the industrial and commercial sectors. The consequence has been rising unemployment and lowered living standards. Initially, this austerity program, the Austral Plan, implemented in June 1985, did not spark widespread opposition. In February 1976, the CGT leadership managed to recoup a sufficient percentage of its membership to orchestrate a significant work stoppage. The fear is that a prolonged recession, and this is likely, will breed greater frustrations within the population, fueling extremist movements. As the "honeymoon" between Alfonsin and civil society and the immediacy of the Proceso's memories fade, the allegiance of significant segments of the electorate towards the government will weaken. This is likely to have tragic consequences for the transition to democracy. Until now, the major obstacle to ongoing sectoral interventions of the CGT or the military has been the tacit or active support of the government by most of the population.

For two years, Alfonsin has walked a political tightrope, pursuing contentious if necessary policies without provoking widespread popular opposition or a military uprising. But time may be running out. The economic outlook for 1986 is bleak. Heavy rains have drastically reduced the likely harvest. Worse, a \$50 billion U.S. support program for American farmers, a glut in international commodity production and increased protection-

ism will depress prices and markets. In the short term,
Argentina's prospects of exporting itself out of debt seem very remote. These circumstances will force Alfonsin to pursue stronger austerity measures. The regime's survival depends upon these policies not activating the well-established destabilization mechanism that has overthrown other democratic regimes since 1955. Here, a serious and ongoing recession breaks the relationship between government and civil society and produces a high level of popular sector mobilization. This is determined by spontaneous discontent and the personal interests of the Peronist leadership, engaged in a fight to control its constituency. This mobilization would inevitably trigger panic among the bourgeoisie and sectors of the middle classes, leading in turn to renewed intervention by the military.

Given these circumstances, a successful transition to democracy may ultimately depend on whether civil society has been sufficiently shaken by the events of the past decade to maintain new rules for public action in the face of economic hardship. Alfonsin will have to use all of his political acumen to prevent powerful constituencies from reverting to past practices, drowning the fragile regime in a wave of recriminations and violence. He does have one advantage, however, which may allow the transition to democracy to succeed: the indelible memories of the period 1966-1983, the direct consequence of unprincipled public action. Perhaps constant reflection on these matters by the government and its closest allies may prove to be the means by which Alfonsin can convince enough actors

within the fragmented polity that, in dealing with the nation's problems, there is no credible alternative to a democratic method

For the average citizen to simply denounce the military and to go on with life is to repeat the mistakes that led to the intervention of the military in 1976. The government must successfully challenge each citizen to assess his or her complicity in the events of the past fifteen years. Between 1976-1983, most people turned a blind eye to the truth. They did not want to know about the methods of the military so long as they were not affected and the economy was doing well. As bodies have been disinterred from dismal burial grounds around the Capital, so has the past; people can no longer turn the other way. But these revelations have not fostered the climate of self-examination and commitment to democracy among significant segments of society that the government has hoped for. Many components of civil society maintain that the heroes have become culprits, and the culprits heroes. Others have withdrawn from the debate. anesthetizing themselves to the horrors of the past. Still others have placed blind faith in the restorative powers of democracy. They feel that the simple act of voting for the UCR has somehow placed the nation firmly on the road to recovery. These circumstances, in the context of continued economic strife, mean that the nation faces an uncertain future.

If the economic plight were not so grave, there would be grounds for optimism. Alfonsin is a consummate politician who

manifests many of the positive attributes of Peron. (He has even been called "a democratic Peron" by a close political associate.)8 The Radicals have managed to secure a somewhat reduced majority in recent mid-term elections (November 1985), evidence that it is retaining its hard-core electoral support. Given time, it is not unreasonable to suppose that Alfonsin's expertise and the use of rejuvenated state institutions could strengthen democracy's prospects. The introduction of the variable of a crippling \$50 billion foreign debt shrinks time and clouds the outcome of the political equation. Alfonsin has been forced to rely not only upon his skill, the capacities of the state apparatus, and the support of his constituency, but upon the tacit support of those components of civil society which are either ambivalent or hostile to his agenda. He is engaged in a race against time to win over those groups before the economic crunch results in the Radical government losing all credibility as an agency capable of bettering their standard of living. Ιf Alfonsin loses, these sectors, which constitute the majority of the population, will cast their lot with the union bureaucracies, the Armed Forces, or perhaps an alliance of both. If this happens, brute force will once again become the dominant currency of Argentine politics, and Alfonsin's bourgeois-democratic experience will collapse.

