No. 82

Buenos Aires, Argentina, June 25, 1946

Subject: Transmitting Memorandum of Conversation with the President of the Argentine on June 24, 1946 and Reporting Conversation with the Foreign Minister on June 25, 1946

SECRET

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my confidential despatch No. 219 of June 24 entitled "Transmitting Memorandum of Conversation with the Foreign Minister on Concrete Aspects of Argentine Compliance with her Inter-American Commitments." I now have to transmit herewith a copy of a memorandum of conversation which I had with the President of the Argentine before an informal dinner in his home on the evening of June 24. This informal dinner was arranged for the sole purpose of my being able to have a long conversation with the President in his home rather than at the Casa Rosada where such conversations are subject to constant interruption.

The appended memorandum of conversation is self-explanatory. I merely wish to add that the President was cordial and I believe, sincere. He was very frank in expressing to me the difficulties which he is having in organizing the new machinery of government, and he did not conceal any of the embarrassing situations with which he has to deal. He said that so far as these questions of enemy property, enemy aliens, and enemy institutions are concerned, he is determined to find a way to liquidate them in spite of the constitutional, statutory, and court difficulties which stand in the way, and he said in the most categorical way that he was giving these matters his constant personal attention.

I called on the Minister of Foreign Relations this morning in order to present a note informing him of our release of the Argentine gold in the United States. Although the conversation had to be short as I had engagements in the Chancery which I had to meet, the Minister, after expressing appreciation of our action with regard to the gold, said that the President had informed him of my conversation with him the evening before. He went on to say that he had had a long meeting with the Junta de Vigilancia.
Vigileneia as he had informed me he would. He said that he was giving study to all of these matters affecting enemy property and enemy aliens and that he was devoting a great deal of time at his home to going into these matters. He said that they had made their definite determination to nationalize a number of the more important firms; other important firms they would sell to Argentine interests; others less important they would liquidate; and some he thought were so small that they would not be of any interest to anyone and certainly were not a danger to anyone. He said that as soon as he and the Junta de Vigileneia had completed the segregation of these firms which they were making indicating the disposition which they thought should be made of them, he would get in touch with me, and he hoped to do so within a week. He wished to consult me before they proceeded with final action on these lists as he wished to determine whether in my opinion the action which they were taking was complete and covered the really significant firms. I told him that I was prepared to do so at any time convenient to him.

He went on to say that the court difficulties and the pending suits, both with respect to property and aliens, made their situation very difficult but that so far as property was concerned, they hoped to avoid the court suits by direct settlement with resident owners; with the non-residents, of course, they would simply put the money into the fund. He said that he hoped that some of the pending suits with respect to enemy property could be voluntarily withdrawn by the direct action which they hoped to take between the Government and the former owners.

With regard to enemy aliens, he said that he was going into these cases individually and that he was going to press the Minister of Justice to take rapid action. In this connection I called his attention to the fact that I was somewhat disturbed about the effect on public opinion in my country and in the other American Republics if it became known that some forty of these aliens who were among the more important and dangerous had been released under surveillance. I said that I thoroughly appreciated the action of the Argentine Government, but that I thought that their action might be misunderstood, particularly by the press. The Minister said that he thoroughly appreciated this, but that he wanted me to know, and he wanted our Government to know, that this action had been taken in the most complete good faith and that justice had to follow constitutional procedures and that the action which had been taken in holding these people in custody while their cases were pending in the court was arbitrary and could not be justified. He said that they were employing over two hundred people to watch these people and they were taking good care that nobody got beyond the jurisdiction of the court. Personally, I am completely convinced of the good faith of the Argentine Government in the matter and there is not any doubt that in the United States under similar
similar circumstances we would have done exactly the same that the Government here has done on return to constitutional procedures.

As a matter of fact, I learned that the arbitrary action which was taken in these cases which is not justifiable under the Argentine constitution and laws, was stimulated by suggestions from this Embassy. While these suggestions were made to the Argentine authorities in good faith by this Embassy and while the Argentine authorities undoubtedly acted out of a desire to show their willingness to comply, there is no question that the action was arbitrary and an invasion of the judicial power by the executive. This is the point of view which we have to take on it because the last thing we can do is to ask another government to do away with its constitutional and statutory and court procedure which action could easily set an unhappy precedent for disorderly government against interests of American and other foreign residents here.

My conversation with the Minister of Foreign Relations above mentioned was short as I had to return to the Chancery, but there is no question from what he said that he is giving this matter his attention constantly and urgently, and everything which he said fitted into what the President had said to me the previous evening.

I will keep the Department fully informed as to developments.

Respectfully yours,

George S. Messersmith

Enclosure:

1. Memorandum of Conversation with President Perón on the Evening of June 24, 1946

To Department in quintuplicate
Copy to Chief of the Division of River Plate Affairs

File No. 800

GeorgeSMessersmith:fmk