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December 1st, 1952.

Dear Bill :

I have often thought of you during the last months. I wrote you quite a long letter, I believe, three or four months ago, and I do not know whether it reached you, as I never had a reply. It really did not need an answer, but I wondered whether it had reached you.

I have been thinking of you particularly these last days, for this whole picture in Latin America disturbs me a great deal, as does the whole picture in the Department of State. As long as Truman and Acheson were running things in that Department, I had a sense of hopelessness because I did not feel that there was anything that I could do. I will not go into that aspect. I did keep in touch with Ed Miller, in whom I had great hopes but, again without going into any detail in this entirely personal way and not for repetition, I can tell you that his actuation on the whole was a great disappointment to me. He had the capacity and understanding and other qualities to do a much better job than he did. During my not infrequent visits to Washington on business of the Company I usually saw Ed, and I tried to give him some useful background. I think he really wanted to do the right thing, but for some reason things certainly continued to deteriorate in the whole Latin American picture. Now, thank God, I think we are going to have a clearer definition of policy, a better formulation of sound policy and a more effective implementation of it both in Washington and in the field. I do not know your politics, but I know that you shared my admiration and respect for Eisenhower, and I have had the conviction all along the last months that, no matter what your particular complexion may be or may have been, you worked for Eisenhower's election. I had the conviction from the outset that he would be nominated and elected. The reasons for this conviction of mine are too long and unnecessary to set forth, but I had never any doubt as to the outcome. When I told my intimate friends here several months before the election that I was sure Eisenhower would have 400 electoral votes at least, they thought I should be put into a straitjacket. It seems to me that the two conventions had many characteristics which have given so many of us back our confidence in our people. It was almost like an old-fashioned religious revival, and so was the election. In brief, I feel that we are breathing

The Honorable William Pawley,
Quinta Avenida y Gran Boulevard,
Country Club Park,
Habana Cuba

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a cleaner and purer air and that we are on the way to better things, but that means that all those who are able to help must do so to clean up the awful mess of the last years.

So far as I am concerned, I want you to know from the outset what I think I need not tell you, and that is that I am not interested in any job, no matter what it is, and under no circumstances could I take a job. I am 69 and, thank God, I am in quite good health and put in about ten or twelve hours really hard work five days a week. Two days I spend religiously in our house in Cuernavaca, and I think it is that which makes it possible to keep on going. The fact that I cannot and would not take a job of any kind does not mean that I am not tremendously interested in my country and everything that concerns it, and although this job I have, keeps me more than occupied, I have been following developments in the big picture as well as in Latin America as closely as one can follow it who is not really in Government, but on the outside. Through my many friends who are still associated with what is going on, I am pretty well in touch with what has been going on.

Know / So far as the picture in Latin America is concerned, I have had to follow it closely for business reasons, completely aside from the deep interest which I have and which I ~~hope~~ you have. You and I know that it is true that these Latin countries of America are, most of them, relatively weak, and one can say some of them are relatively unimportant, but there is not any country these days that has not some importance for us, and as long as these twenty other American republics are sovereign and independent states according to our political concepts, one must remember that they have a vote in the UN and in international politics and meetings, and our burdens are tremendously increased in the U.S. if they are not with us. Besides that, every man's burden seems to be today particularly our burden, and by not doing some of the things that we should have done or perhaps I should say, by not doing some things in the way we should have done them, we have added to our burdens through the increasing deterioration in the economy and the political situation of these other American republics. It does not pay to neglect anyone or not to give them a certain kind of treatment because he may be relatively not so important as others.

I have no sympathy with those Latins, and there are

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many, who say that we have neglected Latin America in the way of aid, for Europe and the Far East. They are only interested in handouts, and that would not help them one particle. But there are things that we could and should have done, and there are ways that we should have handled them that we have not used.

Eisenhower goes into the presidency with many great qualifications for a tremendous task. I think his capacities for leadership and his understanding are a tremendous asset for our country and for the world. He needs all the good help that he can get, and I think that he has done very well in choosing his cabinet and his collaborators so far. I am particularly happy over the selection of Foster Dulles because the Department of State is still the most vital of our departments, and if it does not function right, none of the others can function right. I have known him for years and I am glad to say that we are friends, so I know his ideas on many subjects well. His brother Allen, who is a very sound and capable man, is one of my oldest and best friends. Foster has many friends who can be of great assistance to him. I was greatly concerned after the election that, in spite of his being the indicated man, someone else might be put there. So you can imagine my satisfaction now that that is settled.

