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Latin America between the Second World War and the Cold War: Some Reflections on the 1945–8 Conjuncture

by LESLIE BETHELL and IAN ROXBOROUGH

The importance of the years of political and social upheaval immediately following the end of the Second World War and coinciding with the beginnings of the Cold War, that is to say, the period from 1944 or 1945 to 1948 or 1949, for the history of Europe (East and West), the Near and Middle East, Asia (Japan, China, South and East Asia), even Africa (certainly South Africa) in the second half of the twentieth century has long been generally recognised. In recent years historians of the United States, which had not, of course, been a theatre of war and which alone among the major belligerents emerged from the Second World War stronger and more prosperous, have begun to focus attention on the political, social and ideological conflict there in the postwar period – and the long term significance for the United States of the basis on which it was resolved. In contrast, except for Argentina, where Perón's rise to power has always attracted the interest of historians, the immediate postwar years in Latin America, which had been relatively untouched by, and had played a relatively minor role in, the Second World War, remain to a large extent neglected. It is our view that these years constituted a critical conjuncture in the political and social history of Latin America just as they did for much of the rest of the world. In a forthcoming collection of case studies, which we are currently editing, the main features of the immediate postwar period in Latin America, and especially the role played by labour and the Left, will be explored in some detail, country by country.¹ In this article, somewhat speculative and intentionally polemical, we present the broad outlines of our thesis.

¹ The volume, edited by Leslie Bethell and Ian Roxborough, will include essays on Brazil by Leslie Bethell, Mexico by Ian Roxborough, Cuba by Harold Sims (University of Pittsburgh), Guatemala by James Dunkerley (Queen Mary College, London), Costa Rica by Rodolfo Cerdas (Centro de Investigación y Adiestramiento Político-

Each Latin American country has its own history in the immediate postwar years. Nevertheless, there are striking similarities in the experience of the majority of at least the major republics, despite differences of political regime, different levels of economic and social development, differences in the strength and composition of both the dominant groups and popular forces and different relations with the United States, the region's hegemonic power. Broadly speaking, for most of Latin America the postwar period can be divided into two phases. The first phase, beginning in 1944, 1945 or 1946 (depending on the country concerned), and often tantalisingly brief, was characterised on the political front by democratic openings, political mobilisation and participation, and the relatively successful articulation of popular demands by both movements and parties of the 'democratic' or 'nationalist-populist' reformist Left (many newly formed) and the orthodox Marxist Left (hitherto with few exceptions largely ineffective). Even more important perhaps, this phase witnessed unprecedented militancy within organised labour: the end of the Second World War saw strike waves throughout the region (in, for example, Mexico, Brazil, Peru, Colombia, Argentina and Chile) and a bid for greater union independence in those countries (for example, Mexico and Brazil) where the labour movement was closely controlled by the state. In the second phase, beginning in 1946 or 1947 (in some cases as early as 1945) and completed almost everywhere by 1948, the democratic advance was for the most part contained, and in some cases reversed; the Left in general lost ground and the Communist parties in particular almost everywhere suffered proscription and severe repression; most importantly, labour was disciplined and brought under closer control by the state. In other words the popular forces, in particular the organised urban working class but also in some cases the urban middle

Administrativo, San José, Costa Rica), Venezuela by Steve Ellner (Universidad de Oriente, Puerto de la Cruz, Venezuela), Peru by Nigel Howarth (University of Auckland, New Zealand), Bolivia by Laurence Whitehead (Nuffield College, Oxford), Chile by Andrew Barnard (Institute of Latin American Studies, London), and Argentina by Mario Rapoport (Universidad de Buenos Aires). It will be published by Cambridge University Press in 1989. Of the countries not included for separate treatment we are confident that Colombia, Ecuador and Uruguay, possibly Paraguay and Haiti, even Nicaragua in many respects fit the 'model' presented here. But in these cases much of the basic research still needs to be done.

We have benefited not only from reading preliminary drafts of all these essays but also from the discussions with their authors, especially James Dunkerley and Laurence Whitehead, and other colleagues, especially Alan Angell and Callum McDonald, at various seminars and at a conference funded by the Nuffield Foundation at the Institute of Latin American Studies, London, in October 1987.

class, and the Left, most decisively the Communist Left, suffered a historic defeat in Latin America during the immediate postwar period. As a result an opportunity, however slight, for far-reaching social and political change was lost. This would have involved an expansion of democracy, the incorporation of organised labour into the political system as an autonomous actor, and not simply as a power base for a sector of the elite, and some sort of commitment to greater social justice and a distribution of wealth. The result would have been a decisive shift in the balance of power towards the urban working class (though not yet the rural population) and a concomitant weakening of elite control over politics and society. The failure to follow this path towards an alternative future, which seemed plausible to many actors at the end of the war, had in our view far-reaching consequences for Latin American development in the postwar world.

How is this outcome of the postwar conjuncture in Latin America to be explained? It is necessary in the first place to examine the shifting balance of domestic forces at the time (and the origins of the major political and social conflicts of the period, which were to some extent frozen for the duration of the War, in the World Depression of the 1930s – and in some cases even earlier). It is also essential to explore the complex interplay between the rapidly changing domestic scene in each Latin American country and the no less rapidly changing international scene as a new political and economic international order was created in the aftermath of the Second World War and as the Cold War began. Here the role played in Latin American affairs, directly and indirectly, by the United States needs to be examined with particular care.

