ARGENTINA

THE ISSUANCE BY THE DEPARTMENT OF STATE OF THE "BLUE BOOK" AND THE POSITION OF THE UNITED STATES ON SUPPLYING ARMS TO ARGENTINA

800.515/1-246: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, January 2, 1946—5 p. m.
[Received January 3—3:10 p. m.]

4. For Treasury. Following is response their inquiries Deptel 1779, December 13, 6 p. m.¹

1. German banks and insurance companies are in process of liquidation under Ministry Finance and show substantial progress toward final disposal. These are only German concerns not directly under control of Junta de Vigilancia. . . .

2. Present inteventors in German concerns, numbering some 150 were mainly selected by Fiore and Adrogue ² in whom Embassy has confidence. Although Embassy has made no detailed investigation personal history each inteventor, it considers them generally satisfactory.

3. Embassy considers Junta making every effort effect satisfactory replacement undesirable German personnel and technicians in firms under its control. Junta submits to Embassy lists all employees each firm placed under control which lists are checked against Embassy records. Thereafter any person found objectionable to Embassy is dismissed and is not reemployed in any firm under Junta control. After dismissal by Junta any further action such as detention or repatriation of objectionable persons is responsibility of Ministry Interior. Some such dismissed persons are being employed by firms already on P L but not controlled by Junta. Embassy has received no claim by Argentine authorities that any person found objectionable by Embassy and recommended by it for dismissal is irreplaceable.

Cabot

¹ Not printed.
² Luis Fiore and Carlos A. Adrogue successively headed the Argentine governmental agency having oversight of Axis companies, the Junta de Vigilancia.

182
The Chargé in Argentina (Cabot) to the Secretary of State

[Extracts]

SECRET

BUENOS AIRES, JANUARY 5, 1946.

Sir: I have the honor to submit a monthly progress report on the Argentine Government replacement program of Axis firms covering the month of December 1945.

As of December 31, 1945, the action by the Board against Axis firms in Argentina is as follows:

1. Firms liquidated: 11
2. Firms under complete control and possession: 66
3. Firms under intervention by Arg. Government: 77
4. Firms whose intervention has been discontinued by Argentine Government: 7
5. Firms under investigation by Arg. Government: 172
6. Firms on which Embassy has requested action by Junta without results: 1

There is enclosed a detailed list of these firms and their present status.

In carrying out the recent investigation by Embassy officers of the Nazi activities in various spearhead firms (see Embassy's despatch No. 1694 of January 1, 1946) the Embassy has noted that by and large the Board officials and members of the government Liquidating Commissions were well disposed to cooperate.

Respectfully yours,

For the Chargé d'Affaires ad interim
HOWARD H. TEEKSBUKY
Counselor of Embassy for Economic Affairs

835.00/1-746: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, January 7, 1946—7 p.m.

[Received 8:19 p.m.]

66. ReDeptel 22, January 5, 8 p.m. I heartily approve Dept's suggestion that German Embassy telegrams regarding Nazi-subsidized publications in Argentina be transmitted to Foreign Office.

*Not printed.
This should make Argentine authorities more circumspect regarding newsprint, and diminish attacks in Peronista press (most of which is clearly under Govt influence) on US and its officials.

My strong personal inclination is to recommend that further step suggested by Dept, to wit: Release of material to newspapers by Embassy (or alternatively by Dept) immediately after delivery to Foreign Office, be also carried out, but I find some of staff have meritorious arguments against this. . . .

My own view is that official release of documents should not and would not be construed as formal attack on Argentine Govt . . .

In view of relative press freedom now existing, courage shown by various newspapers, and tremendous local news value, I think news coverage is likely to be good.

In short, while recognizing unpredictable consequences which may follow publication of documents at this time, I am definitely in favor of it. At least we shall gain some useful experience to guide us in release of main blasts.

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835.00/1-746: Telegram

The Acting Secretary of State to the Chargé in Argentina (Cabot)

[Extract]

SECRET

WASHINGTON, January 9, 1946—8 p.m.

46. Reurtel 66, January 7, 7 p.m. Regarding release German Foreign Office documents, Dept approves your recommendation and directs following procedure:

You should deliver to FoMin photographs of 13 telegrams in German, together with Spanish translations, stating orally to FoMin that these are submitted as proof of prior Argentine mismanagement relative to newsprint distribution and consequent need to avoid any such abuse in connection with most recent decree, leaving FoMin with distinct impression that Argentine government must run risk that press involved remains Axis tainted. Upon delivery messages to FoMin you should deliver identical documents to Argentine press at press conference giving oral background. Dept contemplates issuing no statement here.

... 

Acheson
The Chargé in Argentina (Cabot) to the Secretary of State

CONFIDENTIAL

Buenos Aires, January 12, 1946.
No. 1763 [Received January 21.]

Sir: I have the honor to report that on December 24, 1945 Federal Judge Fox ordered the conditional release of fifteen Axis espionage agents being held in “preventative” imprisonment under court order. These 15 were part of the list of 16 individuals listed in the Embassy’s despatch no. 1232 of November 2, 1945. The sixteenth, Melita Tietz Schrotter, still is being held pending the disposition of extradition proceedings initiated by the Chilean Government. It is understood, however, that those proceedings have been cancelled and soon will be dropped. It is believed that this person will also be released by the Court.

An officer of the Ministry of Foreign Affairs has confidentially informed this Embassy that Judge Fox proposed to release these agents without notice to the Executive Power in order that they could go into hiding and thus embarrass the Argentine Government for not fulfilling its commitments under Resolution VII of the Mexico City Conference by the continued detention and the deportation of all such agents. This is probably a somewhat fanciful explanation, but it is the only one available at the moment. Before the prisoners could actually be released, however, the Ministry of Foreign Affairs and the Federal Police arranged for their continued detention at the disposal of the Executive Power under the authority of the State of Siege Act. This information has not yet been released to the press. The decree ordering this arbitrary continued detention probably was dated on December 24, but is understood not to have received all the necessary signatures until at least a week later, an obvious violation of civil rights and perhaps an action in contempt of court.

