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March 19, 1953.

Dear Carlos :

I have just received your note dated March 12 on my return from a brief trip to the U.S. I was away from here from March 5 to March 17 in New York and Washington on business of the Company, which unfortunately keeps me as much occupied as ever.

First of all, I wish to tell you that Marion and I are both well. We hope to make a trip to the United States in the latter part of May and a good part of June, as it is really desirable that she have a little rest from the altitude, and I shall have to be north on business in any event. We often think of you and hear from you through mutual friends. While in Washington a few days ago, I saw Beaulac who was there for a brief period of consultation in the Department of State. I am very sorry that he is leaving Cuba as he is an excellent man in many respects and is so understanding of the matters which enter into the relationships between the U.S. and Cuba. I am sure that he will get a very good appointment, as he is a man whose merits are recognized by the new administration. I am sure that he and Mrs. Beaulac will be very sorry to leave Cuba. The new Ambassador I do not know, but I understand that he is a very good man.

It is really inexplicable how this letter of mine addressed to you under date of November 24, 1952, did not reach you until March 12, 1953. I do not know whether it was the address or whether you may be able to tell from the postmarks on the letter what happened to it. It is the most curious circumstance. I am confident that the letter was mailed from here on time. I do not believe that there is any censorship of letters here in Mexico and I do not believe that there is any in Cuba, so how this letter should have gone astray in this way and where it has been all this time, is beyond me.

I am glad to know that the relations between the Banco Nacional de Cuba and the World Bank are developing on the basis of mutual collaboration. I think you will find the officers of the World Bank very understanding. One thing that some of our Latin friends do not understand is that these banks must operate in accord with their statutes and in accord with sound practices which have been established and from which they cannot deviate in any transaction.

The Honorable Carlos Saladrigas  
Esq. Consulado y 6a. Avenida  
L a H a b a n a  
C U B A

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One of the things which preoccupy me most is that some of our friends in the other American republics seem to consider that relationships between the U.S. and the countries of Latin America are a one-way street. You and I know that this will not work in the long run and I think that we are returning to the practice of relationships being a two-way street and on the basis of really mutual understanding and mutual performance of responsibilities. One of the things which have concerned me most in the last year or two is the almost complete lack of understanding there is in some countries of the fact that the U.S. is still attached to the principle of private enterprise and initiative. This was amply shown in the last elections in the U.S. Perhaps the most disturbing factor in Latin America is that there is in so many places a movement against private enterprise and private capital and particularly against foreign capital which entered these countries and which has done for so many years a useful service. If it were not for the private capital from the U.S. and other countries which ventured into fields such as mining and electricity and many others when native capital did not interest itself therein, the progress of the economies of these countries would have been much slower, and painful. Now there is a tendency in some countries to move against this private capital, and really in an effort to destroy it. This will have serious consequences in the end, not only for the countries concerned in the way of their economies and development, but it will definitely discourage any further movement of private capital towards these countries. By the same token, the lending agencies, whether they are government agencies like the Eximbank or an inter-governmental agency like the World Bank or the private banks, will not be able to lend money to and in countries in which private enterprise is being destroyed. Whatever money is lent from the U.S., whether it is from government, intergovernmental or private sources, this money comes from the pockets of American citizens who are attached to the idea of free enterprise and private initiative. It is quite obvious therefore that, if this movement against private capital and initiative and foreign interests continues in certain countries of Latin America, lending will dry up, because no one can lend money from the U.S. if the direct or indirect result of such lending would be the destruction of private capital already invested in these countries.

All these observations are gratuitous because, as far as you are concerned, you have such a wide and broad know-

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ledge and understanding of these fundamental matters. I am only taking the liberty of referring to this because it is for the present my primary preoccupation so far as developments in the republics of Latin America are concerned.

I do not know when Marion and I can look forward to the pleasure of seeing you both here, but I hope that you will keep me advised well in advance of any trip you will be making here, as we both are looking forward to a visit from you here. You know what a pleasure it would give us.

Marion and I would like to make a trip to Cuba, so long deferred, but it will be impossible for the present as my next absence from here will have to be on a trip north as I have already indicated in this letter.

I know that you have many occupations and preoccupations, but I feel sure that under your wise guidance and understanding, so many of these problems which concern you, will be settled, and it is a matter of great good fortune for President Batista and for Cuba that you are willing to continue to lend your services to your country, when I am sure that it is done at great personal sacrifice. I hope that at a convenient opportunity you will tell President Batista that Marion and I often think of him and wish him well in every way.

With very real appreciation of your letter and with affectionate good wishes from Marion and myself to you both, I am always

Cordially and faithfully yours,

George S. Messersmith.

GSM/go