

Eastern Illinois University

## The Keep

---

Masters Theses

Student Theses & Publications

---

Spring 2021

# Debt, Death, and Deregulation: Neoliberalism, Human Rights, and American-Argentine Relations, 1976-1983

Billy Davis

*Eastern Illinois University*

Follow this and additional works at: <https://thekeep.eiu.edu/theses>



Part of the [History Commons](#), and the [International Relations Commons](#)

---

### Recommended Citation

Davis, Billy, "Debt, Death, and Deregulation: Neoliberalism, Human Rights, and American-Argentine Relations, 1976-1983" (2021). *Masters Theses*. 4877.

<https://thekeep.eiu.edu/theses/4877>

This Dissertation/Thesis is brought to you for free and open access by the Student Theses & Publications at The Keep. It has been accepted for inclusion in Masters Theses by an authorized administrator of The Keep. For more information, please contact [tabruns@eiu.edu](mailto:tabruns@eiu.edu).

Eastern Illinois University

**Debt, Death, and Deregulation: Neoliberalism, Human  
Rights, and American-Argentine Relations, 1976-1983**

A Thesis Submitted to

The Faculty of the College of Arts and Humanities

in Candidacy for the Degree of

Master of Arts

Department of History

By

Billy Davis

Charleston, Illinois

May 2021

## **Acknowledgements**

First, I would like to thank Dr. Edmund Wehrle for his patience and assistance in the process of writing this thesis. I would have been unable to complete it without his support and ideas. I am sure that it was an aggravating process at times, and for that I apologize. His criticism and acclamation not only made this project possible, but also helped me develop as a scholar. I am also in debt to Dr. Sace Elder for her support, comments, and expertise on the subject of human rights. I would also like to thank Dr. Mark Dries, of Southeastern Louisiana University, for his support, expertise on Latin American history, and his willingness to serve remotely.

Second, I would like to thank my family including my mother and father for all of their emotional support and encouragement. It is also necessary to extend my gratitude to my close personal friend, Isabelle Tuli, for always being willing to listen to me work through my thoughts during this process.

Finally, I would like to pay tribute to the thousands of disappeared in Argentina whose story is an important part of this project. At times, it is easy to get caught up in discussion of foreign relations doctrines or economic policies. Yet, the heart of this narrative is a story of tremendous loss that should not be overlooked. I hope that justice may somehow be found in the annals of history for the victims of the Dirty War in Argentina.

**Abstract**

Between 1976 and 1983, Argentina was governed by a military government that oversaw both a brutal campaign against communism and a process of neoliberalization. During this period, the United States provided substantial economic support to Argentina through its approval of loans that enabled Argentina's economic transformation. Early on, the United States was largely apathetic and complacent in regard to Argentina's Dirty War. During the administration of Jimmy Carter, the United States attempted to confront the Argentine military government about its human rights abuses. However, a substantial contingent within the Carter administration pushed back against this initiative and worked to protect American influence within Argentina. This led to the human rights initiative to be an institutional failure. Meanwhile, the neoliberal economic policies of the Argentine military government, which were supported by the United States, initially provided substantial success for the wealthiest Argentines at the cost of the lowest classes within Argentina. This economic success was ultimately short lived, and the Argentine economy was left in a worse state by the time democracy returned in 1983. American-Argentine relations during this period left behind a legacy of failure and complacency, if not apathy, towards human right abuses.

## **Table of Contents**

Introduction – Page 1

Literature Review – Page 3

Chapter 1: The Foundation of American Support under Gerald Ford –  
Page 17

Chapter 2: Jimmy Carter’s Crisis of Confrontation – Page 49

Chapter 3: Embrace and Collapse under Ronald Reagan – Page 85

Concluding Remarks – Page 104

Bibliography – Page 107

## **Introduction**

Between the Argentine coup d'état in 1976 and the elections of 1983, the Proceso or military dictatorship of Argentina engaged in both a brutal campaign of subversion known as the Dirty War and a process of economic liberalization. The United States encouraged the Argentine junta under General Jorge Rafael Videla to pursue both practices in various ways including by lending billions of dollars to the new Argentine government through US and international financial organizations. Meanwhile, the Proceso appealed to American interests by appointing American-educated neoliberals to prominent economic positions. These neoliberals oversaw a transformation of the Argentine economic system that gained support from Ford administration officials such as Henry Kissinger. This support drew criticism from American politicians who were becoming increasingly active in promoting a human right based foreign policy.

After the election of Jimmy Carter, human rights became a main focus in American-Argentine relations. When Amnesty International began urgently reporting the human rights abuses of the Dirty War to the public, Carter sent Patricia Derian to assess the human rights situation. Derian's visit was a major step as she exposed the extent of abuses; particularly, she revealed that the victims of the Dirty War went beyond leftist guerillas. Derian's report pushed the Carter administration to introduce restrictions on trade and military aid to encourage change on human rights. However, many in the US government worked against this and lobbied for exemptions for various agencies and encouraged a release of military aid. Human rights agencies reported a decrease in abuses, but it is unclear if this was a product of American intervention as the junta was trying to clean its image up for both the 1978 World Cup tournament and the 1979 visit of the Inter-American Commission on Human Rights. The twilight of the Carter administration saw the United States embrace the junta again for a variety of reasons. This rejuvenation of Argentine-American relations was also surprising as Videla, who was seen as a

moderate and favored by the United States, was deposed and Roberto Eduardo Viola became president of Argentina.

The Reagan administration further embraced the Argentine junta as it revived the realist ideology that had dominated American foreign policy prior to Carter's more idealistic approach. The neoliberal economic policies of the Videla regime triggered a financial recession in Argentina that encouraged Viola to abandon these ideologies. However, Viola was replaced several months into Reagan's presidency. His replacement, General Leopoldo Galtieri, appointed a new finance minister that reintroduced austerity measures and appealed to the Reagan administration's support for neoliberal economic policy. The invasion of the Falklands and subsequent conflict with the United Kingdom brought about the collapse of the Proceso and the advent of democratization. Meanwhile, the Reagan administration began introducing neoliberal economic policies in the United States as well as formulating the Washington consensus.

Between 1976 and 1983, American-Argentine relations were characterized by consistent shifts in American policy that ultimately eroded the American capacity to influence change. If there was a continuity during this period, it was one of both failure and apathy. The United States was generally apathetic towards Argentina and engaged the Proceso only when it could be used to expand American influence. The United States endorsed neoliberalism in Argentina because it allowed foreign capital to expand into Argentina. When neoliberalism benefited only the wealthiest Argentines, the United States simply did not care and continued to economically support the military government. When some within the Carter administration pushed for confrontation, another contingent did everything they could to make sure it was an institutional failure. Although, the work of Patricia Derian and F. Allen "Tex" Harris provided protection and a platform for Argentine activists; these limited successes were accomplished in spite of

institutional pushback towards the human rights initiative. The embrace of the Proceso of both the late Jimmy Carter administration and the Ronald Reagan administration further cemented the American policy of apathy. Finally, when tasked with a choice between siding with Argentina or the United Kingdom in the Falklands War-- the United States ignored the OAS and backed the British. It was, then, the defeat in the Falklands and the failures of neoliberalism, and not the neoliberal reforms themselves, that ultimately brought democracy to Argentina.

### **Literature Review**

In the decades since Argentina's democratization, scholars have begun building a narrative on the relationship between the United States and the Proceso. These scholars have focused mostly on the Cold War's influence on American support for the Argentine junta. They have often treated economics as a tertiary concern for the Americans. This designation ignores the numerous economic connections between the two nations as well as the important effects that the neoliberalization begun under the junta has had on Argentina and Argentine-American relations in the period since democratization. Furthermore, the focus on neoliberalism and economic imperialism allows for a better understanding of the American Cold War ideology as one concerned with expanding US influence through capitalism rather than democracy.

The most notable scholar of American-Argentine relations is undoubtedly David M. K. Sheinin. Sheinin has published numerous works exploring the American-Argentine relationship during the period between the 1976 coup d'etat and the 1983 elections. Sheinin's entry in *The United States and the Americas* series, *Argentina and the United States: An Alliance Contained*, details the relationship between the United States and Argentina during the Proceso's reign. However, the scope of Sheinin's 2006 book limits the space he could devote specifically to the American relationship with the junta. Despite this, Sheinin was the first historian to create a

framework for analyzing American relations with the junta. Sheinin described the relationship as starting strong under Ford, weakening under Carter, and becoming strong again under Reagan. Sheinin was also one of the first historians to discuss the Carter human rights initiative, where he, depicts the American embassy's human rights reporting, the American allegations of anti-Semitism related to Jacobo Timmerman's imprisonment, and the 1979 visit of the Inter-American Commission on Human Rights.<sup>1</sup> Again, Sheinin's book is too broad of a survey to provide great detail on these topics thus it does not fully address the intricacies of American foreign policy. Thus, Sheinin eschews the financial connections between the United States and Argentina throughout Carter's human rights initiative. Nor does he address the numerous exemptions to American restrictions issued by the Carter administration. I hope to expand upon Sheinin's work by offering a more critical narrative on American relations with both the Videla and Viola governments. I will argue that the economic liberalization was the key motivator for American support, although Sheinin only discusses economics very briefly. In his brief discussion, Sheinin describes economic liberalization and the massive expansion of foreign debt as problems yet to fully materialize.<sup>2</sup> My focus on economics also allows for a slight criticism of the idea that support waned during the Carter administration. It is difficult to deny that relations were strained during this period or that aid, and support was withheld by the United States government as a part of the human rights program. However, I argue that the decision to exempt

---

<sup>1</sup> David M. K. Sheinin, *Argentina and the United States: An Alliance Contained* (Athens: University of Georgia Press, 2006), 164-173.

<sup>2</sup> Sheinin, 163-164.

lenders from restrictions and to reduce military aid, specifically, was done to preserve American imperial influence.

Sheinin made a number of other contributions to the historiography of Argentina and Argentine-American relations during this era. He wrote a chapter on Argentina's Cold War for the 2020 collection, *Latin America and the Global Cold War*. His chapter, "Argentina's Secret Cold War: Vigilance, Repression, and Nuclear Independence," positions Argentine history within the Cold War context. Within this context, Sheinin notes that the military governments of Argentina all began a shift away from Peron's third position to policies more friendly to the United States.<sup>3</sup> The section most relevant to this project comes in his subsection, "With the United States, but Not for the United States" where Sheinin discusses the intersection between American and Argentine foreign relations and economics. While this section is not focused on the 1970s and 1980s, he discusses the nuances of Argentine foreign policy which continued with the military governments. Most notably, he discusses Argentina's willingness to break from American foreign initiatives only when it does not strain the relationship.<sup>4</sup> This context is incredibly important to my project, and Sheinin's description of the American-Argentine relationship again is valuable. Although, the *why* is not fully present. The simple answer of economic imperialism is not fully developed there. Instead, there is a reliance on the natural process of Cold War polarization. Another of Sheinin's works, *Consent of the Damned*:

---

<sup>3</sup> David Sheinin, "Argentina's Secret Cold War: Vigilance, Repression, and Nuclear Independence," in *Latin America and the Global Cold War*, ed. Thomas Field, Stella Krepp, and Vanni Pettina (University of North Carolina Press, 2020), 176-178.

<sup>4</sup> Sheinin, 181.

*Ordinary Argentinians in the Dirty War* (2012), is very important to this project as it provides a nuanced discussion of domestic support of the military junta. Most notably, it discusses the domestic reaction to the Dirty War and the American presence. Furthermore, it introduces an important argument about American complacency and the effectiveness of American human rights reporting—while its focus on the domestic sphere leaves ample room for one to develop a unique response based on American government documents.

Few historians have written as extensively on the Carter administration's human rights initiative as William Schmidli has in both his 2011 article, "Institutionalizing Human Rights in U.S. Foreign Policy: U.S.-Argentine Relations, 1976–1980," and his 2013 book, *The Fate of Freedom Elsewhere: Human Rights and U.S. Cold War Policy toward Argentina*. The article focuses specifically on the Carter regime and argues that the Carter regime prioritized human rights based foreign policy and sought to use American strength to force positive change.<sup>5</sup> Similar to Lars Schoultz in *Human Rights and United States Policy toward Latin America* and Barbara Keys in "Congress, Kissinger, and the Origins of Human Rights Diplomacy," Schmidli positions Carter's initiative as the culmination of a movement for human rights over realpolitik.<sup>6</sup> This is a trend evident in the research conducted for this project as well. However, Schmidli's discussion of Kissinger's motivation behind support is perhaps too simple. Of course, the Cold

---

<sup>5</sup> William Michael Schmidli, "Institutionalizing Human Rights in U.S. Foreign Policy: U.S.-Argentine Relations, 1976–1980," *Diplomatic History* 35, no. 2 (2011): 365-366.

<sup>6</sup> Lars Schoultz, *Human Rights and United States Policy toward Latin America* (Princeton: Princeton University Press, 1981); Barbara Keys, "Congress, Kissinger, and the Origins of Human Rights Diplomacy," *Diplomatic History* 34, no. 5 (2010): 823–51.

War context is essential—but stating that Kissinger was merely acting as a cold warrior ignores the steps that the Argentines took to appeal to American economic interests. Furthermore, Schmidli takes a more positive view of the human rights initiative’s success than I do. For example, he cites the Carter administration’s decision to halt a limited number of exports in 1978 as an accomplishment of the human rights crusade.<sup>7</sup> It obviously was a positive step in the right direction. However, it does not account for the increase in exports that same year. Furthermore, the argument of his article and the argument of this article can exist simultaneously. He argues that the Carter administration prioritized human rights and pioneered foreign policy that considered human rights. I both cannot deny that and do not want to. However, the human rights initiative was undermined by both a desire to maintain economic influence in Argentina and by those loyal to the realist foreign policy ideology—a concession with which Schmidli would likely agree.

Schmidli slightly remedies this in his *Fate of Freedom Elsewhere* as he expands his field of study beyond the Carter administration to discuss American-Argentine relations and human rights under Ford, Carter, and Reagan. This expansion allows him to develop his theory for initial American support more, but he still falls back on to the Cold War context. However, he discusses the introduction of realist American foreign policy as reaching its zenith during the Nixon and Ford administrations with Henry Kissinger at the helm.<sup>8</sup> Despite this, his attention to economics is minimal as he, again, focuses upon the Cold War context and the junta’s position as

---

<sup>7</sup> Schmidli, “Institutionalizing Human Rights in U.S. Foreign Policy,” 368.

<sup>8</sup> William Michael Schmidli, *The Fate of Freedom Elsewhere: Human Rights and U.S. Cold War Policy toward Argentina* (Ithaca: Cornell University Press, 2013), 3.

an anti-Communist government.<sup>9</sup> The Cold War context was obviously very important, but analysis focused on economic imperialism better demonstrates the unique situation in Argentina. Focusing on the Cold War context portrays Argentina as another Chile and ignores Videla's initial push to appeal to American interests. Furthermore, the United States praised the Proceso for its economic successes rather than the Dirty War. There is no reason to deny the importance of Schmidli's work as it was incredibly influential on my study.

Barbara Keys' study of the relationship between human rights and American foreign policy overlaps further with the focus of this project within her 2014 book, *Reclaiming American Virtue: The Human Rights Revolution of the 1970s*. Keys' book is a study of a much broader human rights movement that manifested in the American public and government. Meanwhile, I focus almost solely on the role of the American government and its policies. Keys also discusses the characteristic morality behind Carter's passion for human rights that was rooted in his religious background. She also discusses Carter's journey towards embracing a human rights oriented foreign policy. Keys argues that Carter was initially more conservative than many of his Democratic colleagues.<sup>10</sup> She also discusses Carter's initial desire to promote human rights domestically with regards to the Equal Rights Amendment, gay rights, and civil rights.<sup>11</sup> Keys then argues that Carter came to adopt a similar foreign policy doctrine as his colleagues in

---

<sup>9</sup> Schmidli, 8-10.

<sup>10</sup> Barbara J. Keys, *Reclaiming American Virtue: The Human Rights Revolution of the 1970s* (Cambridge: Harvard University Press, 2014), 230.

<sup>11</sup> Keys, 215-216.

congress during his presidential campaign.<sup>12</sup> The scope of Keys' book limits the attention that she can pay to specific instances. This is evident in her brief discussion of American-Argentine relations. Most notably, she argues that Argentina was considered a human rights success by the United States due to the Carter administration's ability to make aid contingent on the Argentine military government's compliance with visits from human rights organizations.<sup>13</sup> However, she does not mention the results of those reports or the American response to those reports. In a larger context, this is a small shortcoming in a brilliant work. However, this shortcoming is pertinent to my research and disputed within my much more critical assessment of the human rights initiative in Argentina.

The specifics on Argentina absent in *Reclaiming American Virtue* are ever present in the work of Thomas C. Wright, whose research is focused on human rights in Argentina and other Latin American nations. In *State Terrorism in Latin America: Chile, Argentina, and International Human Rights* (2007), Wright provides a deep, intricate history of human rights in Argentina during the Dirty War. Wright's work then includes a much more detailed discussion of the domestic push for human rights in Argentina than other works consulted for this project.<sup>14</sup> He also pays attention to the human rights push by the UN, the OAS, and even the American government to force visits by human rights organizations to Argentina. Similar to other works,

---

<sup>12</sup> Keys, 240.

<sup>13</sup> Keys, 262-264.

<sup>14</sup> Thomas C. Wright, *State Terrorism in Latin America: Chile, Argentina, and International Human Rights* (Lanham: Rowman & Littlefield, 2007), 118-119.

he highlights the visit of the IAHRC as a watershed moment.<sup>15</sup> However, the focus of Wright's work is not on American foreign policy thus it leaves substantial room for development on that discussion. Another topic that emerges within Wright's book is the grouping of the Latin American dictatorships, Argentina, Chile, Brazil, Paraguay, and others, when discussing human rights abuses. He portrays their collective abuses as a regional crisis of human rights during the 1970s and 1980s.<sup>16</sup> It is unsurprising then that James N. Green routinely references Argentina within *We Cannot Remain Silent: Opposition to the Brazilian Military Dictatorship in the United States* (2010), his study of human rights in Brazil. Green discusses a grass roots movement against the human rights abuses in Brazil mobilizing within the United States. That movement then materialized into congressional, and eventually presidential, support. Brazil could then serve as a sort of model for grass roots activism in support of victims of Latin American violence. Green states: "the underlying organizing practices developed by clergy, academics, exiles, and activists laid out an array of approaches to influencing U.S. policy in Latin America, and those methods proved extremely fruitful as interests shifted from Brazil to Chile and Argentina..."<sup>17</sup>

There is also then a developing discourse on the overlap between neoliberalism and human rights. In his most recent book, *Not Enough: Human Rights in an Unequal World* (2018), Samuel Moyn dedicates an entire chapter to this topic. Moyn discusses the emergence of both neoliberalism and human rights in the 1970s. He also routinely refers back to Chile as a sort of

---

<sup>15</sup> Wright, 123-125.

<sup>16</sup> Wright, 18.

<sup>17</sup> James N. Green, *We Cannot Remain Silent: Opposition to the Brazilian Military Dictatorship in the United States* (Durham: Duke University Press, 2010), 366.

case study in the relationship between human rights and neoliberalism. Moyn criticizes earlier work by Naomi Klein which asserts that neoliberalism and human rights distracted attention from each other. Moyn discusses how Klein and others argued that many conceptions and narratives of the Pinochet government focus almost solely on the human rights abuses in Chile, which allows neoliberalism to exist in the background. This then allows neoliberalism to “emerge unscathed.”<sup>18</sup> Moyn alleges that neoliberalism could theoretically lead to positive human rights developments. He turns to the example of China where neoliberalization, he argues, brought millions out of property and provided work.<sup>19</sup> While Moyn’s argument is not incorrect within the Chinese context, the Argentine example did not yield positive results for the working class in Argentina. Moyn also argues that neoliberalism thrived within democratic societies within Latin America just as well, if not more, than the economic philosophy thrived in authoritarian states. Here, Moyn cites Argentina under Carlos Menem as a key example. He argues that neoliberalization was not fully realized until after democratization in Argentina.<sup>20</sup> This assertion is not fully inaccurate as Menem’s economic team was not restrained by the same spending practices that neoliberal economics were under during the Proceso. The contention is then that Moyn ignores the early neoliberal policies that were implemented under the Proceso. Moyn states: “In Argentina, and in the startling post-communist wave in Eastern Europe, the most troubling relationship between human rights and neoliberalism occurred not

---

<sup>18</sup> Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge: The Belknap Press of Harvard University Press, 2018), 174.

<sup>19</sup> Moyn, 175.

<sup>20</sup> Moyn, 179.

under dictatorship but in the creation of freer societies.”<sup>21</sup> This statement ignores the neoliberal policies of the military dictatorship in Argentina as well as the relationship between these neoliberal policies and the human rights abuses of that dictatorship. Moyn’s example of China and Argentina in the 1990s proves the legitimacy of his brilliant argument. The examples of Argentina and Chile in the 1970s then provides the exemption to Moyn’s rule. Moyn states then, “It also made clear that there was not so much collusion of human rights in the ‘disaster capitalism’ of neoliberalism, but rather that neoliberalism could help human rights attain some of their most cherished ends.”<sup>22</sup> This assertion is, again, not incorrect but also cannot be applied universally. Moyn also does not then discuss the cover that the economic success of neoliberalism gave when it came to human rights abuses in Latin America. Neoliberal policies, not fully defined as neoliberalism at the time, proved to the United States government that Chile and Argentina were profoundly capitalist nations united in the struggle against communism.