A recent decision of the Argentine Supreme Court is of considerable importance with respect to the deportation and repatriation program for Axis espionage agents and dangerous German nationals from Argentina. On December 27, 1945 the Supreme Court confirmed a decision of a lower court in rejecting a plea for writs of habeas corpus for fourteen suspected Axis agents (reference despatch no. 1523 of December 8, 1945). The Supreme Court ruled that the Government, under the State of Siege Act, has the right to arrest and detain indefinitely anyone suspected of endangering public order or tran-

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10 Not printed.
quillity. (Reference Military Attaché report R-826-45 of December 29, 1945; and Legal Attaché report of January 3, 1946).\footnote{Neither printed.}

Another Argentine court, also about December 27, 1945, refused to consider a petition for a writ of habeas corpus for José Enrique Arzac Moya. The judge stated that the Government is justified in the arrest and expulsion from the country of foreigners suspected of action harmful to the country or to the security of the American Continent, and referred to Resolution VII of the Final Act of the Mexico City Conference. (Reference Military Attaché report R-826-45 of December 29, 1945.)

Respectfully yours, 

JOHN M. CABOT

835.796/1-846: Telegram

The Acting Secretary of State to the Chargé in Argentina (Cabot)

RESTRICTED WASHINGTON, January 17, 1946—8 p.m.

US URGENT

100. Urtel 80, Jan. 8.\footnote{Not printed.} LADE,\footnote{Líneas Aéreas del Estado, an Argentine airline.} though engaged in commercial operations, is army-owned and operated. Any US equipment made available to it at this time, aside from strengthening striking potential of army, which admittedly may be strengthened from other sources, will be capitalized by Peronistas as best possible evidence our pusillanimous policy.

It is evident that Air Secretary\footnote{Brig. Gen. Bartolome de la Colina.} is playing US against British. . . .

Ranking United Aircraft officials have discussed situation thoroughly with Dept and are sympathetic Dept viewpoint.

ACHESON

800.00 Summaries/1-1846: Circular telegram

The Secretary of State to Certain Diplomatic Representatives in Europe\footnote{Sent to the diplomatic representatives at Berlin, Caserta, Lisbon, London, Madrid, Moscow, and Paris.}

SECRET WASHINGTON, January 18, 1946—10 a.m.

Legation Stockholm has been informed that US policy re shipment of arms to Argentina is as follows: No arms, ammunition, implements of war, and no capital equipment, including machine tools, consigned to Argentine Govt and useful in manufacture of military equipment
will be licensed for export to Argentina pending further clarification of Argentine political situation. In view of present character of Argentine regime and its ambitious programs of armament production and importation Dept feels that any increase in export of armaments to Argentina threatens peace of hemisphere. Since Argentines are reportedly placing orders in Sweden and UK for machine tools, Dept feels that UK and Swedish cooperation in this policy is essential. Brit have indicated they will cooperate on arms, ammunition and implements of war but have not definitely stated their position on export of capital equipment which may be used in manufacture of armaments.\textsuperscript{15}

\textbf{ACHESON}

885.00/1–1846 : Telegram

\textit{The Chargé in Argentina (Cabot) to the Secretary of State}

\textbf{RESTRICTED} 

\textbf{BUENOS AIRES, January 18, 1946—8 p. m.}
[Received January 19—8:05 a.m.]

194. General reaction so far to release of 13 German telegrams seems unbelievably favorable. Only criticism so far heard in Democratic circles is that it is not enough. General opinion is that it has seriously compromised Perón by pointing out links of present Peronista newspapers with former German propaganda organs (I was, of course, careful in my press conference to avoid all mention of Perón and of internal politics except for my references to German interference in latter). In Democratic circles there is great expectancy of and anxiety for further releases. By sheer coincidence release was perfectly timed. Press coverage excellent in afternoon papers also. Everybody seems to be talking about it in all social classes.

Sauri\textsuperscript{17} is reportedly furious at my exposure of his demanding 600 tons of newsprint for Peronista journals. Gossip has it that Cooke\textsuperscript{18} is rewriting tonight’s speech; that Govt is seriously concerned, even though it does not consider itself directly involved; that Cardinal is angry but Catholic circles pleased. \textit{Epoca} in long weak article tonight does not question accuracy even to my statements regarding its staff.

\textit{Democracia} is [in] headline covering entire front page accuses me of shielding Nazi newspapers, mentioning \textit{La Razon} and \textit{Clarin}, and of being angry because no longer able to control newsprint.

\textsuperscript{15} In telegram 247, February 1, 1946, 7 p. m., the Ambassador in Sweden (Johnson) indicated that no deliveries would be made under certain armament contracts to Argentina by Bofors Limited until the political situation in that country was acceptable (885.24/2–146).

\textsuperscript{17} Col. Joaquin I. Sauri, Minister of Industry and Commerce.

\textsuperscript{18} Juan Cooke, Argentine Minister for Foreign Affairs.
Representatives of Andi, Gaceta of Tucuman and Capital of Rosario have called on me in injured innocence. To latter I have pointed out last lines of my quoted remarks in La Prensa.

I believe that one reason for success of my press conference was that the whole attack appeared directed at Nazi influences rather than Argentine Govt or Perón and that it would be well to bear this in mind in planning future releases.

CABOT

835.00/1-1946: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

BUENOS AIRES, January 19, 1946.
[Received January 19-4:29 p.m.]

201. Following are brief statements of points covered by Foreign Minister in radio address last night:

Argentina's pacific and democratic traditions well known and established throughout her history. Referring to good neighbor policy, Foreign Minister stressed traditional friendship with US and understanding of that country's dominant position but pointed out possession of such great power engenders natural suspicion and jealousy among smaller nations. Principle of good neighborhood that of nonintervention.

June 4, revolution entirely Argentine affair.

