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PROBABLE DEVELOPMENTS IN ARGENTINA



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PROBABLE DEVELOPMENTS IN ARGENTINA

THE PROBLEM

To assess the situation in Argentina and to estimate probable developments through 1955.

CONCLUSIONS

1. Peron now dominates Argentina more completely than ever before. He has the active political support of a substantial majority of the population, including especially urban and rural labor, the numerous bureaucracy, and many industrialists. He has also secure control of the armed forces, the police, the principal labor organizations, the Peronist Party machine, the national Congress, and the provincial governments. Extensive decree and police powers enable him to interfere in any aspect of national life. He has in effect a monopoly of all media of public information. There exists no effective opposition to his regime.
2. For his own purposes, Peron has sometimes adopted policies advocated by the Communists, but we do not believe that they have had a determining influence on the basic objectives of his regime. The Argentine Communist Party has little popular support. It has had virtually no success in infiltrating the armed forces and little in the bureaucracy. It is currently critical of the regime and is being harassed by it. A small group of dissident Communists advocates collaboration with Peron and is tolerated by him.
3. Peron's most pressing problem is the solution of Argentina's economic difficulties. Barring a serious crop failure or a seriously adverse change in the terms of trade, Peron can probably achieve a slight and gradual improvement in the economic situation during the next several years. It is unlikely, however, that Argentine foreign exchange earnings will be sufficient to finance the major development projects envisioned in Peron's second Five-Year Plan (1953-1957). For this purpose, Peron seeks private foreign credits and investments, but he will probably be unable to attract sufficient foreign private capital to permit substantial fulfillment of these major projects.
4. Peron has abandoned his former anti-US foreign policy and propaganda line, and has sought a rapprochement with the United States, stressing the value of Argentina as an anti-Communist force in South America. He apparently hopes thereby: (a) to induce the United States to adopt a benevolent attitude toward the extension of Argentine political and economic influence in neighboring countries; (b) to facilitate the investment of US private capital in Argentine economic de-

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velopment; and (c) to secure US aid in the expansion of Argentine military facilities. It is to be expected, however, that Peron will continue to maintain diplomatic relations with the Soviet Bloc and will seek to increase Argentine non-strategic trade with the Bloc.

5. Peron will probably continue his policy of rapprochement with the United States as long as his internal political position remains secure and as long as collaboration with the United States appears on balance to favor the realization of Argentine national aspirations. In these circumstances, he will probably continue to curb Communist activities in Argentina.

6. If Peron should conclude that his rapprochement with the United States was proving unproductive, or if, for any reason, the Argentine economic situation should deteriorate to such a degree as to threaten the stability of the regime, Peron would probably revert to a demagogic internal policy and an antagonistic foreign policy. Such developments would probably result in some increase in Communist influence, but Peron would not be likely to permit the Communists or any other group to become serious competitors for his power.

7. The Argentine armed forces are more than adequate for the maintenance of internal security. In the event of general war, Argentina would be capable of providing one or two divisions for use outside the country, but they would lack modern and heavy equipment and training in modern warfare. The Navy and Air Force would require considerable outside material assistance and training before they would make a significant contribution.

8. In the event of general war, Peron would exploit the situation to obtain the maximum price for Argentine goods and services. He would probably seek to avoid belligerent participation as long as possible, and in any case would probably be reluctant to provide forces for service outside the Western Hemisphere.

9. In the event of Peron's demise the Army would probably have the predominant voice in the choice of his successor. In its early stages, any successor government would probably attempt to follow the same general internal and external policies as were being followed by Peron at the time of his death.

DISCUSSION¹

I. POLITICAL SITUATION

10. Peron now dominates Argentina more completely than ever before. His position has gradually been strengthened over the years to the point where it is virtually unchallenged. He has the support of large segments of the population. He has also succeeded in concen-

trating in his hands such political, economic, and military power that he can almost certainly prevent the emergence of any effective opposition.

11. The Peronist Revolution, in the name of "social justice, economic independence, and political sovereignty," has wrought many far-reaching political, social, and economic changes which will probably be more permanent than either the Peronist Party or its leaders. Peron has shifted the balance of political power by redistributing income for

¹This estimate supersedes NIE-66, "Probable Developments in Argentina," published 13 June 1952. However, the background information contained in NIE-66 is still considered to be generally valid.