In spite of his competence he is going to need all kinds of good people around him. There will have to be better means for formulating and coordinating policy, there will have to be better men in the State Department and in the field to interpret and implement policy. There will have to be not only the best available men in the top jobs of the Department, but you and I know how important it is to get more simplification and unity in the Department, and to get rid of simply hordes of people there on secondary and lower levels, who have been making their own policy there and in many cases thwarting their superiors. I should say there are at least 30% too many people in the State Department and the field establishments for proper conduct of the work and there must be a cleaning out, but the most important thing is to get the right people into the proper positions, not only at the top but on secondary and lower levels. You and I who have worked on the practical implementation of policy, know how important this is if policy is to be effective - no matter how good the policy may be.

I do not know your state of health, but from what I know, you are in good shape. I am sure you have all the

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money that anyone needs for himself and your family, so you have no preoccupations of that kind. This is a tremendous asset for someone in the public service. I was never well off during all the years that I was in the government service, but by using everything that my wife and I had in the way of private income to supplement my salary, I had a freedom of action and a feeling of security that made it possible for me to do a much better job than if I had been wholly dependent on my salary. We had no children and no dependent relatives, so that we did not have to think of others. Your situation is an ideal one for a public servant, because you would have none of the preoccupations which too many good people are hampered with in public service.

We have not seen each other for some time, so I do not know what you are thinking of, but because I have this deep feeling of friendship for you, as well as such great respect for your capacities, I hope you do not mind my writing you in this way. I hope that you are thinking of going back and I hope that you are interested in a post in the Department rather than in the field. You can serve with distinction in the Department and in the field, but because of your capacities I think it is so much more important that you be in the Department. There have been some tendentious articles in some of the newspapers recently that Nelson Rockefeller may be selected as Assistant Secretary in charge of our relations with our Latin neighbors. On the other hand, I see that he has been named by the President to head a committee to study government organization. I have not seen Nelson for several years. He is a very fine person, but he has not the experience of men and things that you have, both of which are so valuable in the problems which come before the Department. I have been thinking a lot about the men who will help Dulles in the Department since the election. I have not made any suggestions of any kind so far. I am very reticent about saying what I think should be done because when one is not willing to do things, he must not be too forward in saying what others should do. The long and short of it is that at 69 I know my physical limitations and I could not take any kind of a job because I would not last in it, for I would put too much into it.

I have been wanting to write you for some time, but I did not know where to be sure to reach you, but I saw one of your sisters-in-law at Paul Culbertson's house last night and she tells me that you are at your home in Cuba.

I am not going to try to write you now about what

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I think of the situation in the other American republics, as that would take a volume. The situation is so bad on the whole that it is indescribable. Mexico and Peru and perhaps Uruguay are the only countries in that picture where there is anything like a reasonably good situation, and Mexico is really the only one where there is a good situation. The Argentine is a cancer and it will take under the best circumstances and with the most careful handling within and without the country a minimum of 4 or 5 years to get anything like a reasonable situation there. In Brazil the situation is really tough and the only way the Brazilians seem to see to correct their situation is through borrowing and through the kind of borrowing that is not sound. They have been exploring this situation for some time and if we lend them money now without their doing things that they can and should do themselves within the country, we are not going to help either Brazil or ourselves or the whole Latin American situation. The situation in every one of the Central American countries is bad and practically every one of them is in chaos politically and economically. The position in Chile is tottering economically and unless they see that we take a strong position about some things, they will not be able to help themselves.

So far as Mexico is concerned, things are really a lot better. We have done a great deal to help this country and recently we have not got very much in return. I think that almost everything we have done for Mexico we should have done and if it had not been for us, the unusual degree of political and economic stability that exists here could not have been attained. That is good for them and it is good for us. Unfortunately, however, I do not think that our friends in Mexico, or at least too many of them, appreciate at its real value what we have done and they are beginning to think that it does not make any difference what they do in Mexico, for we will always shower them with our blessings. In most of the other countries this feeling that it does not make any difference what they do is much stronger than it is here. The way that private capital and initiative are being treated in Latin America is something fantastic and we are in a large measure responsible for it because we have been letting one government after another get away with things and not doing anything about it. It has been a slow process during the last years, but it has now really come to crisis. In some of these countries there are people who feel that all they need to do is to slap us on one cheek and that we will be sure to turn the other. This is bad for them and bad for us.