Argentine Armed Forces based on conscription drawn from all sectors population and consequently democratic force.

Original revolutionary Govt composed largely of Army and Navy officers has been gradually replaced by civilian administration until today there are only a few military officers in Govt.

Cannot be said consequently that there is "military cell" or "Govt behind the Govt". Charges of Nazi-Fascism absurd as are claims that Army is imbued with spirit of aggression. Argentina has no territorial aspirations and no frontier disputes.

With reference to rights of man which Argentina has been accused by Uruguayan Foreign Minister of violating, Cooke made four points on basis of examination United Nations Charter:

(1) Rights of man not clearly defined; (2) Charter expresses only purpose of cooperation for respect and fostering of those rights; (3) No method of juridical defense established; (4) No procedure for application of sanctions suggested.

How, asked Cooke, is multilateral intervention suggested by Uruguay to be carried out? If on basis unanimity then intervention

For documentation on this proposal, see Foreign Relations, 1945, vol. ix, pp. 185 ff.
obviously impossible since unanimity would never be achieved. If by majority decision then it means end of good neighbor policy.

Any claims that Argentina does not enjoy fruits of democracy ridiculous when it is recalled elections have been convoked for February 24, that there is full freedom of press and speech and that country enjoys greater liberty now than at any time during past 15 years. Admittedly there have been moments when revolutionary govt has prevailed by force; no revolution is conducted only to be ended following day with return of deposed forces. True that state of siege still in force but this is constitutional measure, is not martial law and does not mean police officials can commit abuses at will.

Referring to Axis spies and those persons guilty of activities against United Nations all will be deported.

Argentina disposed as always to collaborate with rest of world, stands as always with other peoples of America and at service of United Nations.

Text 20 will be forwarded by airmail.

CABOT

835.00/1-2246 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, January 22, 1946—9 p. m.
[Received January 22—8:39 p. m.]

231. Further reactions to release of 13 German Embassy telegrams:

1. Tribuna in two solid page[s] of vituperation calls me first spy, first insolent and first liar of Argentina, along with several other charming epithets.

2. Ahora in today’s edition screams that Braden is a liar in headlines on top of practically every page. Because sensational revelations were liberally advertised, whole edition was sold out by 9 a.m.

3. Silveyra, head of ex-Clarínada [ex-head of Clarínada?] and Lestrade have published dull solicitadas in Tribuna.

4. Aparicio (Andi) after seeking Embassy approval of letter, plans to publish it tomorrow without Embassy authorization. He is terrified of losing valuable Radio Belgrano contract.

Extraordinary thing is that no serious attack has been made on authenticity of documents and any study of defense of affected publications clearly shows that they accept documents as authentic. Thus Tribuna claims that garble in one telegram was deliberate mutilation by Embassy to cover presently democratic newspaper. Even extreme nationalists appear to believe documents authentic but are raging at alleged interference in Argentina national affairs and demand that

20 Not printed.
I be declared persona non grata. *Epoca*, *Ahora*, *Democracia* and *Andi* are proclaiming their 100 percent democracy.

I am having PL cases prepared against *Tribuna* and *Ahora*. For moment continue to recommend no action against *Andi*, which is quite possibly ruined in any case.

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**862.20235/1-2346 : Telegram**

**The Chargé in Argentina (Cabot) to the Secretary of State**

**SECRET**

**BUENOS AIRES, January 23, 1946—2 p. m.**

[Received January 23—1:19 p. m.]

232. I would greatly appreciate any information Dept can give me re its future plans for exposure of Nazi penetration in Argentina and Nazi links of Perón and clique. As I have previously pointed out Argentine people are becoming increasingly sensitive about direct attacks on Argentine Govt under present circumstances. Nevertheless, I must again emphatically register my belief that it is not fair to keep from Argentine people pertinent evidence in our possession re Nazi penetration. Delay in making facts known is bound to discourage democratic forces and lessen their chances of getting rid of totalitarianism in this country. I am particularly disturbed at possible repercussions of Acheson’s statement yesterday \(^{21}\) since many authoritative indications both from Washington and this Embassy ever since Dept [apparent omission] have shown Argentine people that we have such evidence and have indicated that we intended eventually to publish it.

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**835.00/1-2546 : Telegram**

**The Chargé in Argentina (Cabot) to the Secretary of State**

**SECRET**

**BUENOS AIRES, January 25, 1946—3 p. m.**

[Received 3:45 p. m.]

261. Possibility of early revolutionary movement appears steadily increasing:

1. Group of younger army and navy officers are known to be demanding really fair elections, notably by removal of pro Perón intervention.

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\(^{21}\) The following notation by Carl B. Spaeth, Special Assistant to the Assistant Secretary of State for American Republic Affairs, appears on the file copy of this telegram:

"At Press Conference on Jan. 22, Mr. Acheson said, in answer to a question whether the Department was going to release more of the documents on various Nazi activities in Argentina: 'No, I don't think we have any immediate plan to do that.' "
2. Civilians are known to be organizing, for example, a large inquiry for bandages has been made by democratic women. Also reliable reports indicate resistance movement is planning to announce revolutionary outbreak over three principal Buenos Aires radio stations and then sabotage these and all other stations in the city, leaving clandestine stations only service available. Arms are being ever more widely distributed among democratic civilians.

3. Bombers and fighters at Palomar have been loaded with bombs for past 10 days.

4. Tension is increasing particularly because of Peronista attacks on Tamborini presidential train and Ramón A. Albarino as commander of Campo de Mayo.

5. Government’s prestige is steadily sinking despite Albardhos dismissal as interventor of Buenos Aires and greater impartiality of police in Buenos Aires in suppressing disturbances. Basic question now is whether Government has will and ability to enforce fair elections. This is generally doubted, leading many people to conclude there will be no elections. One rift in clouds is gossip of conciliation candidate.