Moyn’s criticisms of Klein’s full scale denunciation of neoliberalism is perhaps necessary as it gives the discourse a level of nuance. Neoliberalism can bring about some positive human rights developments. However, Klein is correct in discussing the need to not separate neoliberalism from its history. In her seminal book, *The Shock Doctrine: The Rise of Disaster Capitalism* (2007), Naomi Klein argues that the first neoliberal states in Latin America committed human rights abuses in order to implement neoliberal reforms. With specific reference to Argentina, Klein states: “In Argentina in the seventies, the junta’s ‘disappearance’ of thirty thousand people, most of them leftist activists, was integral to the imposition of the

---

<sup>21</sup> Moyn, 179.

<sup>22</sup> Moyn, 207.

country's Chicago School policies, just as terror had been a partner for the same kind of economic metamorphosis in Chile."<sup>23</sup> The reports by human rights groups such as the IAHRC and Amnesty International, which are referenced throughout this work, reveal that leftist intellectuals along with labor leaders were significant targets of violence by the Argentine military government. In discussion of the 1980s or 1990s, there is room to criticize Klein's work. However, her work on the 1970s is correct in the assertion that neoliberalism was implemented through violence. As this is a work focusing on the 1970s and early 1980s, I am compelled to agree more with Klein's criticisms and provide evidence for the connection between neoliberalism and human rights abuses in Argentina.

Scholars have begun to focus more specifically on neoliberalism and the economic support that the Proceso received. The most notable contribution was the collection, *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debts*, which focused on both foreign and domestic economic support for the Junta under Videla and Viola.<sup>24</sup> Within this collection, the chapter with the most relevance to this project is "Foreign Powers, Economic Support, and Geopolitics" by Jorge E. Taiana, which discusses the emergence of "economic

---

<sup>23</sup> Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (Toronto: Knopf Canada, 2007), 10.

<sup>24</sup> Horacio Verbitsky and Juan Pablo Bohoslavsky, eds., *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debts* (New York: Cambridge University Press, 2016).

diplomacy” under Martínez de Hoz within Argentine foreign relations.<sup>25</sup> In this brief chapter, Taiana discusses how the Argentine junta opened the nation up to American corporations and the international financial sector—and in return, the junta received support, and American complacency, for the Dirty War. Taiana also identifies the Carter administration’s desire to use economic and military aid to force human rights changes.<sup>26</sup> However, the length of Taiana’s chapter limits its ability to address the nuances of economics and American-Argentine relations. Another important chapter in this collection is Mariana Heredia’s “Economic Ideas and Power during the Dictatorship” that discusses the junta’s implementation of neoliberal economic ideology. This chapter was important for discussing the complicity, or even involvement, of neoliberal thinkers in both the 1976 coup d’etat and the Dirty War. It acknowledges that these neoliberal thinkers endorsed the junta specifically for its willingness to liberalize the economy and defeat the “anti-Western Marxists.”<sup>27</sup> Although again, this chapter is a brief, focused discussion of the Argentine neoliberal ideology and implementation of neoliberal economic reforms that leaves ample room for my project to expand upon particularly in relation to the United States.

---

<sup>25</sup> Jorge E. Taiana, “Foreign Powers, Economic Support, and Geopolitics,” in *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debts* (New York: Cambridge University Press, 2016), 71.

<sup>26</sup> Taiana, 68-70.

<sup>27</sup> Mariana Heredia, “Economic Ideas and Power during the Dictatorship,” in *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debt* (New York: Cambridge University Press, 2016), 58.

Scholars have also discussed the relationship between international financial institutions and the Argentine junta. The most notable of these contributions is *The Currency of Confidence: How Economic Beliefs Shape the IMF's Relationship with its Borrowers* by Stephen C. Nelson that explores the relationship between the IMF and the Proceso in his chapter “Argentina and the IMF in Turbulent Times, 1976–1984.” Nelson argues the IMF was pleased by the Proceso’s willingness to implement neoliberal economic policies, which led them to enter into new loan agreements with the junta.<sup>28</sup> Nelson’s work is mostly an orthodox analysis of the IMF and Argentina’s agreements. However, they also briefly address the IMF’s complicity in the Dirty War through both its willingness to ignore the human rights abuses of the junta and its lobbying for an exemption of American restrictions.<sup>29</sup> Nelson’s research on the IMF’s relationship with the junta is impeccable, but at times they neglect to fully address the relationship between the IMF and American foreign policy. For example, Nelson cites Schmidli’s book when discussing the IMF’s exemption—yet, he neglects to mention Schmidli’s mention of G. Fred Bergsten as the main lobbyist for the IMF.<sup>30</sup> Like previously discussed works, Nelson’s specific discussion of the junta is limited but valuable. This project will look more critically at this relationship and the IMF’s support for neoliberal economic policies advantageous to American interests.

The use of the current historiography along with primary source research allows for a more thorough and pointed discussion on the intersection between economics, human rights, and

---

<sup>28</sup> Stephen C. Nelson, *The Currency of Confidence: How Economic Beliefs Shape the IMF's Relationship with Its Borrowers* (Ithaca: Cornell University Press, 2017), 90-92.

<sup>29</sup> Nelson, 90.

<sup>30</sup> Schmidli, *The Fate of Freedom Elsewhere*, 111.

American-Argentine relations during the Proceso. There is not an opportunity to break completely from the Cold War context as it deeply influenced American-Argentine relations under Ford, Carter, and Reagan. Cold War strategy deeply influenced the American decision to back the Proceso. Neoliberalism itself was a product of the Cold War as its architects, such as Milton Friedman, were deeply influenced by their period and saw it as a conflict between capitalism and socialism. Friedman and others saw the market freedom that formed the foundation of neoliberalism as a bulwark against the spread of communism.<sup>31</sup> Therefore, focusing on neoliberalism provides a better understanding of the Cold War context. It also serves to introduce the trends and issues that defined American foreign policy in Argentina, and Latin America as a whole, in the era after 1991.

---

<sup>31</sup> Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012), 248.

## **Chapter 1: The Foundation of American Support under Gerald Ford**

When the Proceso de Reorganización Nacional (National Reorganization Process) overthrew the democratically elected Peronist government in Argentina in the March of 1976, they portrayed themselves as a stabilizing force for the nation. Jorge Rafael Videla and the other military leaders promised to modernize and revitalize the Argentine economy and control the widespread political violence. To accomplish these goals, the Proceso adopted neoliberal economic policies rooted in the economic doctrine of American thinkers. Meanwhile, their desire to end political violence quickly led to an acceleration of the harsh Dirty War. The United States understood and acknowledged the backlash that would result from the Argentine campaign against leftist guerillas. Still, American officials moved past their initial uncertainty and embraced the Proceso whole heartedly by the summer of 1976. By the winter of that year, the Argentine foreign minister would be received by President Gerald R. Ford and his Secretary of State Henry Kissinger to a degree that aggravated developing tensions over the Proceso's human rights record. Despite only co-existing for less than a year, American-Argentine relations under the Ford administration and the Proceso respectively created a base level of support that persisted until democratization in 1983.

### **Argentina Prior to the Proceso**

To fully understand the situation in 1976, it is perhaps best to go back a decade to 1966 when the Onganía military government came to power. In 1966, issues with inflation and debt already plagued the Argentine economy. At the same time, political violence from both the right and the left was beginning to become a regular occurrence—although not at the level that it

would reach by 1976.<sup>1</sup> The goals of both military governments, under both Onganía and the Proceso, were remarkably similar as they both hoped to use military force to bring order to Argentina. Given their Cold War mindset, both military governments believed that bringing order to Argentina would require defeating the perceived threat of a leftist insurgency. Both governments also hoped to oversee a socioeconomic transformation in Argentina. Guillermo O'Donnell, a political scientist, described the Onganía government as an “authoritarian-bureaucratic state.”<sup>2</sup> O'Donnell argues that the military became both professionalized and modernized during the period between 1955 and 1966 before seizing power—and thus saw themselves as more capable of solving the economic and social problems that a civilian government had only allowed to get worse.<sup>3</sup> At the same time, Onganía adopted the Doctrine of National Security pushed by the United States. This doctrine put forth the idea that Latin American militaries needed to protect their nations from both foreign and domestic threats in

---

<sup>1</sup> CIA Directorate of Intelligence Office of Political Research, *Research Study: Whither Argentina: New Political System or More of the Same*, February 1976, CIA Online Reading Room, Accessed May 23, 2021.

<https://www.cia.gov/readingroom/docs/WHITHER%20ARGENTINA%20NEW%20POL%5B15500346%5D.pdf>. Listed deaths going from 40 per day between 1967-72 to 1,000 per day in 1975.

<sup>2</sup> Guillermo O'Donnell, “Modernization and Military Coups,” in *The Argentina Reader: History, Culture, and Politics*, ed. Gabriela Nouzeilles and Graciela Montaldo, *The Latin America Readers 3*, (Durham, NC: Duke University Press, 2002), 399.

<sup>3</sup> O'Donnell, 407.

order to stimulate economic growth and societal development. O'Donnell argues that the military believed itself to be the best governing body to oversee economic development in Argentina—but to do so, they would also have to halt political violence or “subversion,”<sup>4</sup> Under Onganía, many of the future Proceso leaders received training in the United States including Videla, Leopoldo Galtieri, and Roberto Viola; all of whom would eventually serve as the head of the Argentine military government. Still, Onganía promoted a policy of military co-operation but limited independence from American military and economic aid.<sup>5</sup> This marked a clear difference between Onganía's government and the successive Proceso government that depended heavily on American aid. Despite the military's best efforts, the reality is that between 1966, when the Onganía government took power, and 1973, when the first unrestricted elections were held, political violence had significantly increased. Although there is one key difference between 1966 and 1976 that worked in the Proceso's favor. By 1976, Peron was dead and his traditional supporters were divided and at odds with one another. As Ernesto Laclau notes, Peron's failure to “hegemonize the totality of his movement” led to the continuation of political violence and instability and the demand for the military to step in.<sup>6</sup>

The fracturing of Peronism can be traced to the rise of left-wing guerilla groups, most notably the Montoneros, who had a further left view of Peronism than Peron himself and his colleagues. During Peron's exile in the 1960s and 1970s, Montoneros were able to recruit

---

<sup>4</sup> O'Donnell, 405-407.

<sup>5</sup> James P. Brennan and Mercedes Ferreyra, *Argentina's Missing Bones: Revisiting the History of the Dirty War* (Oakland: University of California Press, 2018), 66.

<sup>6</sup> Ernesto Laclau, *On Populist Reason* (London ; New York: Verso, 2005), 221.

hundreds of thousands of followers. Their rise became an important catalyst in Peron's return in 1973 as the government of Argentina rationalized that his return would bring a modicum of peace.<sup>7</sup> The Montoneros were initially both extremely loyal to Peron and violent before turning against him upon his return. The group even kidnapped and murdered former Argentine President Pedro Eugenio Aramburu in 1970.<sup>8</sup> In Peron's absence, however, the ideology of Peronism was splitting throughout the 1960s and 1970s. The rise of the student movement and rejuvenation of labor movements saw many middle-class Argentines beginning to adopt a further left view of Peronism. The ideology of the Montoneros, in particular, began to become increasingly anti-imperialist and anti-capitalist.<sup>9</sup> During the 1970s, the United States was well aware of the Montoneros and recognized them as a threat to American interests in Argentina.<sup>10</sup>

---

<sup>7</sup> Michael Goebel, *Argentina's Partisan Past: Nationalism and the Politics of History*, Liverpool Latin American Studies (Liverpool: Liverpool University Press, 2011), 158.

<sup>8</sup> Goebel, 158-159; US State Department, "Political Violence in Argentina," June 16, 1975, National Security Archive, 1, <https://nsarchive.gwu.edu/dc.html?doc=6020921-National-Security-Archive-Doc-02-Department-of>.

<sup>9</sup> Goebel, *Argentina's Partisan Past*, 159-160.

<sup>10</sup> "Political Violence in Argentina," 4. "The threat of violence, and, even more importantly, the increasingly difficult economic situation, will be strong disincentives to foreign investment. The leftist guerrillas will continue to have the capability to undertake attacks against embassy staff members and could do so at any time." The report also mentions that the AAA, which has substantial Argentine government backing, is committing human rights abuses.

One scholar stated that "(T)he Montoneros' ideology, in short, resembled that of other antiimperialist and third-world liberation movements more than right-wing Argentine nacionalismo."<sup>11</sup> While the Montoneros may initially have not been outwardly communist in nature—they grew to incorporate further left guerilla groups throughout the late 1960s and early 1970s.<sup>12</sup>

Peron's return prompted an intense, violent exchange between the left and right-leaning Peronists that left 20 people dead.<sup>13</sup> Increasing violence disrupted Argentine and American business interests which only exasperated the country's economic issues. Both Peron and his widow/successor's attempts to crack down on the left only prompted further violence. Other non-Peronist leftist groups soon began attacking US interests including kidnapping an American businessman in 1974.<sup>14</sup> Increased attacks on Americans and American business interests caused the United States to begin to take a more active interest in Argentina and the Argentine government. A Department of State document on violence in Argentina from this time period stated that left-leaning political violence from the Montoneros and others was a direct threat to

---

<sup>11</sup> Goebel, *Argentina's Partisan Past*, 159.

<sup>12</sup> Central Intelligence Agency, *History of The Montoneros in Argentina from March 1970 to Early April 1977*, May 27, 1977, CIA Online Reading Room, 16, <https://www.cia.gov/library/readingroom/docs/HISTORY%20OF%20THE%20MONTONEROS%5B15515133%5D.pdf>.

<sup>13</sup> "The Leader Rejoins the Movement," *New York Times*, June 24, 1973.

<sup>14</sup> "U.S. Oilman Reported Freed by Argentine Guerrillas," *New York Times*, April 30, 1974.

American economic and political interests in Argentina.<sup>15</sup> Peron's death again pushed Argentina further into collapse as "Peronism without Peron" caused any remaining stability in Argentina to crumble. When Peron's widow, Isabel Peron, assumed the presidency in 1974—it became obvious that the existing Argentine government was ill-equipped to bring order to Argentina.<sup>16</sup> The perceived threats against American interests also continued to escalate as the FBI reported an attempt to kidnap Kissinger and other state officials during a planned, and unsurprisingly cancelled, trip to Argentina in 1975.<sup>17</sup>

At the same time, the United States began to document the Argentine government's clashes with more profoundly leftist groups such as the Ejército Revolucionario del Pueblo—usually referred to as the ERP or the People's Revolutionary Army in American documentation. Particularly, the US embassy and other agencies reported to the State Department on the ERP's attacks on foreign business interests in Argentina and suspected connections between the ERP

---

<sup>15</sup> "Political Violence in Argentina," 4.

<sup>16</sup> Ernesto Laclau, *On Populist Reason* (London: New York: Verso, 2005), 221-222.

<sup>17</sup> FBI, "Visit of Secretary of State Kissinger to Argentina," April 21, 1975, National Security Archive, 1. <https://nsarchive.gwu.edu/dc.html?doc=6020920-National-Security-Archive-Doc-01-FBI-memorandum>. Despite Kissinger's eventual support for the Proceso, he did not visit Argentina until coming to Buenos Aires for the World Cup in 1978. At that point, he was no longer Secretary of State. That fact makes his attendance all the more puzzling.

and the Montoneros.<sup>18</sup> While the United States was monitoring this political violence, it also became familiar with the military's strict policies toward perceived terrorists—as well as the right wing political violence of groups such as the AAA, the Argentine Anti-communist Alliance, which had strong connections to the Argentine government, police, and military.<sup>19</sup> This demonstrates that the United States had a strong understanding that the Argentine military would likely commit incredible human rights abuses if it gained power. The American Ambassador to Argentina, Robert Hill, communicated these sentiments directly to the State Department in August of 1975, when military intervention seemed probable but not definite:

“In event of military coup, which for the near future appears remote, we do not envision leadership being hostile to US. However, admiration for Chilean model coup widespread in army and we might, if Argentine military chooses this path, face problems in relations similar to those we face in Chile.”<sup>20</sup>

---

<sup>18</sup> Robert Hill to Secretary of State's Office, Telegram, August 20, 1975, Argentina Declassification Project, National Archives Online Collection, 1.

<https://www.archives.gov/files/argentina/data/docid-32455642.pdf>.

<sup>19</sup> Central Intelligence Agency, “Intelligence Information Cable: Continued Kidnappings by the People's Revolutionary Army,” July 28, 1975, Argentina Declassification Project, National Archives Online Collection, 1. <https://www.archives.gov/files/argentina/data/docid-32735775.pdf>.

<sup>20</sup> Robert C. Hill to Secretary of State Office: “The Future Role of the Armed Forces in Argentina,” telegram, August 1, 1975, Argentina Declassification Project, National Archives Online Collection, 3, <https://www.archives.gov/files/argentina/data/docid-32455646.pdf>.

Robert Hill is referring to the human rights situation in Chile that was already becoming a major international issue by the middle of the 1970s. Later in 1975, the United States would make their attendance at the 1976 OAS assembly in Santiago contingent on Pinochet's willingness to allow an independent investigation into Chile's human rights issues.<sup>21</sup> However, this situation still did not keep the United States from providing some initial support for the Proceso—even though it is natural to assume that they would be apprehensive towards the government. The American government chose to extend their support to the Videla government for a variety of reasons. Most notable of these being the Videla government's promise of bringing stability to Argentina, their staunch anti-Communist views, and eventually their incorporation of neoliberal economic policies.

### **America's Initial Relationship with the Proceso**

American intelligence was well aware of Argentina's issues and understood that Isabel Peron was unable to bring an end to the violence in Argentina.<sup>22</sup> However, there is not sufficient evidence to argue that the United States directly supported the military coup d'état in 1976. Instead, the coup d'état seemed to present an opportunity to the Americans. When discussing the

---

<sup>21</sup> "U.S. Prods Chile on Human Rights," *New York Times*, October 13, 1975. Interestingly enough, this meeting in Santiago would go on. It would then be the place where Kissinger met with the Argentine foreign minister and expressed American support for the junta. The 1976 OAS assembly was also the meeting where some historians argue Kissinger gave the Argentines one year to clean up their human rights record.

<sup>22</sup> CIA Directorate of Intelligence Office of Political Research, *Research Study: Whither Argentina: New Political System or More of the Same*, 1.

Videla government in March of 1976, Kissinger and others in the American government seemed cautiously optimistic. The United States understood that the new Argentine government was hoping for American financial assistance and support.<sup>23</sup> However, Kissinger and his associates also understood that supporting the military government would be controversial in the American media and elements of the public—as the United States also understood that silencing the political violence from the left could be extremely violent.<sup>24</sup> William D. Rogers, the Assistant Secretary of State for Inter-American Affairs, specifically mentioned that the Argentine government would have to “come down hard” on labor activists as well as leftist guerilla groups, such as the ERP and Montoneros.<sup>25</sup> Despite this, the United States decided to move forward with a series of investments and loans to show their support for the new government. The reservations definitely remained but the Videla government showed promise and appealed to the Americans’ goals in Latin America.<sup>26</sup>

There is a long history of American investment capital being used to spread American influence in Latin America. The main goal of this investment has been to spread both capitalism

---

<sup>23</sup> Transcript of Proceedings: The Secretary’s Staff Meeting- Friday, March 26, 1976, National Security Archive,19-20. <https://assets.documentcloud.org/documents/2773966/Document-02-Staff-Meeting-Transcripts-Secretary.pdf>.

<sup>24</sup> Transcript of Proceedings: The Secretary’s Staff Meeting- Friday, 3/26/76, 21.

<sup>25</sup> Transcript of Proceedings: The Secretary’s Staff Meeting- Friday, 3/26/76, 20-21.

<sup>26</sup> Transcript of Proceedings: The Secretary’s Staff Meeting- Friday, 3/26/76, 22. Note how they mention that Videla as someone that the United States worked with in the past and that Videla’s appointment would put the United States in a position to work with Argentina.

and a positive opinion of the United States. The Argentines were courting this capital, and the Videla government greatly needed American support to solidify its power. This is demonstrated in the junta's attempts at attracting American support by obtaining the services of an American public relations firm and American educated technocrats.<sup>27</sup> They then catered to American bankers and business interests with market liberalization. Meanwhile, they also expressed a deep support for the Cold War ideology of the United States on both the regional and local levels through their support for Operation Condor, a state-sponsored program of intimidation and terror aimed at subversives throughout South America, and their own Dirty War.<sup>28</sup> Through this courtship of American support, the Argentine military was essentially molding itself to be the American ideal of a "third world" authoritarian state.<sup>29</sup> When Osita Afoaku discusses the relationship between the United States and pro-American dictatorships, he mentions a shift during the post-Cold War era where dictatorships no longer could demonstrate their importance to Cold War strategy—so they began to implement free market, in other words neoliberal, economic reforms.<sup>30</sup> On a limited basis, the Proceso appears as a bridge between these two eras as its anti-communism and free market economics appealed to American interests almost equally. The American decision to use private banks, international financial institutions, and

---

<sup>27</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 164-165.

