

*This is a good newspaper.
Editor who is an old*

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*Q. H.
May 10*

*friend & not whom I & course
letters from time to time.*

May 9, 1951.

Journal

*across
scriptum*

My dear friend:

I caught one of those colds which it is very difficult to get rid of in this altitude, so I am taking an afternoon off in bed and will take this opportunity to write you. I think that if my stomach could stand liquor the way it could years ago I would be able to get rid of this cold if I could consume a bottle during the afternoon and evening. Unfortunately I have to depend on less pleasant and less effective remedies.

I received the other day the copy of Hoffman's book, "Peace Can Be Won". I have not yet had the opportunity to read it but I will do so at my first opportunity and will try to send you my impressions. I have a very high regard for Hoffman as a man, as a keen businessman and as one who has quite a broad understanding of our major problems. Concerning his political judgments I am not so sure, because his experience in dealing with European and other countries in the political and major economic sphere is somewhat limited, and experience and background convey lessons which nothing else can give. I have been all for the programs which Hoffman administered with so much effectiveness and I believe with understanding, but I am wondering whether we haven't come to the stage where some of our European friends, in particular, are not misusing what we have been and are giving them. I am all for building up the economies of the European countries because that is necessary for political stability and for keeping them in the fold as worthwhile partners in what I believe is still a great struggle before us. What concerns me, and it is a secondary aspect and not a controlling one, in times of great crises as this, is the fact that I fear that we are rapidly losing markets in various countries which we thought were consolidated for certain lines of goods. There are a good many people at home who do not realize to what extent some of our major industries and some of our secondary ones depend on foreign markets for the maintenance of their output, and a great many of our people do not understand to what degree the level of our exports, particularly of manufactured and semi-manufactured goods, has contributed to our standard of living. If we lose our export markets in any real degree it is going to mean a serious thing for us in our internal economy and for practically all of our people.

Although I confine myself by necessity to the work of the company which has a prior claim on my services, I cannot forget the habits of a lifetime and I keep myself informed about what is happening in the economic as well as the political field in

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J. D. Ferguson, Esquire,
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other countries. As you know, the level of production in most of the industrialist countries of Europe has increased until now it is way above the production levels at the beginning of the last war. Their production costs have always been lower than ours, and although their production costs have also gone up, ours have gone up so much more that the disparity between the price at which a European manufacturer can sell, let us say a turbine or a generator or a big lathe and many kinds of equipment, is much greater than ever before, with the natural consequence that they are able to offer goods in Latin America, in Europe and in our own country at prices which are below, and very much below, ours. On top of this the production controls which we have had to put into effect at home have decreased the materials available for export. These European producing countries realize that they have a field-day for the time being and are making the best of it. I say that this is a secondary problem, because when we are struggling for our very existence and have to do certain things there are all sorts of disadvantages that we have to suffer, but one of the disadvantages from which we are suffering and which some of our people do not realize is the inroads which European producers in particular are making on markets which are of such real importance to us.

as promised to do,

I should like to write you about my stay in the Argentine but I have decided that it would be useless to endeavor to cover that in a letter, as to give any adequate impression of what I found and and at the same time to be accurate would require at least a little pamphlet. I will confine myself to saying that it is really a tragic situation for the Argentine as well as for us. The Argentine is a great country and it will surprise you when I say that in our relationships with the Argentine the Argentines have just as much to complain about us as we have of them. I know that this is contrary to the general idea, but I know the facts would bear out that statement. Right now, through the mistake which the Argentine Government has made in handling the matter of the PRENSA it has created a public opinion in the United States which has done the Argentine a great deal of harm. My views on this PRENSA matter are not orthodox and if I were to go into that in detail I doubt whether you would agree with me, but at the risk of considerably surprising you and perhaps undermining any confidence you may have in my judgment, I must make the following observations in all justice and fairness.

I have known the PRENSA since 1927 and I have known Gainza Paz during the same time. I have never considered the PRENSA a great newspaper because it has always been a family organ rather than a newspaper. It has never had the same criteria in publishing the news fairly and fully and presenting all sides that we have in the

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United States. In its editorial policy it has never so far in my experience been constructive, and has viewed the Argentine as though it were a feudal fief of the old landed aristocracy, and it has never helped along, through its editorial policy, in sound, constructive thinking in the Argentine in the international field nor has it helped along constructive economic movements in the Argentine. So far as Gainza Paz is concerned, the legend which has been built up about him abroad as a result of the treatment that the PRENSA has received from the Argentine authorities is about as incorrect as most legends are. He is a man who, so far as his ideas go, lives in the 14th century.