6. Conviction apparently gaining ground in both camps that Perón cannot win in fair elections. This may force Perón either to greatly increased fraud and intimidation or to attempt a coup. Democratic forces are naturally taking heart and resolved to stand firmer.

CABOT

835.00/1-2646: Circular telegram

The Secretary of State to All Diplomatic Representatives in the American Republics Except Those in Mexico and Argentina

SECRET

WASHINGTON, January 26, 1946—8 a.m.

Messersmith reports that Mexican Govt has been approached by Argentine Govt as follows:

1. Does the Mexican Ministry of Foreign Relations have information about a mediatory movement among the Latin American countries in an endeavor to solve in a friendly way the Argentine situation.

2. If such movement exists does the Mexican Government see it with sympathy and is it disposed to take part in such movement.

3. The Argentine Govt has been informed that the Ecuadoran FonMin is offering to start such a movement.

4. Argentina will appreciate the mediation of Brazil and Mexico.

José P. Tamborini, nominee of the Unión Cívica Radical in the presidential election of 1946.

Gen. Ramón A. Albarino, former Interventor of Buenos Aires Province.

Repeated to diplomatic representatives in Mexico and Argentina for information only.

George S. Messersmith, Ambassador in Mexico.
In reply to inquiry of FonMin regarding probable attitude of Dept, Ambas Messersmith stated that in his view this was a move on part of Argentina to make it appear that the question was one of mediating a difference between Govt of US and Argentina. The Ambas stated emphatically that this was matter in which all the American republics were interested and was therefore not a question of mediation between any two American Govts.

Dept unqualifiedly approves position taken by Ambas Messersmith and has instructed him so to inform Mexican FonOff. Farrell* Govt’s obligations under the Final Act of the Mexico City Conference are owed to all of the Republics which invited its adherence and accepted its word pledging compliance.

In July 1944 Farrell Govt made similar move for mediation through Dominican Republic and other Govts. At that time Dept took position which it now reiterates that Argentina’s failure to comply with commitments made to and with all other American republics did not present any occasion for mediation between Argentina and Govt of US. Argentina’s failure to meet obligations of hemisphere solidarity was declared concern of all republics. We pointed out that Argentine representatives had been approaching one republic after another suggesting that each serve as mediator between Argentina and US. This Argentine ruse was designed to promote impression that, since issue was one between Argentina and US, it of course did not involve prospective mediator. It was thus calculated to curry favor with each of the Govts approached by appealing to its superior sense of objectivity.

If you are approached on this matter by Govt to which you are accredited, you should state our position along foregoing lines in strong terms.

BYRNES

862.20235/1-2346 : Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

SECRET

WASHINGTON, January 26, 1946—2 p. m.

U.S. URGENT

160. Embtel 232, Jan 23. In connection with your recommendation that additional disclosures be made at earliest possible time your views are urgently requested on proposal that you:

(1) Present a special request to FonOff that with further reference to our request for repatriation German civilians, Argentine Govt immediately take special precautions for safe custody pending departure on Highland Monarch of following four leading Nazis:

Becker, head of Hemisphere Secret Service (Sicherheitsdienst); Har- nisch, head of the Abwehr for South America; Freude, Nazi "stay behind" leader; and Utzinger, chief Nazi technician. Your request would stress that these men ran the Nazi hemisphere espionage and subversive network from Argentina; that fact of their continued presence in Argentina at this late date, and in Freude's case complete freedom, is one of principal reasons why we question Argentine protests of readiness comply Hemisphere obligations. You should also submit record of our requests for action these cases.

(2) In making request you would explain to Fomin that additional reasons for lack of trust by our Govt are now provided by German FonOff telegrams (listed below) which demonstrate that the Nazis had penetrated to highest quarters in FonOff and, indeed, to highest post in Argentine Emb in Washington. In giving telegrams to Fomin you would stress those relating to Oscar Ibarra García who is now revealed as having been established in service of Nazis in darkest days of the war. This is man who was UndSecy of FonOff of present Govt, Argentine Delegate to United Nations Conference, and was first Argentine Ambassador to US after recognition of Farrell gov't, and the admission of Argentina to United Nations.

You may add that we are bound to inquire whether there may be other Nazi agents in FonOff who are responsible for failure Argentine compliance commitments. In this connection refer to attitude of Director Economic Division Argentine FonOff telegrams 2951 Aug 19, 1942 and 2481 July 18, 1942.²⁷

(3) Immediately after presenting foregoing to Fomin, you should give entire story to press, releasing photostat copies of German telegrams as well as Pochhammer papers²⁸ showing Freude role. In presenting background you would indicate that request for these four Nazis coupled with proof of Nazi penetration FonOff combine elements which run throughout our case: continued Nazi power in Argentina, failure of Farrell gov't to take decisive action, Nazi agents in high places of Farrell gov't. You should express fear lest last minute technical objections such as those which blocked repatriation on Red Jacket may again be advanced. You will appreciate desirability of playing up Ibarra García story since it so effectively dramatises reasons for our policy. Main line should be one of the first official acts of Farrell gov't following acceptance by American republics of their protestations of allegiance to United Nations and hemisphere solidarity was to send Nazi agent to Washington and UNO Conference. If Farrell gov't pleads ignorance of his character, all protestations that it has cleaned out Nazis may properly be questioned on ground that they do not know extent of Nazi penetration.

²⁷ Neither printed.
²⁸ Papers relating to the interrogation in Germany of Wilhelm von Pochhammer.
Airgram

The Ambassador in El Salvador (Simmons) to the Secretary of State

SECRET

SAN SALVADOR, January 28, 1946.
[Received February 4—2:53 p.m.]

A—24. In a conversation with Foreign Minister this morning on another matter, Dr. Escobar Serrano inquired in a general way as to the status of our relations with Argentina. This gave me an opportunity to bring to his attention, with considerable emphasis, the Department’s views in regard to the recent Argentine move reported by Ambassador Messersmith, as outlined in the Department’s circular telegram of January 26, 8 p.m. [a.m.].