The final year of the War (1944–5) and the first year after the War (1945–6) saw at least a partial extension of democracy in those Latin American countries which already had some claim to call themselves democratic in the sense that their governments were elected (however severely limited the suffrage and however restricted the political participation), political competition of some kind was permitted (however weak the party system) and basic civil liberties were at least formally honoured (however precariously at times). This was true in Chile, Costa Rica, Colombia where Jorge Eliécer Gaitán mounted his ultimately unsuccessful campaign against the oligarchy, both Liberal and Conservative, and even in Peru where the candidate of the recently formed Frente Democrático Nacional, José Luis Bustamante y Rivero, with

APRA support, won the elections of June 1945 and displaced the traditional oligarchy. Elsewhere there was a number of important transitions from military or military-backed dictatorships of various kinds to democracy broadly defined. In Ecuador in May 1944 a popular rebellion led by the Alianza Democrática Ecuatoriana against Carlos Arroyo del Río led to the military coup which brought José María Velasco Ibarra to power. In Cuba the elections of June 1944 witnessed the triumph of the reformist Ramón Grau San Martín over the *continuista* candidate favoured by Fulgencio Batista, who had dominated Cuban politics since 1934 and served as president since 1940. In Guatemala after a dictatorship lasting thirteen years, Jorge Ubico was overthrown in July 1944 and Juan José Arévalo was elected in December of the same year. In Brazil Getúlio Vargas, after fifteen years in power, took the first steps in February 1945 towards the liberalisation of the Estado Novo. In October Vargas was overthrown by the military who suspected that he was seeking to remain in office through a new, populist project, and the scheduled direct presidential and congressional elections were held in December. In Venezuela a process of political liberalisation, begun by the dictator, Isaías Medina Angarita, was accelerated by a military coup backed by Rómulo Betancourt and Acción Democrática in October 1945 which led to the establishment of an open, democratic system. In Argentina, where the coup of June 1943 had brought to power a nationalist military junta, political liberalisation began in 1945 which would lead to free elections in February 1946. The coup by young officers backed by the MNR in December 1943 in Bolivia also eventually produced a political opening as the oligarchy, the MNR and the Marxist PIR struggled for the support of the miners and the peasants. Even in Paraguay General Morínigo was obliged to accept – for a while – a coalition government including both Colorados and opposition Febreristas. In Mexico the election of 1946 was seriously contested, saw considerable citizen mobilisation, and produced the first authentically civilian presidency, that of Miguel Alemán, since the Revolution. On the other hand massive fraud and the final imposition of the governmental candidate indicated that Mexican democracy was still largely rhetorical.

Thus, almost all the countries of the region moved in the direction of political liberalisation and partial democratisation. No Latin American country moved in the opposite direction. By 1946 apart possibly from Paraguay and a handful of the smaller republics in Central America and the Caribbean – El Salvador (where Hernández Martínez was overthrown as early as May 1944 but a dictatorship was restored before the end of the year), Honduras (where Carias Andino survived an invasion from El

Salvador), Nicaragua (where despite considerable pressure from the middle class opposition Somoza weathered the storm and hung on to power), and the Dominican Republic (where opposition was successfully repressed by Trujillo) – all the Latin American states could claim to be in some sense democratic. At least they were not dictatorships.

The principal factor behind the political climate of 1944–6 in Latin America was the victory of the Allies (and of democracy over fascism) in the Second World War. Despite the strength of Axis interests and indeed widespread pro-Axis sympathies throughout Latin America during the 1930s, in the aftermath of Pearl Harbour (December 1941) all the Latin American states (except Chile, temporarily, and Argentina) lined up with the United States and severed relations with the Axis powers; eventually most, although until 1945 by no means all, declared war. Formally at least, and in some cases with varying degrees of cynicism and *realpolitik*, they had chosen the side of Freedom and Democracy, although only Brazil sent combat troops to the European theatre. The War strengthened existing ties – military, economic, political, ideological – between Latin America (except Argentina and, to some extent, Bolivia) and the United States. As the nature of the postwar international order and the hegemonic position of the US within it became clear, the dominant groups in Latin America, including the military (and by this time, in some countries, industrialists), recognised the need to make some necessary political adjustments. There was at the same time considerable popular pressure from below, especially from the urban middle class, intellectuals and students but also from the urban working class, for a more open political future. War and postwar demands for democracy drew upon a strong liberal tradition in Latin American political ideas and culture going back at least as far as the period of independence in the first quarter of the nineteenth century. But they were also the product of war-time propaganda in favour of US democracy and the American way of life directed at Latin America, and orchestrated above all by Nelson Rockefeller's Office of the Coordinator of Inter-American Affairs (OCIAA). By the end of the War, it should be remembered, the press and radio throughout Latin America had been heavily penetrated by US capital.

Direct US pressure in favour of democratisation was not perhaps a decisive factor but it undoubtedly played its part. At the outset of the War the United States had cooperated with *all* anti-Axis regimes in Latin America, both dictatorships and democracies. But as early as April 1943 Roosevelt made it clear to Getúlio Vargas, his closest ally in Latin America, that the Estado Novo would be expected to liberalise itself at the end of the war, especially if Brazil aspired to play a more important role

in international affairs in the postwar world. (And throughout 1945 the US Ambassador Adolf Berle quietly encouraged the dismantling of the old regime.) There was some United States involvement in the downfall of some of the tyrants of the Caribbean and Central America in 1944. In November 1944 Berle, Assistant Secretary of State at the time, in a circular to US embassies in Latin America made it known that the United States felt a greater affinity with and would be more favourably disposed towards 'governments established on the periodically and freely expressed consent of the governed'.² And as the War ended and the opening shots in the Cold War were fired (for example, in the conflict with the Soviet Union over democracy in Eastern Europe at the London Foreign Ministers' Conference in September 1945) it became even more imperative that the allies of the United States in Latin America were seen to be democratic. The most sustained US efforts in favour of democracy were directed at the two countries still regarded as 'fascist': Bolivia (where in May 1946 the US encouraged the formation of the Democratic Front composed of Marxists and the Right against the MNR government and where Villarroel was eventually lynched) and, more particularly, Argentina. Ambassador Spruille Braden arrived in Buenos Aires in May 1945 with the 'fixed idea' according to Sir David Kelly, the British Ambassador, of establishing democracy in Argentina. He became virtually the leader of opposition to the military regime and especially to Perón. A timetable for democracy was eventually established and elections were held in February 1946, although faced with the choice of 'Braden or Perón' the Argentine people chose Perón.

