

Our Argentine Appeasement Policy Ends

MILTON BRACKER

A FIVE-YEAR-OLD U.S. policy of catering to the Argentina of Juan Perón has just ended, although few people outside the State Department know it. The change was signaled by a little-noticed news item reporting the appointment of Albert F. Nufer to be the next Ambassador to Argentina.

Mr. Nufer is an amiable career diplomat, a hulking six-footer with extensive experience in Latin America. After eleven years in Cienfuegos, he has a command of Cuban Spanish that would fool even a Cuban. He has served in Mexico, Spain, and El Salvador. In 1949 he was ranking U.S. representative on a joint Argentine-United States trade-study commission which operated exclusively in Washington.

But the important fact about Mr. Nufer's selection is his very obscurity. Few Argentines know his name. Some members of the staff of our embassy in Buenos Aires have shared lesser posts with the man who will now be their boss. But to Juan and the ailing Eva Perón, who will have a far more important relationship with the new envoy, Mr. Nufer will arrive as an unknown. And the Peróns will not know what to make of it.

That is exactly what is intended. For after three consecutive political appointees, all big businessmen tremulous with the promise of mighty financial assistance—although only one of them actually delivered it—the United States has finally called a halt to even the implication of further aid and comfort to one of the most dangerous men in the hemisphere.

It is not necessary to review the mission of Spruille Braden, who berated Perón as pro-Nazi right through the election of February, 1946—and whose intervention unquestionably helped the Strong Man to win. Nor need it be re-

called that George Messersmith reversed Braden's policy so sharply that when Messersmith left Buenos Aires in June, 1947, Perón stood on the freezing pier and waved until the ship was out of sight. The story really begins with Messersmith's resignation—on the same day that President Truman proclaimed that our prolonged rift with Argentina had been healed.

The Education of Bruce

James Bruce of Baltimore was the first official bearer of the new amity to hand credentials to President Perón. A genial executive of the National Dairy Products Company, director of the Republic Steel Corporation and of other corporations and banks, and contributor to the Democratic Party, Mr. Bruce knew a great deal about business but virtually nothing about Latin-American politics. In his first public speech, in December,

1947, he called Perón "a great leader of a great nation." His political education began at that point.

Ambassador Bruce, as he later acknowledged, had praised Perón deliberately. He sought to emphasize that this country wanted better relations with Argentina—and he seems sincerely to have believed that in return for the compliment, Perón would immediately ease restrictions both on foreign business interests and on domestic political critics.

What the Ambassador learned, of course, was that although the Peronista press hailed his tribute, Perón showed no such appreciation at all. On the contrary, Perón used Bruce's words as evidence that he was not only a "great" but a maligned man. What does it matter, went the line, if American newspapers and labor groups call me a dictator and a foe of liberty? The United States Ambassador says I am a great man.

As government pressure against the independent newspaper *La Prensa* and the opposition Radical Party inexorably increased, Mr. Bruce saw his mistake. He even tried to get Perón to see that his press policy would have a harmful long-range effect on economic relations with the U.S. (As a matter of fact, Mr. Bruce appeared to feel that the main argument against restricting press freedom was that it would be bad for business.) But the doom of *La Prensa* was sealed even before Mr. Bruce left Argentina in August, 1949, although neither he nor those around him knew it. Meanwhile, Perón never stopped being thankful for that first speech—in his own way. He gave the departing envoy a Peronista "loyalty" medal, which the Ambassador was shrewd enough to reveal publicly with a laugh, rather than



Photos front Wide World

Spruille Braden



The Peróns

to let it be discovered as a dark secret.

Whereas Mr. Bruce merely had erred in seeing the Argentine problem in exclusively business terms, his successor, Stanton Griffis, went much further. Mr. Griffis, partner in Wall Street's Hemphill Noyes & Co. and at one time head of Brentano's, Inc., recognized the political issue but deplored it as exaggerated in the United States. Mr. Griffis indicated repeatedly, during his year in Argentina, that Americans had a wholly disproportionate regard for freedom of the press. He also publicly questioned whether Argentina was ready for democracy as we know it.

Films and Finances

In March, 1950, Perón jailed Dr. Ricardo Balbín for "disrespectful" speeches during a fighting campaign for governor of Buenos Aires Province. Although Mr. Griffis said later he felt very concerned about this, he was somewhat more preoccupied with other matters. American interests in Argentina fretted under continuing restrictions. Mr. Griffis, who happened also to be chairman of the executive committee of Paramount Pictures, was nettled by his inability to get Perón to end the ban on new American films. He leaned over backward not to appear to intervene more energetically

on behalf of the movie men than on behalf of the oil or meat-packing or agricultural-machinery interests. In any event, he became a prime sponsor of a loan that would enable Argentine banks to pay off clamorous American exporters. The Argentines wanted up to \$500 million for this and other purposes.