Dr. Escobar Serrano showed great interest and expressed his definite support of our position in considering the Argentine question as a matter of common interest to all the American republics and not one of mediation between any two American governments.

He volunteered the opinion that the Mexico City move was an obvious political maneuver on Argentina’s part. He said that his own Government had not been approached in any way by the Argentine Government along these lines, although it had recently received from that Government what appeared to be a general descriptive circular setting forth the Argentine position in carrying out its hemispheric obligations.

He described the Argentine nation as proud and sensitive, indicating that perhaps in the past certain positions adopted by the American republics, which might have appeared to Argentina as interventionary in character, may have had the effect of consolidating their nationalism rather than encouraging democratic elements to bring pressure against the Farrell regime.

He continued on this theme by assuring me again of the entire support of our position by the Salvadoran Government and by expressing the view that, in future dealings with Argentina, we may always count upon the full support of the Salvadoran Government for our policies, particularly as regards the community of interest of the other American republics in dealing with the Argentine question.

Simmons

Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

U.S. URGENT

WASHINGTON, January 31, 1946—3 p.m.

185. Kluckhohn① in front page article New York Times this morning, B A dateline Jan 30, quotes Perón as follows:

① Frank L. Kluckhohn, correspondent of the New York Times.
"The candidate, in an interview with this correspondent, insisted that it was the opposition which was seeking to break up the elections and that the police constantly were picking up arms that had been smuggled across the Plata River. He expressed the firm belief that the United States Embassy was involved in this counter-movement."

You are instructed to go immediately to FonMin and leave with him an Aide-Mémoire quoting this newspaper account and stating that because of Perón's former official position and his continued identification by public opinion with Arg Govt this Govt takes a serious view of his charges against US Emb. The Aide-Mémoire shd inquire whether Arg Govt associates itself with such charges and shd state that if it does not this Govt would expect the Arg Govt publicly to repudiate them.

Confirm delivery Aide-Mémoire by telephone at earliest possible moment. Dept will then release to press text this tel.

BYRNES

Memorandum of Conversation, by the Director of the Office of American Republic Affairs (Briggs)

[WASHINGTON,] February 1, 1946.

Participants: Mr. Spruille Braden, Assistant Secretary of State
Mr. Ellis O. Briggs, Director of the Office of American Republic Affairs
Mr. L. B. Pearson, Canadian Ambassador

The Canadian Ambassador on February 1 delivered the attached note no. 35 to Mr. Braden, who expressed his sincere appreciation of the cooperative attitude displayed by the Canadian Government in acceding to our wishes with respect to the proposed relaxation of Canadian controls on exports to Argentina.

The Ambassador said that he would appreciate an opportunity to discuss the matter further during the latter part of this month and Mr. Braden indicated that we would be happy to do so.

It is apparent from the foregoing that the Canadians have gone along with us in a very helpful way indeed and that we should accordingly deal with them with the same frankness with regard to future developments. In that connection Mr. Braden indicated that we very much hope that the situation would be clarified at an early date. He also assured the Ambassador that in accordance with his request we would give further study to the effect of the proposed Canadian relaxations.

E. O. B[riggs]

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32 Not printed.
798-815—69—14
The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 1, 1946—8 p. m.

[Received February 1—7:35 p. m.]

348. As reported by telephone today, I presented aide-mémoire to Foreign Minister at 1 p. m. as directed by Deptel 185, January 31, 3 p.m.

Foreign Minister took some exception to our connecting Perón with Government. I told story of Lombardo Toledano’s similar accusation, which mollified Minister. Minister said that personally he had never heard Embassy accused of anything like this, although he went on to say that many people in opposition felt that they were backed by moral support of Embassy. I said that I recognized this but that our activities were merely directed at extirpating Nazi activities of all kinds in this country. Minister promised to speak to President, Secretaries of War and Interior and Chief of Police and see me again at six tomorrow evening, unless he informed me to the contrary.

Cabot

SECRET

HABANA, February 1, 1946.

DEAR SPRUILL: I had an opportunity to call upon President Grau 34 and to talk with him at some length this morning. I was able to give him your messages with respect to the Rio Conference and the Argentine situation, as they may be affected by the forthcoming election in that country.

He replied that the divergent points of view which have shown themselves with regard to the position of Argentina, and the manner in which the problem should be handled, raise an extremely delicate problem for the American republics, which will be obliged to devote their best talents to a study of the attitudes which they individually will assume in that regard.

For his own part, he fully appreciated that we had every ground for our point of view and that we need hardly let ourselves be drawn, for the sake of good fellowship, into signing together with a governing clique which we consider in such an unfavorable light a treaty providing for the defense of the Americas. Yet without the signature

33 Founder and general secretary of the Confederación de Trabajadores Mexicanos.
34 Ramón Grau San Martín.
of the United States, given its preponderant military and naval power, no treaty for the defense of the Americas could be a really effective instrument. At the same time, finally, there was a considerable feeling among the other American republics that it would be most embarrassing to sign such a treaty in the event that Argentina were not to be afforded a simultaneous opportunity to do so as well.

The President felt there was a chance that the forthcoming Argentine elections themselves might afford an escape from this dilemma. Apparently he expects violence with consequent general disapproval of an administration in Argentina established by coercion.

Here I should like to remark parenthetically (though this is a subject which did not come up in my talk with the President) that Perón's recent accusations against our Embassy in Buenos Aires, coupled with the Department's memorandum to the Argentine Government desiring that if the Government does not associate itself with Perón's charges, it publicly repudiate them, may conceivably, as time passes, come to afford a toe-hold for our neighbor republics to assume publicly a more critical point of view toward the Perón clique.

It was particularly interesting to learn from the President, in this connection, that Mr. Leslie Hore-Belisha had just told him that all the chiefs of state in Latin America with whom he had talked during his recent tour had expressed a similar uneasiness over the outlook. Hore-Belisha remarked that he hoped to have the opportunity of calling on you in Washington within a few days. As you indicated to me, his point of view with regard to these matters differs considerably from our own.