<sup>28</sup> Brennan and Ferreyra, *Argentina's Missing Bones*, 171-172.

<sup>29</sup> Osita Afoaku, "U.S. Foreign Policy and Authoritarian Regimes: Change and Continuity in International Clientelism," *Journal of Third World Studies* 17, no. 2 (Fall 2000): 27-28.

<sup>30</sup> Afoaku, "U.S. Foreign Policy and Authoritarian Regimes: Change and Continuity in International Clientelism," 18.

limited direct investment allowed the United States to develop both capitalism and American influence in Argentina, all while showing limited public support for the military junta. Still, the United States used some traditional “Cold-War” methods to provide support for the Proceso such as funding for infrastructure projects through the IDB.<sup>31</sup>

By the summer of 1976, the United States was more willing to, at least privately, express support of the Argentine government. In a meeting with the Argentine Foreign Minister César Augusto Guzzetti and a number of other Argentine officials, Kissinger emphasized his support for the Argentine military government by both expressing approval for the Argentine crusade against communism and stating his intention to attend the 1978 World Cup in Argentina.<sup>32</sup> At the same time, Kissinger acknowledged that supporting the Argentines would mean negative attention in the United States. Interestingly, the American delegation made mention of the unclear distinction between “political, criminal, and terrorist activities,” all while voicing their hopes for the

---

<sup>31</sup> Schmidli, *The Fate of Freedom Elsewhere*), 54-55; The first IDB loan to the Proceso was a \$87,000,000 loan for "New oil and gas and extractive industries in November of 1976. See: IADB Project Summary for AR0052, Inter-American Development Bank, November 12, 1976, <https://www.iadb.org/en/project/AR0052>.

<sup>32</sup> Memorandum of Conversation between United States Delegation (Kissinger et al) and Argentine Delegation (Guzzetti et al), June 6, 1976, National Security Archive, 1. <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB133/19760610%20Memorandum%20of%20Conversation%20clean.pdf>.

success of the Argentine dictatorship's attempt to establish authority.<sup>33</sup> A memo of the meeting, quotes Kissinger as saying:

“(W)e want you to succeed. We do not want to harass you. I will do what I can. Of course, you understand, that means I will be harassed. But I have discovered that after the personal abuse reaches a certain level, you become invulnerable.”<sup>34</sup>

As stated earlier, the American rationale for supporting the Argentine military government was simple: The Argentine military government was the most likely to bring stability to Argentina while also serving as an anti-Communist, extremely pro-capitalist ally to the United States.

Kissinger stated this directly by telling the Argentines that the United States would do “what it can” to assist economically and that a stable Argentina has always been the American goal.<sup>35</sup>

However, this meeting occurred in Pinochet's Chile—and Kissinger and his entourage made a point of mentioning how Chile had become isolated by not handling its human rights issues quickly.<sup>36</sup> This additional mention of Pinochet and the Chilean dictatorship again compounds the existing American anxiety about backlash in the American media—yet, it also demonstrated their sympathy towards the military government's war against communism. Although it likely did not occur at this meeting—Kissinger signaled that the military government needed to clean up its political violence problem within a year. This sentiment, however genuine it may have been, resonated with the Argentine dictatorship as they would express it to later American

---

<sup>33</sup> Memorandum of Conversation, June 6, 1976, 3.

<sup>34</sup> Memorandum of Conversation, June 6, 1976, 10.

<sup>35</sup> Memorandum of Conversation, June 6, 1976, 7-8.

<sup>36</sup> Memorandum of Conversation, June 6, 1976, 9.

diplomats including Patricia Derian.<sup>37</sup> While subverting left wing political violence was the main discussion at this meeting, Kissinger and his entourage also discussed their willingness to lend economic support to the Argentines, particularly noting the importance of growing the free market in Argentina.<sup>38</sup>

The American support could then be justified further by a visible majority of the Argentine upper class and economic leadership supporting the Proceso. Days after the coup d'état, *The New York Times* published article about a party held by members of the Argentine upper class the weekend after the Proceso took power. The article describes a jubilant and celebratory attitude amongst the apartment full of “young estancieros.” It even features a quote from a wealthy agriculture contractor waxing: “All my friends are saying the same thing. We really want to see this government succeed. If these military fellows are as serious as they look, we’ll get serious also.”<sup>39</sup> In *Consent of the Damned: Ordinary Argentines in the Dirty War*, David Sheinin argues that the media turned right after the Proceso rose to power. With the media’s support, complacency towards the regime emanated throughout much of Argentina’s middle class as many welcomed the promises of stability and modernity.<sup>40</sup> It was more difficult

---

<sup>37</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, December 12, 1996, <https://adst.org/wp-content/uploads/2013/12/Derian-Patricia.19961.pdf>, 41.

<sup>38</sup> Memorandum of Conversation, June 6, 1976, 10.

<sup>39</sup> “At an Argentine Party After the Coup,” *New York Times*, March 28, 1976.

<sup>40</sup> David Sheinin, *Consent of the Damned: Ordinary Argentines in the Dirty War* (Gainesville: University Press of Florida, 2012), 14.

for the Proceso to garner support amongst the working class who saw the power of organized labor diminished almost immediately after the Proceso came to power. Videla responded by asking for the working class's cooperation and sacrifice in one of his first addresses to the nation.<sup>41</sup> Just as the Proceso's economic doctrine appealed to the United States, it appealed to the Argentine upper classes as neoliberalism promised returns to the highest earners. The decision to appoint Jose Martínez de Hoz at the head of the economy was another reminder of where the Proceso's goals and loyalties lay. Martínez de Hoz was a well-known member of the Argentine aristocracy that was deeply influenced by the anti-Keynesian and neoliberal thought of Friedrich von Hayek and others. Martínez de Hoz then implemented neoliberal economic policies that benefitted the upper classes and opened the door for further American investment. His policies were not just neoliberal but a sharp right turn to the Peronist economic policies.<sup>42</sup>

### **Definition of Neoliberalism**

Neoliberalism has become a loaded term with many possible interpretations referring to both political and economic policies as well as the intersection between the two. The most fundamental definition of neoliberalism in regard to Argentina, and partially to Latin America at large, is a series of market-oriented economic policies that prioritize deregulation, market liberalization, and the abandonment of protectionism and the welfare state. Neoliberalism is then a return to the laissez-faire economic policies of the late 19<sup>th</sup> and early 20<sup>th</sup> century world and a sharp rejection of both Keynesian economics and protectionism. However, it is also something

---

<sup>41</sup> "Videla Reassures Argentines on Human Rights," *New York Times*, April 1, 1976.

<sup>42</sup> Nelson, *The Currency of Confidence*, 91.

uniquely modern with its support for, and to an extent its dependence on, the globalized economy.

David Harvey, one of Neoliberalism's sharpest critics, describes the neoliberal state as a guarantor and protector of markets and private property. The ideal neoliberal state serves only to facilitate and support the markets and its interventions are only to ensure the freedom of said markets.<sup>43</sup> Harvey also sees neoliberalism as a political economy that works to ensure basic human rights through the free market. Harvey states:

“Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.”<sup>44</sup>

The neoliberal political economy was perhaps first implemented in Latin America with Pinochet in Chile appointing a group of American educated technocrats to his economic policy team. The connections between Chilean neoliberalism and American foreign policy are twofold. First, Pinochet came to power in an American-backed coup d'état against Salvador Allende. Without Pinochet in power, Chile under Allende would not have neoliberalized as rapidly if at all. Second, the Chilean economic team was mostly educated at American institutions such as the

---

<sup>43</sup> David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), 2.

<sup>44</sup> Harvey, 2.

University of Chicago, often under the direction of Milton Friedman, long been heralded as the American father of neoliberalism.<sup>45</sup>

It is worth then discussing Friedman's economic policy in some detail. Along with supporting the neoliberal state as discussed by Harvey, Friedman proposed the abandonment of tariffs and other protectionist economic policies. Instead, he proposed the free flow of foreign products and capital to lower prices and increase foreign investment.<sup>46</sup> Just as he preached international freedom, Friedman supported domestic freedom of the markets. However, he acknowledged the imperfection of humanity and the need for a limited government to act as an "umpire."<sup>47</sup> In his seminal work, *Capitalism and Freedom*, Friedman also discussed the relationship between capitalism and authoritarianism. This discussion is pertinent as neoliberalism in Argentina was enacted first by a military dictatorship. Friedman argued that an authoritarian government that introduces a capitalist economy gives its people more freedom than a communist or socialist authoritarian state.<sup>48</sup> That is not to say that Friedman advocated for anything except for democracy. Friedman saw himself as an advocate for freedom against complete totalitarianism and his ideology as that of absolute freedom. Friedman saw freedom as the most fundamental principle of any moral society. He simply defined freedom through the lens of capitalism. Friedman was also deeply influenced by the Cold War ideology of his time

---

<sup>45</sup> Harvey, 7-9; Jürgen Westphalen, "Friedman versus Keynes in Latin America," *Intereconomics* 17, no. 4 (July 1982): 186-187.

<sup>46</sup> Westphalen, "Friedman versus Keynes in Latin America," 187.

<sup>47</sup> Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 2002), 11.

<sup>48</sup> Friedman, 10.

which led him to see communism as the ultimate evil.<sup>49</sup> Although he never addressed Argentine neoliberalization, Friedman supported the economic policies of the Pinochet regime and even argued that neoliberal economic policies helped to undermine Pinochet.<sup>50</sup>

Friedman and other neoliberal architects did not address human rights directly. Instead, they argued for the power of consumer choice and markets to force social change. Still Friedman developed an argument against the idea of “social responsibility.” In short, Friedman dismissed the responsibility of businesses or businessmen to act out of concern for charity or human rights. Instead, Friedman stated that their only responsibility was to deliver profits to their shareholders.<sup>51</sup> Rather, the ideal neoliberal society moves past the need for public spending for good—because the free market allows people to direct their own money towards personal and communal gains. As Friedman states: “In a free society, it is hard for “evil” people to do “evil,” especially since one man's good is another's evil.”<sup>52</sup> It then can be rationalized that doing business with harsh dictatorships such as the Proceso works to deliver a freer society. Thus, neoliberalization could theoretically become a pathway to democratization. This is complimented by the Proceso’s own public persona as the stabilizing force in Argentina that

---

<sup>49</sup> Friedman, 20.

<sup>50</sup> “Milton Friedman,” *Commanding Heights: The Battle for the World’s Economy*, October 1, 2000, [https://www.pbs.org/wgbh/commandingheights/shared/minitext/int\\_miltonfriedman.html](https://www.pbs.org/wgbh/commandingheights/shared/minitext/int_miltonfriedman.html).

<sup>51</sup> Milton Friedman, “The Social Responsibility of Business Is to Increase Its Profits,” *The New York Times Magazine*, September 13, 1970, 1-2.

<sup>52</sup> Friedman, 4.

would modernize the nation before preparing it for re-democratization.<sup>53</sup> Neoliberal economics then became a part of this mission, and it delivered the Proceso's most visible successes that convinced the United States and organizations such as the IMF of its potential.

### **The Implementation of Neoliberal policies**

Shortly before Kissinger and his entourage's meeting with the Argentines in the summer of 1976, the first group of International Monetary Fund advisors arrived in Buenos Aires. These advisors had stated the Videla government was embracing a western economic ideology rooted in the principles of neoliberalism.<sup>54</sup> The IMF, just like the United States, adopted an opportunistic view of Argentina as a result of the 1976 coup. The lender saw the military government as more willing to implement austerity measures and free market-oriented policies than the Peronist government was or would have been. The IMF saw these measures as necessary in order to combat the economic issues within Argentina.<sup>55</sup> Videla had shown a keen interest in garnering foreign investment since taking power; he even addressed his desire for their support in his inaugural address.<sup>56</sup> It is not a coincidence that these policies run parallel to the principles of neoliberalism which were gaining popularity in American economic institutions during the same period— because, the military government appealed directly to both the IMF and the United States by appointing American educated economists to high positions within the Argentine

---

<sup>53</sup> Sheinin, *Consent of the Damned*, 15.

<sup>54</sup> Nelson, *The Currency of Confidence*, 89-91.

<sup>55</sup> Nelson, 94-95.

<sup>56</sup> "Videla Reassures Argentines on Human Rights," *New York Times*, April 1, 1976.

government.<sup>57</sup> This would be one of the radical changes described by the IMF as it was something that no Argentine government had done before. This neoliberal ideology had been shaped as a part of a broader process of American economic imperialism as well since the United States had been issuing scholarships to Latin American economists as a way to spread pro-capitalist sentiment in the region for decades. The most notable product of these scholarships was the Chicago Boys that oversaw the neoliberalization of Chile—many of whom had been educated at the University of Chicago.<sup>58</sup> Adolfo Díz, who was appointed as the head of the Argentine national bank by the Videla government, was also a product of this outlook and shared an alma mater with the Chicago Boys. Díz was a student of Milton Friedman and Arnold Harberger, two of the godfathers of neoliberalism.<sup>59</sup> Their emphasis on the deregulation of labor and finance influenced the new free market-oriented economy implemented by the military government.<sup>60</sup> Díz and other Chicago School economists further ingratiated the principles of neoliberalism into Argentina through the creation of the CEMA, the Centro de Estudios Macroeconómicos de Argentina. This school in Argentina both introduced a new MBA program based on the principles of the Chicago School and raised funds for more scholarships for Argentines to attend the University of Chicago.<sup>61</sup> The creation of CEMA helped to ensure that

---

<sup>57</sup> Glen Biglaiser, “The Internationalization of Chicago’s Economics in Latin America,” *Economic Development and Cultural Change* 50, no. 2 (2002): 277-279.

<sup>58</sup> Biglaiser, 272-273.

<sup>59</sup> Biglaiser, 277.

<sup>60</sup> Nelson, *The Currency of Confidence*, 94-96.

<sup>61</sup> Biglaiser, 279.

the neoliberal principles of the Chicago School remained a central part of Argentine economic planning for the next few decades.

Again, the economic policy of the Argentine military government appealed both to the American government and financial sector, who saw the government as willing to transform the Argentine economy into a more capitalist system. Laurence W. Levine, an American lawyer and investor who had been conducting business with the Argentine government since the 1950s, described the junta's economic goals as welcome and necessary.<sup>62</sup> He listed the goals of the Argentine government as increasing foreign investment, putting an end to state-owned industries, and lowering tariffs. These economic goals set the foundation for the neoliberalization of Argentina that, along with the Dirty War, became a defining trend of the junta's reign. Levine also describes how Robert Hill, the US Ambassador to Argentina until 1977, initially praised the work of economics minister José Martínez de Hoz. An economist and banker given unprecedented control of the Argentine economy by the Videla government, Martínez de Hoz was the technocrat tasked with restructuring Argentina's economy in a role similar to that which the Chicago Boys occupied in Chile.<sup>63</sup> He saw the United States as a key partner in Argentina's economic transformation as was evidenced by his decision to retain the services of an expensive American public relations firm.<sup>64</sup> Martínez de Hoz, an international power broker, also had contacts within American financial institutions that helped him to gain influence with the United

---

<sup>62</sup> Laurence Levine and Katherine Quinn, *Inside Argentina from Perón to Menem 1950-2000 From an American Point of View* (California: Edwin House, 2001), 147.

<sup>63</sup> Levine and Quinn, 148.

<sup>64</sup> Levine and Quinn, 149.

States. Most notably, he had a close relationship with David Rockefeller of the Chase-Manhattan Bank. Rockefeller was so impressed with the economic programs of Martínez de Hoz that he stated: “The economic reins of Argentina are undoubtedly in the most rigorous, knowledgeable and responsible hands that the country has had in many years.”<sup>65</sup> The decision to appoint Martínez de Hoz, Adolfo Díz, and others showed that the Videla government was profoundly different than the previous Argentine government. These decisions helped to restore confidence in the Argentine government and economy which led to larger, more long-term loans. For much of the 1960s and early 1970s, American lending in Argentina had been sparse short-term loans from private institutions due to the lack of confidence in the Argentine economy.<sup>66</sup> Still, Levine recalled that both he and Robert Hill maintained intense reservations about the new government’s attitudes toward organized labor and traditional Peronists.<sup>67</sup> Levine described their shared anxiety that the government would alienate large sectors of the Argentine population. Hill’s reservations are not surprising as he became an ally of the initial efforts of Patricia Derian later on. Although, he also continued to benefit from neoliberal policies of the junta by serving as

---

<sup>65</sup> David Rockefeller, Interview by Felipe Pigna, “Lo Que Pienso de Martínez de Hoz,” *Gente Magazine/ El Historiador*, April 6, 1978, <https://www.elhistoriador.com.ar/lo-que-pienso-de-martinez-de-hoz/>.

<sup>66</sup> Robert Ogden, Interview by Charles Stuart Kennedy, June 16, 1999, Association for Diplomatic Studies and Training, *Argentina Country Reader*, 252-253. url?

<sup>67</sup> Levine and Quinn, *Inside Argentina from Perón to Menem 1950-2000 From an American Point of View*, 148.

a chair on one of the banks that emerged after the neoliberalization of the Argentine financial sector.

In *A Brief History of Neoliberalism*, Harvey asks the rhetorical question of: “How was neoliberalization accomplished, and by whom?” He answers that: “The answer in countries such as Chile and Argentina in the 1970s was as simple as it was swift, brutal, and sure: a military coup backed by the traditional upper classes (as well as by the US government), followed by the fierce repression of all solidarities created within the labour and urban social movements which had so threatened their power.”<sup>68</sup> Neither the American government nor the IMF could divorce Argentine neoliberalization from the Dirty War as the government used both actual violence and the threat of violence to break up unions and implement austerity measures. American officials routinely referred to the government’s control of wages and “curtailing” of organized labor.<sup>69</sup> At the same time, Argentine intellectuals behind the domestic push for neoliberalism similarly understood the Dirty War as being necessary to bring about stability and defeat Marxism.<sup>70</sup> The United States encouraged neoliberalization and thus encouraged the junta’s Dirty War during the Ford administration. When US officials praised the implementation of neoliberal policies, they did so with the understanding that it was only made possible through the Dirty War.

---

<sup>68</sup> Harvey, *A Brief History of Neoliberalism*, 39.

<sup>69</sup> Central Intelligence Agency, *Current Intelligence Weekly Summary: June 30, 1978*, CIA Online Reading Room, 13.

<https://www.cia.gov/library/readingroom/docs/CURRENT%20INTELLIGENCE%20WEEK%5B15499930%5D.pdf>.

<sup>70</sup> Heredia, “Economic Ideas and Power during the Dictatorship,” 58.

The economic program enacted by Martínez de Hoz, Díz, and others showed initial promise to both the United States government and western financial institutions such as the IMF. A State Department intelligence report from September 1976 states that:

“(I)n the six months since the March 24 coup, Argentina’s military junta has achieved significant successes in reviving the economy and curbing political violence. Attendant human rights abuses, however, have sparked sharp domestic and foreign criticism.”<sup>71</sup>

This report goes on to praise the Videla government’s steps towards curbing inflation and stimulating agricultural exports. Similarly, the report states that loans from American banks and the IMF allowed Argentina to avoid a serious economic collapse over its existing debt. While there was praise for this move at the time, the new loans saw Argentina’s debt reach over \$8 billion. This was compounded by the over \$1 billion added since the coup in March.<sup>72</sup> Historian David Sheinen states over \$500 million of these loans came from American banks and financial institutions.<sup>73</sup> This essentially proves that the American plan of using private funds and international institutions to mediate their direct support of the military government worked. However, there was still substantial direct aid both economically and militarily—this aid would eventually be the basis of American pressure on human rights issues during the Carter Administration. The American praise all centered upon Martínez de Hoz and his economic

---

<sup>71</sup> J. Buchanan, “Argentina: Six Months of Military Government in Argentina,” *Department of State: Bureau of Intelligence and Research*, September 30, 1976, National Security Archive, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB104/Doc3%20760930.pdf>.

<sup>72</sup> “Argentina Is Making Economic Comeback,” *New York Times*, October 3, 1976.

<sup>73</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 163-164.

program which the report stated had turned the Argentina economy around. The report, again, describes the stark contrast between Martínez de Hoz's economic policies and the traditional Peronist economic policies.<sup>74</sup> Still, the American report did not hold an entirely positive view of the prospects for the Argentine economy despite its burgeoning neoliberalization. The Americans noted that Argentina needed to further shrink its state bureaucracy and cut back public programs further if it wished to succeed—and despite the massive cash influx from foreign lending and investment, the report still argued that the prospects for private foreign investment would remain minimal as long as political violence continued. Similarly, the report also stated that Argentina needed to privatize its state oil holdings to allow for full foreign participation.<sup>75</sup> Despite these issues, the United States benefitted greatly from the economic transformation as Argentine exports to the United States reached \$382.6 million in 1977.<sup>76</sup>

### **The Emergence of Human Rights Conflicts**

When Jorge Rafael Videla came to power in 1976, he made a point of assuring the people of Argentina and the international community that the Proceso was concerned with human rights. Videla was quoted in *The New York Times* as stating: “For us, respect for human rights is based not on legal mandates or international declarations but is a result of our profound Christian convictions on the pre-eminent dignity of man as a fundamental value.”<sup>77</sup> The same article mentions Videla's desire to avoid facing the same international backlash that Chile was facing.

---

<sup>74</sup> J. Buchanan, “Argentina: Six Months of Military Government in Argentina”, 3-4.

