

AIR MAIL

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Enclosure No. 1 to Despatch
No. 120 dated June 25, 1946
from American Embassy, Buenos
Aires, Argentina, entitled
"Transmitting Memorandum of Con-
versation with the President of
the Argentine on June 24, 1946
and Reporting Conversation with
the Foreign Minister on June 25,
1946"

MEMORANDUM OF CONVERSATION WITH PRESIDENT PERÓN
ON THE EVENING OF JUNE 24, 1946

In view of the fact that the Argentine Congress will meet on June 26 in regular session, I informed President Perón through channels that it was my hope to have a conversation with him before the Congress met. He asked Mrs. Messersmith and me to have dinner with him informally at 8:00 o'clock at his official residence on the Avenida Alvear. Present at the dinner were the new Argentine Ambassador-Designate to Washington and his wife as well as Mr. and Mrs. Alberto Doderó. The President arrived from the Casa Rosada at 8:00 o'clock and the other guests went into another room and the President and I had the opportunity for a conversation alone lasting well over an hour before dinner.

I opened the conversation by saying that I had said to him in a previous conversation that as soon as I had given study to pending problems I would seek an opportunity to talk with him further. I said that I had now practically completed these studies and was prepared to discuss them with him. I said that I had had a conversation with the Minister of Foreign Relations, Dr. Bramuglia, on June 20 and asked the President whether Dr. Bramuglia had informed him of this conversation. The President said that the Minister had informed him fully with regard to my conversation which has been covered very fully in Enclosure 1 to my confidential despatch to the Department No. 219 of June 24, 1946.

I then went on to say to the President that the Congress was to meet on June 26 and it was my understanding that the various international engagements which the Argentine had entered into during the last few years would be submitted to the Congress for ratification as well as the decree-laws and decrees which had been issued in that period. The President said that this was so and it was necessary under constitutional procedure in the Argentine, and that they were returning and had returned to constitutional procedure to which he intended to adhere.

I then said that I had particular interest in this matter as I was of the opinion that the ratification of the Acts of Mexico City and San Francisco was of the utmost importance for two reasons. I said that since it had been

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indicated that the ratification of these was necessary under constitutional procedure, failure to do so by the Congress early after it convened would cause a very unhappy impression in my country and would cause very serious apprehensions as to the good faith of the Argentine in its acceptance, already indicated, of these Acts. I said that secondly, the action of the Argentine Congress would be watched with the greatest interest by all of the American Republics for they were all interested in this matter, and any failure of the Congress to act with fair rapidity and completeness would cause a very unhappy impression in all of the American Republics. I said that there was much reason to believe, also, that when the Congress had ratified these Acts of Mexico City and San Francisco and the decree-laws and laws affecting enemy property, aliens, etc., some of the difficulties which had been experienced so far as the court procedure was concerned, might be eased if not eliminated.

The President said he was fully familiar with these considerations and that he would present these Acts together with the decree-laws to the Congress when it met on June 26. He had already, as I knew, indicated that he would do so to the Congress, and on June 26 he would present them formally. He said that he could not make any recommendations when he presented them as under the Argentine constitution the President could only submit such acts to the Congress and could not recommend. He indicated, however, that these measures would have his full support and that the Congress would not be unaware of that.

I called attention of the President to the fact that some of his statements in his inaugural address to the Congress as well as to the press had created some misapprehensions as to his own attitude towards the Acts of Mexico City and San Francisco. He said that his remarks had been misunderstood and that he was merely proceeding in strict accord with the constitution that they would have his support.

I asked the President whether he felt certain that the Acts of Mexico City and San Francisco would be ratified by the Congress, and he said that they would be. I asked him what the attitude of Senator Molineri would be (the attitude of Senator Molineri has been much discussed), and he replied that Senator Molineri was a "buen muchacho y intelegente" and that he was sure that there would be no difficulty so far as Senator Molineri is concerned.

I closed this part of the conversation by again emphasizing the importance in so many ways of the quick ratification by the Congress of the Acts of Mexico City and San Francisco without debilitating reserves of any kind.

I then went on to say to the President that so far as Argentine compliance was concerned under her Inter-American commitments, the matter resolved itself, it

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seemed to me, to adequate action in the field of enemy property, enemy aliens, and enemy institutions. I then discussed the matter with him along the lines that I had discussed it with the Minister of Foreign Relations and as set forth in the enclosure to my despatch No. 219 of June 24. As that memorandum is very full, it is not necessary, therefore, here to go into detail.

The President repeated that since I had seen Dr. Bramuglia, the Minister of Foreign Relations, on June 20, the Minister had had several conversations with him on this matter and that it had been discussed in cabinet meeting. They were determined to proceed as rapidly as the circumstances permitted.