HENRY NORWEB

835.00; 2-246: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 2, 1946—1 p. m.

[Received 5:17 p. m.]

354. 1. It is generally agreed by observers that Perón has seriously lost ground in recent days.

2. Several reports from fairly reliable sources indicate that he is running short of money. Seven Laborista Committees have closed. Another source says this is not so but is being deliberately spread by Peronistas.

35 Leslie Hore-Belisha, former British Secretary of State for War; his visit to Latin America was unofficial.
3. From two good sources, it is reported that he is planning a second march of the “Descamisados” next week. There are rumors and speculation of a Peronista coup d'état.

4. At the meeting on Jan 31 of the generals and admirals who are to supervise elections, these officers insisted on elections on Feb 24 with proper guarantees. It was openly stated that Perón had no chance in such elections and that he would have to accept the situation.

5. A reliable source quotes Admiral Zuloaga as saying that elections in Buenos Aires Province will be guaranteed by 20,000 soldiers, properly distributed.

6. The Navy is frankly disregarding Gov't's orders. A prominent retired Naval Officer describes it picturesquely as being “in a state of belligerency with the Government.”

7. A report of unknown authenticity says that Velazco's resignation has been demanded as of Tuesday.

8. General opinion sharply reversing itself now is that elections will be held and that they will be reasonably honest.

9. For first time, one is beginning to hear openly expressed opinion that democratic union will carry elections.

Cabot

835.00/2-446: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 4, 1946—9 p.m.

[Received February 5—3:33 a.m.]

379. Foreign Minister tonight handed me Argentine reply to our aide-mémoire regarding Perón's statement. Am forwarding in clear tonight all except introduction. In presenting note, Foreign Minister expressed himself in terms similar to text, laying somewhat less stress on fact Perón is out of Government and more on lack of evidence to sustain Perón's charges. In answer to my question, Foreign Minister said he was publishing note this evening.

I then raised question of offensive articles in Friday's Epoca (reference Department's telegram 198, February 2, 1 p.m.4). I pointed out how serious and how unfounded charges made were. Foreign Minister pointed to similar articles in United States press. I countered that it was one thing to comment on public acts of an official and

38 The shirtless and ragged ones, a term applied to the followers of Perón in the laboring classes.

39 Vice Adm. José Zuloaga, Electoral Commander of Buenos Aires.

40 Col. Flomemo Velazco, Chief of Federal Police.

41 Not printed; in it the Chargé was authorized to request a denial of the stories (835.00/2-146).
quite another to make completely untruthful accusations, particularly when they involved grave crimes. Foreign Minister said that he had always refused to have anything to do with *Epoca*. I immediately showed volume of advertising now received from Government and aid given in securing newsprint. Foreign Minister said that though *Epoca* was not “vinculado con el gobierno” as stated by Uruguayan in note, it was true that it received Government support as I had mentioned. He said that he would investigate legal situation as to whether newspaper could be punished for unfounded charges against foreign official prejudicial to Argentine relations. I said that since our laws did not permit similar action I wanted it to be very clear that I was not asking that *Epoca* be punished but I did want Government’s help in establishing the truth and I felt that it could give such help in view of Government support *Epoca* was receiving. Foreign Minister agreed to discuss with other Government officials what could be done at least to get *Epoca* to moderate its tone.

Foreign Minister said he expected to invite me to see him tomorrow night to discuss other matters, particularly deportees.

Reference Department’s telegram 198, February 2, 1 p. m. second paragraph.¹² I told Lombardo Toledano story, realizing differences, in order to establish point that he also was a private citizen. My account to Foreign Minister was accurate insofar as it went.

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**835.002-446: Telegram**

*The Chargé in Argentina (Cabot) to the Secretary of State*

**BUENOS AIRES, February 4, 1946.**

[Received February 7-4:50 p.m.]

387. Following is text of essential part of Argentine reply to our note re Perón interview:

> *Aide-mémoire* (ellipsis)

In reply I must communicate to you:

1. The Argentine Government cannot admit that because of the previous position of Colonel Perón and because of the circumstance that it is asserted that ‘public opinion continues to identify him with the Argentine Government’, (that) the words of this citizen may give rise to responsibilities of any kind for those who have the political and administrative direction of Argentina. Moreover, the opinions of the Argentine Government, in all that pertains to foreign relations, are expressed exclusively by this Chancery.

2. Colonel (R) Juan D. Perón presented his resignation as Vice President of the Republic, Minister of War and Secretary of Labor

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¹²In this paragraph the Department indicated that Lombardo Toledano’s accusations of arms smuggling referred to private United States firms, and that the Mexican Government disassociated itself from the charges (835.002-146).
and Welfare on October 9 of last year, which was accepted by decree dated the 10th of the same month. Likewise he requested his retirement from the army which was granted to him on the 17th of October.

These circumstances prove the separation of Colonel (R) Juan D. Perón from all governmental activities and from the army to which he belonged. Consequently, Colonel (R) Perón is at present an Argentine citizen who, in the exercise of legitimate rights, has accepted a candidacy for the Presidency of the Republic proclaimed by political organizations; and in that capacity he is acting with the freedom of action and expression consistent with the rights granted by our constitution and our laws, the broad exercise of which the present Government is pledged to guarantee to all citizens.

3. It appears, therefore, improper, that for the actions and words of Colonel (R) Perón, one of the candidates to the Presidency of the Republic, one should seek to make the Government responsible, just as it would also be improper that for the acts and words of the Government responsibility of any kind should be attributed to the aforesaid citizen.

4. Having set forth these principles, which it deems essential to establish in defense of its honor and of the dignity and sovereignty of Argentina,—which primary duties require should be defended with jealous scrupulousness,—the Argentine Government does not find any objection to stating that with reference to the active contraband in arms which has been carried on and is being carried on along the seacoast, it has no proofs nor evidence of any kind which implicate the United States Embassy nor does anything lead it to believe in its intervention respecting this.