<sup>75</sup> Buchanan, 4-5.

<sup>76</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 164.

<sup>77</sup> “Videla Reassures Argentines on Human Rights.”

Still, the article mentions the arrest of several key union leaders and political opponents of the Proceso. *The New York Times* reported these arrests while still stating that “bloodshed is absent.”<sup>78</sup> Despite these assurances, there was significant bloodshed in the Dirty War as early as 1976. The State Department then actively began to dismiss human rights concerns and prioritized a positive relationship with the Proceso despite the severity of violence associated with the Dirty War.

The September 1976 report on the Proceso’s first six months describes the Videla government as making major advancements in their fight against left-wing guerillas; yet the same report identified human rights as an emerging major issue in Argentine-American relations.<sup>79</sup> This contradiction represents the impossible situation into which the United States had essentially placed itself. The Americans wanted stability and neoliberalization. However, the Videla government believed neither could be achieved without the subjugation of the left-wing guerilla groups and their sympathizers. Furthermore, the report argued that cutting off American aid may only serve to alienate the Argentine government as direct aid was not essential to the Argentine government; thus, a direct aid shut off would not necessarily force the Argentines to fix their human rights issues. However, the belief was that an aid cutoff for human rights violations could potentially begin an important domino effect and put pressure on private banks.<sup>80</sup> The American concerns were centered around the Argentine government’s complicity with right wing guerillas such as the AAA and others. These groups were gaining negative

---

<sup>78</sup> “Videla Reassures Argentines on Human Rights.”

<sup>79</sup> Buchanan, “Argentina: Six Months of Military Government in Argentina,” 1.

<sup>80</sup> Buchanan, 8-9.

attention in the United States, Argentina, and abroad for their use of Nazi imagery and their attacks on Jewish religious sites. However, Videla had publicly made a display against these groups by shutting down the largest Nazi newspaper in Argentina in September 1976.<sup>81</sup> The report refutes the belief that Videla could be acting as a sort of moral figurehead distanced from the violence with the hope that he could eventually step forward against it. Instead, the report acknowledges Videla's complicity in the right-wing political violence and argues that he seems uninterested in responding to it.<sup>82</sup> The decision to not more strongly condemn anti-Semitic violence was already becoming a strain on Argentina's international reputation by September of 1976. In the summer of 1976, the Videla government faced diplomatic strains with the Israelis over the arrest of several Jewish missionaries. The Pope had also spoke against the Dirty War after the killings of several members of the Catholic clergy who had ties to leftist guerilla groups. Meanwhile, the Argentine military were already also beginning to face international backlash for the Dirty War from European nations such as West Germany.<sup>83</sup> Still, American intervention on human rights never occurred, and the Videla government felt itself to be on good terms with the United States until Carter came into office the next year.

There were American officials interested in Argentine human rights issues as Congress had requested a human rights report in 1975 even before the military government took power.<sup>84</sup>

---

<sup>81</sup> Buchanan, 5-6.

<sup>82</sup> Buchanan, 6-8.

<sup>83</sup> "Argentina Scored on Antileft Drive," *New York Times*, August 1, 1976.

<sup>84</sup> Barbara Keys, "Congress, Kissinger, and the Origins of Human Rights Diplomacy,"

*Diplomatic History* 34, no. 5 (2010): 825.

However, Kissinger consistently side-stepped human rights concerns and kept the United States and Argentina friendly. In Kissinger's ultra-realist view of foreign policy, human rights were essentially a talking point for the United States to save face on the world stage. He would openly call for the United States to be an ambassador for human rights within organizations such as the OAS—before telling Chile, and Argentina, that they needed to do what they had to maintain control of their nations.<sup>85</sup> Kissinger's view of foreign policy stood in contrast to an emerging human rights-based foreign policy within Congress. Lars Schoultz, a political scientist who wrote on American foreign policy in Latin America, stated that: "(T)he liberal Ninety-fourth Congress demonstrated a greater concern for the international protection of human rights than any other in United States history, and as a result 1975 and 1976 were the salad years for the human rights movement in Washington."<sup>86</sup> Kissinger still resisted this initiative as much as he could in regard to Argentina. Patricia Derian later described Kissinger's approach on human rights was waiting for an incident and then publicly scolding the offending nation and moving on.<sup>87</sup> This left individual actors such as Ambassador Hill and James Wilson, Ford's human rights

---

<sup>85</sup> Keys, 827-828; Memorandum of Conversation, June 6, 1976, 9. It is interesting, because Keys mentions the June 1976 OAS meeting in Santiago—which I believe was the meeting that saw Kissinger first meet members of the Argentine government. This was also the meeting where they discussed the dirty war.

<sup>86</sup> LSchoultz, *Human Rights and United States Policy toward Latin America*, 253.; Keys, "Congress, Kissinger, and the Origins of Human Rights Diplomacy," 830.

<sup>87</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, 81.

undersecretary, almost powerless on human rights issues.<sup>88</sup> Wilson's position at the head of the Bureau on Human Rights and Humanitarian Affairs was essentially created by Kissinger in an attempt to deter congressional action and to have full control over human rights policy.

Unsurprisingly, Wilson almost always met resistance when it came to taking action on human rights issues.<sup>89</sup> Eventually, the Bureau of Human Rights and Humanitarian Affairs would become one of the leaders of the human rights initiative in Argentina under Jimmy Carter.

The twilight of the Ford administration saw a further entrenchment of American interests within Argentina. This was most noticeably highlighted by the Argentine foreign minister César Augusto Guzzetti's visit to the United States in October of 1976, when, Guzzetti met with both Henry Kissinger and President Gerald Ford. The two meetings both breached the topic of the Dirty War but did not make human rights a priority. Instead, Kissinger again expressed his understanding of the Argentine situation and his support for the Videla government to finish its Dirty War—and to finish it *quickly*. Gerald Ford, on the other hand, had a more complicated opinion of the political violence in Argentina. David Sheinen argues that Ford's staff misrepresented the political violence in Argentina within the briefings they presented to Ford. Instead of being honest about Argentine compliance or collaboration, Ford was instead told that organizations such as the AAA were acting independently of the Argentine government. Furthermore, the briefing presented to Ford blamed leftist guerillas, presumably the Montoneros,

---

<sup>88</sup> Keys, "Congress, Kissinger, and the Origins of Human Rights Diplomacy," 813; Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, 82.

<sup>89</sup> Keys, "Congress, Kissinger, and the Origins of Human Rights Diplomacy," 813-814.

the ERP, and other groups, for the majority of the political violence in Argentina. This perspective then influenced Ford to not fully breach the issue of the Dirty War and instead to focus upon the economic success Argentina experienced under the military government.<sup>90</sup>

It is no surprise then that Guzzetti returned to Argentina feeling his trip to the United States was a major success. Guzzetti's mood came as a surprise to the American embassy in Buenos Aires. Robert Hill's described Guzzetti's attitude as:

Guzzetti's remarks both to me and to the Argentine press since his return are not those of a man who has been impressed with the gravity of the human rights problem as seen from the US. Both personally and in press accounts of his trip, Guzzetti's reaction indicates little reason for concern over the human rights issue.<sup>91</sup>

Hill, again to his credit, was one of the few within the State Department who felt confrontation on the human rights issue was necessary. He stated that he felt Guzzetti should have received a stronger condemnation for Argentina's human rights issues. Instead, Hill believed that Guzzetti and the Videla government received something less than a slap on the wrist from the State Department. For example, Hill described Guzzetti receiving a warning to avoid violence against Jewish people and international organizations including the Catholic Church.<sup>92</sup> Furthermore, Hill described Guzzetti as having received support from both Kissinger and Vice President

---

<sup>90</sup> Sheinin, *Argentina and the United States*, 162-164.

<sup>91</sup> The Embassy in Argentina to the Department of State, Telegram, October 19, 1976, *Foreign Relations of The United States, 1969–1976*, Volume E–11, Part 2, Documents On South America 1973–1976 (Washington, DC: Government Printing Office, 2015), 9.

<sup>92</sup> The Embassy in Argentina to the Department of State, 2.

Rockefeller—who encouraged him to defeat the leftist guerillas quickly, so that the United States could continue to support Argentina.<sup>93</sup> The sentiment behind ending the Dirty War was not only to curb human rights abuses in Argentina but also to defeat the leftist insurgents in Argentina. At the same time, pressure was beginning to come from Congress and the UN but nothing that was not offset by the support of high-ranking state department officials.<sup>94</sup>

Robert Hill was the most adamant critic of the Proceso's human rights record, but his views were immensely complex; and his voice was largely ignored by those at the top of the State Department. Robert Hill must have realized at this point that there was a schism between his own concerns and the concerns of other sections of the American government. William Schmidli describes Hill's resentment for Kissinger's dismissal of Argentine human rights abuses in great detail. In particular, he described Hill's anger with Kissinger's comment that he had not paid attention to what was happening in Argentina in 10 years. Still, Hill represents the paradox that ultimately doomed human rights intervention in Argentina: his hope for positive human rights improvements in Argentina was second to his desire to maintain positive relations with the anti-communist Proceso.<sup>95</sup> Schmidli discusses Hill's conviction that human rights needed to be a private matter of discussion between the United States and its allies. Still, Hill pushed for American AID to be withheld to force improvements in human rights. The most notable example was Hill's insistence that Kissinger cancel IDB loans until the Proceso agreed to investigations

---

<sup>93</sup>The Embassy in Argentina to the Department of State, 3-4.

<sup>94</sup> The Embassy in Argentina to the Department of State, 5-6.

<sup>95</sup> Schmidli, *The Fate of Freedom Elsewhere*, 54.

into its human rights record. A request that was unsurprisingly ignored by the secretary of State.<sup>96</sup>

### **Conclusion**

In March of 1977, a travel reporter for *The New York Times* wrote an article discussing the safety and appeal of Argentina for American tourists. The article, published about three weeks shy of the Proceso's one year anniversary, argued that the violence in Argentina was political and unlikely to impact a tourist. It was even portrayed as a sort of exotic quirk rather than a serious issue. The description of a bomb delaying his airplane was treated as a cavalier inconvenience. The violence from both leftwing guerillas and the government was acknowledged but not prioritized. Instead, the writer highlighted the beauty and charm of the Plaza de Mayo and the rowdiness of the soccer culture.<sup>97</sup> This kind of indifference within travel reporting was not a major issue. However, the United States government's willingness to adopt the same perspective was. Just as the journalist prioritizes the charm and beauty of Buenos Aires over violence, large portions of the American government prioritized economic success and neoliberalization over the human rights abuses of the Dirty War. The atrocities that the military government and its allies were committing were domestic issues and not pertinent to the Argentine-American relationship.

---

<sup>96</sup> Schmidli, 55.

<sup>97</sup> "Buenos Aires: Is It Safe?," *New York Times*, March 6, 1977. The focus on the Plaza de Mayo in this article is interesting as it becomes a backdrop for Argentine activism against the Dirty War with the Mothers of the Plaza de Mayo during the later 1970s.

## **Chapter 2: Jimmy Carter's Crisis of Confrontation**

It is difficult to apply a metaphor to the human rights crusade that many within the Carter administration, including Jimmy Carter himself at least publicly, supported. It was an uphill battle against a deeply entrenched precedent that human rights were not compatible with American economic and strategic interests in Argentina. However, all progress made by human rights crusaders such as Patricia Derian and F.A. "Tex" Harris was met with another mound of dirt being added to the hill by those within the administration, including those in much more influential positions, that felt the initiative was idealistic. The lasting human rights victories were then not systematic changes but ground level actions such as the opening of the American embassy to the families of the disappeared. Here, the United States sent a lifeline to the working class of Argentina who suffered most from the Dirty War and benefitted the least from neoliberalization. Nevertheless, these successes were juxtaposed by the eventual victory of those against the initiative and renewed embrace of the Proceso Carter administration in its final year.

### **The Human Rights Hill**

The election of Jimmy Carter in 1976 would be a major turning point in Argentine-American relations as the Carter administration began to implement human rights based foreign policy initiatives; the last months of the Ford administration were characterized by increasing violence, further American-Argentine cooperation, and international confrontation. Weeks after Ford lost the election, the Argentine government massacred 10 guerillas in a forest outside of La Plata.<sup>1</sup> This massacre did little to deter the guerillas in the region as they almost overthrew the local government and took over a police station just days later. It was not a coincidence that

---

<sup>1</sup> "Argentine Guerrillas Lose 10 in Raid," *New York Times*, November 17, 1976.

November ended up being one of the bloodier months of 1976. An American report from halfway through the month warned that more than 70 suspected insurgents had been killed in La Plata alone.<sup>2</sup> The acceleration of violence on both sides demonstrates that there was no end to the Dirty War in sight despite the best efforts of the Videla government. November 1976 also saw Argentina face another major international confrontation on its human rights record with the visit of an Amnesty International coalition which included an American congressman.

The Amnesty International coalition described the Videla government's cooperation as less than enthusiastic. The Argentine government made the coalition travel with a large police escort, members of which routinely interrogated those interviewed by the coalition. Therefore, the report states that its interviews and investigation were not fully transparent due to widespread government influence.<sup>3</sup> Nevertheless, the report does not portray the human rights situation in Argentina in a positive light. The investigation found that there were between 5,000 and 6,000 political prisoners in Argentina, and that the vast majority were being held without trial or official prosecution.<sup>4</sup> This number is minimal compared to the number of disappearances which

---

<sup>2</sup> US Embassy in Buenos Aires to Secretary of State, Telegram, November 1976, Argentina Declassification Project, National Archives Online Collection, <https://www.archives.gov/files/argentina/data/docid-32734409.pdf>.

<sup>3</sup> Amnesty International, *Report of an Amnesty International Mission to Argentina: November, 1976*, (London: Amnesty International Publications, 1977), 5-7. <https://www.amnesty.org/download/Documents/204000/amr130831977eng.pdf>.

<sup>4</sup> Amnesty International, *Report of an Amnesty International Mission to Argentina: November, 1976*, 6-15

the report stated could be conservatively estimated to be at 15,000. The government, of course, denied these numbers but provided three explanations for the disappearances: the disappeared person had gone underground to join either ERP or Montoneros, the disappeared person had emigrated, or the disappeared person died in combat with the military or police. However, Amnesty International had deep reservations about this explanation as there were numerous witnesses to the various abductions and kidnappings perpetrated by the government.<sup>5</sup> The report then challenged the Argentine government's claim of only 1,354 deaths resulting from political violence in 1976. Amnesty International particularly challenged the Argentine government's claim that the majority of deaths resulted from violent combat with the police or military. Instead, it pointed to numerous massacres and group executions of political prisoners. For example, the report discussed the exhumation of a mass grave that contained 34 corpses—many of which had their hands tied behind their backs, had burn marks, or other signs that they were victims of torture or execution.<sup>6</sup> The report listed various other human rights abuses including the brutal torture methods utilized in the Dirty War or the Videla government's treatment of political refugees and other deposed peoples. It then concluded by discussing the future prospects for human rights in Argentina, a future that did not seem bright if the Argentine government remained unchecked. The report explicitly stated that:

---

<sup>5</sup> Amnesty International, *Report of an Amnesty International Mission to Argentina: November 1976*, 27.

<sup>6</sup> Amnesty International, *Report of an Amnesty International Mission to Argentina: November 1976*, 33-35.

“The neglect of human rights in Argentina is all the more alarming in that it has no foreseeable end. According to provisions in the Constitution, the State of Siege may be declared only for a specified period 'of time; but no limit has ever been fixed by the present or the previous government. The citizens of Argentina therefore face an indefinite period without constitutional guarantees; prisoners in preventive detention face indefinite incarceration. There is no limit to the duration of the military government, no limit to the period a prisoner may be held incommunicado and no limit to the time that may elapse before he is brought to trial.”<sup>7</sup>

The first line of this statement contradicted the long held American idea that the Dirty War would eventually be won and the political violence would end as a result. It reflected the reality that without the Argentine military backtracking their efforts, the Dirty War could be indefinite.

A State Department report in late 1976 described human rights abuses in Argentina as a significant yet less serious issue than the Amnesty International report had—but also applied a realist foreign policy perspective to the problem and stated that military and financial aid should be continued. *The New York Times* quoted a State Department spokesperson as saying that continued cooperation would demonstrate “our desire to cooperate militarily with a country which has 1,000 miles of coastline on the South Atlantic.” Furthermore, they stated that continued support would serve as a means of maintaining a dialogue with the military government to presumably curb human rights abuses over time.<sup>8</sup> Again, the idea at the time was

---

<sup>7</sup> Amnesty International, *Report of an Amnesty International Mission to Argentina: November 1976*, 49.

<sup>8</sup> “US Says 6 Nations Curb Human Rights,” *New York Times*, January 1, 1977.

also that military aid to Argentina was not significant enough to make an impact on human rights issues.<sup>9</sup> Ultimately, this would prove to be untrue as military aid had increased significantly since the Proceso came to power to an amount that would make a definite impact. When the proverbial hammer finally fell in 1978, Argentina was expecting about \$100 million worth of American military aid—and deals under the Ford administration had given them similar amounts.<sup>10</sup>

Even if military aid was not viewed as significant enough to influence real change, there was an increasing economic relationship between Argentina and the United States that was never affected by human rights concerns. This was because the economic relationship remained prosperous and advantageous to the United States—so much so that eventual action on human rights was designed to preserve American economic influence and it did. Between 1977 and 1980, Argentine exports to the United States almost doubled from \$382.6 million to \$696 million; while imports experienced similar growth going from \$771.7 million to \$2.37 billion in the same time frame.<sup>11</sup> This growth in trade was beneficial to the United States and was compounded by a massive increase in Argentine debts to American and European financial institutions. Between 1975 and 1980, the Argentine government's debts to foreign financial institutions grew by 236 percent to just over \$28 Billion. Furthermore, the neoliberal economic reforms deregulated private lending which led many wealthy Argentines to either move their

---

<sup>9</sup> J. Buchanan, "Argentina: Six Months of Military Government in Argentina," Department of State: Bureau of Intelligence and Research, September 30, 1976, National Security Archive.

<sup>10</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 164.

<sup>11</sup> Sheinin, 164.

wealth out of the country or take out loans from American banks.<sup>12</sup> Perhaps another reason for American complacency was the support that junta still held with the Argentine upper classes. An Argentine businessman interviewed by *The New York Times* stated that the actions of the government were necessary due to the threat of the Argentine guerillas—and American foreign policy echoed this sentiment: the guerillas threatened capital and any actions against them were justified.<sup>13</sup>

### **The Ascent up the Human Rights Hill**

The prevailing sentiment among nearly every institution of American foreign policy and finance was that the Dirty War was a domestic issue that would eventually be resolved. The one-year deadline that many believe Kissinger placed on the Dirty War was yet to come. Public backlash was mounting as members of Congress and international human rights watch dogs were calling for intervention, but the Ford administration was unwilling to budge and continued to praise the economic success of the junta. The human rights push eventually materialized during the Carter administration but attempts to maintain the American-Argentine economic relationship minimized its impact. Furthermore, Kissinger and David Rockefeller remained on the scene as vocal supporters of the Proceso with Kissinger fulfilling his promise to attend the 1978 World Cup. Carter's election triggered anxiety throughout Latin America as dictatorships like Argentina, its neighbor, Chile, and Paraguay worried about how their future relationship with the United States under Jimmy Carter. The precedent that had been established during

---

<sup>12</sup> Lewis, *The Crisis of Argentine Capitalism*, 462-463.

<sup>13</sup> "Human Rights Group Reports on Repression in South America," *New York Times*, October 31, 1976.

Kissinger's time within the State Department dominated American media reporting on this anxiety.<sup>14</sup> *The New York Times* described Carter's desire to cut aid to nations with poor human rights records as a reversal of Kissinger's policy of protecting human rights through "quiet but forceful diplomacy" that prioritized strategy above ideals.<sup>15</sup> The Carter State Department led by Cyrus Vance was then quoted as saying:

"In view of the widespread nature of human-rights violations in the world...we have found no distinctions of degree between nations. This fact leads us, therefore, to the conclusion that neither the United States security interest nor the human-rights cause would be properly served by the public obloquy and impaired relations with security-assistance recipient countries that would follow the making of inherently subjective United States Government determinations that 'gross' violations do or do not exist or that a 'consistent' pattern of such violations does or does not exist in such countries."<sup>16</sup>

This generally ambiguous statement was not a purposeful decision. Although, the mixed messaging was representative of division within the Carter administration on human rights, divides attributable to the institutionalization of realist foreign policy that led many to oppose the human rights initiative.

Patricia Derian, Carter's highest ranking human rights official, described the mindset of many American officials as either willfully ignorant regarding the Dirty War or supportive of it.

---

<sup>14</sup> "Some Latin Nations Uneasy on U.S. Ties," *New York Times*, February 19, 1977.

<sup>15</sup> "Aid Cut to Rights-Violating Nations Is Break With U.S. Pragmatism," *New York Times*, February 25, 1977.

<sup>16</sup> "Aid Cut to Rights-Violating Nations Is Break With U.S. Pragmatism."