As a newspaper the PRENSA has never been much read in the Argentine. This seems a contrary statement when I say that it has had for many years by far the largest circulation of any newspaper in the Argentine, but this was due to the fact that about three-fourths of the people who bought the PRENSA did not read the news or the editorials, but bought it because of its classified ads. Even among cultured and educated persons in the Argentine who bought the PRENSA regularly, they read LA NACION for the news.

There is no doubt that the Argentine Government under the Perón administration has exercised stricter control over the press than most previous administrations did, and there is no doubt that in the treatment which the Argentine Government accorded the PRENSA it committed one of the gravest errors which it could commit. The tragedy of it is that everyone abroad now believes that the real issue in the PRENSA matter was the freedom of the press, when as a matter of fact, while there are many people in the Argentine, both in the Peronista party and out of it, who think that the treatment of the PRENSA was a grave and costly error, they know that the issue was not really the freedom of the press. Gainza Paz and the PRENSA had a fanatic idea that they must destroy the Perón government rather than attack it or criticize it. Whether the outside world likes it or not, it has to be recognized that 80 per cent and more of those who vote in the Argentine are voting and will vote for Perón and candidates of his party. The workers and the middle class in the Argentine have resented the PRENSA and its attitude for years and long before the Perón government came in. They bought the paper, as I have said, for the classified ads, but long before the Perón government came in they read one of the five or six other newspapers in the Argentine for the news, and it depended upon the situation in life and the education or lack of education of the individual whether he got his news from LA NACION or one of the other papers.

Concerning the close relationship which existed between LA PRENSA and the United Press, I will not go into this because it is delicate ground, and even though I am no longer in public life, I have to be careful of what I say even though it is fact. Some day, however,

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the whole story of the relationship between LA PRENSA and the United Press is going to come to public knowledge. All I will say is that if all of the facts were known in this PRENSA business, the attitude of newspaper owners, editors and our public at home would be very different from what it is today.

I am in no sense endeavoring to defend the action of the Argentine Government against the PRENSA, for whether it is an offense against the freedom of the press or whether it is an unwise action of the Argentine Government on the basis of prejudice and passion on internal grounds based in Argentine history, the fact remains that the Argentine Government committed a grave mistake and one for which I do not see any excuse. What I do think is tragic is that the real and the full facts in the PRENSA matter are not understood and in such a large measure have been misrepresented to public opinion in our country and in other countries of the world.

LA NACION is continuing to publish as an independent newspaper. Both so far as presentation of news and its editorial policy are concerned it has for many years been a better and greater newspaper than LA PRENSA. I think from what happens in connection with LA NACION we will be able to form a judgment, or at least a more correct judgment, as to whether the issue at stake in the PRENSA matter was fundamentally the freedom of the press or other internal issues.

Under the best circumstances the Argentine is going to pass through difficult times during the next few years. During the early years of the Perón government there was so much unwise tampering with basic economic problems in the Argentine that it will take a long time to correct these situations. The thing that we must basically bear in mind is that a revolution was coming in the Argentine and was inevitable. Like the revolution in Mexico which was accompanied by many excesses which deranged the economy of the country but without which Mexico could not have become the country it is today, so it was inevitable and indispensable that the Argentine pass through such a period, and we can only hope that it will not take too long to correct the errors which have been made. But that the Argentine will emerge from all this a greater and stronger country and with her political and economic system on a sounder basis is certain.

I never forget and none of us at home can forget without danger that the Argentine is still potentially the richest country in Latin America and will shortly again be by far the richest country in Latin America. In the kind of world in which we live we need friends and we cannot do without them, and while the Argentine may need us in some respects more today than we need her, there is no doubt that

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we do need her now and in the future in many ways. We cannot expect a country to be our friend if we treat it as an enemy or if we keep our treatment of it out of perspective with the treatment we accord to other countries or if we are not willing to understand its problems as we expect it to understand ours.

This letter is getting much too long, but I did want to chat with you while I had the opportunity. There are so many things on which I would enjoy exchanging views with you. Sometimes when we realize so many phases of the muddle that we are in it seems hopeless, but I am one of those who have confidence that in some way or other we are going to come out of it and on top in spite of so many inadequacies of leadership from which we are suffering today.

We are enjoying very much our Cuernavaca house, which is really beautiful, and after everything is all finished we are going to have some pictures taken and I will send them to you. My wife and I look forward to the time when we may have the pleasure of seeing you and Mrs. Ferguson in our home here. She joins me in all good wishes to you both.

Cordially and faithfully yours,

G. S. Messersmith.