5. The Argentine Government formulates this declaration in its intention not to make an omission which may contribute to aggravate differences that conspire against good neighborliness, inter-American policy of fraternity, which the illustrious President Roosevelt initiated and maintained with irreversible tenacity, to which the Argentine Republic has given its enthusiastic and loyal adherence”.

CABOT

862.20235/2-846 : Telegram

The Chargé in Argentina (Cabinet) to the Secretary of State

SECRET

BUENOS AIRES, February 8, 1946—11 a.m.

[Received February 8—9:30 a.m.]

415. ReEmbtl 403, February 6, 9 p.m.,* and Deptel 160, January 26, 2 p.m. I believe that Cooke is making real effort to get as many Nazi agents as he can off on Highland Monarch. There appears good reason to suppose that Cooke is genuinely concerned at what we may do and reveal, and that the principal obstacles are anti-Perón courts dominated by conservatives which are looking with decidedly jaundiced eye on war as well as other powers revolutionary Government has sought to arrogate to itself.

*Not printed.
Under circumstances I doubt that drastic action or recriminations would be justified on basis of failure to deliver agents under court order. Freude case is in somewhat different category despite fact Court of Appeals has cleared way for securing Argentine citizenship. Naturally if Government fails to deport any agents not under court order my recommendation does not apply.

Cabot

835.00/2-846: Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

SECRET

WASHINGTON, February 8, 1946—noon.

222. For Cabot only. Basic case re Argentina will be presented late Mon afternoon. It consists of 8 page summary followed by about 140 pages documentation.

Couriers leave Wash Mon noon to deliver copies to our diplomatic missions in other American republics for transmission to FonOffs. Late Mon afternoon chiefs of mission of other American republics in Wash will meet with UndSecy and AsstSecy Braden and will be given copies of document. (For security reasons they will not be invited until Mon morning.) At approximately same time copies will be given to press with 48 hour release date.

Cable immediately any comment you may have on this procedure, and your views re any precautionary measures that should be taken for protection Emb and American citizens in case publicity results in violent reaction Buenos Aires. Do not mention this telegram to anyone.

Byrnes

835.00/2-846: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

TOP SECRET

BUENOS AIRES, February 8, 1946—8 p. m.

[Received 9:59 p. m.]

450. Due to rapid swing in situation, Deptel 222, Feb 8, noon raises grave issues. Perón has suffered a series of disasters recently and majority of observers now think he cannot win elections. To throw [“atomic bomb”] directly at Argentine Govt in present supercharged atmosphere is to court incalculable results. Opinion will be

44 Ludwig Freude, German-born head of Cía General de Construcciones, accused of espionage in behalf of the Axis.

45 February 11.
universal that we are trying to influence election results. Some Argentines will warmly applaud attack, others bitterly resent it; relative size of groups cannot be determined. Many will recall our recent reaction to Perón charges. Publication may also interfere with *Highland Monarch* 46 negotiations.

Under circumstances, I recommend against official release of document at present. I recommend publication only under following circumstances:

1. In event of successful Perón coup.
2. If tide again swings toward Perón.
3. In event Perón elected, to justify toughness at Rio.
4. If Argentines attack us, or willfully stop fulfilling commitments, or give other excuses.
5. If elections are flagrantly fraudulent.
6. As reason for breaking relations (if that is our intention in event Perón is elected).
7. Perhaps, if Perón attacks us Tuesday, or if case is aimed at a German penetration rather than Argentine Govt.

If case released to other Republics leak is probable but would perhaps be less harmful than official release. Also Argentines would doubtless get document and impending threat of its publication might terrify them into reasonably good conduct, particularly at elections. Once bomb is exploded publicly it cannot again be used.

Am somewhat distressed that I shall not have document when it is released; can Dept cable text of summary?

We cannot send ships or planes here without arousing screams of intervention, therefore I see little we can do except warn key Americans Wednesday of what is coming.

CABOT

835.00/2-846

*The Ambassador in Colombia (Wiley) to the Secretary of State*

[Extract]

SECRET

No. 1393

Sir: . . .

Unfortunately, however, as I have pointed out in reports to the Department during the last year, the Colombians frankly regard the conflict between Argentina and the American family of nations as a conflict between Washington and Buenos Aires. Colombian supersensitivity with regard to intervention in any form inclines the

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46 See telegram 100, January 26, 2 p. m., to Buenos Aires, p. 192.
Colombians to view the energetic policies pursued by the American Government with some suspicion and with very little sympathy. The only constructive thought in respect of the Argentine problem which I have recently encountered came from President Lleras (vide my telegram No. 84, of January 24, 1946, 2 pm) in which he expressed the hope that if it was true that the United States possessed documentary evidence establishing Argentine guilt in respect of the Axis, “we can then do something”. By this, I believe, he had in mind a collective condemnation of Argentina.

Respectfully yours, John C. Wiley

835.00/2-946 : Telegram

The Ambassador in Panama (Hines) to the Secretary of State

SECRET

PANAMA, February 9, 1946—9 a. m.
[Received 12: 34 p. m.]

92. Department’s circular telegram January 26, 7 p. m. [8 a.m.]. In conversation with Foreign Minister yesterday in briefly discussing Argentine matters, I obtained the information which causes me to definitely feel that no approach has been made to Panama on subject of dedication [mediation?]. I am sure Foreign Minister shares view that Argentina holds definite obligation not to one Republic but to all.

Hines

835.00/2-946 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

TOP SECRET

BUENOS AIRES, February 9, 1946—10 a. m.
[Received 12: 08 p. m.]

432. Following expansion of thoughts transmitted in my telegram 430, February 8, 8 p. m. may help Department in reaching decision.

1. Since it is generally agreed that democratic forces would win in fair elections, problem is now one of doing what we can to further such elections rather than of bringing home to Argentine people what their Government has been doing.