She abandoned the traditional view after her first visit to Argentina where she witnessed the reality of the Dirty War. She described mass surveillance, mass arrests of anyone remotely connected with an insurgent, and bodies poorly hidden in alleys or on the beaches. For Derian, the height of the junta's depravity was the practice of abducting pregnant women or young women and then placing their children with military families.<sup>17</sup> Derian saw some of those hurt or killed by the Dirty War as victims, or at least as humans deserving of rights— instead of combatants or terrorists. Her appointment in 1977 was essentially a culmination of the human rights-based view of foreign policy that had been developing in congress and other areas of government since the late 1960s. Derian's view of foreign policy was still seen as idealistic by those more influenced by either Kissinger's brand of ultra-realist foreign policy or the prevailing Cold War mentality. The Cold War mentality saw the campaign of subversion against the guerillas as the necessary eradication of those opposed to capitalism in Argentina and thus opposed to American intentions in Argentina. Meanwhile, the realist view of foreign policy saw the Dirty War as the consolidation of power by a government friendly to the United States and American capital. This is best personified by Kissinger's offhand comments comparing the Argentine to the PLO and similar organizations in his first meeting with the Argentine delegation.<sup>18</sup> Many cold warriors, such as Robert Hill, supported influencing positive human rights changes in Argentina but felt it should be done privately and carefully to preserve the

---

<sup>17</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, December 12, 1996, 43.

<sup>18</sup> Memorandum of Conversation between United States Delegation (Kissinger et al) and Argentine Delegation (Guzzetti et al, June 6, 1976, 9.

American relationship with the anti-communist Proceso.<sup>19</sup> Furthermore, the first stage neoliberalization implemented by the junta appealed greatly to American interests because it deregulated the Argentine economy—while still maintaining heavy government spending on military equipment, public defense projects, and other programs as envisioned by the American national security doctrine.<sup>20</sup> Derian defied this mentality by instead arguing that American influence should be used to create positive changes on human rights, and she envisioned a peaceful end to the Dirty War.

Upon returning from her first visit to Argentina, Derian decried the government further for its human rights abuses. In her notes from this trip, Derian briefly discussed the economic successes of the Videla government in a tone uncommon to American documents from the time:

“(GOA) has made some important strides in improving the perilous state of the economy, particularly in its international image. It has done so through a variety of means, but in part at the expense of low wage employees. They are told to tighten their belts; they have had to adjust to concretely lower standards of living. And they have acquiesced in the light of the emergency. They are restive...The labor unions have been purged of those thought to be terrorists as have the university student population, the armed services, and all the arms of government...”<sup>21</sup>

---

<sup>19</sup> Schmidli, *The Fate of Freedom Elsewhere*, 54-55.

<sup>20</sup> Brennan and Ferreyra, *Argentina's Missing Bones*, 184.

<sup>21</sup> Patricia Derian, Notes from U.S State Department Coordinator, April 1, 1977, National Security Archive, 3. <https://nsarchive.gwu.edu/dc.html?doc=2773980-Document-16-Notes-from-U-S-State-Department>.

Derian pointed out that the major flaw prevalent in Argentina's economic success was its perpetuation of the same type of class difference that influenced many to join the left-wing guerillas. Critics of neoliberalism often cite income disparity and growing class indifference as a foundational effect of neoliberalization; and perhaps the success of neoliberalism's main objective of solidifying the power of the upper classes.<sup>22</sup> This argument could be applied to Argentina as impoverished lower classes had fewer resources to devote to fighting the junta. However, as Derian pointed out, the truth was inverse to this assumption as subjugation of the lower classes bred more support for the guerillas. Another criticism, which Derian fell short of fully articulating, was that Argentine neoliberalization would not have been possible without the police state created by the junta. She described workers being quiet despite their stagnating wages and decreasing standard of living. However, she failed to address the role that fear of retaliation for acting against neoliberalization played in ensuring their complacency. Furthermore, American support for neoliberalization shaped the actions that she was able to take on human rights.

### **The Limits of Action**

When action on human rights become imminent in 1977, the IMF led a successful lobbying effort to give themselves an exemption from American restrictions.<sup>23</sup> This lobbying effort was led by Fred Bergsten who was both a free trade proponent and a close Kissinger associate who served as a member of the National Security Council under both Nixon and Ford.

---

<sup>22</sup> Harvey, *A Brief History of Neoliberalism*, 16.

<sup>23</sup> Stephen C. Nelson, *The Currency of Confidence*, 90.

Bergsten was then serving as the Assistant Treasury Secretary. Bergsten was not the only one to win an exemption; Lucy Benson, the Undersecretary of State for Security Assistance, also successfully guaranteed continued limited security assistance from the United States.

Furthermore, the government placed limited restrictions on private corporations and finance institutions. These groups were also aided by the Export-Import Bank and the Overseas Private Investment Corporation who received very lenient restrictions.<sup>24</sup> These exemptions limited the ability of Derian, the Cristopher Group, and others to actually influence change on human rights through American foreign policy. These exemptions also kept American finance capital flowing and kept the Videla government afloat, all while encouraging further market liberalization that opened the door for more American imports and exports at the cost of the Argentine middle and working classes.

In 1977, several members of Congress sent the United States State Department a series of letters pushing for the reduction or halt of military aid to Argentina. One such letter placed the value of American military aid to Argentina at more than \$48 million. They also urged Terrence Toddman, a high-ranking official in the ARA, and others to consider the message of support that this aid conveyed.<sup>25</sup> Soon after, Derian and Toddman submitted a report on suggested action regarding human rights in Argentina. The report argued that the United States needed to take calculated action on human rights and proposed the suspension of military aid. The same report

---

<sup>24</sup> Schmidli, *The Fate of Freedom Elsewhere*, 110-112.

<sup>25</sup> Norman Mineta to Terrence Toddman, Letter, February 15, 1977, Argentina Declassification Project, National Archives Online Collection, <https://www.archives.gov/files/argentina/data/docid-32732649.pdf>.

noted that the United States needed to do everything it could to maintain its large trade surplus with Argentina; thus action on human rights was hemmed in by US economic policies.<sup>26</sup> This action was approved with an arms embargo to be implemented in the fall of 1978. However, there was significant anxiety amongst some that this action would strain Argentine-American relations. The American Secretary of Defense urged approval of significant military aid on a limited basis. The Department of Defense argued that a limited release would demonstrate American support for human rights developments and a continued relationship.<sup>27</sup>

Still, the State Department communicated that the changes they were seeing in Argentina did not meet their standards for human rights. Particularly, the State Department focused on the continued harassment of lawyers, labor union leaders, and other community leaders that defended the victims of the Dirty War. The State Department also expressed concerns that Videla's more hard-line rivals were gaining traction in some regions.<sup>28</sup> This prospect was

---

<sup>26</sup> Patricia Derian; Terrence Toddman to The Secretary of State's Office, Memorandum, July 22, 1977, Argentina Declassification Project, National Archives Online Collection, 2-8.

<https://www.archives.gov/files/argentina/data/docid-32451961.pdf>.

<sup>27</sup> Harold Brown to Cyrus Vance, Letter, March 17, 1978, Argentina Declassification Project, National Archives Online Collection, 1, <https://www.archives.gov/files/argentina/data/docid-32453425.pdf>.

<sup>28</sup> Warren Christopher to Zbigniew Brzezinski, Memorandum, August 25, 1977, Argentina Declassification Project, National Archives Online Collection, 2-4.

<https://www.archives.gov/files/argentina/data/docid-32451970.pdf>.

addressed in Toddman and Derian's initial report as a drawback of restricting military aid.<sup>29</sup>

Here, the reality of the junta was beginning to show itself more fully to the United States as the promise of stability slipped further away. This was not only because the Argentine society and economy were entirely dependent upon a police state, but also because Videla's control of the country was beginning to falter already.

Meanwhile, the economic picture was beginning to become clearer and less picturesque. Martínez de Hoz continued to promise further market liberalization in order to procure further loans from the IMF in 1977, but he failed to produce the results promised. This led not only to confrontation between the IMF but also a sharp economic decline by 1978.<sup>30</sup> The forced subversion of the Argentine labor movements led to violent confrontations between police and workers throughout the country as real wages plummeted due to continued inflation.<sup>31</sup>

### **The Success of Action**

While large structural change was delayed through bureaucracy, the United States quickly also began to assist the Argentine middle and working classes by turning the American embassy into a resource for those seeking information on the disappeared. At the same time, Derian and others became vocal supporters of middle and working-class activist movements such as the Mothers of the Plaza de Mayo.<sup>32</sup> Furthermore, the United States appointed F. Allen "Tex"

---

<sup>29</sup> Patricia Derian; Terrence Todman to The Secretary of State's Office," 5.

<sup>30</sup> Nelson, *The Currency of Confidence*., 98-99.

<sup>31</sup> Paul H. Lewis, *The Crisis of Argentine Capitalism*, 472-473.

<sup>32</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, December 12, 1996.; F. A. Harris, "Fighting the

Harris as the main human rights reporter in Argentina, and he quickly began to tell the real story behind the Dirty War to Washington and the international community. Harris and his colleagues compiled thousands of testimonies from those related to the disappeared. They also began challenging the Argentine government's narrative by actually researching those that were disappeared or imprisoned.<sup>33</sup> During his tenure at this post, Harris revealed that many who were targeted had limited to no connection to the guerillas. These smaller actions then influenced a large public backlash to the Videla government's human rights abuses in Argentina, the United States, and abroad—which led to support for broader action.

In February of 1978, Andres Oppenheimer, then a young journalist studying in the United States and today one of the leading journalists in all of Latin America, wrote an article about Jimmy Carter's growing popularity in Argentina. Oppenheimer wrote about a rising cult of Carter in the nation that included framed pictures, Jimmy Carter t-shirts, and a level of popularity that Oppenheimer argued had not been since John F. Kennedy. Similarly, Oppenheimer discusses liberal friends of his seeing Carter as a spokesperson for those who had their political rights stripped by the Proceso. An anonymous leader within the Argentine Jewish community was quoted as saying: "At the moment, we can't say there is an anti-Semitic explosion in the country. But there is something not kosher floating in the air, and Mr. Carter's speeches can't do anything but good."<sup>34</sup> Oppenheimer addresses the inconsistency of Carter's human rights

---

Dirty War: Argentina, 1977," in *Inside a U.S. Embassy: Diplomacy at Work* (Washington D.C.: Foreign Service Books, 2005), 100.

<sup>33</sup> Harris, "Fighting the Dirty War: Argentina, 1977," 100-102.

<sup>34</sup> Andres Oppenheimer, "Senor Carter, Si!," *New York Times*, February 27, 1978.

initiative that dominated American media coverage, specifically an inconsistency between Carter's willingness to confront the Argentines but not the South Koreans or other similarly brutal regimes. This would be a mostly private debate that influenced implementation rather than impression. Oppenheimer concluded his piece by arguing that despite the inconsistency of Carter's messaging on a global scale, there was a substantial movement to support him within Argentina. This popularity pushed many Argentines to become less "anti-yanqui" and have a more positive view of the United States.<sup>35</sup> Despite the human rights initiative's success in creating a positive image of the United States in Argentina, privately elements of the Carter administration remained increasingly divided and worked to find exemptions and opportunities for the loosening of restrictions.

These divisions were expressed in Harris's discussion of the resentment that many American officials had towards the victims of the Dirty War. In an interview, he explained how many felt that the victims were communists and that the overreaction of the Carter administration had unnecessarily damaged American-Argentine relations.<sup>36</sup> Harris's interviews also revealed that he was encouraged to report only good news about the Videla government after the backlash over human rights materialized into restrictions on military sales and aid. Furthermore, Harris

---

<sup>35</sup> Oppenheimer, 1.

<sup>36</sup> F. A. Harris, The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with F. Allen (Tex) Harris, Interview by Charles Stuart Kennedy, December 10, 1999, 94.

[https://www.adst.org/OH%20TOCs/Harris.F.Allen.pdf?\\_ga=2.119260170.2025463513.1592835145-1469950583.1591734251](https://www.adst.org/OH%20TOCs/Harris.F.Allen.pdf?_ga=2.119260170.2025463513.1592835145-1469950583.1591734251).

claimed his cables forcibly were held back so as not interfere with weapons sales.<sup>37</sup> US Ambassador Raul Castro also held a large degree of disdain for the human rights initiative as well as for Harris and Derian, as Castro saw it all as an unnecessary impediment in American-Argentine relations.

### **The Kennedy Humphrey Amendment**

The work of Derian and Harris as well as the limits on financial and economic aid attracted a large amount of negative attention amongst those in the Carter administration who felt the human rights initiative was doing more harm than good. However, more negative attention was focused upon the Kennedy-Humphrey Amendment to the Foreign Assistance Act of 1961, passed in 1977 and active in October of 1978. The act essentially took the human rights initiative out of the hands of the Carter administration by increasing restrictions and limiting exemptions. A State Department paper on the need for action against the Kennedy-Humphrey assessed that: “This amendment may have outlived any usefulness as Argentina’s human rights record has improved though there are still problems.”<sup>38</sup> The same report then listed a series of options available to the Carter administration. There was the option to repeal the Kennedy-Humphrey Amendment, and it was recommended that the United States do so.<sup>39</sup> However, the amendment remained until Ronald Reagan’s administration repealed it as a sign of support for the Proceso in

---

<sup>37</sup> Harris, 96-97.

<sup>38</sup> “State Department Paper on Kennedy-Humphrey Amendment,” 1978, Argentina Declassification Project, National Archives Online Collection, 1.  
<https://www.archives.gov/files/argentina/data/docid-33059352.pdf>.

<sup>39</sup> “State Department Paper on Kennedy-Humphrey Amendment,” 1-2.

1981.<sup>40</sup> Among the other options was for Carter to take his own action by signing waivers to allow military sales and economic aid.<sup>41</sup> This was the option that the Carter administration ultimately decided upon, but before this, the administration worked to continue the American-Argentine relationship as it was for as long as possible.

The authorization of military and economic aid as well as military cooperation triggered a response from a group of human rights-oriented senators. They drafted a letter to Carter voicing their frustrations about the decision to train Argentine military officers in counter-insurgency warfare in the United States and the Carter administration's approval of a \$270 million loan for a hydroelectric plant to be built by an American firm.<sup>42</sup> The letter also lambasted the Carter administration's willingness to train Argentine military leaders since it was set to become illegal in October of 1978. "Since no substantial improvements can be demonstrated, we believe it is highly inappropriate, and possibly a violation of the spirit of the law, to approve training of officers five days before the cut-off takes effect" they wrote.<sup>43</sup> The letter also stressed the large number of disappeared people who had not yet been discovered and for whom the Proceso had no answer.<sup>44</sup>

---

<sup>40</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 173-174.

<sup>41</sup> "State Department Paper on Kennedy-Humphrey Amendment," 1.

<sup>42</sup> Edward Kennedy, Alan Cranston, and Paul S. Sarbanes to Jimmy Carter, Letter, September 29, 1978, Argentina Declassification Project, National Archives Online Collection, 1.  
<https://www.archives.gov/files/argentina/data/docid-33065493.pdf>.

<sup>43</sup> Kennedy, Cranston, and Sarbanes to Carter, 2.

<sup>44</sup> Kennedy, Cranston, and Sarbanes to Carter, 1.

The United States could hang its hat on a decrease in disappearances by 1978 after the disappearances had spiked in 1976 and 1977 during the junta's first few months.<sup>45</sup> The Carter administration often approached the American-Argentine relationship in almost paternalistic terms. They saw military and economic aid as rewards and punishments for positive and negative developments in human rights or other American initiatives. However, the Argentine military government consistently pushed for American recognition for positive changes. This was because it gave the regime some slack internationally as well as domestically.<sup>46</sup> It is interesting that the Senate letter chose to focus upon the Export-Import Bank loan for a hydroelectric plant because the Carter administration would eventually tie approval of that loan to the Proceso's willingness to allow another independent investigation into human rights abuses.<sup>47</sup>

### **Jacobo Timmerman**

Throughout their reign, the Proceso faced widespread international criticism for its arrest of journalists, activists, politicians, and others that spoke out against the Dirty War. American human rights reporters documented these cases closely and created a better American understanding of the difference between those victims and the leftist guerillas. For example, Tex Harris reported on the difference between the peaceful socialist and communist political parties

---

<sup>45</sup> Schmidli, *The Fate of Freedom Elsewhere*, 153.

<sup>46</sup> F. A. Harris, Transcript of 'Working Tape - 3- Side A/ Side B, May 31, 1978, National Security Archive, 6. <https://nsarchive.gwu.edu/dc.html?doc=6801855-National-Security-Archive-Doc-02-May-31-1978-U-S>.

<sup>47</sup> Schmidli, *The Fate of Freedom Elsewhere*, 152.

and the leftist guerillas.<sup>48</sup> These arrests also brought more international attention to the Argentine Dirty War as well as American involvement with the regime.

The highest profile of these arrests was that of journalist Jacobo Timerman, arrested in April of 1977 and held for over a year without a trial. Timerman's arrest eventually prompted one of the largest direct confrontations between the United States and the Videla government when Ambassador Castro publicly called upon Argentina to release Timerman.<sup>49</sup> Timerman's arrest incited so much controversy not only because it disproved the idea that the Dirty War only targeted terrorists, but also because the persecution of a Jewish journalist fueled the Nazi imagery associated with the Videla government. Timerman later wrote a best-selling memoir on his imprisonment that further incited public outrage as he described his captors' open anti-Semitism and display of Nazi imagery.<sup>50</sup> Furthermore, it is worth noting that Timerman's charges were centered around a perceived connection with the Montoneros through his financial dealings with the banker David Graiver, who was also incidentally involved with the western financial sector's expansion into Latin America up until his death in 1976.<sup>51</sup> This connection

---

<sup>48</sup> Memorandum of Conversation between Members of Partido Socialista de Los Trabajadores and F. Allen Harris, November 29, 1977, Argentina Declassification Project, National Archives Online Collection, <https://www.archives.gov/files/argentina/data/docid-32451975.pdf>.

<sup>49</sup> "Argentina Regime Frees Publisher Held a Year in Scandal Investigation," *New York Times*, April 18, 1978.

<sup>50</sup> Jacobo Timerman, *Prisoner Without a Name, Cell Without a Number*, 1st ed (New York: Knopf, 1981), 69.

<sup>51</sup> *New York Times*, April 29, 1979.

with Gravier would also later spur rumors that Timerman was part of a financial terrorist cell. Meanwhile, Timerman later became a vocal critic of American support for the Argentine regime in the late 1970s and early 1980s.<sup>52</sup> Such charges brought the connection between the Americans and the supposedly Nazi government in Argentina to the forefront again. This was met with a large response from the Carter administration who downplayed Timerman's credibility in a further attempt to maintain the Argentine-American relationship.<sup>53</sup>

Timerman's account helped to fuel the already prevalent image of the Proceso as a group of Nazi sympathizers, An image present in the international media as well as in the minds of many Argentines. Andres Oppenheimer, in his article on Carter's popularity in Argentina, states that Argentines understood that Videla and other high ranking military officials were not Nazis. However, many Argentines believed, perhaps correctly, that many rank and file soldiers in both the Argentine armed forces and paramilitary groups such as the AAA held anti-Semitic beliefs and displayed Nazi symbols and imagery.<sup>54</sup> Timmerman's description of antisemitic slurs and Nazi imagery as something he encountered nearly every day during his imprisonment reinforced the association between the Proceso and Nazism. This then placed the American relationship with the Proceso into a much more negative light. Similar to Oppenheimer's assertion, Jacobo Timerman expressed similar sentiments by stating:

---

<sup>52</sup> "Jacobo Timerman, 76, the Torture Victim Who Documented Argentina's Shame, Dies," *New York Times*, November 12, 1999.

<sup>53</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 171-173.

<sup>54</sup> Oppenheimer, "Senor Carter, Si!" 1.

“I was kidnapped by the extremist sector of the army. From the outset, President Rafael Videla and General Roberto Viola tried to convert my disappearance into an arrest in order to save my life. They did not succeed. My life was spared because this extremist sector was also the heart of Nazi operations in Argentina. From the very first interrogation, they figured they had found what they’d been looking for for so long: one of the sages of Zion, a central axis of the Jewish anti-Argentine conspiracy.”<sup>55</sup>

Timmerman’s account of his imprisonment reflected a grim reality that Videla, Viola, and others that dealt with the United States did not have full control of the military. It would be natural to conclude then that human rights changes were essentially impossible unless control was consolidated. Despite this, the American-Argentine relationship was strong as ever by the time Timmerman’s *Prisoner Without a Name, Cell Without a Number* was published. As will be discussed later, the renewed American-Argentine relationship can be attributed to Cold War strategic concerns. Although, the United States applauded the IAHR’s very minimal recognition that the Proceso was not a wholesale antisemitic regime.<sup>56</sup>

### **The 1978 World Cup in Buenos Aires**

The decision to release Timmerman in April of 1978 was influenced both by the mounting American pressure and the approaching 1978 World Cup, which would be held in Argentina. The tournament heightened American anxiety over human rights abuses as they feared that the Videla government would increase its suppression of leftist guerillas to avoid terrorist attacks during the tournament. This fear was at least partially reconciled by the Montoneros issuing a

---

<sup>55</sup> Timmerman, *Prisoner Without a Name, Cell Without a Number*, 29-30.

<sup>56</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 172-173.

proclamation that they would place a partial moratorium on attacks in light of the World Cup.<sup>57</sup>

Still, the tournament was the subject of immense controversy as most media coverage centered around the Dirty War. It was also made possible by the loans from the IMF and American banks as the cost of holding the tournament were somewhere between \$500-\$700 million.<sup>58</sup> This was a tremendous expense for a nation that had forcibly stagnated wages for almost two years.