With limited democratisation at the end of the Second World War a number of political parties which sought to extend participation and promote economic and social reform – all of them formed since the 1920s, many of them strongly personalist and populist – came to power or at least to a share of power for the first time. We refer to the PRC-A (the *Auténticos*) in Cuba, *Acción Democrática* in Venezuela and APRA in Peru among others. In Brazil the popular movement of *Queremismo* in favour of Vargas and the formation by Vargas of the *Partido Trabalhista Brasileiro* provided an organisational expression for such reformist aspirations. In Argentina this role was played by the short-lived *Partido Laborista*, and eventually by Perón's *Partido Justicialista*. In Mexico the official party of the Revolution, renamed the PRI in 1946, remained the principal umbrella under which reformist currents sheltered, though

² Quoted in D. M. Dozer, *Are We Good Neighbours? Three Decades of Inter-American Relations, 1930–60* (Gainesville, 1959), p. 213.

recent changes in the party had done much to shift it to the right. Emerging belatedly (and as a result, abortively) in 1948 as a mass reformist party of the Left was Lombardo Toledano's Partido Popular. Of course, not all of these parties were thoroughly committed to formal democracy, and with the passage of time, even their commitment to social and economic reform was significantly reduced.

Also notable were the gains, albeit more limited, made at this time by the Latin American Communist parties. (Only Chile, and to a lesser extent Argentina, had a significant Socialist party.) After years of weakness, isolation and for the most part illegality, many Communist parties reached the peak of their power and influence in this period – power and influence never to be repeated except in Cuba after 1959 and (briefly) in Chile in the early seventies. They were legalised or at least tolerated in virtually every country. Total membership, less than 100,000 in 1939, had reached half a million by 1947.³ In competition with, at times cooperating with, their traditional rivals, the parties of the non-Communist, nationalist Left, they had considerable success in both congressional and local elections all over Latin America but especially in Chile (where in 1946 the cabinet had three Communist members), Cuba and Brazil. And as we shall see they made important advances within the labour unions throughout Latin America.

The explanation for these Communist gains is again to be found in the War. After the German invasion of Russia and the break up of the short-lived Nazi-Soviet pact war-time imperatives brought a return to the tactics of class collaboration and popular-frontism laid down by the Seventh World Congress of the Comintern (1935). Communists, even where they had no legal status, generally supported national unity and the Allied cause; they were part of the anti-fascist, democratic front (in wartime government coalitions in Cuba, Costa Rica and Chile) and therefore beneficiaries of the democratic advance – together with the temporary but enormous prestige of the Soviet Union – at the end of the War. Meanwhile, the Comintern (which had only 'discovered' Latin America in 1928) had effectively ceased to function after 1935 and had finally been dissolved in 1943. During the War and its immediate aftermath the Latin American Communist parties were largely neglected by Moscow and

³ Fernando Claudin, *The Communist Movement. From Comintern to Cominform* (London, 1975), p. 309. Compare this with the similarly spectacular increase in the membership of the two senior Communist parties in the developed capitalist world: the French party grew from 300,000 members in 1939 to almost a million in 1946, the Italian party from only 5,000 in 1943 to 2 million in 1946. Compared to the absolute size of the French and Italian parties, of course, even the largest of the Latin American parties (the Brazilian, the Cuban and the Chilean) were still quite small.

experienced a growing, though relative, independence of action. What became known as Browderism, the belief that Communists should increasingly act as an integral part of nationally-oriented, broad popular movements, even to the extent of voluntary dissolution, made headway in several Latin American countries (Cuba, Mexico, Venezuela, for example) during these final years of the War. Nor was there, at least throughout most of 1945, any significant hostility to Communist parties from Washington. On the contrary, in Brazil Berle was unconcerned about Communist support for Vargas, in Argentina Braden accepted Communist support against Perón, and in Bolivia the PIR was encouraged to join the anti-Villarreal campaign.

An independent feature of the postwar years was the emergence of organised labour as a major social and political actor in Latin America. By the late thirties the export sectors had largely recovered from the World Depression and import substitution industrialisation had accelerated in the more economically developed countries of the region. The Second World War gave a further impetus to industrial development. Combined with population growth and rural-urban migration the size of the working class had expanded considerably. And its character was being rapidly transformed: besides the already important nuclei of workers in the agricultural and mining export sectors, and workers in transportation and public utilities, white collar workers, many of them state employees, and industrial workers were increasingly important. In Mexico the number of workers in manufacturing had risen from 568,000 in 1940 to 938,000 in 1945, in Argentina from 633,000 in 1941 to 938,000 in 1946. In Brazil, over the decade between 1940 and 1950, the number of manufacturing workers rose from 995,000 to 1,608,000.⁴ While rises of this order of magnitude were not experienced by all countries, the rate of growth of the urban working class, and especially workers in industry, in Latin America as a whole during the war years was impressive. This growth in the size of the working class was accompanied by a widespread expansion of union membership. In Argentina the number of workers enrolled in unions rose from 448,000 in 1941 to 532,000 in 1946 (and then shot up to two and a half or three million by the end of Perón's first term in office). In Brazil, some 351,000 workers were unionised in 1940; by 1947 this had more than doubled to 798,000. Even in Colombia union

⁴ J. Fuchs, *Argentina, su desarrollo capitalista* (Buenos Aires, 1966), pp. 260, 268; B. Torres Ramírez, *México en la Segunda Guerra Mundial* (Mexico, D.F., 1979), p. 299; T. Merrick and D. Graham, *Population and Economic Development in Brazil* (Baltimore, 1979), p. 158.

membership doubled between 1940 and 1947 (from 84,000 to 166,000). By 1946 between three and a half and four million workers were unionised in Latin America as a whole.⁵ Even more important perhaps was the trend to more centralised organisation, the search for greater autonomy from the State, and militancy over wages. Real standards of living had generally declined towards the end of the War as wages were held down by social pacts and no-strike pledges in the interests of the Allied war effort and the battle for production – while inflation rose. The War in any case increased expectations and the new liberal political atmosphere provided the space in which pent-up demands could be released.

