(1509)

Buenos Aires, Argentina, September 28, 1946

No. 678

Subject: Transmitting Newspaper Clippings Covering Statement by Foreign Minister on Action Taken and Proposed by Argentine Government in matter of Enemy Property and Aliens

CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the series of Top Secret, Secret and Confidential despatches and informal letters which I have written to the Department since my assumption of duties at this post in May 1946, with reference to compliance by the Argentine with her inter-American agreements.

I wish in this connection to refer particularly to my Secret telegram No. 2214 of September 25, 1:00 p.m., in which I stated that the Foreign Minister had informed me and the press that he would make a statement to the press on Thursday September 26 regarding enemy property and aliens.

The Foreign Office informed me on Thursday that the Minister would not be able to make the statement that day to the press as he was under the necessity of going to the Senate in connection with a series of appointments as Ambassador and Minister which were to be considered by the Senate that afternoon, but that he planned to make the statement the following day, Friday, September 27.

I now have to inform the Department that the Minister made a statement to the press with regard to enemy property and aliens last evening. I am transmitting herewith clippings from La Prensa, La Nación, and from the two English-language newspapers in Buenos Aires, covering the Foreign Minister's statement. The clippings from La Prensa and La Nación give the most complete account of the statement of the Minister (enclosures Nos. 1, 2, 3 and 4).

As the

As the pouch is leaving within an hour, I am unable to transmit translations of the statement or in this despatch to give a résumé thereof. I am transmitting this despatch in order that the clippings will reach the Department at the earliest possible moment, as I am not sure how fully the American correspondents from here will report the Minister's statement. A translation of the statement will be sent by a succeeding airmail.

There will undoubtedly be criticism by some of the correspondents here and probably by a part of the press at home that the statement is merely a repetition of Argentine promises. Such criticism will not take into account the fact which the Minister brought out in his statement yesterday, that the task of the government is exceedingly difficult because of the complicated nature of the problem, the considerable amount of property involved and the necessity of separating enemy and Argentine interest therein, as well as by the delaying action of the courts and the necessity under Argentine law of acting through the courts. The Minister, however, made it clear in his statement that, irrespective of the attitude of the courts in the past, the Argentine Government intends to proceed with their program both with respect to enemy aliens and enemy property.

I know that this is the case. I know of the action which the Government is taking. I know that every one of these firms is being for the first time definitely gone into, and that the case of every enemy alien is being carefully examined to determine what further cases have to be presentedto the courts. The Department is aware of the opinion that I have repeatedly expressed that the Argentine will end up with a program of compliance in the field of enemy property and enemy aliens and schools and institutions which will, in many respects, be not only equal to but more effective than the programs in the other American republics. We could not in justice ask more, for we cannot apply one criterion to one country and another to others. This would be contrary to every principle and procedure which our government has consistently followed in the conduct of its foreign relations.

I have a statement from one of the correspondents who was present at the interview with the Minister, that the question was put to him by one correspondent, "What about Freude?". The Minister answered, it is said, in confidence and not for quotation that the American Government had informed the Argentine Government that we had nothing against Freude except that he had made the mistake unfortunately of accepting 40,000 pesos from the German

Diplomatic Mission when it left the Argentine on the break of relations. I have not verified the foregoing as there has not been an opportunity to do so, but I wish to make it clear in this despatch that I have not discussed the case of Freude officially with the Argentine Government nor it with me. There has been mention of Freude's case in information conversations when the Argentine high authorities stated that Freude was an Argentine citizen and that the Argentine Government could not find that he had committed any acts against the Argentine or the United Nations. In reply to this informal observation I said from my examination of the records, I could find no substantiated statement with regard to Ludwig Freude except that he had accepted 40,000 pesos from the German Diplomatic Mission when he left here but that there was no evidence that Mr. Freude had used this for improper purposes or given it to Axis agents.

I am also informed by the same correspondent that the Foreign Minister stated that the action which the Argentine contemplated against enemy property and enemy aliens would certainly be as effective as that taken by the other American republics. I have not been able to verify this statement as yet but, for the purpose of the record, I wish to state that I have not discussed relative performance by the American republics with the Argentine officials. I have discussed with them the question of Argentine compliance. It is obvious, however, that the Argentine Govenment is familiar with the progress of the steps taken against enemy property and aliens in the other American republics.

I am still of the conviction that within a relatively short time the Argentine Government will have carried through a program in connection with enemy property and enemy aliens which will be entirely adequate and very probably more effective than that carried through by most of the other American republics. This conviction is based on the intimate knowledge which I have of the steps which are being taken in the most active way in the Central Bank with reference to enemy property. There are many borderline cases and these are being given the most careful study and this should be done, for where Argentine interests are concerned in such enemy property and such Argentine interests have been correct in their actuation, no steps must be taken unless they conserve as much as possible such Argentine interests.

With respect to enemy aliens, there is in my opinion

no question

1809

no question as to the decision of the Argentine Government to take adequate action concerning such enemy aliens who have committed acts against the interests of the Argentine or of the United Nations.

With respect to the difficulties involved, even in our country with respect to enemy aliens and property, the Department is familiar as is the Department of Justice and the Office of the Alien Property Custodian. The Office of the Alien Property Custodian at home is fully familiar with the necessity of every single firm being gone into with the greatest care in order that no injustice is done to American interests.

I consider the statement of the Foreign Minister a definite indication of the determination of the Argentine Government to proceed adequately in this matter, and I believe that successive statements will follow in the near future showing the concrete action under the program.

Respectfully yours,

George S. Messersmith

Enclosures/4

1. Clipping from La Prensa dated September 28.
2. Clipping from La Nación dated September 28;
3. Clipping from the Buenos Aires Herald dated September 28;
4. Clipping from the Standard dated September 28.

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

File No. 800

George S. Messersmith:rtr