Dear Larry:

I have just received your letter of June 16 stating that you would appreciate a frank statement from me of my views regarding the desirability and advisability, in the light of existing circumstances, of sending to Mexico a general economic mission of the nature discussed in previous correspondence. It is a coincidence that your letter should have arrived just at the moment that I was about to write you on this same subject.

I would like to say at the outset that I do not believe it would be advisable in the interest of either country and of both for us to send such a mission here now under the changed circumstances.

You have summarized the situation very succinctly, understandingly and accurately in the third paragraph of your letter. Under the circumstances existing at the time when this matter of a mission was first discussed you will recall that I found myself in accord that a purpose might be served by such a mission provided its work were set up and carried through in a certain way. Since then the circumstances have very much changed. Mexico is at war and this simplifies quite a number of our problems. In the meantime we have set up our Economic Unit in the Embassy on a much broader basis than we had contemplated formerly and have considerably increased the personnel. It is already functioning very effectively and with the arrival of the additional personnel which has been assigned here we will be able, I think, to take care of all that will be asked of us or needed in the way of economic or industrial or financial studies. We have in this section men who can have contact with the Ministers and who have almost daily contact with the Ministers of the Mexican Government as well as the highest officials. Our work is now so broad and covers so many aspects of our problems that it is quite impossible for myself and McGurk to carry on all the conversations with the highest officials of
the Government and it is fortunate for us that we have people here who can carry on these conversations daily personally with the Ministers of Finance, Economics and Agriculture. Men like Lockett, Trimble, Bay and Mallory have these direct contacts which the Mexican officials welcome as they facilitate business. I, of course, keep in constant contact with what they are doing and all such conversations are carried on under my directives and I, of course, am controlled in my directives by the Department's policy. I think the principal reason why we do not need this mission now is that we have this effective economic set-up in the Embassy which had not been contemplated before. I was on the point of writing you that I thought now the sending of such a special mission would complicate rather than aid our situation, both from the point of view of our Government and of the Mexican Government.

In addition, we have seen that certain matters can best be taken care of by a specific group when the need is evident. As you pointed out, the mission of Dr. Bateman and its success indicate this. The mission of Colonel Hill and his associates, composed purely of technicians in a particular problem, is progressing satisfactorily from the point of view of the studies here, etc. No matter how good a special mission we might send here, I think we would find that such individual missions might still be necessary from time to time on particular problems. The sending of such a mission as we had in mind originally would therefore only complicate the problem.

As you point out also, the establishment during the war of any important new industry which might be recommended and which would require materials in considerable quantity from us would be difficult, if not impossible, for the present. I have feared from the outset that even the original mission might serve to bring to a point certain issues which we might wish to avoid and that in that sense it would complicate our problem.

I think we have to look forward to a close study of some long-range problems, and particularly post-war problems, but I am of the opinion that this can best be done by our people at home who are studying these matters, keeping in close touch with those in the Mexican Government who are studying these matters. This is already in some ways under way and I do not believe that a special joint mission or set-up of any kind for the study of these longer range problems should be envisaged now. Naturally in our Economic Section we are giving thought already to these longer range problems, as well as to the immediate ones.
I will not go further into the matter as you have so well expressed the situation and I am in complete accord that we should drop the idea so far as we are concerned for the present. As I indicated at the outset of this letter, I was about to write you in this sense today when I received your note.

With respect to the last paragraph of your letter, I am inclined to think that it would be advisable not to make any informal explanation either to the Mexican Government or to Dr. Padilla or both for the present. It is my understanding from your letter that the Mexican Government has not recently manifested any interest in such a mission. I am inclined to think that they, also, see that as a result of changed conditions and the better handling of problems on both sides the need for the mission does not longer exist in the same way. My thought, therefore, is that it would be better not to raise the matter in any way unless the Mexican Government should do so. If the Mexican Government should raise it up there it would, of course, be wise to make an informal explanation along the lines of your letter, calling particular attention to the better set-up that we have here now in the Embassy and to the better set-up there is in the Mexican Embassy in Washington, and to these special technical missions which are competent to handle the special problems as they arise.

So far as my saying anything here is concerned, I think it would be better for me not to say anything as the question of this mission we originally had in mind has never been discussed with me by any official of the Mexican Government. The only discussion which we have had of the matter has been in the letters I wrote to Mr. Welles.

I am very happy to know that we are thinking alike on this matter. One of the things which always concerned me about the mission was the character of its set-up and the possibility that it might create problems for us instead of aiding in solving them. One of the principal difficulties was in getting the right kind of man to head it up. I would have had perfect confidence in Harry McBride. If we had the wrong kind of man to head it up or the wrong people in the mission we could be creating many problems for ourselves, even if the original circumstances still existed. As things are now, I do not see any useful field for the mission at all and when we need any special help we can do it through the setting up of a temporary and special mission which can handle particular and specific problems better than a general mission.

With all good wishes,

Cordially and faithfully yours,

GSM:HH