Furthermore, the 1978 World Cup was also a turning point for world football as the tournament was becoming increasingly commercialized under the leadership of the ultra-corrupt Joao Havelange, who aimed to essentially neoliberalize world football to fit in with the increasingly globalized economy.<sup>59</sup> The idealistic view of FIFA would be incredibly similar to the idealism of the United States when it came to Argentina as both publicly argued that inclusion would influence positive social change. For FIFA, this meant the continuation of the World Cup as planned and the inclusion of the Argentine national team in international football. For the United

---

<sup>57</sup> Central Intelligence Agency, “Weekly Situation Report on International Terrorism,” March 2, 1977, CIA Online Reading Room, 114.

<https://www.cia.gov/library/readingroom/docs/WEEKLY%20SITUATION%20REPORT%20%5B15515284%5D.pdf>.

<sup>58</sup> “World Cup Tournament Is More Than a Game for Argentina,” *New York Times*, May 28, 1978; Jonathan Wilson, *Angels with Dirty Faces: The Footballing History of Argentina* (London: Orion Books, 2016), 362.

<sup>59</sup> Heidrun Homburg, “Financing World Football. A Business History of the Fédération Internationale de Football Association (FIFA),” *Zeitschrift Für Unternehmensgeschichte / Journal of Business History* 53, no. 1 (2008): 34.

States. this meant the liberalization of the Argentine economy and subsequent inclusion of Argentina in the emerging globalized economy. In reality, FIFA hoped to profit from Argentina's deep footballing history just as the United States profited off Argentine neoliberalization.<sup>60</sup> Both saw human rights as a secondary concern at most. The Argentine government also pinned a great deal of hope on the World Cup as a way to improve Argentina's international reputation and economy. The growth of 1976 and early 1977 had slowed immensely by the summer of 1978, so Martínez de Hoz and others figured that the World Cup would provide a necessary influx of capital. However, the actual revenue generated from the tournament was considerably less than anticipated.<sup>61</sup>

The World Cup's impact on the public morale of Argentina and on Argentine-American relations was similarly mixed. Scholars state that the Argentine victory in the World Cup was, along with the initial invasion of the Falkland Islands, one of two moments of immense public patriotism during the junta.<sup>62</sup> However, the victory came in a highly contested overtime win that has been largely tainted by the memory of the junta.<sup>63</sup> The press coverage surrounding the World Cup also brought in a large number of foreign journalists protected by international law. These journalists then had more freedom to report on human rights abuses than any Argentine paper.

---

<sup>60</sup> Homburg, 42.

<sup>61</sup> Central Intelligence Agency, "Current Intelligence Weekly Summary: June 30, 1978," CIA Online Reading Room, 13-14.

<sup>62</sup> Sheinin, *Consent of the Damned: Ordinary Argentiniens in the Dirty War*, 10-11.

<sup>63</sup> Jonathan Wilson, *Inverting the Pyramid: A History of Football Tactics* (London: Otion, 2010), 344.

The Mothers of the Plaza de Mayo knew this and used it as an opportunity to protest in front of an international audience. They began protesting more frequently and in larger numbers following the disappearance of one of their members in May of 1978. The Dutch media gave them the platform that they wanted by broadcasting their message to an international audience.<sup>64</sup> This brought more attention to the Dirty War and American support for the Videla government. The association between the United States and Argentina was also communicated directly during the World cup by Henry Kissinger who fulfilled his promise to attend the tournament, much to the chagrin of the Carter administration.<sup>65</sup> Patricia Derian encouraged Cyrus Vance and others connected to remind Kissinger that human lives were being lost, and he was reducing the impact for a publicity stunt. <sup>66</sup> When Kissinger was interviewed by an Argentine newspaper in 1978, he defined his position in a perhaps sarcastic and perhaps self-saving manner by stating: “I’m supposed to be an expert in international affairs, but I hadn’t been in touch with what’s been happening in Argentina in the last 10 years.”<sup>67</sup>

---

<sup>64</sup> Hebe de Bonafini and Matilde Sánchez, “The Madwomen at the Plaza de Mayo,” in *The Argentine Reader: History, Culture, and Politics*, ed. Gabriela Nouzeilles and Graciela Montaldo, *The Latin America Readers* (Durham: Duke University Press, 2007), 436-437.

<sup>65</sup> Robert Pator to Zbigniew Brzezinski, Memorandum, July 11, 1978, National Security Archive, 1. <https://assets.documentcloud.org/documents/3010641/Document-04-National-Security-Council-Kissinger.pdf>.

<sup>66</sup> Thomas Alan Schwartz, *Henry Kissinger and American Power: A Political Biography* (New York: Hill and Wang, 2020), 355.

<sup>67</sup> Schmidli, *The Fate of Freedom Elsewhere*, 54.

### **The Beginning Descent Back down the Human Rights Hill**

In a later interview, Derian described the challenges of walking in Kissinger's footsteps when it came to enacting human rights based foreign policy. Kissinger had institutionalized a realist approach to foreign policy that overlooked human rights abuses to focus on the value that nations, like Argentina, could offer the United States.<sup>68</sup> Derian and others then encountered significant resistance from those who still shared Kissinger's view of foreign policy. Derian discussed how the ARA and others remained sympathetic to the Argentines despite the human rights abuses. She stated that they communicated the long-held argument that the junta had to do what it had to do to control its terrorist problem.<sup>69</sup> These reservations and other actions of continued support, such as Kissinger's attendance, demonstrated both a lack of synchronicity amongst the architects of American foreign policy and the practical limits of the human rights based foreign policy. The natural conclusion is that a human rights based foreign policy was not conducive with the continuation of the American empire. The Carter administration was hoping to create a moral empire where it could use its imperial influence to bring about positive human rights changes. However, this goal was undermined by the attempt to preserve and expand American economic influence in Argentina.

Many historians consider the visit of IACHR in 1979 to be the peak of the Carter human rights initiative in Argentina as the Carter administration had made the approval of a \$270 million contract for a factory in Argentina subject to the Proceso allowing another outside

---

<sup>68</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, 42.

<sup>69</sup> Patricia Derian, 42-43.

investigation of human rights. This time, the investigation was conducted by the Inter-American Commission on Human Rights, the OAS's human rights apparatus.<sup>70</sup> Similar to the earlier Amnesty International report, the IACHR report painted a bleak picture of the human rights situation in Argentina. The report echoed many of Derian's observations, especially investigations into violations of rights of speech, labor, and religion.<sup>71</sup> The IACHR report concluded that:

In light of the background information and the considerations set forth in the present report, the Commission has reached the conclusion that, due to the actions or the failure to act on the part of the governmental authorities and their agents, numerous serious violations of fundamental human rights, as recognized in the American Declaration of the Rights and Duties of Man, were committed in the Republic of Argentina during the period covered by this report – 1975 to 1979.<sup>72</sup>

Still, the United States responded to the report with disinterest or approval despite their initial push for the investigation in the first place.

There are two key reasons for this. First, the public controversy around the Argentina had mostly shifted towards allegations of anti-Semitism after Timmerman's imprisonment. The report absolved the military leadership of anti-Semitism, but only in the lightest possible way by shifting blame to right wing paramilitary groups rather than the government of Argentina:

---

<sup>70</sup> Schmidli, *The Fate of Freedom Elsewhere*, 181.

<sup>71</sup> *IACHR Report on Argentina - 1980*, April 11, 1980, 1.

<http://www.cidh.org/countryrep/argentina80eng/toc.htm>.

<sup>72</sup> *IACHR Report on Argentina – 1980*, 1.



return to a realist foreign policy that prioritized Cold War strategy.<sup>76</sup> As a profoundly anti-communist regime and regional power in Latin America, Argentina had an important place in this strategy. However, it was hardly the ideal partner. While Argentina cooperated with Operation Condor and other American military actions in Latin America and adhered to American security doctrines, the Proceso did not fully act as a member of the American world order. This is evident in Argentina's unwillingness to abandon their friendly relationship with the Soviet Union and Cuba. While scholars are divided on Argentina's place in the Non-Aligned movement, the American-Argentine relationship stayed mostly strong despite Argentina's ongoing relationships with communist countries.<sup>77</sup>

The relationship with the Soviet Union did cause the Carter administration a bit of anxiety especially after the Soviet invasion of Afghanistan. In a meeting with American diplomats shortly after the grain embargo was announced, Jose Martínez de Hoz stressed that grain embargos placed a larger stress on the Argentine economy as it was a large agricultural exporter. Meanwhile, the United States hoped that Argentina would continue to abide by American interests as Martínez de Hoz assured the State Department that Argentina condemned

---

<sup>76</sup> Robert Alexander Kraig, "The Tragic Science: The Uses of Jimmy Carter in Foreign Policy Realism," *Rhetoric and Public Affairs* 5, no. 1 (2002): 8-9.

<sup>77</sup> Sheinin, "Argentina's Secret Cold War: Vigilance, Repression, and Nuclear Independence, 176.

the Soviet invasion.<sup>78</sup> As Argentina expressed the cost of the agricultural embargo, the United States attempted to place pressure upon Argentina such as attempting to persuade European and Asian allies to demonstrate that the Argentine decision to continue trading with the Soviets would have consequences beyond just American-Argentine relations.<sup>79</sup> Meanwhile, the Americans observed that the Soviet Union was actively trying to gain influence in Argentina and Latin America as a whole.<sup>80</sup> The Soviet Union also increased its grain imports from Argentina exponentially to compensate for losses caused by the American embargo. However, the Argentines denied Soviet arms sales despite continued restrictions on American military aid and

---

<sup>78</sup> Secretary of State's Office to American Embassy in Madrid, Telegram, May 1980, Argentina Declassification Project, National Archives Online Collection, 1-3.

<https://www.archives.gov/files/argentina/data/docid-33069185.pdf>.

<sup>79</sup> Zbigniew Brezinski, Memorandum for the Secretary of State on Soviet-Argentine Relations, May 14, 1980, 1. National Archives Online Collection,

<https://www.archives.gov/files/argentina/data/docid-33069220.pdf>.

<sup>80</sup> Warren Christopher, Memorandum for the President on Soviet Relations with Southern South America, June 19, 1980, Argentina Declassification Project, National Archives Online Collection, 1-4. <https://www.archives.gov/files/argentina/data/docid-33069252.pdf>.

sales.<sup>81</sup> Despite these attempts by the United States, Soviet-Argentine relations remained normalized much to the chagrin of the United States.<sup>82</sup>

The IACHR report discussed the Proceso's repeated violations of Argentine labor law citing the junta's restrictions on labor strikes, the forced disbanding of the majority of labor unions, and the criminalization of labor activism. The IACHR report also documented the forced imprisonment of labor leaders, in which they were denied trial or disappeared completely. Additionally, the IACHR report discussed the arrest of labor leaders and activists in anticipation of large strikes in April and May 1979.<sup>83</sup> The treatment of organized labor by the Proceso was indicative of its neoliberal economic ideology that depended upon the deregulation of labor and the disbandment of labor unions. The report even mentions this ideology by citing the concerns of many working-class Argentines that they have paid the price for the Proceso's economic programs.<sup>84</sup> When describing the model of a neoliberal state David Harvey states that:

“Authoritarianism in market enforcement sits uneasily with ideals of individual freedoms. The more neoliberalism veers towards the former, the harder it becomes to maintain its legitimacy with respect to the latter and the more it has to reveal its anti-democratic

---

<sup>81</sup> Bureau of Intelligence and Research, “Analysis Report: April 17, 1980,” April 17, 1980, Argentina Declassification Project, National Archives Online Collection, 1. <https://www.archives.gov/files/argentina/data/docid-33069178.pdf>.

<sup>82</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 179.

<sup>83</sup> “Chapter VIII: The Rights of Labor,” *IACHR Report on Argentina - 1980*, April 11, 1980, 1 <http://www.cidh.org/countryrep/argentina80eng/chap.8.htm#C>

<sup>84</sup> “Chapter VIII: The Rights of Labor,” 1.

colours. This contradiction is paralleled by a growing lack of symmetry in the power relation between corporations and individuals...”<sup>85</sup>

In authoritarian regimes, such as existed in Argentina, this contrast between individual and corporate freedom is sharper as market freedom is about all the freedom that existed. The IAHRC’s reports then prove that the market freedom responsible for the early economic success of the Proceso essentially only existed for foreign interests and the top earners.

### **Neoliberalism: Both Argentine and American**

However, as confrontations on human rights mounted—the Argentine economic miracle of 1976 began to crumble and the center of power within the junta began to move. The continued economic decline in the fall of 1978 prompted a further deregulation of the Argentine finance system with a series of banking reforms. These banking reforms were followed by another influx of foreign investment capital. The relationship between American capital and the Argentine economy went further as Robert Hill, the US Ambassador under Ford and Carter, became a liaison for the Banco de Intercambio Regional. This appointment represented another entanglement between the American government and the Argentine junta as several key members of the junta had shares in the BIR.<sup>86</sup> The BIR under José Rafael Trozzo also began planning for the establishment of a branch in the United States to attract American capital further.<sup>87</sup> By 1979, the BIR had a branch in New York and was working to establish another in

---

<sup>85</sup> Harvey, *A Brief History of Neoliberalism*, 79.

<sup>86</sup> Lewis, *The Crisis of Argentine Capitalism*, 465-466

<sup>87</sup> Levine and Quinn, *Inside Argentina from Perón to Menem 1950-2000 From an American Point of View*, 150.

Washington DC; by 1980, the bank would be out of business. This was but one of the numerous examples of the relationship between American capital, Argentine banks, and the American government. However, the BIR was also a case study for the detriments of deregulation as the bank ended up holding around 270 Billion Pesos in defaulted loans by March of 1980 and became one of many Argentine banks to collapse that year.<sup>88</sup>

In Argentina, blame was resoundingly falling upon Martínez de Hoz and his economic policies. Naturally, leftists and Argentine nationalists accused Martínez de Hoz and the Proceso of catering to foreign business interests and allowing Argentine industry to fail. There were, however, also charges that Martínez de Hoz's policies had not been neoliberal enough. Some Argentine scholars alleged that there needed to be further privatization and more austerity measures. They argued that the military's spending made it impossible for Martínez de Hoz's plan to tie the peso to the dollar to succeed.<sup>89</sup> Lack of faith in Martínez de Hoz's economic policies quickly transferred to a lack of faith in Jorge Rafael Videla's leadership as well, and the two would be removed soon after Carter left office. The IAHR report's mention of the growing dissatisfaction in the labor movement also materialized further. Despite the Proceso's best efforts, organized labor still maintained a position of relative strength as was discussed at the end of the IAHR report.<sup>90</sup> Economic historian Paul H. Lewis concludes that by 1980, Argentine unions were undoubtedly weakened but not defeated.<sup>91</sup> "Argentina, at the opening of the 1980s,

---

<sup>88</sup> Lewis, *The Crisis of Argentine Capitalism*, 467-469.

<sup>89</sup> Lewis, 469-470.

<sup>90</sup> "Chapter VIII: The Rights of Labor," *IACHR Report on Argentina - 1980*, April 11, 1980, 1.

<sup>91</sup> Lewis, *The Crisis of Argentine Capitalism*, 471-475.

was still locked in a class struggle that proved to be Peron's most lasting legacy to the country," writes Lewis.<sup>92</sup> The lack of stability and continuing disillusionment with the Proceso would lead to Videla's replacement by a series of brief successors until democratization in 1983.

Scholars have typically thought that the American turn towards neoliberalism came during the Reagan administration and the implementation of "Reaganomics." In his seminal intellectual and practical history of neoliberalism, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics*, Daniel Steadman contends that it was actually Carter who began the American neoliberalization.<sup>93</sup> Facing economic issues of inflation and stagnating wages similar to those in Argentina, Carter similarly adopted neoliberal solutions rooted in the doctrine of Milton Friedman and others. Senator Edward Kennedy (D-MA), who had a strong human rights- record, nevertheless agreed with Carter and became his more prudent ally on economic reform in congress.<sup>94</sup> The response from neoliberal fundamentalists in America was

---

<sup>92</sup> Lewis, 475.

<sup>93</sup> Jones, *Masters of the Universe*, 247-248; Harvey, *A Brief History of Neoliberalism*, 73-74.

Jones argues that Carter began neoliberalization of the federal economy but also acknowledges Harvey's assertion that New York City began their own municipal neoliberalization during the Ford administration. It could then be argued, possibly, that Ford's decision not to bail out New York City and to instead place that responsibility on private institutions was the first presidential economic action influenced by neoliberal thought. More related to this project is Harvey's argument that organizations such as the IMF were inspired by the response to the New York City debt crisis. Jones acknowledges Harvey's argument there as well.

<sup>94</sup> Jones, *Masters of the Universe*, 248-249.

similar to that of Argentine neoliberals, the criticism was that Carter's reforms were essentially on the right path but not enough to bring about real change.<sup>95</sup> Still, Carter's deregulation of the financial markets and appointment of Paul Volcker to head the Federal Reserve exemplified a sea change in American political economic policy.<sup>96</sup> Carter at one point proclaimed that "the government could no longer solve people's problems." This proclamation and Carter's turn to neoliberalism placed the market at the center of all American policy for the next almost 30 years.<sup>97</sup>

Carter and Kennedy's neoliberal turn demonstrates the further integration of human rights and the promotion of neoliberal economics. As has been demonstrated, the Carter administration ultimately pulled back its human rights initiative in order to preserve its strategic and economic relationship with the Argentine military government. However, the Argentine promotion of neoliberal economics was a consistent source of praise from the United States. The re-emergence of human rights based foreign policy and the emergence of neoliberalism in the late 1970s was not a coincidence. Neoliberalism promoted economic and consumer freedom which theoretically allowed for democratic economic action even in authoritarian states such as Argentina. Meanwhile, the United States could use its control of international trade and hefty influence in the international finance system to award those who produced even marginal

---

<sup>95</sup> Jones, 252-253.

<sup>96</sup> Jones, 247; 250.

<sup>97</sup> Jones, 254.

positive developments in human rights. Meanwhile, its sanctions and aid restrictions could be proof of American promotion for human rights.<sup>98</sup>

### **Conclusion**

Despite what was to come and the three past years of strained relations, American-Argentine relations were strong for the last few months of the Carter administration. There remained confrontations on issues such as the Argentine support for the coup in Bolivia and Argentine threats of leaving the OAS after the publishing of the IAHR report.<sup>99</sup> Still the Argentines were willing to comply with American directions to avoid public declarations of support for the Bolivian government of Garcia Meza.<sup>100</sup> Additionally, the United States came to

---

<sup>98</sup> Joseph R. Slaughter, "Hijacking Human Rights: Neoliberalism, the New Historiography, and the End of the Third World," *Human Rights Quarterly* 40, no. 4 (2018): 765-767. Slaughter cites American promotion of human rights in China. However, Argentina fits the same mold. The United States promoted the IAHR visit as a positive development in human rights that was enacted through the use of America's economic influence. Slaughter discusses Rey Chow's conclusion that human rights changes in China were largely symbolic and inconsequential. The same could be said for almost all of the American successes in promoting human rights in Argentina. Although, I would contend that the presence of Tex Harris and others protected important groups such as the Mothers of the Plaza de Mayo.

<sup>99</sup> "Durísimos Informes a La OEA Sobre La Situación de Los Derechos Humanos En Argentina y Chile," *El País*, November 11, 1980.

<sup>100</sup> Raul Castro to Secretary of State's Office, Telegram, August 1980, Argentina Declassification Project, National Archives Online Collection.

understand the Argentine security concerns in Bolivia and tensions subsided. American support was fully realized with the visit of General Andrew Jackson Goodpaster later that year.<sup>101</sup> This renewed support demonstrates the persistence of the imperial nature of American foreign policy despite the efforts to adopt a more idealistic vision. The choice between using American influence to create a more moral world and the continuation of American imperialism had been made. Repealing the human rights initiative allowed the United States continue to profit from of Argentine neoliberalization and incorporate the Proceso into American Cold War strategy for Latin America.

---

<sup>101</sup> Sheinin, *Argentina and the United States*, 173.

### **Chapter 3: Embrace and Collapse under Ronald Reagan**

Argentine-American relations during the administration of Ronald Reagan were characterized by the continued embrace of the Proceso, condemnation of the Argentine invasion of the Falklands, and then support for Argentina's dramatic turn toward democratization. During the final years of the dictatorship, the Reagan administration mostly turned back the human rights initiatives that the Carter administration tried to champion and continued the renormalization of relations that had been begun at the tail end of the Carter regime. The Reagan administration was undoubtedly pleased by the neoliberal experiment in Argentina as they continued to implement those same policies domestically much as Carter had in his final years in office. Reagan's focus on the Cold War led to cooperation with the anticommunist Proceso on new military action in Central America. However, in 1982, Argentina's decision to invade the Falklands forced the Americans to reconcile their support for both the British and the Argentines. The American position on the Falklands not only sunk the Argentine war effort but also reaffirmed Argentina's place as a subject power in the American world view. Still, American support for Argentine neoliberalism continued to influence the nation's history after democratization in 1983.