With respect to enemy institutions and organizations, he said he was very happy to note that I had taken the position that their performance had been in many respects quite complete, and he said that in his opinion also it had been. He said that so far as what remained to be done was concerned, if I would keep in contact with Dr. Bramuglia he would see that the necessary which should be done would be done.

With respect to enemy property and enemy aliens, he said that their position was definite. They wished to liquidate both these situations as rapidly as possible. He said that their decrees were, in his opinion, completely adequate and that any vesting decree which I had indirectly suggested, would not be constitutional and would only raise further difficulties for them in practice and before the courts. He said that they would have to proceed under their present decrees which, even if they were making the procedure before the courts difficult, would have to be adequate. He did not know how they were going to resolve the question without these interminable court proceedings, but he said in some way or other, he was determined to find a solution. He said that as a soldier, his procedure would naturally be to take drastic action, but he said that as the constitutional president, he had to follow the constitution and the law and could not ignore court procedure. He said that any other course on his part would neither be good for us nor for them. He said that he had already had conversation with the Junta de Vigilancia concerning enemy property and with the Minister of Justice with regard to enemy aliens. He was going to prosecute the matter as rapidly as they possibly could, and kept emphasizing that they wished to liquidate this entire situation.

The President kept returning to the difficulties raised by the courts which he said were very real and which could not be ignored. I told him that I recognized from our study that these were real. He said he did not know what

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the solution was but that they would find it and that they would find it within their constitutional and statutory procedures. He indicated that the path would be for the Government to nationalize as many of these properties as it wished to take over and sell others which were of importance in the Argentine economy to Argentines, and others which were of no importance could be liquidated or could be left unmolested. He went on to say that there were a lot of firms he found which had very small capital and which were of no importance whatever and certainly would not present any danger presently or in the future to the Argentine economy or to this hemisphere and he did not believe that either his Government or ours could make any mountains out of these molehills.

The President emphasized these difficulties with court procedures and with respect to the suits pending in the courts, and he said that these could not be underestimated; they were even greater than he realized. He said that he had made a visit to the penitentiary a few days ago in order to look at conditions there which he understood were not too good, and he had found there a man who had been in the penitentiary for relatively minor criminal charges for four years and the courts had not yet made a decision in his case. He said that no matter how serious a penalty the court inflicted, it would never amount to the four years which the man had already been in prison. He said that this was characteristic of Argentine law and judicial procedure which was very antiquated and which provided in some respects unnecessary safeguards, and at least the procedure was such as to provide for these unlimited delays through appeals and paper work and procedure. In this, of course, the President is correct.

I told the President that I was fully conscious, and more conscious than I had been before, of these difficulties but that I was sure that they would find a way of overcoming them. The President assured me that they would and he said that when he said that, he was speaking in the utmost good faith. He told me that he was pleased with the progress of the conversations which I was having with the Minister of Foreign Relations and I could be sure that the Minister kept him fully informed constantly, and that he wished to keep in touch with me.

I then informed the President that so far as the Argentine gold in the United States was concerned, I had just received a telegram from my Government to the effect that it was prepared to release the gold at once in line with its policy of doing away with wartime controls as rapidly as possible. He expressed great satisfaction and said that it would be an act of ours very well received in the Argentine as it was by him.

He inquired with regard to the balances of the Banco de la Nación and Banco de la Provincia, and I told him

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that in this respect we were not yet taking action as I was waiting to hear from the Foreign Minister with regard to whether the Junta de Vigilancia had received the necessary reports from the Banco de la Nación and the Banco de la Provincia concerning possible enemy assets in these balances. I said that if I received adequate assurances from the Argentine Government that these declarations had been made and that whatever enemy funds might be included in these deposits would be frozen in the Argentine that I thought these balances would be released also. The President said that so far as freezing enemy funds was concerned, he was under the understanding that this already was done, but that he would appreciate my speaking to the Minister of Foreign Relations the following morning so that this might be done.

Incidentally in this connection, I think it is interesting to note that already a certain amount of order is getting into the procedures here, which order has been sadly lacking for several years.

I told the President that I was telling him about the gold merely in a preliminary way and that I was informing the Minister of Foreign Relations formally in the morning. He said that he was merely taking informal note and that he was glad I was following this procedure and that I was to inform the Minister of Foreign Relations as to the steps which had to be taken with regard to the balances of the two banks, "as it would be more appropriate for this information to come to the Minister" from me than from him in the first instance.

We then went into dinner with the rest of the guests and during the dinner the President remarked that he was sending in Dr. Oscar Ivanissevich "the best man he could send" and that he was sending "the best he could find in the Argentine." I remarked that Dr. Ivanissevich was a man of high character and great personal qualifications, and while he was not a diplomat, I was sure that he would labor faithfully in developing cordial and friendly relations between the two countries.

George S. Messersmith