The last year of the War (1944–5) and the first year after the War (1945–6) therefore witnessed not only political openings but a marked increase in the number of labour disputes and strikes in, for example, Mexico, Brazil and Chile. Major concessions were wrung from employers and the state by workers in the export agriculture sector (Argentine meat packers), mining and oil (Chilean coal and copper workers, Mexican and Venezuelan oil workers), transport (Mexican and Argentine rail workers, Brazilian port workers), urban services (Brazilian bank employees and tramway workers), and some sections of industry (Brazilian and Peruvian textile workers, for example). Much of this insurgency in the ranks of labour sprang from the combination of specific grievances, falling real wages and an increasingly tight labour market (which improved union bargaining power). A number of political parties were able to capitalise on this and expand their influence in the labour movement. In this situation the Communist parties were often in an ambiguous position. On the one hand, their reputation as advocates of broad reforms and their (at least verbal) defence of working class interests attracted considerable support. On the other hand, their support for the no-strike pledges in support of the Allied war effort frequently led to rank-and-file movements by-passing the Communists. To a great extent the eventual outcome depended on the nature of the Communists' rivals in the labour movement. In those countries (such as Chile) where there was a well-established non-Communist Left (the Socialist party), it was these forces which often prospered at the expense of the Communists. In other countries relatively

⁵ L. Doyon, 'Conflictos Obreros Durante el Régimen Peronista (1946–55)', *Desarrollo Económico* (1977), p. 440; L. Martins, 'Sindicalismo e classe operária', in B. Fausto (ed.), *História Geral da Civilização Brasileira*, vol. 10 (São Paulo, 1981), p. 535; M. Urrutia Montoya, *The Development of the Colombian Labor Movement* (New Haven, 1969), p. 183; S. Baily, *Labor, Nationalism and Politics in Argentina* (New Brunswick, N.J., 1967), p. 101; V. Alba, *Politics and the Labor Movement in Latin American* (Stanford, 1968), pp. 211, 258.

new parties like *Acción Democrática* in Venezuela or personalistic movements of the kind led by Vargas and Perón emerged as serious (and often successful) rivals to the Communist Parties. Whatever the outcome, the working class was now being incorporated into democratic politics and was courted by a variety of political leaders, movements and parties.

Behind all this political effervescence at the end of the Second World War were some profound, if dimly perceived, shifts in the nature of political discourse and ideology. The emergence of 'democracy' as a central symbol with almost universal resonance was specific to this period. Of course, the term was used by different actors to mean quite distinct things. For some it meant little more than the façade of formal elections; for others it meant simply a commitment to the Allied camp. Nevertheless, for many people in Latin America the meaning of the term underwent a considerable expansion. Democracy was now seen to imply a commitment to wider participation, and had its economic and social dimensions. It came increasingly to be identified with a positive redistribution of wealth and income to benefit the lower income groups, and increasing levels of urban working class participation in politics.

At the same time, perceptions of the developmental options open to Latin American countries (particularly in those countries which had already experienced significant industrial growth) underwent a fundamental shift. The pursuit of industrialisation now became a realistic and widely held policy option. Despite widespread controversy around this issue (there was the famous debate between Eugênio Gudin and Roberto Simonsen in Brazil over industrialisation policy, and controversies in Mexico over the form industrialisation should take, for example) the body of thought which later came to be known as *cepalismo* or structuralist economics soon emerged as the dominant intellectual paradigm in the region.⁶ State intervention in a mixed economy, planning, support for the developing national bourgeoisie, deliberate attention to social and welfare goals, together with the (regulated) entry of foreign capital came to characterise this newly emerging body of thought. The parallels with the development of social democratic welfare ideology in Western Europe, and that region's commitment to an increasingly interventionist state are worth highlighting. Unlike the situation in Western Europe, however,

⁶ This important aspect of the intellectual history of Latin America in the 1940s will be explored in the chapter on Economic Ideas and Ideologies in Latin America since 1930 by Joseph Love in a forthcoming volume of *The Cambridge History of Latin America*, edited by Leslie Bethell.

cepalista developmental prescriptions came increasingly to be associated with authoritarian statism as the links between economic development, social reform and democracy became ever more tenuous.

Did these various, mutually reinforcing tendencies in the immediate aftermath of the Second World War add up to an opportunity for significant political and social reform, a potentially decisive step towards a new order in Latin America? Or were they 'premature' and destined to fail because of Latin America's continuing economic, social and political 'backwardness' (despite the changes of the 1930s and the War years), the balance of domestic class forces in Latin America at the end of the War, and the impact of the changing international climate marked by the beginning of the Cold War? Certainly a challenge to the established order in Latin America was perceived at the time, and in every country except Guatemala (where the 'revolution' survived until the United States-backed invasion of 1954) steps were quickly and successfully taken during the years 1946–8 to neutralise it.

Only in Peru (October 1948) and Venezuela (November 1948) were democratic regimes actually overthrown and replaced by military dictatorships during these years, although reactionary military coups followed in Cuba (1952) as well as ultimately, of course, in Guatemala (1954). Almost everywhere, however, there was a marked shift to the right within democratic or semi-democratic regimes – in Brazil, Chile, Colombia (where the *bogotazo*, the predominantly urban insurrection which was triggered off by the assassination of Gaitán in April 1948, was quickly and effectively quelled), Cuba, Ecuador (where Velasco Ibarra, who had himself suspended the Constitution in March 1946, was overthrown in August 1947 in a conservative coup), Mexico, even Costa Rica (despite the apparent victory for democracy in the civil war of 1948) – and within reformist parties which had formerly had democratic pretensions (AD in Venezuela, APRA in Peru, the Auténticos in Cuba). And in country after country popular mobilisation was repressed and participation restricted or curtailed. As early as September 1946 in Brazil the Constitution which launched the country's twenty year 'experiment with democracy' denied the vote to illiterates (more than half the population) and distributed seats in Congress in such a way as seriously to underrepresent the more densely populated, urban and developed regions of the country.