#### **Ronald Reagan's Cold War Agenda**

Discussing the American policy towards right wing dictatorships, Patricia Derian saw similarities in the mindsets between Henry Kissinger and Jeane Kirkpatrick, one of Reagan's key foreign policy advisors and eventual ambassador to the UN; both Kissinger and Kirkpatrick viewed these right-wing dictators as necessary to the implementation of American foreign policy

goals.<sup>1</sup> Derian's veiled resentment is understandable as Reagan and Kirkpatrick both made repeated public attacks on her human rights based foreign policy as harmful to the creation of lasting alliances in the third world. Both Reagan and Kirkpatrick echoed another of Kissinger's talking points with their argument that the United States needed to be sympathetic to the particular position of third world authoritarian governments.<sup>2</sup> Kirkpatrick argued that foreign policy influenced by morality and idealism was detrimental to the growth of American "power." Regarding dictators, she argued that right wing authoritarians believed in the same core values as western nations, and their presence left open the possibility of democratization, while communist governments actively rejected that possibility.<sup>3</sup> Kirkpatrick was not only one of Reagan's leading advisors on Latin America, but she was also one of the few who continued to actively support Argentina during the Falklands.<sup>4</sup> Therefore, Kirkpatrick's stance can be seen as a model of the initial view point of the Reagan administration from which Reagan and many of his key advisors strayed after placing blame for the conflict in the Falklands on the Argentines.

The Reagan administration's initial support was based much more on Cold War strategy than under any of the previous presidents. Reagan saw the Argentines as valuable allies in the

---

<sup>1</sup> Patricia Derian, The Association of Diplomatic Studies and Training Foreign Affairs Oral History Project Interview with Patricia Derian, December 12, 1996, 82.

<sup>2</sup> Schmidli, *The Fate of Freedom Elsewhere*, 184.

<sup>3</sup> Seymour Maxwell Finger, "The Reagan-Kirkpatrick Policies and the United Nations," *Foreign Affairs* 62, no. 2 (1983): 436-440.

<sup>4</sup> Finger, 438; "Not All Falklands Fighting Is Between British and Argentines," *The Washington Post*, June 1, 1982.

developing conflicts in Central America, most notably the revolutions and civil wars in Central American nations such as Nicaragua and El Salvador. Reagan and the Proceso shared an interest in maintaining the dictatorships throughout Latin America. For Reagan, these dictatorships depended upon American support, thus they became important supporters of Reagan's new regional initiatives. For the Proceso, these dictatorships were a part of the regional coalition against the advancement of a regional leftist or democratic movement. The fall of Anastasio Somoza, the American backed dictator in Nicaragua, triggered a shared reactionary impulse to reconsolidate regional power around the right-wing authoritarian governments. Similarly, Bolivia in 1981 was an example of open Argentine intervention. The explanation given by the Argentines was that the election of Hernan Siles Zuazo posed a clear threat to the governments of Chile, Paraguay, and Argentina itself.<sup>5</sup> However, the Argentines differed from the traditional model of a Cold War authoritarian state as leadership became unclear and began quickly shifting shortly after Carter took office in 1981.

The Reagan administration's focus on Cold War strategy over human rights can be identified further by its push for the repeal of the Kennedy-Humphrey Amendment. The repeal of the Kennedy-Humphrey Amendment in December of 1981 was the last nail in the coffin for Carter's human rights initiative as it ended the restrictions placed on military aid to Argentina since 1978. The Reagan administration reiterated the IAHRC report's conclusion that the Proceso was not an explicitly anti-Semitic regime.<sup>6</sup> Meanwhile, the Proceso further revealed its strategic value to the United States' goals in Central America. After the fall of Somoza in 1979,

---

<sup>5</sup> "Argentina's Rulers Are There to Help," *New York Times*, June 27, 1981.

<sup>6</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 173-174.

the Argentine junta began arming the pro-Somoza forces that would eventually become the “Contras.” In 1981, the CIA then began arming and supporting these forces as well. The Argentine support then played into a broader strategy as Reagan hoped to use the Contras to counter guerillas in El Salvador as well.<sup>7</sup> 1981 also saw the formalization of the American involvement in this operation as the Argentines became the trainers of groups funded by the United States through the CIA.<sup>8</sup> The United States depended on Argentina as a surrogate to fight the spread of communism in Central America, and the Argentines complied as they saw the defeat of communism in Central America as a matter of their own national security.<sup>9</sup>

However, the Argentines were not fully under the thumb of American imperial control as they continued to maintain relations with both the Cubans and Soviets throughout Reagan’s tenure in office.<sup>10</sup> This complication is best seen in Argentina’s economic ties to the Soviet Union as the stagnating Argentine economy was boosted by Soviet purchases of Argentine agricultural exports during the American embargo. Furthermore, the Soviets supplied the Argentine Proceso with economic support for the construction of hydroelectric dams and other infrastructure projects similar to those funded by the IDB and other American influenced

---

<sup>7</sup> Hal Brands, *Latin America’s Cold War* (Cambridge; London: Harvard University Press, 2010), 199-200.

<sup>8</sup> Ariel C. Armony, *Argentina, the United States, and the Anti-Communist Crusade in Central America, 1977–1984* (Athens: Ohio University Press, 1997), 130-132.

<sup>9</sup> Armony, 36-37; Sheinin, *Argentina and the United States: An Alliance Contained*, 175-176.

<sup>10</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 176.

organizations.<sup>11</sup> The Soviet relationship had been a point of contention since the Carter administration tried to recruit the Proceso for its grain embargo. American conservatives criticized the emphasis that the Reagan administration placed on American-Argentine relations and alleged that Argentina and the United States did not share the same goals. In a *New York Times* op-ed, Thomas D. Anderson, alleged that Argentina offered little to nothing of value to the United States. Citing the realist foreign policy that dominated the Reagan administration's view of the world, Anderson alleged that the Argentine authoritarian government did not necessitate the same support as similar regimes in South Korea or Pakistan.<sup>12</sup>

### **Further Neoliberal Entrenchment in Argentina and the United States**

Jorge Rafael Videla, and in effect Martínez de Hoz as well, were replaced in March of 1981 by General Roberto Viola as president and Lorenzo Sigaut at the head of the economic policy team. Viola and Sigaut set about restoring stability to the Argentine economy as that had been the initial promise of the Proceso in 1976. Sigaut returned to the protectionist economic policies of previous generations and partially reversed the neoliberalization of Martínez de Hoz. This caused a collapse of both domestic and foreign investment that amounted to \$30 billion leaving Argentina between 1979 and 1982 with the peak in 1981. Similarly, the economic panic caused many Argentines to place their confidence in the stability of the American economy with the buying of dollars.<sup>13</sup> The Viola government quickly began devaluating the peso as well with

---

<sup>11</sup> "Argentina and Soviet Are No Longer Just Business Partners," *New York Times*, July 12, 1981.

<sup>12</sup> Thomas D. Anderson, "Argentina Is No Ally," *New York Times*, August 2, 1981.

<sup>13</sup> Lewis, *The Crisis of Argentine Capitalism*, 476-477.

forced devaluations coming in April and June of 1981.<sup>14</sup> This new economic plan did not save the Argentines from their debt problem either as the government's attempts to restructure the economy were costly. The need for more funds brought the Proceso back to western financial institutions as the Argentines searched for the money needed to maintain economic stability. Bank of America and a coalition of 77 other American and international banks granted the Proceso a \$600 million loan in the summer of 1981.<sup>15</sup> These additional loans were added onto an already hefty national debt that ultimately totaled \$32 billion by the end of 1981.<sup>16</sup> By December of 1981, Viola would be replaced with Leopoldo Galtieri. Galtieri would then remove Sigaut and begin a return to neoliberalization with promises of privatization and free market economic policy.<sup>17</sup>

In December of 1981, the Galtieri government in Argentina began further neoliberalization of the Argentine economy with the hope of reversing the nation's economic fortunes. For the first time since 1975, Argentina even reduced its defense budget. However, the prospects for the Argentine economy and the Proceso itself were sealed less than 6 months into the Galtieri government when Argentina invaded the Falklands. The conflict crashed the economy further with inflation and foreign debt peaking while industrial production

---

<sup>14</sup> "Argentina Devalues Peso," *New York Times*, June 2, 1981; "Argentina Changes Economic Policies," *New York Times*, April 2, 1981.

<sup>15</sup> "Argentina Gets Loan," *New York Times*, October 2, 1981.

<sup>16</sup> Lewis, *The Crisis of Argentine Capitalism*, 477.

<sup>17</sup> Lewis, 478.

plummeted.<sup>18</sup> Meanwhile, the United States' decision to back Great Britain was not only disastrous to the Argentine war effort but also to the Argentine economy as the United States put strict sanctions on the Argentines in retaliation for the invasion.<sup>19</sup>

Ronald Reagan may be the most well-known American neoliberal; indeed, his economic policies, popularly known as Reaganomics, appear almost a synonym for neoliberalism in the popular American discourse. In *Masters of the Universe*, Daniel Steadman Jones argues that Ronald Reagan came into office hoping to implement four neoliberal economic policies: tighter monetary policy, increased deregulation and market liberalization in most sectors of the economy, tax cuts, and sharp cuts in federal spending.<sup>20</sup> Meanwhile, Reagan further stressed his support for Milton Friedman's particular brand of neoliberal economics by giving Friedman a position within the administration.<sup>21</sup> Latin American nations institutionalized Friedman's doctrine through the appointment of Chicago adjacent economists, but the United States made Friedman a part of their institution. Months into his presidency, Reagan emulated the anti-labor policy of the Proceso by breaking up a series of air traffic controller strikes and firing almost 12,000 workers in August of 1981.<sup>22</sup> Reagan followed this up with a series of tax cuts for America's wealthiest and justified it by arguing that lifting the burden on industry leaders would

---

<sup>18</sup> Lewis, *The Crisis of Argentine Capitalism*, 478.

<sup>19</sup> Gaddis Smith, *The Last Years of the Monroe Doctrine, 1945-1993* (New York: Hill and Wang, 1994), 175.

<sup>20</sup> Jones, *Masters of the Universe*, 263.

<sup>21</sup> Jones, 265.

<sup>22</sup> Jones, 267.

benefit all Americans.<sup>23</sup> The Proceso had used similar logic and sentiment in its earliest public addresses and, again similar to what happened in the United States, only the wealthiest gained any benefit. The Proceso promised victories over poverty and political uncertainty; and yet, ultimately worsened both.<sup>24</sup>

### **The Falklands War**

By 1982, the Proceso's support among nearly every sector of Argentina was eroding and, although its relationship with the United States was secure due to its cooperation in Central America; the United States was concerned over the stability of the Argentine government after Videla left power. The decision to invade the Falklands was then the nail in the coffin for the already doomed Proceso. However, the invasion was directly aimed at attempting to salvage this support as David Sheinin describes the invasion of the Falklands as only the second instance where the Proceso had enthusiastic patriotic support; with the other being the 1978 World Cup victory discussed previously.<sup>25</sup>

The Proceso had been vocal about its desire to eventually annex the islands since their inception in 1976. They even mentioned it in the infamous Santiago meeting with Kissinger in the summer of that year. Kissinger did his best to move past the issue and focus upon the agreed upon shared interests of the United States and Argentina, but the islands remained an unresolved

---

<sup>23</sup> Jones, 265-266.

<sup>24</sup> Sheinin, *Consent of the Damned*, 9-10.

<sup>25</sup> Sheinin, *Consent of the Damned*, 11.

dispute.<sup>26</sup> In 1979, the United States conducted an overview of the Falklands issue and concluded that Argentina may one day gain jurisdiction over the islands—but determined that ultimately the United States was unconcerned with the islands’ governance as long as they did not fall into unfriendly hands.<sup>27</sup> By 1981, the British had begun talks with the Argentine government about possibly granting sovereignty of the islands to the Argentines on a limited basis; however, they also concluded that the majority of the islands’ permanent residents were farmers that did not care to become a part of Argentina. Still, the British and Americans were content to let the issue eventually pass.<sup>28</sup> By January of 1982, the United States felt that Argentine interest in the Falklands had dissipated as they were becoming increasingly concerned with domestic economic and political issues. This was compounded by the Argentine decision to postpone their scheduled talks with the United Kingdom by almost a year.<sup>29</sup>

---

<sup>26</sup> “Memorandum of Conversation between United States Delegation (Kissinger et al) and Argentine Delegation (Guzzetti et al),” June 6, 1976, National Security Archive, 9.

<sup>27</sup> U.S. Embassy in Argentina to the Department of State, Airgram, May 16, 1979, *Foreign Relations of the United States, 1981–1988*, Volume XIII, Conflict in the South Atlantic, 1981–1984, <https://history.state.gov/historicaldocuments/frus1981-88v13/d1>.

<sup>28</sup> The Department of State to the Embassy in the United Kingdom, Telegram, March 3, 1981, *Foreign Relations of the United States, 1981–1988*, Volume XIII, Conflict in the South Atlantic, 1981–1984, <https://history.state.gov/historicaldocuments/frus1981-88v13/d3>.

<sup>29</sup> Memorandum of Conversation between Richard Forrester and John F. Keane, January 27, 1982, *Foreign Relations of the United States, 1981–1988*, Volume XIII, Conflict in the South Atlantic, 1981–1984, <https://history.state.gov/historicaldocuments/frus1981-88v13/d9>.

The invasion in April of 1982 then came as a bit of a surprise to the United States. In initial debates about US reaction, Kirkpatrick emerged one of the few to champion a degree of sympathy for the Argentine cause. The majority of Reagan's key advisors sympathized with the British out of both loyalty to the European and UN ally and in deference to Reagan's personal connection to British Prime Minister Margaret Thatcher. The United States then issued demands for a ceasefire and negotiations over the islands to communicate their pro-British neutrality.<sup>30</sup> As the Americans awaited the British response to the invasion, they went to the OAS to attempt to garner some support for neutrality. However, the OAS voted that Argentina held domain over the islands. Despite this, the United States broke from the OAS's ruling and continued to support the British by issuing the previously mentioned sanctions in late April of 1982.<sup>31</sup> American support for the British ended Argentine cooperation in American backed campaigns in Central America, and there was a period of strong anti-American sentiment in Argentina.<sup>32</sup> The conflict was over by June of 1982 and the Argentine forces had been pushed off the islands and embarrassed both by the British armed forces and their expectation of American support.

In 1983, W. Michael Reisman, a legal scholar, analyzed the Falklands conflict within the frame of "Contemporary International Norms" or the concepts of self-determination and decolonization. They argued that the United Kingdom, and the United States to a lesser extent, based claims on the Falkland Islands on the right of the Islanders to choose their nation. He stated then that: "This played well in the United States, but is less persuasive when examined

---

<sup>30</sup> Smith, *The Last Years of the Monroe Doctrine, 1945-1993*, 175.

<sup>31</sup> Smith, 175-176.

<sup>32</sup> Smith, 176-177.

carefully, since the preeminence of self-determination over decolonization in a case like the Falklands is far from clear.”<sup>33</sup> Reisman instead argued that self-determination in colonial contexts needs to consider a broader spectrum of considerations as the will of the inhabitants of the Falkland Islands was not backed by a substantial self-reliant society.<sup>34</sup> Reisman went on to discuss how the Argentine government had a legal basis to their claims that was again backed by most of their Latin American allies—but since the United States and the United Kingdom presented them as the aggressors, they were treated as such.<sup>35</sup> The purpose of introducing Reisman’s argument is that it serves to illustrate how the existing contrast between the developed and developing world influenced the American response. The United States sided with the British because the United Kingdom was the more powerful ally with positions of power in NATO and the UN. This decision then further developed the American-Argentine relationship as one that could never be truly equal with the Argentines always falling below the Americans in both their own mind and the international order.

### **Debt and Democracy: the Proceso’s Final Months and Legacy**

As Argentina was preoccupied with the fallout from the Falklands war, the Latin American economy almost completely collapsed in the summer of 1982. While this triggered a

---

<sup>33</sup> W. Michael Reisman, “The Struggle for the Falklands,” *The Yale Law Journal* 93, no. 2 (1983): 307.

<sup>34</sup> Reisman, 208.

<sup>35</sup> Reisman, 313.

turn to neoliberalism for the rest of the region, Argentina was not in a position to take part.<sup>36</sup> After being defeated in the Falklands, the Proceso began the process of democratization. Reynaldo Bignone, a former general, took charge of a new “caretaker” government and scheduled elections to take place in 1983. With no confidence in the Argentine economy, Bignone’s administration mostly tried to minimize damage rather than continuing the neoliberal transformation of his predecessors. Meanwhile, the Argentine people saw inflation and prices skyrocket to the point that cost of living increased by 400 percent annually between 1982 and 1983.<sup>37</sup>

Following the defeat in the Falklands, future president Raúl Alfonsín stated, ““The Armed forces do not deserve this destiny, and the people do not deserve this government. A civilian transition to democratic rule must now begin.”<sup>38</sup> Alfonsín ultimately oversaw this transformation and came to power as the first democratically elected leader since Isabelle Peron had been deposed almost a decade prior. As a Radical, Alfonsín appealed to many Argentines as a break from both Peronism and military rule. Once in power, Alfonsín set about bringing the Proceso to trial for its crimes during the Dirty War. He rejected the military’s calls for general amnesty, set up a civilian judicial commission, and ultimately arrested many of the highest-ranking members of the Proceso. Although, Alfonsín’s administration passed legislation that

---

<sup>36</sup> Marcus J. Kurtz and Sarah M. Brooks, “Embedding Neoliberal Reform in Latin America,” *World Politics* 60, no. 2 (2008): 234-235.

<sup>37</sup> Lewis, *The Crisis of Argentine Capitalism*, 478.

<sup>38</sup> David Pion-Berlin, “The Fall of Military Rule in Argentina: 1976-1983,” *Journal of Interamerican Studies and World Affairs* 27, no. 2 (1985): 56.

limited the responsibility of individual soldiers and only prosecuted the highest-ranking officers despite massive public protests, the trials themselves became a moment in the history of Argentina as the Proceso's crimes were fully exposed before the general public.<sup>39</sup> American media closely followed the trials. Patricia Derian's testimony was particularly damning as she detailed an Argentine admiral's thinly veiled threats when confronted about torture.<sup>40</sup> These trials exposed the violence of the Dirty War to the world and the gruesome reality of what was previously only assumed by both the Argentine and American public. In his treatise on violence, the philosopher Slavoj Zizek argues that the traumatic and gruesome details of violence are what makes it appear real.<sup>41</sup> This is essentially what happened with these trials. *The New York Times* even presented the trials as the first of their kind and a milestone with regards to justice for Latin American authoritarians.<sup>42</sup> However, American complacency for the Dirty War was not discussed. Instead, the narrative was that democracy brought justice to a faraway dictatorship. Although these trials would result in Videla and others being sentenced to life imprisonment, most of those arrested would have their sentences commuted by Alfonsín's successor, Carlos Menem.<sup>43</sup>

---

<sup>39</sup> Elisabeth Jay Friedman and Kathryn Hochstetler, "Assessing the Third Transition in Latin American Democratization: Representational Regimes and Civil Society in Argentina and Brazil," *Comparative Politics* 35, no. 1 (2002): 32-33.

<sup>40</sup> "Argentine Trial Hears Last Witness," *New York Times*, August 15, 1985.

<sup>41</sup> Slavoj Zizek, *Violence: Six Sideways Reflections* (New York: Picador, 2008), 4.

<sup>42</sup> "Argentine Court Finds Five Guilty for Junta Roles," *New York Times*, December 10, 1985.

<sup>43</sup> "Argentina Frees Ex-Junta Leaders," *New York Times*, December 30, 1990.

American-Argentine relations under Alfonsín and Ronald Reagan were friendly but not to the level that they were prior to democratization. Most notably, Alfonsín condemned Reagan's intervention in Central America and took a renewed interest in placing Argentina into the nonaligned or third world international contingent.<sup>44</sup> Moreover, Alfonsín moved away from neoliberal reforms inverse to Reagan's continued neoliberalization. Ideologically, Alfonsín was opposed to foreign capital's influence within Argentina and supported suspending payments to Argentina's western creditors.<sup>45</sup> Alfonsín also inherited a much worse economic situation than even existed before the military government. The foreign debts assumed by the Proceso to support their neoliberal economic structuring totaled over \$46 billion by 1983.<sup>46</sup> Although Alfonsín may have ideologically supported an anti-imperialist economic policy that defied Argentina's foreign debts, he understood that actually applying this policy would alienate Argentina internationally. Alfonsín thus continued to pay Argentina's debts while attempting to enact economic change that were ultimately, as Paul H. Lewis argues, inconsequential and did little to reverse the Argentine economic fortunes.<sup>47</sup>

Carlos Menem, on the other hand, was a devoted neoliberal and a self-described Peronist. With rhetoric, similar to that employed by the early Proceso, promising to usher in a new era for

---

<sup>44</sup> Sheinin, *Argentina and the United States: An Alliance Contained*, 183.

<sup>45</sup> Lewis, *The Crisis of Argentine Capitalism*, 478-479.

<sup>46</sup> Lewis, 480.

<sup>47</sup> Lewis, 481-483.