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the benefit of labor and by giving direct assistance to industry. The State has assumed a dominant role in the economic and political life of the nation. Peronism has borrowed from foreign ideologies, including Fascism and Marxism, and it emphasizes ultranationalism, industrialization, the political and social importance of labor, and state-supported welfare measures.

12. Peron's most important source of popular support is labor, which owes to Peron its improved social and political status as well as such material benefits as higher wages, low-cost housing, schools, clinics, and hospitals. Peron also has the active support of: (a) tenant farmers, who benefited from Peronist tenant-landlord legislation; (b) government employees, who are dependent for their jobs on loyalty to Peron; (c) many industrialists who favor Peron's protectionist policies and his industrial expansion program; and (d) the country's principal ultranationalist organization, the Nationalist Liberating Alliance.

13. Since the death of Eva Peron, the influential Roman Catholic Church has adopted a friendlier attitude toward Peron. It is now lending its support to Peron's appeals for cooperation of all parties in solving Argentina's current problems. Although certain areas of friction in Argentine Church-State relations still remain, there is no indication that Peron is contemplating any action against the Church which would cause it to abandon its traditional policy of avoiding open conflict with the regime in power.

14. Peron's dominant position in Argentina does not depend solely on the popular support his regime commands. Peron has solidified his control over the government and the country through the following instrumentalities:

a. The Armed Forces: Since the abortive attempt by certain officers to seize power in 1951, Peron has strengthened his control over the armed forces. He has purged those suspected of disloyalty and appointed personal followers to positions of command. He has also opened the officer ranks to enlisted men, who are largely pro-Peron. In addition, he has improved morale by bettering the living conditions of service personnel.

b. The Police: The Federal Police, National Gendarmerie, and Maritime Police, technically under the Ministry of the Interior, are loyal to Peron personally and are effectively controlled by him. These forces have been strengthened and are believed capable of maintaining internal security, even without Army support, but could not prevent an Army coup.

c. Organized Labor: The General Confederation of Labor (CGT) is Peronist-dominated and represents the majority of Argentine organized labor. Its leaders are influential members of the Peronist Party and many are also members of Congress. Through them, Peron exercises considerable control over the laboring masses and can, when necessary, quickly organize mass demonstrations in support of his policies. Since 1948, however, Labor's economic position has deteriorated as a result of inflation and the Administration has followed a hold-the-line policy on wage increases since March 1952. As a result of some evidences of labor unrest, Peron has recently taken steps to widen his control over labor by sponsoring the Confederation of Professional Workers. By this means, Peron hopes not only to split organized labor into two groups, neither of which would be strong enough to threaten his position, but also to attract professional and skilled workers who were dissatisfied with or would not join the largely unskilled CGT.

d. The Peronist Party: The Peronist Party is well-organized and responsive to Peron's wishes. It occupies all 34 seats in the Senate and 141 out of 155 seats in the Chamber of Deputies. Peron also has a strong hold on the provinces through this Party, which has elected all the provincial governors and has large majorities in all the provincial legislatures. The national and provincial judiciaries are dominated by Peronist appointees.

e. Government Controls: A docile Congress has granted Peron extensive decree and police powers with which he can effectively interfere in almost every phase of national life. The government supervises, and in some cases owns and operates, the press, radio, television, and other public information media. The new

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Five-Year Plan gives Peron extensive powers over the economy, including strict regulation of imports, exports, credits, wages, and prices, as well as the power to dissolve any political party which opposes the principles of Peronism. Peron also has the power to impose martial law, curtail civil liberties, and apply severe penalties against any who criticize government officials.

15. Opposition to Peron still exists, but it is divided and lacks a popular program. It consists primarily of large landowners, professional groups, some of the more highly skilled workers who belonged to the pro-Peron unions, and some industrial and commercial elements. Many of Peron's opponents have been mollified by his recent policy of moderation and amnesty called the "national conciliation" movement. Moreover, the opposition has been unable to develop leaders or issues to challenge Peron's popular support, the principal opposition groups either merely demanding greater civil liberties (which has little appeal to labor) or seeking to outbid Peron's appeal to nationalist and isolationist opinions. The principal opposition party — the Radical Civic Union (UCR) — holds only 14 seats out of 155 in the Chamber of Deputies. It represents primarily urban elements rather than landowners, and is itself split into two main factions. One faction advocates merely passive opposition to Peron; the other advocates and occasionally perpetrates acts of violence against the regime. All opposition parties are further handicapped by restrictions placed on their campaign activities, by legal prohibitions against forming coalitions, and by being denied use of press and radio.