In this new political atmosphere – very different from that at the end of

the War – Communist parties were no longer legitimate, not least because of their newly discovered ‘anti-democratic’ natures, and were once again excluded from political life. In one country after another – notably in Brazil (May 1947), Chile (September 1948) and Costa Rica (July 1948) – they were declared illegal. (And many Latin American governments took the opportunity to break often recently established diplomatic relations with the Soviet Union.) Party members experienced repression, and in Cuba, for example, from April 1947 physical violence. Communist members were forced out of the Cabinet and Congress in Chile in August 1947 and Congress (as well as state and municipal assemblies) in Brazil in January 1948. Everywhere Communist labour leaders found themselves purged from the major unions, even though they had been elected and in many cases were notable for the relatively moderate positions they had adopted on strikes.⁷ The result was a dramatic increase in the strength of some of the Communists’ rivals in the labour movement: for example, in Peru APRA, in Colombia the Catholic unions, in Mexico the pro-governmental clique around Fidel Velázquez, and in Brazil the *trabalhistas*.

The purge of Communist labour leaders was, however, part of a more general crack-down on labour aiming at greater institutional and ideological control by the state. In Latin America, as throughout the West (including the United States), national trade union confederations were deliberately split, the state intervened to purge militant leaderships, a tough stand was taken against strikes, and anti-strike legislation was revived and reinforced. Apart from Guatemala under the reformist presidencies of Arévalo and Arbenz, Argentina provided the only exception to this anti-labour trend in Latin America in the late forties. Perón’s regime was, of course, built on working class support, but he had already established his dominance over the major unions. And it is important to remember that it was necessary even for Perón to purge the Communists and independent Leftists from union leadership, a process which was not fully completed, however, until several years after his coming into office.

The outcome of the postwar conjuncture in Latin America can, in part,

⁷ Edward J. Rowell, labour attaché at the United States embassy in Rio de Janeiro from 1944 to 1948, commented ironically in February 1947 on how confusing this could be for the independent observer of the labour scene in Brazil: there was to be sure on the one hand ‘the unquestioned participation and influence of communist leaders’ but with on the other ‘a trade union programme which is sympathetic to trade union status and activities as recognised by Western democracies’. Rowell, Monthly Labor Report no. 25 (February 1947), 8 April 1947, RG59 State Department, 850.4, National Archives, Washington, D.C.

be explained in terms of the relative strength of the dominant classes, rural and urban, civil and military, and their determination to restore political and social control insofar as they perceived it to be threatened by popular political mobilisation and especially labour militancy. The commitment of Latin American elites to formal, liberal democracy of the kind espoused by the United States, insofar as it existed in other than a purely rhetorical form, by no means implied an acceptance of wide-ranging social reform and the recognition of organised labour as a major political actor. (The strength of the authoritarian as well as the liberal tradition in Latin American political culture should never be forgotten.) In contrast, Latin American labour unions, despite their impressive growth and the burst of militancy at the end of the War, were still relatively weak and inexperienced (and they still organised only a very small part of the total working population); and the parties of the Left for the most part lacked deep roots in society and were often divided and in conflict. Moreover, both parties and labour unions no doubt made strategic mistakes. Here the weakness of the commitment to political democracy and democratic rights on the Left, non-Communist as well as, more obviously, Communist, and among some sectors of organised labour should be noted. Similarly, the reluctance of the Left, both Communist and non-Communist, to offer 'appropriate' political leadership to the working class, and their conciliatory, and at times conservative, policies, have attracted considerable criticism.

At the same time, domestic class conflicts – different in each country – were undoubtedly influenced by the Cold War and the fact that Latin America at the end of the Second World War was even more firmly situated inside the United States sphere of influence. At one level the Cold War merely reinforced domestic attitudes and tendencies, providing an ideological justification for the counter offensive against labour and the political Left which had already begun. Popular political mobilisation and strike activity now became Communist-inspired, Moscow-dictated, 'subversive', potentially revolutionary and in the last analysis anti-democratic. Significantly, the Chilean Communist Party was outlawed in September 1948 by a 'Law for the Permanent Defence of Democracy'. (Here it is important to remember, however, that the Cold War did not introduce anti-Communism into Latin America; it had been an element in the political culture of the Latin American elites since the Russian Revolution and the creation of the Comintern. And the Catholic Church, itself a not unimportant actor in the events of 1945–8, was, of course, a bastion of anti-Communism.) At the same time the Cold War – and

United States policy – had an independent role to play. It is easy to exaggerate its significance: Latin America was hardly a central issue in the early years of the Cold War and the United States, as we shall see, did not give Latin America a high priority in the immediate postwar period. But it would equally be a mistake to underestimate its importance.

Historically, United States interests in Latin America were strategic – the defence of the Western Hemisphere against external attack or internal subversion by a foreign enemy of the United States (and therefore, it was assumed, of the Latin American states) – and economic – the promotion of United States trade with, and investment in, Latin America. After decades of conflict and increasing animosity the Good Neighbour Policy introduced by Roosevelt in 1933 and, more particularly, the growing dangers of war during the late thirties, brought the United States and the Latin American states closer together. The Second World War, as we have seen, represented the inter-American system's finest hour. Against the Axis threat, both external and internal, the United States and Latin America (except Argentina) extended their military ties – bases, technical co-operation, lend lease (although 70% of military aid went to one country, Brazil) – and economic links – the supply of strategic materials from Latin America to the United States, technical and financial assistance by the United States to Latin America, including a limited amount of cooperation in Latin America's industrial development. Although the Allied occupation of North Africa in 1942 (and steady American advances in the Pacific) largely eliminated the external Axis threat to the security of the Western Hemisphere relatively early in the War, the United States continued to plan for the preservation and strengthening of hemispheric solidarity after the War. This is clear from the OCIAA project of April 1943 for postwar industrialisation and economic development in the Western Hemisphere as well as the Joint Army and Navy Advisory Board's Western Hemisphere Defence Programme in December 1943.⁸

At the same time it was clear even before the end of the War that the United States had become for the first time a world power in military, economic and ideological terms, with different concerns – global in scope – than in the past and able to fashion a new, more open, postwar international order in its own interests. The primacy of United States relations with Latin America was no longer unquestioned. This was evident as early as February–March 1945 at the Conference on Problems

