



December 6, 1948

My dear Friend:

Your letter of December 2, with which you send me a copy of your note to Mr. Leffingwell, of Morgan and Company in New York of the same day, and with reference to the Argentine, has just reached me. I am naturally very much interested in what you tell me in your letter and in the letter to Mr. Leffingwell. I gather from what you tell me and what little I have seen in the press, that on the return of Maroglio to Buenos Aires, he had a good deal of difficulty in convincing the President and the Cabinet as to what has to be done in the Argentine if commercial credits are to be available. In fact, I gather from what I have heard that Maroglio did not at the outset make too much of an impression on the Cabinet meeting, but that before the meeting was finished, there was a tendency to take more serious notice of what he said. In the meantime, I have heard through sources which seem reliable that Miranda is planning a trip to the United States. I am not able to judge as to the reliability of this report.

As you know, the position of Miranda is strong, but on the other hand, I happen to know that the President holds views which in a number of respects are not in accord with those of Miranda. After all, the position of Miranda will eventually depend upon whether he can solve these pressing economic problems, of which the dollar shortage is the most important and which is getting more serious constantly. The importation of many essential products in the Argentine, including crude oil and others, will be prejudiced if more dollar exchange is not available, and the absence of certain articles entering into daily consumption could cause serious deterioration in the whole economic situation in the country.

In my opinion, the commercial banks must stand firm on certain positions which I understand they have taken, and if they do, I believe that the problems of the Argentine Government will become such that certain of the things proposed by Maroglio as essential may be carried through. If Miranda is of the opinion that our self-interest in the United States will compel us to aid the Argentine in certain ways without the necessity on its part to bring about certain changes in economic practices, I am inclined to think that Mr. Miranda is wrong and that Mr. Maroglio may prove to be right.

R. S. Hecht, Esquire,
Chairman of the Board,
Delta Line
Mississippi Shipping Company, Inc.,
New Orleans 9, Louisiana.

I note the penultimate paragraph of your letter with much interest and that you are being urged to make a trip to Argentina. I agree with you that there does not seem to be anything gained at this particular moment in your making such a trip, but I can foresee that it may be a very desirable thing for you to do when you have sufficient basis to convince you that the trip would be useful. What you have already done is most helpful and of service to both countries, and it is a credit to you that you are willing to make the personal sacrifice which has been involved in the efforts you have so far made.

Changes " I have no particular observations, further than the above, to make at this time. I am still of the opinion that certain of the economic practices of the Argentine Government are practicable. I do not know what conversations may be going on between our Government and the Argentine Government at this time, nor do I know what the E.C.A. is planning. I am confident that the Department of State would be happy to foster any conversations of a practical character. Whether the E.C.A. has sufficiently changed in its attitudes to make such conversations between the two governments fruitful, I do not know.

It is my conviction that something of a definite character must be done to solve this major problem with which the Argentine is confronted, before the meeting of the American States in Buenos Aires in March, or that meeting will meet insuperable obstacles, not only from the Argentine but also from other American States. I personally am convinced that a solution is possible. I am inclined to think that the increasing pressure of the problem of the dollar shortage on the Argentine economy is constantly making more possible the finding of a basis on which commercial credits may be possible. Time, however, is increasingly of the essence.

I wish that I could be more concrete. This problem has been very much on my mind, but unfortunately, I am not in a position to do much about it. In addition to that, my business has been taking so much of my time, and during the last month I have been working under great personal difficulties, as I had first an intestinal infection and now a severe cold, which should really keep me in bed, but I feel, because of the immediate character of my work, the necessity of keeping going.

It is very probable that I will be leaving here on Thursday evening, December 9, for New York and will be there December 10, 11 and 12, and I can be reached c/o Mr. D. N. Heine- man at the Hotel Carlyle. On December 13 and 14 I will be at the Metropolitan Club in Washington. I expect to return to Mexico City on December 16.

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Mr. Hecht

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I appreciate your letter very much and if you see any way that I can be useful, I will be very glad to hear from you.

With best wishes to you and Mrs. Hecht and your family, in which Marion joins, believe me,

Cordially and faithfully yours,

George S. Messersmith
Chairman of the Board

GSM/cbc