Argentina, Carlos Menem was able to win the Argentine presidency in 1989.<sup>48</sup> Menem then fully embraced both the United States and neoliberalism, as was defined by emerging Washington Consensus.<sup>49</sup> Furthermore, Carlos Menem was more than willing to cooperate with American regional economic goals. He adhered to the neoliberal economic agenda pushed by the IMF and the United States, he pushed privatization and further deregulation, and he again appointed Chicago school neoliberals to direct economic policy.<sup>50</sup> Menem seemed to be the American ideal of an Argentine leader. He enacted neoliberal policies to a larger extent than the Proceso ever had without any of the human rights abuses. He had even served two sentences as a political prisoner under the Argentine military government from 1978-1981.<sup>51</sup> However, this ideal state deteriorated quickly after a sharp economic collapse in the early 2000s.<sup>52</sup>

---

<sup>48</sup> Celia Szusterman, “Carlos Saúl Menem: Variations on the Theme of Populism,” *Bulletin of Latin American Research* 19, no. 2 (2000): 199.

<sup>49</sup> Szusterman, 200-201.

<sup>50</sup> David Sheinin, “The New Dollar Diplomacy in Latin America,” *American Studies International* 37, no. 3 (1999): 88.

<sup>51</sup> “La Detencion Del Ex Presidente,” *Clarín*, June 8, 2001.

<sup>52</sup> Mario E. Carranza, “Poster Child or Victim of Imperialist Globalization? Explaining Argentina’s December 2001 Political Crisis and Economic Collapse,” *Latin American Perspectives* 32, no. 6 (2005): 65–89. Carranza describes the prevailing arguments within the economic discourse, mostly from political scientists and economists, about the reasoning behind the economic crash. They discuss how the discourse was divided upon the responsibility of the

Carlos Menem's economic policy was hardly unique and was rooted in the emerging Washington Consensus that was spreading rapidly throughout much of Latin America by the 1990s.<sup>53</sup> Under Ronald Reagan, the American influenced international finance systems establish a set of standards for the ideal economic policies of debtor nations. This set of standards mostly consisted of neoliberal reforms that pushed for deregulation, prioritized an end to protectionism, and encouraged full participation in the global economy just as the economic policies idealized by Jose Martínez de Hoz in Argentina had.<sup>54</sup> The Latin American nations that adopted the neoliberal reforms pushed by the Washington Consensus were attempting to confront the same issues that the Proceso had including massive inflation, economic recession, and debt.<sup>55</sup>

---

international finance system, headed by the United States, and the responsibility of Carlos Menem.

<sup>53</sup> Szusterman, "Carlos Saúl Menem," 200.

<sup>54</sup> Claude Gnos and Louis-Philippe Rochon, "The Washington Consensus and Multinational Banking in Latin America," *Journal of Post Keynesian Economics* 27, no. 2 (2004): 316; Westphalen, "Friedman Versus Keynes in Latin America," 187-188.

<sup>55</sup> Kurtz and Brooks, "Embedding Neoliberal Reform in Latin America", 234; Sheinin, "The New Dollar Diplomacy in Latin America", 83. Sheinin discusses how the 1982 debt crisis caused anxiety amongst American bankers and policy makers and led to a push for the promotion of neoliberal policies. Meanwhile, Kurtz and Brooks state: "Spiraling inflation, capital flight, and recession, which followed in the wake of government defaults, were largely blamed on this statist development model (The authors are referring to the import-substitution policies that dominated Latin American economics prior to the neoliberal revolution). With the support of

However, there are several key differences between American relations with Washington Consensus nations and their relationship with the Argentine military dictatorship.

First, the Proceso was influenced by American economic ideology, but the Argentine military government was not pushed to neoliberalize their economy by the American government. Instead, they adopted neoliberal reforms in an attempt to stabilize and modernize their economy. The influence of American economists cannot be denied as Adolfo Díz was educated in the economics department of the University of Chicago<sup>56</sup> Meanwhile, as has been argued, the United States responded to neoliberalization positively and thus it became an important tenet of American-Argentine relations as it was routinely rewarded with new loans or continued support despite the nation's human rights abuses. The economic connections made through American investment then also restricted human rights initiatives.

Second, the Proceso neoliberalized the Argentine economy as much as it could while maintaining its position of power in Argentina. However, its need for immense spending on defense restricted its ability to neoliberalize the Argentine economy. The Proceso was also reluctant to privatize many of the state-owned enterprises that provided them with a great deal of wealth and international leverage.<sup>57</sup> When comparing the application of neoliberal economic policies in Argentina and Chile, one scholar stated: "However, Argentine economic policy is

---

Washington-based multilaterals, governments throughout the region responded by embracing an array of orthodox neoliberal economic reforms such as trade liberalization, privatization, and deregulation."

<sup>56</sup> Glen Biglaiser, "The Internationalization of Chicago's Economics in Latin America," 269–86

<sup>57</sup> Lewis, *The Crisis of Argentine Capitalism*, 454.

comparable to the Chilean only with certain reservations. Although Martínez de Hoz, the Minister of Economic Affairs, had since March 1976 pursued a course which exhibits extensive similarity to that of neighbouring Chile, the Argentine politicians from the very start have not acted nearly as consistently or rigorously as their Chilean colleagues.”<sup>58</sup> The consistency discussed here was only damaged further by chaotic leadership changes within the Argentine military government during the early 1980s.

Without the restraints of the military government, the Carlos Menem administration was able to fully embrace the Washington Consensus and commence a series of neoliberal reforms much more radical than those enacted during the Proceso’s tenure in power. Menem’s neoliberalization, most notably his support for the Brady Plan, were rewarded as he received a new series of loans including a \$150 million form the World Bank.<sup>59</sup> Menem demonstrated his break from the limits of the neoliberal military government by privatizing many of Argentina’s state-owned companies.<sup>60</sup> The economic collapse and fallout in the early 2000s then ensured that the Menem administration would be remembered as the most neoliberal state in Argentine history.<sup>61</sup>

---

<sup>58</sup> Westphalen, “Friedman Versus Keynes in Latin America,” 188.

<sup>59</sup> Sheinin, “The New Dollar Diplomacy in Latin America,” 88.

<sup>60</sup> Sheinin, “The New Dollar Diplomacy in Latin America,” 90.

<sup>61</sup> Paul Blustein, *And the Money Kept Rolling in (and out): Wall Street, the IMF, and the Bankrupting of Argentina* (New York: Public Affairs, 2005). Blustein’s book is then evidence that international debt is also remembered more as a legacy of the Menem administration than as

## Conclusion

Naturally, and perhaps rightfully, the Dirty War is the most profound legacy of the Proceso de Reorganización Nacional. However, the history of Argentine neoliberalism is forever entwined with the Dirty War as is evidenced by American-Argentine relations during the first year of the Ronald Reagan administration when the United States was as complacent towards the human rights abuses of the Dirty War as they were supportive of Argentine neoliberal policies and cooperation in American Cold War strategy. American-Argentine relations were greatly damaged by the Falklands War and remained strained during the Alfonsín administration. Moreover, the institutionalization of the Washington Consensus then represents a formal recognition of neoliberalization as a tenant of American foreign policy. A development that was predated by American-Argentine relations during the period of military governance.

---

a part of the Proceso's legacy as he makes scant mention of the pre-1989 relationship between Argentina and international lenders.

## **Concluding Remarks**

For the United States, neoliberalism was a method of expanding its neocolonial influence into Argentina. Although the philosophy promoted market liberalization and a decrease in spending, Argentine neoliberalization required immense foreign loans to get off the ground. These loans through organizations such as the IMF gave the United States a great deal of influence to both expand American business and economic interests further into Argentina and to promote neoliberalism despite the clear detriments. However, the Americans were both hesitant to embrace the Argentine military government and generally apathetic towards the Southern Cone of South America by the middle of the 1970s. It was not until the Argentines began implementing neoliberal reforms and engaging in regional anti-communist interventions that the Americans began supporting the Proceso. At that point, the initial economic success of neoliberalization pushed the State Department to turn a blind eye to the Argentine human rights abuses.

Neoliberalism not only offered the Argentine military government cover for their rampant and brutal human rights abuses, but also initially offered immense financial benefits for the Argentine upper classes from which the Proceso drew its support. Meanwhile, American neoliberal thinkers could deny their accountability by arguing that market freedom would ultimately lead to political freedom although, there is little evidence that the American government bought into this belief. Instead, they were happy to encourage policies that allowed for further entrenchment of American capital into the Argentine economy. All the while, the Proceso's profound opposition to communism satisfied the remaining contingent of cold warriors in the American government. However, the Argentine military government's Dirty War against

the Montoneros, the ERP, and others caused a major backlash in the media, public, and within Congress.

This backlash led the Carter administration to promote a human rights initiative that promoted a vision of an American moral empire. However, the Carter administration and the State Department were full of cold warriors and foreign policy realists that undermined this initiative at every step. Again, there were limited successes in both promoting a positive image of the United States and creating protections for activist groups. These successes happened in spite of rather than because of the majority within the American government. By 1979, the Carter administration completely abandoned the mantle of human rights and embraced a realist foreign policy that fully supported the Argentine military government. This shift, brought on by a series of events in Latin America and abroad, further cemented the human rights crusade as an institutional failure. The Americans rationalized that the IAHR report had cleared the Argentine military government from allegations of rampant anti-Semitism. However, there were still tens of thousands of Argentines missing that the United States chose to not pursue an answer for.

By the time Ronald Reagan came into office, Argentina was in a sharp economic decline as neoliberalism began to fail even the wealthiest Argentines. As Ronald Reagan turned his concerns towards issues in Nicaragua and El Salvador, the Argentine military government again appealed to the United States with its support for regional anti-communist intervention. Meanwhile, Reagan began a full scale neoliberalization of the American economy with policies mirroring those implemented in Argentina. With Argentina offering few economic prospects by 1982, the United States rejected the OAS's calls to support Argentina and backed the United Kingdom in the Falklands War. This not only doomed the Argentine military government, who

held little to no support from the Argentina public, but also reiterated Argentina's place as a subject power within the American worldview.

The legacy of American support is one of nearly abject failure in Argentina. The American endorsed neoliberalization left the Argentine economy in shambles by 1983. The loans from American financial institutions that propped up the military government also left Argentina in immense debt that shaped its economic future for the next 3 decades or longer. The Dirty War, that the United States was largely apathetic towards, left over 8.000 Argentines still disappeared by the late 1980s.<sup>1</sup> The next, and perhaps more famous, Argentine neoliberal president Carlos Menem made sure that the few who had been brought to justice for their crimes were freed. All while, the United States has been able to distance themselves from the Argentine military government and faced little continuing backlash for their complacency during the Dirty War.

---

<sup>1</sup> Antonius C. G. M. Robben, "How Traumatized Societies Remember: The Aftermath of Argentina's Dirty War," *Cultural Critique*, no. 59 (2005): 134.

## Bibliography

### Primary Sources

CIA Online Reading Room, <https://www.cia.gov/readingroom/what-electronic-reading-room>

National Archives and Records Administration, Argentina Declassification Project,

<https://www.intelligence.gov/argentina-declassification-project>

National Security Archives, <https://nsarchive.gwu.edu/digital-national-security-archive>

The Foreign Affairs Oral History Collection of the Association for Diplomatic Studies and Training at the Library of Congress

<https://www.loc.gov/collections/foreign-affairs-oral-history/about-this-collection>

### Newspapers and Magazines

*Clarín*, 2001

*El País*, 1980

*Gente*, 1976

*New York Times*, 1976-1999

### Published Primary Source Books and Reports

Amnesty International, *Report of an Amnesty International Mission to Argentina: November 1976*, London: Amnesty International Publications, 1977.

<https://www.amnesty.org/download/Documents/204000/amr130831977eng.pdf>.

Bonafini, Hebe de, and Matilde Sánchez. “The Madwomen at the Plaza de Mayo.” In *The Argentina Reader: History, Culture, and Politics*, edited by Gabriela Nouzeilles and Graciela Montaldo, 429–39. The Latin America Readers. Durham: Duke University Press, 2007.

Foreign Relations of The United States, 1969–1976, Volume E–11, Part 2, Documents On South America 1973–1976, Washington, DC: Government Printing Office, 2015.

Foreign Relations of the United States, 1981–1988, Volume XIII, Conflict in the South Atlantic, 1981–1984, Washington, DC: Government Printing Office, 2015.

IACHR Report on Argentina - 1980, April 11, 1980.

<http://www.cidh.org/countryrep/argentina80eng/toc.htm>

IADB Project Summary for AR0052, Inter-American Development Bank, November 12, 1976,

<https://www.iadb.org/en/project/AR0052>.

*Inside a U.S. Embassy: Diplomacy at Work*. Washington D.C.: Foreign Service Books, 2005.

### **Secondary Sources:**

Afoaku, Osita. “U.S. Foreign Policy and Authoritarian Regimes: Change and Continuity in International Clientelism.” *Journal of Third World Studies* 17, no. 2 (Fall 2000): 13–40.

Anderson, Thomas D. “Argentina Is No Ally.” *New York Times*. August 2, 1981.

Armony, Ariel C. *Argentina, the United States, and the Anti-Communist Crusade in Central America, 1977-1984*. Athens: Ohio University Press, 1997.

Aronoff, Yael S. “In like a Lamb, out like a Lion: The Political Conversion of Jimmy Carter.” *Political Science Quarterly* 121, no. 3 (2006): 425–49.

Barder, Alexander D. “American Hegemony Comes Home: The Chilean Laboratory and the Neoliberalization of the United States.” *Alternatives: Global, Local, Political* 38, no. 2 (2013): 103–21.

Blustein, Paul. *And the Money Kept Rolling in (and out): Wall Street, the IMF, and the Bankrupting of Argentina*. New York: Public Affairs, 2005.

Brands, Hal. *Latin America’s Cold War*. Cambridge; London: Harvard University Press, 2010.

- Brennan, James P., and Mercedes Ferreyra. *Argentina's Missing Bones: Revisiting the History of the Dirty War*. Oakland: University of California Press, 2018.
- Carranza, Mario E. "Poster Child or Victim of Imperialist Globalization? Explaining Argentina's December 2001 Political Crisis and Economic Collapse." *Latin American Perspectives* 32, no. 6 (2005): 65–89.
- Finger, Seymour Maxwell. "The Reagan-Kirkpatrick Policies and the United Nations." *Foreign Affairs* 62, no. 2 (1983): 436–57.
- Friedman, Elisabeth Jay, and Kathryn Hochstetler. "Assessing the Third Transition in Latin American Democratization: Representational Regimes and Civil Society in Argentina and Brazil." *Comparative Politics* 35, no. 1 (2002): 21–42.
- Friedman, Milton. *Capitalism and Freedom*. Chicago: University of Chicago Press, 2002.
- . *Commanding Heights*: Milton Friedman, October 1, 2000.
- . "The Social Responsibility of Business Is to Increase Its Profits." *The New York Times Magazine*, September 13, 1970.
- Gnos, Claude, and Louis-Philippe Rochon. "The Washington Consensus and Multinational Banking in Latin America." *Journal of Post Keynesian Economics* 27, no. 2 (2004): 315–31.
- Goebel, Michael. *Argentina's Partisan Past: Nationalism and the Politics of History*. Liverpool Latin American Studies. Liverpool: Liverpool University Press, 2011.
- Green, Duncan, and Sue Branford. *Faces of Latin America*. Revised Fourth Edition. New York: New York University Press, 2013.
- Green, James N. *We Cannot Remain Silent: Opposition to the Brazilian Military Dictatorship in the United States*. Durham: Duke University Press, 2010.
- Harvey, David. *A Brief History of Neoliberalism*. Oxford: Oxford University Press, 2005.

- Heredia, Mariana. "Economic Ideas and Power during the Dictatorship." In *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debt*, 47–60. New York: Cambridge University Press, 2016.
- Jones, Daniel Stedman. *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics*. Princeton: Princeton University Press, 2012.
- Keys, Barbara. "Congress, Kissinger, and the Origins of Human Rights Diplomacy." *Diplomatic History* 34, no. 5 (2010): 823–51.
- . *Reclaiming American Virtue: The Human Rights Revolution of the 1970s*. Cambridge: Harvard University Press, 2014.
- Klein, Naomi. *The Shock Doctrine: The Rise of Disaster Capitalism*. Toronto: Knopf Canada, 2007.
- Kraig, Robert Alexander. "The Tragic Science: The Uses of Jimmy Carter in Foreign Policy Realism." *Rhetoric and Public Affairs* 5, no. 1 (2002): 1–30.
- Kurtz, Marcus J., and Sarah M. Brooks. "Embedding Neoliberal Reform in Latin America." *World Politics* 60, no. 2 (2008): 231–80.
- Laclau, Ernesto. *On Populist Reason*. London; New York: Verso, 2005.
- Lenin, Vladimir. *Imperialism, The Highest Stage of Capitalism*. New York: International Publishers, 1999.
- Levine, Laurence, and Katherine Quinn. *Inside Argentina from Perón to Menem 1950-2000 From an American Point of View*. California: Edwin House, 2001.
- Levy, Marcela López. *We Are Millions: Neo-Liberalism and New Forms of Political Action in Argentina*. London: Latin American Bureau, 2004.
- Lewis, Paul H. *The Crisis of Argentine Capitalism*. Chapel Hill: The University of North Carolina Press, 1992.

- Moyn, Samuel. *Not Enough: Human Rights in an Unequal World*. Cambridge: The Belknap Press of Harvard University Press, 2018.
- Nelson, Stephen C. *The Currency of Confidence: How Economic Beliefs Shape the IMF's Relationship with Its Borrowers*. Ithaca: Cornell University Press, 2017.
- O'Donnell, Guillermo. "Modernization and Military Coups." In *The Argentina Reader: History, Culture, and Politics*, edited by Gabriela Nouzeilles and Graciela Montaldo, 399–420. The Latin America Readers 3. Durham: Duke University Press, 2002.
- Oppenheimer, Andres. "Senor Carter, Si!" *New York Times*. February 27, 1978.
- Pigna, Felipe. "Lo Que Pienso de Martínez de Hoz (Interview with David Rockefeller, Gente Magazine)." *Gente Magazine/ El Historiador*, April 6, 1978.  
<https://www.elhistoriador.com.ar/lo-que-pienso-de-martinez-de-hoz/>.
- Pion-Berlin, David. "The Fall of Military Rule in Argentina: 1976-1983." *Journal of Interamerican Studies and World Affairs* 27, no. 2 (1985): 55–76.
- Reisman, W. Michael. "The Struggle for the Falklands." *The Yale Law Journal* 93, no. 2 (1983): 287–317.
- Schmidli, William Michael. "Institutionalizing Human Rights in U.S. Foreign Policy: U.S.-Argentine Relations, 1976–1980." *Diplomatic History* 35, no. 2 (2011): 351–77.
- . *The Fate of Freedom Elsewhere: Human Rights and U.S. Cold War Policy toward Argentina*. Ithaca: Cornell University Press, 2013.
- Schoultz, Lars. *Human Rights and United States Policy toward Latin America*. Princeton: Princeton University Press, 1981.
- Schwartz, Thomas Alan. *Henry Kissinger and American Power: A Political Biography*. New York: Hill and Wang, 2020.

- Sheinin, David. "Argentina's Secret Cold War: Vigilance, Repression, and Nuclear Independence." In *Latin America and the Global Cold War*, edited by Thomas Field, Stella Krepp, and Vanni Pettina, 174–98. University of North Carolina Press, 2020.
- . *Consent of the Damned: Ordinary Argentinians in the Dirty War*. Gainesville: University Press of Florida, 2012.
- . "The New Dollar Diplomacy in Latin America." *American Studies International* 37, no. 3 (1999): 81–99.
- Sheinin, David M. K. *Argentina and the United States: An Alliance Contained*. Athens: University of Georgia Press, 2006.
- Slaughter, Joseph R. "Hijacking Human Rights: Neoliberalism, the New Historiography, and the End of the Third World." *Human Rights Quarterly* 40, no. 4 (2018): 735–75.
- Smith, Gaddis. *The Last Years of the Monroe Doctrine, 1945-1993*. New York: Hill and Wang, 1994.
- Szusterman, Celia. "Carlos Saúl Menem: Variations on the Theme of Populism." *Bulletin of Latin American Research* 19, no. 2 (2000): 193–206.
- Taiana, Jorge E. "Foreign Powers, Economic Support, and Geopolitics." In *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debts*, 61–71. New York: Cambridge University Press, 2016.
- Timerman, Jacobo. *Prisoner Without a Name, Cell Without a Number*. 1st ed. New York: Knopf, 1981.
- Veltmeyer, Henry, and James Petras. "Foreign Aid, Neoliberalism and US Imperialism." In *Neoliberalism*, edited by Alfredo Saad-Filho and Deborah Johnston, 120–26. A Critical Reader. Pluto Press, 2005.

Verbitsky, Horacio, and Juan Pablo Bohoslavsky, eds. *The Economic Accomplices to the Argentine Dictatorship: Outstanding Debts*. New York: Cambridge University Press, 2016.

Westphalen, Jürgen. "Friedman Versus Keynes in Latin America." *Intereconomics* 17, no. 4 (July 1982): 184–89.

Wilson, Jonathan. *Angels with Dirty Faces: The Footballing History of Argentina*. London: Orion Books, 2016.

Wright, Thomas C. *State Terrorism in Latin America: Chile, Argentina, and International Human Rights*. Lanham: Rowman & Littlefield, 2007.

Zizek, Slavoj. *Violence: Six Sideways Reflections*. New York: Picador, 2008.