⁸ See David Green, *The Containment of Latin America. A History of the Myths and Realities of the Good Neighbour Policy* (Chicago, 1971), p. 343; Chester Joseph Pach Jr., 'The Containment of US Military Aid to Latin America, 1944–1949', *Diplomatic History*, 6 (1982) p. 226.

of War and Peace (the Chapultepec Conference) in Mexico City, where concessions were made to Latin American opinion but where Assistant Secretary of State William Clayton issued the first warning that Latin America should not count on postwar economic aid. That the United States was now to play a world – not just a hemispheric – role was even more apparent at the United Nations Conference in San Francisco in April 1945 where growing signs of United States distrust of the Soviet Union, the United States' only rival at the end of the War, emerged. (Many historians would date the beginnings of the Cold War here, if not earlier.) Anti-communism would soon replace anti-fascism as the dominant feature of American foreign policy. It is important, however, to stress the degree to which United States foreign policy at the end of the War was marked by hesitancy, confusion and division. It took some time for a unified and coherent approach to develop.

Nelson Rockefeller, Assistant Secretary of State for the American Republics since December 1944, took the view at San Francisco that 'we couldn't do what we wanted on the world front' unless Western Hemispheric solidarity were guaranteed. (Not insignificant was the fact that at the outset Latin America represented two fifths of the votes at the United Nations.) This view of the fundamental importance of Latin America to the United States was never seriously questioned. But it is interesting to note that almost without exception the key policy makers in Washington in the immediate postwar years showed little interest in, were largely ignorant of, and indeed had a certain contempt for Latin America. Compare Truman, James F. Byrnes, George C. Marshall, Dean Acheson and George F. Kennan with Cordell Hull, Sumner Welles, Berle, Rockefeller (who was in fact fired in August 1945), and for that matter Roosevelt himself. ('Give them [the Latin Americans] a share', Roosevelt had told a meeting of business editors in January 1940 in a famous remark. 'They think they are just as good as we are and many of them are.')

A conference of American states in Rio de Janeiro to formulate a regional collective security pact against external attack under article 51 of the UN Charter was planned for October 1945. But this was never given top priority and in any case continuing problems between the United States and Perón's Argentina were permitted to delay it. The Inter-American Treaty of Reciprocal Assistance (the Rio treaty) was not signed until August 1947. In the meantime, no significant military assistance was offered to Latin America. An Inter-American Military Cooperation bill was drafted in May 1946 but failed to make progress in Congress and was finally abandoned in June 1948. There was in fact no Soviet threat to Latin America. As the young John Foster Dulles wrote in *Life* as early as June

1945, the Western Hemisphere represented the 'outer zone' of Soviet penetration. The Russians had no atomic bomb, no long range strategic air force, and an ineffective navy. From the United States point of view Latin America was safe, whereas the Eurasian land mass – Western Europe and the Near East – was in great danger: the Truman Doctrine (March 1947) – the doctrine of containment – was a result of the perceived Soviet threat in Turkey and Greece. In any case there were limits even to American resources. Latin America therefore was given low strategic priority and remained firmly at the periphery of United States strategic concerns. The Mutual Defence Assistance Act (1949) allowed for the expenditure of \$1.3 billion; not a cent went to Latin America.⁹

Latin America was secure from external aggression and to some extent it was safe for the United States to neglect it in global terms. This is not to say, however, that the United States was unconcerned at the possibilities for *internal* subversion (from Communists rather than fascists now, of course). The Soviet Union had neither the military means (except perhaps in Europe and the Near East) nor the economic means seriously to challenge the United States. But it did retain enormous political and ideological influence throughout the world. In the domestic conflicts of Latin America immediately after the War, just as in the final years of the War itself, the United States played a role – official and unofficial, direct and indirect – in determining their outcome that, while not perhaps decisive, was certainly important.

Communist activities in Latin America in the immediate postwar period were carefully monitored by legal attachés (almost always FBI agents), military and naval attachés, and labour attachés in the United States embassies, and by CIA agents. The intelligence apparatus set up during the War for dealing with Nazi subversion was given a new lease of life in the struggle against Communism. Behind-the-scenes pressure was a factor in moves against Communist parties, certainly in Chile (where González Videla had no illusions about what the State Department expected of him – and the price for non-compliance), possibly in Brazil, Cuba, Bolivia and elsewhere. Although a CIA review of Soviet aims in Latin America in November 1947 contended there was no possibility of a Communist take-over anywhere in the region, United States anti-communism in Latin America was made explicit in State Department Policy Planning Staff document PPS 26 (22 March) and National Security Council document NSC 7 (30 March), on the eve of the 9th International Council Conference of

⁹ Pach, 'Containment...', p. 242. See also Stephen G. Rabe, 'Inter-American Military Cooperation 1944–51', *World Affairs* 137 (1974).

American States meeting in Bogotá (March–April 1948), a conference which had been called for the express purpose of establishing a new institutional framework for the inter-American system in the postwar world. Resolution XXXII of the Final Act concerned the Preservation and Defence of Democracy in America and asserted that the continuing legality of Communist parties in Latin America was a direct threat to the security of the Western Hemisphere.¹⁰

The United States approved of, where it was not actively involved in, the more general shift to the right which we have already noted in postwar Latin American politics – in Brazil as early as 1945 (where Berle claimed that his Petrópolis speech at the end of September was the ‘atomic bomb’ which destroyed *Queremismo*), Bolivia, Chile and Ecuador in 1946–7, Cuba in 1947–8, Venezuela and Peru in 1948 (where the military coups which established the dictatorships of Pérez Jiménez and Odría were a strong signal to reactionaries throughout the region). The United States certainly preferred and favoured *constitutional* democracy, but this did not mean a commitment to wider participation and broad-ranging social reforms and certainly not to an enhanced role for labour and the Left (particularly the Communists): all this, it was feared, could only prove antagonistic to United States’ strategic and economic interests. What might have been acceptable in 1944 or 1945 or even 1946, when ambiguous and occasionally contradictory signals were emanating from Washington, was no longer so in 1947 or 1948. As George F. Kennan stated during a visit to Rio de Janeiro in 1950: ‘it is better to have a strong regime in power than a liberal government if it is indulgent and relaxed and penetrated by Communists’.¹¹