Although it was his custom to bypass the State Department and go straight to the President, this time Ambassador Griffis worked with Edward G. Miller, Jr., who had been Assistant Secretary of State for Inter-American Affairs since June, 1949. Being responsible for over-all hemisphere policy, Mr. Miller felt obliged to come to some sort of terms with Perón on two grounds: first and foremost, to make sure Argentina would not stand apart if a united Pan-American front against Russia should be necessary; second, for the relief of the insistent American firms, which wanted both the dollars to pay for finished goods already shipped to Argentina and new exchange permits to import materials essential to production in Argentine branches.

After the Export-Import Bank had whittled the sum down to \$125 million, the transaction was arranged in May, 1950. It could not be called a "loan" in Argentina because Perón had often

said he would cut off his arm rather than accept a loan. So down there it became a "credit." Secretary of State Dean Acheson said frankly at a news conference that he did not see much difference. Mr. Griffis returned to Buenos Aires and made two speeches hailing Perón as a great humanitarian. The accord between the Export-Import Bank and the Argentine Central Bank was formalized on November 13, 1950, and Ambassador Griffis, his eye on a more important post, resigned a few days later.

Silencing *La Prensa*

Meanwhile, Mr. Miller hoped for the best—although Brazil, our most active South American ally in the Second World War, began to indicate what it thought of the loan to Argentina, a country that had been pro-Axis. (Attempts to placate Brazil are still going on, as indicated by Mr. Acheson's projected trip to Rio, where he will invite President Vargas to visit the United States.) Then suddenly, after nearly ten months, Perón released Balbín, and Mr. Miller felt more optimistic for a moment. But within three weeks came the phony strike that finally silenced *La Prensa*.

The paper had been shut down only a few days when Mr. Miller started on his second South American swing. He had been lionized in Buenos Aires a year before. He was just across the Rio de la Plata in Montevideo, heading the U.S. delegation to the inauguration of Uruguayan President-elect Andres Martínez Trueba, when on February 27, 1951, the back-to-work movement among *La Prensa* employees was smashed by bullets.

While half a dozen American correspondents, including this writer, looked on, small-arms fire sprayed the workers just outside the plant. One man was killed and fourteen wounded—with policemen at a station house within direct view of the plant entrance coldly ignoring the shots. Hours later, when it appeared that the shaken but undeterred *Prensa* staff was going to get out a paper anyway, the same policemen swooped down on the building and closed it for good.

The "coverage" of this outrage by the Peronista press was the most revealing thing of all. Although the shooting happened in the early afternoon, not one of the evening papers had a line



James Bruce

about it—for the obvious reason that the Casa Rosada (the Argentine White House) and the Undersecretariat of Information hadn't had time to get together on an official version. Then, next morning, all of the other papers unanimously announced that persons within the *Prensa* building had "shot down" a striker. This was as shocking a perversion of the truth as anything ever perpetrated by Moscow. But the eyewitness dispatches from foreign correspondents let the world know that Perón would certainly bull through his decision to destroy *La Prensa* no matter how heavily-handedly he had to use the Big Lie.

Decision in Montevideo

The next morning I had to fly to Uruguay. My trip, planned long in advance, was primarily for the purpose of covering the Presidential inauguration. But now it seemed far more important to put the *La Prensa* situation up to Mr. Miller before he crossed the Plata to Buenos Aires.

At the United States Embassy, a colonial mansion with croquet hoops on the rear lawn, Miller occupied an upstairs guest room. He knew what had happened. I asked for direct comment.

He began to pace. He took a drink and offered me one. He said Lester Mallory, our chargé at Buenos Aires, was flying over to brief him in the

morning; couldn't I wait until then? I knew Mallory was a cautious man, sure to urge Mr. Miller not to say anything that might embarrass the permanent mission in Buenos Aires. I took a breath and said I didn't think the question could wait.

'Deeply Concerned'

Mr. Miller continued to pace. He was visibly under extreme tension. He knew perfectly well that to Perón, criticism was direct attack; that for a man in his position to dare to speak out on so inflammatory an issue as *La Prensa* the very day before arriving as Perón's guest would be taken as an unendur-



George Messersmith

able effrontery. The Assistant Secretary kept pacing. Then, before he spoke, I knew he had decided. His jaw tightened. He said he would dictate a few lines. He was still under stress as he began:

"I am deeply concerned over the reports of violence against employees of *La Prensa*. . . . Every friend of Argentina must necessarily be concerned over the welfare of *La Prensa* and its employees."