I could write you volumes about the electricity

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situation. The electricity industry is the basis of the economy of every one of these Latin countries except those which are still purely agricultural. It was foreign capital which made this industry possible and which has maintained it. But the way that the industry is being treated in every one of these Latin countries is a scandal and at the same time they want us to lend them our tax payers money or our insurance companies' money to build expensive, uneconomic, government-owned projects -- when the private companies with a little decent treatment could do the job so much better. In practically every phase of American investment abroad the governments are moving in with restrictions and controls which make the life of these ~~countries~~ miserable and uncertain, and there is no doubt that the process of strangulation of private capital, especially foreign private capital, is going on rapidly in many of these countries. The worst of it is that in the most flagrant way these governments will permit native companies and native capital to go on all kinds of sprees of price raising that is destroying the common man. There is the most flagrant discrimination between American and foreign industry on one side, and native industry on the other. I cannot start to write about this because as I said a moment ago, it would take volumes. All I can say is that if these countries are going to destroy private enterprise, then there is no use in trying to help them. They will have to learn the bitter way and while we will have many inconveniences in the meantime, it will be better to let them learn and suffer for a while rather than for us all to have to suffer for a long time.

Our lending policies in the United States, both of the Ex-Im Bank and of the World Bank, will have to be carefully examined and we will have to be more discriminating as to where and to whom we lend. We are entering into a very serious phase right now, because I think I can assure you that the politicians in every one of these Latin countries are scared stiff. The election came to them as a tremendous shock. They were sure that Stevenson would be elected. They were sure that a period of greater hand-outs was coming. They were sure that they would be able to get away with almost anything in the way of discrimination. Now they feel that a nice party in which they got all the free liquor is about over and they are beginning to think that perhaps what they have done to the big brother and his people has not been just right. They are scared stiff, Bill, and if we let them be scared a little while they will have ample time to examine their position and their attitudes and actions, and that is a good thing. For that reason I think this is not the time for us to say too much about what we are going to do. It is a time to be friendly,

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but to do little. That is the best medicine that they can have because they will begin to think more and more of what they have not done that they should be doing. I repeat that I think this is not the time for the new administration to be telling Latin America what we are going to do, for I believe it would be premature. It is better that some of our friends should not know for a while what we are going to do because during that phase of self examination they will realize their shortcomings and we can enter more easily into a period of doing really constructive things in the right way. I do not expand on this idea, as I know that I do not have to go into any detail with you. That it is a sound idea I know, because I already get indications in that respect from my friends in several countries.

Of course it goes without saying that we have to give our representation in all these Latin countries a thorough going over. Some of the career men are in posts too big for them, and others in posts too small for them, or they do not fit into the area at all. I think every one of the non-career men now there should be got out, because they are no good. Although I have been raised in the career tradition, for me it is not important whether the men we send down to head these missions are career men or not. For me it is more important that they have the aptitudes to do a good job and are not going merely for a nice time. I would like to see really some outstanding men go to these Latin countries whether they are career men or not. We need men who know our own country and who in these capitals can speak our language. I think it is useful for our Chiefs of Mission to be able to speak the language of the country but I think it is infinitely more useful that they should be able to speak our language. We have been mealy mouthed and flabby and have let practically everybody spit in our face. No wonder we have bad situations on our hands.

This is much too long a letter already. Perhaps it is not the kind of letter I should write you at all to be read in the tranquility of your nice home in Havana. I have taken the liberty of writing you as I have because I know you are one of the men who can be really helpful to the administration. I know that you admire Eisenhower and I hope that you admire Dulles. I remember the conversations which I have had with Eisenhower most vividly and I wish that I could really be helpful to him. The only way in which I can be helpful is if at some time or other some experience which I have had may be useful, and you can be sure that if my counsel is ever wanted, it is there

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for the asking and I would not want the slightest thing in return, not even the slightest recognition that I have done anything. On the other hand, you are young and in a position to really do things and I am hoping and praying that your capacities will be used to the best advantage. I hope you don't mind my writing you in this way.

Marion is well. I wish that we could see each other before too long. There are so many things to talk over. Can't you visit us here for a little while and enjoy Cuernavaca with us for a few days? We would love to see you. Marion joins me in all good wishes to you both,

Cordially and faithfully yours,

GSM/cbc