The United States was especially concerned about Communist penetration of the Latin American labour unions. As in Western Europe (especially France and Italy), and for that matter in the United States itself, organised labour was the major battle-ground of the Cold War. The struggle to defeat or contain labour insurgency was a global one, and concerted efforts were made to reverse the gains which had been made by the Left during and immediately after the Second World War. In the United States the passage of the Taft–Hartley legislation in June 1947 imposed considerable restrictions on strike activity and collective bargaining and made it illegal for Communists to hold union office. It had

¹⁰ See Robert A. Pollard, *Economic Security and the origins of the Cold War, 1945–1950* (New York, 1985), p. 201; Roger R. Trask, ‘The Impact of the Cold War on United States–Latin American Relations, 1945–1949’, *Diplomatic History* 1 (1977), pp. 279–80.

¹¹ Quoted in Pollard, *Economic Security*, p. 212.

been preceded by the defeat of the attempt to form a Labour party to challenge the Democratic–Republican duopoly, and by the defeat of the Left in the UAW and in the CIO more generally. Outside the United States the international trade union movement now became the site for bitter ideological rivalry. A campaign was undertaken by conservative forces, operating largely through the AFL, to drive the Communists in particular out of the ranks of international labour. With State Department ‘informal assistance’, roving labour ‘ambassadors’ like Irving Brown in Europe and Serafino Romualdi in Latin America were sent out to organise support for pro-American unionism. The upshot was a series of splits in the international trade union movement.

In Latin America a major offensive was launched against the *Confederación de Trabajadores de América Latina*. The CTAL had been established by Vicente Lombardo Toledano in 1938; by 1944 it claimed to represent some 3.3 million members in sixteen countries. It controlled several unions in strategic industries (many of the dock workers’ unions in the Caribbean region were affiliated with the CTAL, for example) and was well-known for its nationalist, Leftist and pro-Communist positions. At the end of the war it affiliated with the World Federation of Trade Unions. By 1947 or 1948 the conservatives or moderates had won the internal struggles in Latin American unionism, and the major national union confederations disaffiliated from the CTAL, often after bitter internal conflicts and splits. In January 1948 the *Confederación Interamericana de Trabajadores*, CIT (later to become ORIT), was established in Lima. And in December 1949 the non-Communist unions also left the WFTU and formed the International Confederation of Free Trade Unions, ICFTU.

The drive behind this shake-up of the international trade union movement was, of course, largely ideological. As the Cold War hardened, Communism became increasingly unacceptable and had to be defeated on its own preferred terrain: within the labour movement. There was also, however, strategic thinking behind this attack. The end of the Second World War and the emergence of the Cold War produced considerable uncertainty about the future of the world. In the late forties it was far from clear to all participants that a long period of mutual stand-off and relatively peaceful co-existence was on the horizon. Certain policy-makers, at least, expressed fears of an impending Third World War. (That this was not entirely unrealistic may be seen from the dangers of escalation inherent in the Korean War.) Were a Third World War to break out, independent, militant unions, whether Communist-controlled or not, might pose a

threat to the United States, especially in strategically important industries like petroleum in Mexico, Venezuela and Peru (almost all United States petroleum imports at the end of the War came from Latin America), copper in Chile and Peru, even in sugar in Cuba, and also in transport and in industry generally. Moreover, as in the United States itself, militant unions were a potentially destabilising force hostile to postwar capitalist development – exerting direct economic and political pressure through strikes and demonstrations and forming a base for both the parties of the democratic Left and the Communist parties.

This leads us to a wider aspect of the interaction of domestic and international trends in the resolution of the postwar conjuncture in Latin America: the perception the ruling groups had of the new international economic order, and its consequences, short and long term, for Latin American economic development. At the end of the war the more economically advanced Latin American nations looked to promote further development through industrialisation. Economic policy-makers did, however, face some dilemmas and uncertainties. The end of the First World War had seen an international recession, and there was every reason to expect something similar at the end of the Second World War. There were considerable doubts about the likely performance of Latin America's exports: it was unclear what sort of demand there would be in the devastated postwar world, and the prices for Latin America's principal commodities were unpredictable. On the other hand, as a result of the accumulation of substantial gold and foreign reserves during the war, most Latin American economies were in a relatively favourable position. Even this advantage, however, was less than it appeared on the surface: reserves held in sterling continued to be blocked, and the world inflation of the dollar was steadily eroding the real value of reserves held in that currency. Clearly, if industrialisation was to proceed, considerable transfers of capital and technology would be required. It was by no means clear that these would be forthcoming, or on what terms they could be attracted.

During the War the United States had provided financial and technical assistance to Latin America, mainly for the increased production of strategic raw materials but also in some cases (in Brazil and Mexico in particular) for the promotion of industry. At the end of the War many Latin American governments had expectations – or hopes – that the United States would continue and indeed expand this role, providing them with long-term development capital. The United States, however, repeatedly headed off an inter-American conference on the economic

problems of Latin America and at this stage refused to support the creation of an Inter-American Development Bank. The United States focused its attention instead on the security and economic rehabilitation of Western Europe (and the link between the two was clearly recognised). The result was the Economic Recovery Programme (the Marshall Plan) of June 1947. No single prominent American advocated large scale economic aid to Latin America although Latin America would, it was argued, benefit indirectly from economic recovery in Western Europe. Indeed President Truman felt, as he said at the Rio conference in September 1947, that it was the 'collective responsibility' of the American people to rebuild the 'exhausted Old World'. At a press conference in Washington to celebrate VJ day the previous month Truman had specifically rejected the idea of a Latin American Marshall Plan to stimulate economic recovery south of the Rio Grande. 'There has been a Marshall Plan for the Western Hemisphere for a century and a half', he said, 'known as the Monroe Doctrine.'¹² Of course it is true that Latin America had suffered less in the War and had come out of the War in economically better shape than many other regions. One consequence was that in 1950 Latin America was the only area of the world without a US aid programme, apart from the meagerly funded Point Four technical assistance programme established in 1949. Compared with \$19 billion in US foreign aid to Western Europe in the period 1945–1950 only \$400 million (less than 2% of total US aid) went to Latin America. Belgium and Luxembourg alone received more than the whole of Latin America.¹³