He then added, for use verbatim, although without quotation marks at the time:

"The Assistant Secretary made it clear that in a government whose policies are so circumscribed by the effect of public opinion as in the case

of the United States government, the adverse impact of the closing of *La Prensa* and the attacks against employees has been so great as to raise serious doubts as to the ability of the United States government to continue its positive efforts in the implementation of a policy of willingness to meet the Argentines halfway in international relations."

It may seem mild and prolix now. At that time it involved a crucial decision for Miller. For it is now certain that the new course openly charted with the appointment of Mr. Nufer derives from the words spoken in that Embassy guest room in Montevideo on February 28, 1951.

Miller's statement, cabled back from New York, had the inevitable effect in Buenos Aires. When the Assistant Secretary arrived, the Peróns gave him the runaround. Eva harangued and blustered; she had him tour her newest hospital project, not missing a floor and using the stairs all the way. The freeze hardened. Miller left without getting to see Juan Perón alone and has not been back since.

'Greek Tragedy'

But when Miller returned to Washington, he found that reaction to the *La Prensa* case had spread around the world. Not only that, but sentiment in this country had far outrun his own



Stanton Griffis

words in Montevideo. Miller, as he subsequently told associates, breathed easier about his *démarche*. He had no further doubts that the policy which had led to the "loan" must be corrected. (Much later, he told friends that the loan had never been popular anywhere; and that everyone connected with it had found himself involved in a sort of "Greek tragedy.")

Griffis to Bunker to Nufer

Mr. Griffis was out of the picture. Having helped the Democrats elect Senators McMahon and Benton in Connecticut, he was rewarded with the Ambassadorship to Spain. There he publicly praised Franco—and privately told a visiting friend that he

was very disappointed in Perón, who had assured him at the outset that he didn't really intend to close *La Prensa*.

The next Ambassador to Argentina was Ellsworth Bunker, who arrived in April, 1951. Mr. Bunker, board chairman of the National Sugar Refining Company, did admirably in keeping his mouth shut and living up to the letter of a polite "correctness" with Perón. The Argentine economic situation grew progressively worse all through Mr. Bunker's mission, for which he can be neither blamed nor praised. Personally, he was even compared with Norman Armour, the most widely admired career ambassador we have ever sent to Buenos Aires.

But Mr. Bunker was a big business-

man, whose nomination had preceded the *La Prensa* crisis. If only by inertia, his was an extension of the Bruce-Griffis approach in the Argentine mind. It was not until Mr. Bunker was named Ambassador to Italy this February that the change became positive.

Perón may not know it, but when Mr. Nufer presents his credentials, an era in Argentine-U.S. relations will have ended. Whatever may save the Argentine economy this time, it will not be a United States loan. To those of us who lived through the worst of those five years, it seems shameful that the mistake was made in the first place. But Assistant Secretary Miller deserves credit for finally going all out to correct it.

Time Off in Gary

A steelworker's view of strikes and seizure

WARNER BLOOMBERG, JR.

IN 1949, Gary, Indiana, waited out the most genteel strike in the history of the steel industry. In spite of its length, the strike seemed considerably less bitter than its predecessors because of the outwardly cordial relations between the conflicting parties—including a lack of violence on picket lines and the maintenance of plant facilities during the shutdown. Some commentators decided that labor-management relations in steel were entering a new phase.

As I write this, in May, 1952, Gary is waiting out an even more unusual strike. Last winter, my fellow millworkers were reluctantly resigned to the prospect of an ordinary walk-out. "Here we go again," one man said. "Out for a month or more, and for what? They up the pay and then they up the prices even more." Everywhere I heard the same plaint. The

most recent immigrants to urban life from the Kentucky and Tennessee hill country had already picked up this interpretation of the wage-price equation in its simplest form. Old-timers from Europe informed me in broken

English about "real income." But each conversation ended with "What can you do?" and a shrug of the shoulders.

Strikes, Babies, and Divorces

It was winter, cold and bitter and gray. If we hit the bricks and closed down the mills with a strike, there would be nothing to do except walk a freezing picket line, hunt for part-time jobs—rare during a strike in a steel-centered city like Gary—or sit at home. That was probably the worst prospect—the sitting at home and waiting. Waiting and worrying about a budget already wrecked by the Christmas splurge. Waiting while household arguments and domestic tensions increased. Babies and divorces are both conceived in unusual numbers during a long strike here in Gary.

The first postponement was hailed as a fine beginning for the New Year. If