The demise of the military regime and the election of Raul Alfonsin have proven to be momentus events. In time they may be seen (along with the Great Depression and the rise of Juan Peron) as major turning points in the nation's history. Like all major events in the modern era, however, these have changed

but not fundamentally altered the nature of Argentine society. It continues to be governed by stalemated pluralism in the context of dual dependency. This situation has added strength to the adage that in the case of Argentine society, "The more things change, the more they stay the same." Reflection on some events of the past decade has also led to the conclusion that it may be necessary to re-evaluate certain aspects of the methodological framework used by Dependency analysts to investigate the Argentine case. There were elements and consequences of the military regime's economic policies which, according to some of these analysts, should not have occurred. The policy of selective de-industrialization was an affront to the interests of the United States which had been the dominant foreign influence in national life since 1955. Moreover, the policies of military and civilian technocrats under Martinez de Hoz left the nation without a comprehensive socio-economic metropolis. The closest commercial linkages existed not with major capitalist states but with the U.S.S.R. These circumstances point to the need to address the relationship between Capitalist nations, Socialist nations and the maintenance of dependency in peripheral nations.

Another important "anomaly" that calls the methods of certain Marxist and Dependency-based analysts into question is the Malvinas conflict. According to these mechanistic and rigid scholars, such a conflict, which pitted Argentine and British elites against one another should never have taken place. Moreover, these analysts have not been able to provide credible explanations for the existence of these events.

These circumstances point to the need to re-think the relationship between the impact of endogenous and exogenous variables in determining the course of events in dependent nations such as Argentina. These is a tendency among scholars of the left to overestimate the impact that metropolitan nations have on the decisions of regimes in peripheral societies. They fail to place enough emphasis on the capacity of these to generate decisions independently. Furthermore, these analysts do not adequately address the role that class structure, historical circumstances and a dependent nation's internal environment play in the determination of policy choices. These circumstances often result in scholarship that is as shallow or misleading as that adopted by certain Modernization scholars. Moreover, they can also lead to scholarship which is unable to investigate issues such as the Malvinas conflict or which dismisses than as "anomalies" that do not warrant consideration.

It is necessary to give more consideration to the role which endogenous factors play in the development of underdevelopment within peripheral societies and to decisions taken by classes and governments. To be more effective, Dependency must develop a more precise methodology to chart the relationship between historical, structural and class-based variables and the course of national development.

This general critique leads to the following proposition with respect to the Argentine case. In order to better under-

stand the origins and policies of the 1976 military regime, it is necessary to update the literature dealing with the nation's social structure. Specifically, the contributions of certain sectoral and corporate actors to the strife of the last decade have not been adequately addressed

As are all sophisticated societies, Argentina is "compartmentalized" into powerful pressure groups. Unlike certain nations, however, circumstances have prevented these political actors from co-existing under the umbrella of a bourgeois democratic regime. The consequences of the interplay of various constituencies up to 1976 has been extensively analysed and the contributions of most adequately addressed. There is a need, however, to supplement an understanding of the role of certain well-studied groups such as the Armed Forces, Trade Unions and Political Parties in the events of the last decade. It is necessary to address the role that the church and especially finance capital played in the events of this era.

Chapter Seven. End Notes.

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- Cox, "Argentina's Democratic Miracle", p. 23.
- Alfonsin won the election by a margin of 52% of the popular vote. The Peronist candidate, Italo Luder, a respected constitutional lawyer and leader of the reformist wing of the Party received 40%. The UCR won 129 of 254 seats in the lower House of Congress, the Chamber of Deputies while the Peronists secured 111. The Radicals did not secure a majority in the Senate, however, The continuing strength of Peronism in provincial legislature gave that party 21 seats to 18 for the UCR. This was not a majority. The swing vote rested with 7 seats held by independent parties. Taken from Schumacher, "Argentina and Democracy", p. 1073.
- In December 1985, 20 senior management posts were transferred to civilians. The company was mandated to become self-supporting. It was made a mixed corporation, the state retaining 51% ownership, private shareholders, 49%. The second stage of the reorganization occurred in January 1986 with a joint agreement between FMA and Embraer

of Brazil. The focus of the partnership was the production of the Brasilia, a popular 30 seat turboprop aircraft.

- For a synthetic treatment of the trial process, see "Argentines relive dark days of military rule", The Sun.
- 6 See Martin Anderson, "Argentina's dirty war".
- 7 Oakland Ross, "The Argentines Fiddle", p. 9.
- Remark by César Jaroslavsky from <u>Buenos Aires Herald</u>, (January 26, 1983): p. 3.

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