Although there was some modest increase in lending by the Export–Import Bank, Latin America, it was made clear, should look to *private* capital, domestic and foreign. In fact, there was very little new United States investment in Latin America in the immediate postwar period; and most of it went into Venezuelan oil. If more US capital were to be attracted the right climate had to be created: political stability (not necessarily by means of democratic institutions), a commitment to liberal, capitalist development and to an 'ideology of production', nationalism curbed (no more 'Mexican stunts' – Bernard Baruch's reference to the Mexican nationalisation of oil in 1938), the Left marginalised, the working class firmly under control, unions not necessarily weaker but bureaucratised.

¹² *New York Times*, 15 August 1947, p. 8.

¹³ Pollard, *Economic Security*, p. 213; see also Stephen G. Rabe, 'The Elusive Conference. US Economic Relations with Latin America, 1945–52', *Diplomatic History* 2 (1978), p. 293.

Here was a clear point of coincidence of different imperatives. Domestically, militant unions and an increasingly mobilised working class threatened dominant classes and elites with moves in the direction of social reform and an expanded democracy which they found unacceptable. At the same time, in terms of the links between the domestic economies of Latin America and the US-dominated world economy, economic policy-makers in Latin America had cogent reasons for taming labour and the Left. If foreign capital was to be attracted to Latin America, various guarantees and assurances, both symbolic and real, had to be given. And all this is quite apart from Cold War pressures and the revival of the barely latent anti-communism of large sections of the elites and indeed the middle classes. The attack on labour and the Left, especially the Communist Left, was, in this sense, clearly overdetermined.

Whether the *defeat* of labour and the Left was equally overdetermined must remain largely a matter of speculation. The odds were clearly weighted in favour of a conservative victory. In this article we have indicated the variety of factors, both domestic and international, many of them very powerful, which worked to bring about the defeat of the reformist aspirations of the immediate postwar period. Nevertheless, it does seem that, however limited the prospects of the Left, if there was a favourable moment for consolidating democracy and moving ahead on a broad reforming front, this was it. The survival, however tenuous, of the reformist regimes, however timid, of Arévalo and Arbenz in Guatemala seems to indicate that defeat was by no means absolutely certain in the late forties. Moreover, Argentina under Perón (the candidate who had won against the explicit opposition of the US Ambassador in 1946) with its pro-working class, albeit authoritarian, regime may perhaps suggest that some move towards a more egalitarian developmental path was not entirely a matter of wishful thinking. Both Guatemala and Argentina serve to illustrate the limits and constraints of the processes we have identified; equally, they indicate the possible historical alternatives which were open to Latin America at the end of the Second World War.

In the end, of course, at least in the West, the forces of conservatism, both domestic and international, won out. By 1948 or 1949 (and in some countries even earlier) the postwar crisis or, more correctly, the set of overlapping and interacting crises which had their origins in the Depression years of the 1930s and their more immediate origins in the Second World War, had been resolved. In Western Europe the resolution of the crisis led to the implantation of an enduring social democracy constructed around the key institutions of a mixed economy, planning, a

welfare state and a major consultative role for organised labour. The resolution of the crisis in the United States took a different form. There, the last years of the forties led to the complete abandonment of any reformist project: the New Deal and progressive coalitions were now a thing of the past, the age of mass consumption had arrived, the 'end of ideology' was proclaimed, and a conservative, and at times reactionary, consensus came to dominate domestic politics until it began to be eroded by a variety of challenges in the sixties. As Michael Harrington has said, '1948 was the last year of the 1930s'.

In Latin America, where the hegemony of the United States had been expanded and consolidated in the course of the War and during the postwar years, the resolution of the immediate postwar crisis also took the form, as we have argued, of a conservative victory. And this victory was a necessary precondition for the region's successful participation in the unprecedented expansion of the international economy, in which the United States played the dominant role, during the thirty years following the Second World War. With the decisive defeat of labour and the Left a 'favourable climate for investment' had been created. Foreign capital and technology had always been important in Latin America but had previously been largely confined to export enclaves and public utilities. Now, by means of transnational corporations, it would invade all sectors of the economy, not least manufacturing industry which was to become the principal engine of growth in the major Latin American countries. The postwar economic 'model' would be one which put growth ahead of employment, distribution and welfare. And the developmental strategy adopted would have political as well as social consequences. While in many countries a competitive electoral system was maintained, Latin American democracies would be increasingly restricted and authoritarian. Marxism, in the form of the Communist parties, had been almost eliminated as a viable political force in Latin America, but the democratic Left had also suffered a decisive setback, and the democratic middle class parties of the Centre were also to a large extent on the defensive. Even more important, democracy was widely seen as dispensable if it stood in the way of sustained economic growth. A democratic government in Latin America would more often than not live in the shadow of a vigilant and increasingly ideologically motivated military, and if it moved too far toward labour or the Left it could be overthrown.

In a very brief period, from 1946 or 1947 to 1948, a major transformation had been engineered. Conservatism was triumphant. Unlike the United States, however, in Latin America it was not to be a

permanent conservative victory. The contours of future conflict were already visible, not least in the problems inherent in the postwar strategy of development through import substitution industrialisation. Gradually, at different times, with different rhythms, responding to different stimuli (economic, political and ideological), both organised labour and popular political movements of the Left (in a variety of forms) re-emerged as significant actors in the political and social life of the different Latin American countries. The Thermidoran regimes established in Latin America in the late 1940s at the end of the period of political and social conflict which followed the Second World War would not last forever.