16. The Argentine Communists have not consistently opposed Peron. They are divided into two factions. The official Argentine Communist Party (PCA) has an estimated strength of 35,000, composed chiefly of workers, students, and intellectuals. It has little popular support. It has had virtually no success in infiltrating the armed forces and little in the bureaucracy. Its penetration of the CGT has been limited to secondary positions in some unions. A small dissident Commu-

nist group (probably now numbering no more than a few thousand) split from the official Party in 1946, although there is no evidence that it has abandoned its loyalty to Moscow. This group held that it could gain more by collaborating with Peron, and from time to time some of its members have had access to him as advisers.

17. Peron, for his own purposes, has sometimes followed policies advocated by the Communists, but we do not believe that either Communist group has had a determining influence on the basic objectives of the Peron regime. Peron accepted Communist advice and support while he was pursuing an anti-US policy. He has used the dissident group as a bait to oppositionists of the left, especially in the labor movement, to throw in their lot with Peronism. Now that Peron is seeking an accommodation with the US, he has stepped up police surveillance and harassment of the PCA. There are also indications that the CGT is taking steps to expel PCA members from union leadership. However, Peron apparently has not taken any steps against the dissident Communists. Although Peron's current stand against Communism is in part designed to impress the US, we believe that he is basically unsympathetic to Communism and would move promptly against the Communists if he felt they were becoming a threat to his position.

II. ECONOMIC SITUATION

18. Solution of Argentina's economic problems is the most pressing task facing Peron. The possibility of economic deterioration is the most important latent threat to Peron's ability to maintain himself in power.

19. Although a severe drought was the immediate cause of an economic crisis in 1951-1952, economic conditions had been deteriorating steadily under the strain imposed by Peronist economic policies and programs. Overambitious goals for rapid industrialization and expansion of social services, and faulty allocation of foreign exchange, were largely to blame. Nationalization of foreign-owned public utilities, repatriation of the foreign debt, and inefficient purchasing and

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utilization of imported equipment depleted the substantial gold and foreign exchange holdings which had accumulated during World War II. Meanwhile, the government's policy on land tenure and farm prices, combined with the movement of agricultural labor to the cities and the lack of compensating farm mechanization, had caused a progressive drop in agricultural production, and consequently in exports. Insufficient imports of essential raw materials and replacement parts led to a decline in industrial output. Total gross national product (GNP) declined in the period 1949-1952 at an average annual rate of 5.6 percent, the cost of living index more than doubled, and the government's internal and foreign commercial indebtedness increased three-fold.

20. Economic conditions have improved since the low point in 1952. The 1952-1953 harvest was excellent and the incoming 1953-1954 harvest is also good. The resulting rise in exports, combined with a sharp curtailment of imports, produced a favorable balance of trade in 1953 and permitted the government to increase its gold reserves and reduce its short-term foreign indebtedness. Inflation was checked by strict management of credit and by freezing prices and wages. However, Peron still faces many economic problems. Agricultural costs are inflated and productivity is low. Industrial production is hampered by obsolescence of plant and equipment, by tight credit restrictions, and by shortages of imported raw materials. Wage and price stability is threatened by strong pressure for another round of wage increases.

21. Peron's second Five-Year Plan (1953-1957) was passed by Congress in December 1952. It is an ambitious and exhaustive blueprint of the government's economic objectives and gives Peron virtually unlimited powers to regulate nearly every phase of Argentine economic life. The Plan calls for an annual growth of GNP of 3.6 percent and allows for a total expenditure by the national government over the five years of 33.5 billion pesos (6.7 billion dollars at the official rate of exchange). The bulk of government investment under this Plan is earmarked for transportation,

fuel, and power. Peron could probably finance the domestic costs of the Plan without resort to inflationary deficit financing or credit expansion by such measures as using social security funds and reducing normal government expenditures. Peron is apparently first concentrating on the agricultural portion of the Plan. He is allocating a substantial portion of Argentina's foreign exchange earnings to the importing of tractors, fertilizers, etc. However, Argentina's foreign exchange earnings within the next two years are not likely to suffice for the large-scale importation of developmental equipment envisioned in the Plan.

III. CAPABILITIES OF THE ARMED FORCES

22. Argentine manpower available for military service is of excellent quality. The Argentine armed forces have an estimated strength of 145,500 divided as follows:

a. Army: The Army has approximately 102,000 men, of whom about 75,000 are one-year conscripts. There are 6 infantry, 1 motorized infantry, 1 armored, and 3 cavalry divisions, and 2 infantry divisional-equivalent groupments (1 mountain, 1 motorized), supplemented by smaller combat units. The Army's morale and training are excellent by Latin American standards, but it is short of modern and heavy equipment and lacks training and experience in large-scale operations.

b. Navy: The Navy, with personnel totalling approximately 28,500, maintains the largest fleet in Latin America. It consists of 2 old battleships, an old monitor, 2 heavy and 3 light cruisers, 6 destroyers and 9 old destroyers, and various minor combatant ships and amphibious and auxiliary vessels. The Naval Air Arm has approximately 190 aircraft, mainly in transport and reconnaissance categories, about 50 of which are assigned to tactical units, and 2,700 men, including some 150 pilots. Although basic seamanship, training, and morale are good by Latin American standards, the Navy's combat effectiveness is low because of aging ships, obsolete aircraft, prewar doctrine, and an almost complete lack of modern AA and ASW weapons and fire-control and electronic gear.

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c. *Air Force*: The Air Force has 15,000 men, including 430 trained pilots. Approximately 375 of its 712 aircraft are in tactical units — the remainder being trainers or in storage. There are about 80 Gloster meteor jets and a few operational Lancaster and Lincoln bombers. The combat effectiveness of the Air Force is limited by the total lack of electronic early warning and intercept equipment and by critical shortages of fuel, spare parts, and armament.

23. The armed forces are supplemented by the Federal Police (47,000 men), the National Gendarmerie (15,000), and the Maritime Police (3,500). Their morale and training are excellent and they are believed capable of maintaining internal security.

24. The Argentine armed forces are more than adequate for internal security. Peron desires to strengthen and modernize the armed forces in order to: (a) enhance Argentina's prestige in Latin America, particularly vis-a-vis Brazil, and (b) increase his bargaining power in negotiations for US assistance by pointing to Argentina's capabilities for suppressing Communism and for contributing to Hemisphere defense. In the event of general war, Argentina would be capable of providing one or two divisions for use outside the country, but they would lack modern and heavy equipment and training in modern warfare. The Navy and Air Force would require considerable outside material assistance and training before they could make any significant contribution to coastal and antisubmarine patrol and convoy operations.

IV. INTERNATIONAL POLICIES

25. Under Peron, Argentina has been faced with the problem of adjusting to a new world-power pattern. At present, Argentina has no secure tie with any great power. The British connection no longer serves as a major support for Argentine economic progress and stability. Argentina has been unable to establish a friendly collaboration with the United States such as Brazil enjoys. Basic political, ideological, and economic considerations make it virtually impossible for Peron to align Argentina definitely with the USSR.

Peron's "Third Position," which proclaimed Argentina's independence with respect to the opposing world camps, was developed as a rationalization of changes in the past decade superimposed upon Argentina's traditional isolationist tendencies.

26. Argentina's international aspirations include a dominant position in southern South America, a position of leadership in Latin America, and a place in the world corresponding to somewhat inflated views of national capabilities. To reach these goals, Peron requires internal economic expansion, a free hand to assert Argentine influence over neighboring countries, and foreign support for Argentine pretensions in world affairs. For such purposes, the cooperation of a major power is essential, but such cooperation has not been obtained. Consequently the foreign policy of the Peron regime has been unstable, responsive to the momentary requirements of domestic politics, and, in general, characterized by a high degree of opportunism.

27. Argentine policy toward the US, traditionally one of aloofness, has been conditioned by long-standing British ties, limitations on Argentine exports to the US, and US policy barriers to Argentine expansionism and leadership in the Hemisphere. Under Peron, Argentine foreign policy became increasingly aggressive, and its antagonism toward the US more pronounced. By 1951-1952, Peronist propaganda was lending volume and coverage to ultranationalist, Communist-line attacks on the US. This aggressively anti-US line reflected Argentine feelings of insecurity, was colored by the Peronist revolution's heavy emphasis on "anti-capitalist" and "anti-imperialist" political slogans, and was intensified by general economic deterioration.

28. By late 1952, however, Peron apparently calculated that this anti-US policy was unprofitable. It was having little effect in undermining US influence in Latin America, and Argentina was making little progress in strengthening its economy and achieving a dominant position in southern South America. Most important, Peron apparently concluded that substantial foreign economic support was essential to the achievement of his internal

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economic goals, which in turn was a prerequisite to his remaining in power and achieving his foreign policy objectives in Latin America. The timing of Peron's decision to seek an accommodation with the US was also in part determined by: (a) his strengthened internal political controls which made him less dependent on the support of anti-US elements, and (b) the change in administration in the US and the subsequent visit of Dr. Milton Eisenhower.

29. At present, Argentine anti-US propaganda has virtually ceased. The "Third Position" line has virtually disappeared, restrictions have been lifted on US press services and publications, and more favorable conditions are being created for US-owned business interests. There are also indications that Peron will give greater support to US objectives and proposals in the OAS and the UN.

30. Although thus seeking an accommodation with the US, Peron apparently feels he cannot alienate his nationalist supporters to the extent of seeking direct US loans or aid, or proposing a military assistance pact. Instead, Peron is apparently seeking to persuade the US: (a) to adopt a benevolent attitude toward Argentine political and economic objectives in Latin America; (b) to encourage US private business to invest in Argentina and to liberalize credit terms; and (c) to aid in the expansion of Argentine military facilities by making technical advice and materials available on liberal terms. Peron has stressed that such support would benefit the US by enabling Peron to adopt a stronger stand against Communism in Argentina, and by increasing Argentine capabilities for combatting the growth of Communism throughout Latin America and for defending southern South America in the event of external Communist aggression.

31. Argentina's efforts to extend its influence in Latin America have had little success except in the cultural field. The Argentine-sponsored labor movement (ATLAS), assisted by Argentina's extensive network of labor attaches, has not attracted the support of the major Latin American labor organizations.

Although Argentina has signed "economic union" pacts with Paraguay, Chile, and Ecuador, any significant extension of Argentina's economic influence has been blocked by its inability to fulfill its trade commitments.

32. Argentine-Brazilian rivalry remains strong and may pose special problems for the US now that Argentina is seeking friendlier relations with the US. Each country will be quick to claim that the US is favoring the other. There are already indications of increasing anti-US sentiment in Brazil, which may be strengthened if the impression grows that the US is favoring Argentina at the expense of Brazil. Thus, closer US-Argentine relations, in addition to causing friction between the US and Brazil, may complicate US relations with other Latin American countries — such as Uruguay — which are suspicious of Argentine expansionist ambitions.

33. Argentina maintains diplomatic relations with the USSR and all the European Satellites except Albania. All these countries have resident missions in Buenos Aires which provide channels for the dissemination of Communist propaganda both within Argentina and to neighboring countries. Argentina in turn has resident missions in the USSR, Czechoslovakia (accredited also to Hungary), Poland, and Rumania (accredited also to Bulgaria).

34. Argentina's trade with the Soviet Bloc is now about 2.5 percent of its total foreign trade. This percentage will increase substantially if commitments under the recent Argentine-Soviet trade agreement are carried out. The agreement calls for an exchange of goods totalling \$150 million, with Argentina exporting non-strategic raw materials in exchange for Soviet capital goods and fuels. To facilitate this trade, the USSR advanced to Argentina a \$30 million dollar credit for the import of Soviet capital goods. There is no time limit on delivery. Soviet exports would be small in relation to Argentina's total import requirements, but would satisfy Argentina's needs in certain important categories, particularly petroleum drilling and refining equipment.

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V. PROBABLE DEVELOPMENTS

35. The Peronist Party will almost certainly win a decisive victory in the Congressional and Vice-Presidential elections scheduled for 25 April 1954, thus substantially strengthening Peron's position. As long as there is no serious economic deterioration, political opposition to Peron will be ineffective and Peron will maintain his hold over the country.

36. The principal potential threat to Peron is the unrest, particularly in the laboring class, that would result from a major crop failure or severe economic depression. We believe that through his control over the CGT leadership Peron would probably be able to prevent labor unrest from becoming unmanageable. In the event that the CGT leadership were unable to control its mass membership, we believe that Peron would retain the support of the armed forces and the police, and that these forces would be able to control any disturbances or revolt that might occur. We believe that there is little chance that Peron will be ousted by an armed forces coup.

37. Barring a serious crop failure or a severe drop in the world demand or price for Argentine exports, we believe that there will be a slight and gradual improvement in the Argentine economy through 1955. There will probably be sufficient foreign exchange earnings from agricultural exports to maintain essential imports at present levels and at the same time to permit: (a) increases in agricultural productivity through the import of tractors, fertilizers, seed, etc., and (b) some rehabilitation and modernization of industrial plant and equipment. Foreign exchange earnings, however, will remain inadequate to permit a relaxation of present stringent import controls or to undertake many of the major development projects called for by the Five-Year Plan.

38. In these circumstances, Peron will probably seek to implement the developmental aspects of the Plan through private foreign credits and private foreign investment. Although Western Europe and Japan are increasing their trade with and investment in Argentina, and West Germany has recently

become one of Argentina's most important sources of short-term commercial credits, Peron apparently believes that the US is his principal potential source of foreign private capital. Peron has already liberalized the law applying to new foreign investment. He will also probably offer more attractive terms to investors in fields of special interest to the government, particularly petroleum. He may also permit present private investors to remit accumulated backlogs of profits, royalties, and dividends, to the extent that exchange availabilities permit. Despite such measures, it is unlikely that Peron will be able to attract sufficient foreign capital, particularly in the field of transport, power, and other basic services, to permit substantial fulfillment of the major development projects included in the Five-Year Plan.

39. Although Peron will probably concentrate on agricultural and industrial rehabilitation, there will remain the danger that for political or prestige reasons Peron will feel compelled before the end of 1955 to adopt measures which would have serious inflationary results. For example, he may feel it necessary, under pressure of popular demands, to relax controls on imports, wages, or credits. If he does not succeed in attracting sufficient foreign capital, he may also feel compelled to distract attention from continued austerity conditions by pushing ahead rapidly with spectacular projects at the expense of strengthening agriculture and industry.

40. The influence of the Communist Party will probably not increase. Peron will probably continue repressive measures against the official Communist Party, and will attempt to curb its efforts to promote anti-US opinion. A few "dissident" Communists, however, may succeed in infiltrating the Peron Administration. If Peron should abandon his policy of accommodation with the US, a more favorable climate for the extension of Communist influence would exist, but the Communists would still not pose a serious threat to the Peron regime.

41. Peron will continue his policy of accommodation with the US as long as his internal political control remains strong, and as long

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as collaboration with the US appears on balance to favor Argentine national aspirations. Peron will be sensitive to any US intrusion in foreign markets vital to Argentina's exports, and resentful of US actions that appear to him to block the extension of Argentine influence in Latin America. During the period of accommodation with the US, Peron will probably continue to facilitate the solution of problems facing US enterprises, including news services and publications. Argentina will probably be more cooperative with the US in international organizations.

42. Argentina will almost certainly continue to maintain diplomatic relations with the Soviet Bloc and attempt to increase Argentine trade with the Bloc, especially with the USSR. To the extent that Argentine economic development objectives are not attained through collaboration with the US and other Free World nations, Peron will probably seek a further expansion of trade with the Bloc, especially if the USSR fulfills within a reasonable time at least the major part of its commitments under the recent trade pact.

43. Peron will continue to seek to expand Argentine influence in Latin America. Argentina's prestige throughout the Hemisphere will probably improve during the next two years, provided Peron continues his policy of accommodation with the US and refrains from undue interference in the internal affairs of other Latin American nations. Although Argentine trade with other Latin American nations will probably increase somewhat, Argen-

tina is not likely to develop sufficient economic strength to increase significantly its economic influence in Latin America generally.

44. In the event of general war, Peron is not likely immediately to enter the war in active support of the US. His primary objective would be to exploit the war to Argentina's advantage. He would almost certainly demand high prices for exports of food and raw materials to the Allied powers. Although initially he would probably wish to remain neutral, he might subsequently enter the war and offer: (a) to cooperate in measures to suppress the Communists in South America, and (b) to collaborate with the US in Argentine coastal defense and patrol activities. He would probably be reluctant to provide forces for service outside the Western Hemisphere.

45. Peron's disregard of personal security precautions increases the chances of his death by accident or assassination. He has kept in his own hands so many of the instruments of control that the problem of succession would be extremely difficult. A struggle for power would almost certainly ensue. In such a struggle, the Army would almost certainly play a determining role. The most likely immediate development would be an Army-backed caretaker government. In its early stages, any successor government would probably attempt to follow the same general internal and external policies as were being followed by Peron at the time of his death.

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