2. For above purpose, I feel that constant menace of [“]bomb[”] would probably be more effective than actually dropping it in keeping Argentine authorities to their pledges of free elections.

3. Bomb is immensely powerful weapon so long as it is in our possession. In using it, we should be convinced that it is necessary for

47 Alberto Lleras Camargo.
48 Not printed.
49 Ricardo J. Alfaro.
purpose sought, and we should be very careful of aim and timing. Not knowing what is in bomb, I cannot say whether Department's proposed procedure covers these points, but I am somewhat fearful it does not.

4. Should bomb be released as planned, I consider it improbable that it would harm democratic cause in Argentina. I merely seek maximum effectiveness and recognize inherent risks under present circumstances.

5. I warmly concur in release to other Republics. Leakage to public of this fact or of lesser or greater part of material in bomb would in my opinion further basic purpose mentioned in paragraph 1. Argentine Government is sure to have whole story from Bolivians or Ecuadorians and that should increase their jitters re possibility of official release.

6. I would greatly appreciate permission to discuss this with one or two other people, since effects are so difficult to calculate.

CABOT

835.00/2-846 : Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

TOP SECRET WASHINGTON, February 9, 1946—4 p. m. NIACT

227. For Cabot only. We deeply appreciate and have carefully weighed the considerations set forth in 420, Feb. 8. However, on net balance it has been decided to give statement to press Mon. about 6 p. m. Washington time with 24 hour release date. Summary being cabled in 420 today.

Dept feels this is right course action and the one least vulnerable to criticism from points of view of principle and long-range policy and objectives.

BYRNE

835.00/2-946 : Circular telegram

The Secretary of State to Diplomatic Representatives in All the American Republics Except Argentina and Haiti

RESTRICTED WASHINGTON, February 9, 1946—5 p. m. NIACT US URGENT

We now have ready comprehensive statement demonstrating Argentine Nazi complicity and conspiracy. Document (131 printed pages) setting forth our views and summarizing evidence on which

50 Not printed.
51 Sent to Argentina and Haiti for information only.
52 Department of State, Consultation Among the American Republics With Respect to the Argentine Situation (Washington, 1946), known as the "Blue Book".
based will be delivered to Latin American chiefs of mission (except Argentina and Haiti) at meeting in Blair House Monday afternoon, February 11.

Because of possibility that document so widely distributed might shortly leak, probably in inaccurate or distorted form, Dept is at same time giving copies in confidence to press with release date 5 p.m., February 12.

Copies will be despatched by courier from Washington on February 11 and upon receipt you should immediately deliver them to Minister for Foreign Affairs of govt to which you are accredited (retaining one copy for Chancery).

We are cabling you herewith texts of table of contents and introductory statement from above document and copies should be delivered to FonMin on afternoon of February 11.

Full statement speaks for itself. Background already well known. Sifting of evidence has been tremendous task, including examination of approximately 400 tons of documents in Europe and substantial additional tonnage this country. Since inauguration of consultation last October this work has gone forward with all possible speed and document has been prepared for distribution at earliest possible moment. (Please emphasize this, should question be raised concerning proximity of delivery date to Argentine election date; that proximity is purely fortuitous, only consideration throughout examination and compilation of data has been urgency consistent with accuracy). Further info confirming in every particular conclusions set forth in document being received in Washington almost daily, providing us with additional details and information.

BYRNES

835.00/2-1146: Airmgram
The Ambassador in El Salvador (Simmons) to the Secretary of State

San Salvador, February 11, 1946.
[Received February 14—10:59 a.m.]

A-88. I called upon the Foreign Minister this afternoon and delivered to him a note, with enclosed memoranda, covering the substance of the Department’s circular telegram of February 9, 5 p.m., concerning the document to be delivered to the Latin American Chiefs of Mission in Washington this afternoon, demonstrating Nazi complicity and conspiracy on the part of Argentina.

Dr. Escobar Serrano was greatly impressed by the overwhelming mass of evidence which has now been sifted and which apparently
leads to conclusions extremely derogatory to the present military regime in Argentina, involving the latter as it does in a definite plot for giving positive aid to the enemy and for undermining the inter-American system.

Dr. Escobar Serrano assured me of his complete concurrence in the belief that the present regime in Argentina is unworthy of trust and confidence and that a military assistance treaty should not be signed with that regime. He said that the Salvadoran Government wishes, in this and other questions affecting Western Hemisphere solidarity, to be guided by our leadership. He said that he is anxious to receive the actual document mentioned, and wishes to give it the most careful study upon receipt. He expressed admiration for our courageous attitude in this matter, adding that the only question in his mind was whether we had given full consideration to the possibility that such action might possibly result in cementing even the opposition elements in Argentina into some form of national unity greater than that now existing.

He said that he agreed entirely with our position and was only raising this question in the thought that we had doubtless considered it already and that the reasons for our taking the present strong action in revealing Argentina’s recent unsavory record were fully justified.

SIMMONS

835.796/2-1346: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

SECRET

LONDON, February 13, 1946—5 p.m.
[Received 5:30 p.m.]

1796. ReEmbs 1445, Feb 6, 1 p.m.3 We have just received following letter from Perowne 4 in reply to our informal written and oral steps re Capt Hanson’s activities:

1. Thank you for your letter of the 28 Jan 53 which provided the ForOff with the first info it had received of the presence in this country of Capt Hanson. From some enquiries I have made, it appears that Capt Hanson who is described as head of Signal Section of the Argentine Air Force, arrived here recently unannounced, but that he has shown no interest in acquiring aircraft of any kind. We should not, I need hardly say, give any encouragement to any requests he might make for the acquisition of military aircraft, since such acquisition would be clearly contrary to the understanding which we came

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33Not printed.
34J. V. T. W. T. Perowne, Head of the South American Department of the British Foreign Office.
to with you last Oct and which is of course still in force on the subject of the directive which would govern the competent Govt depts in considering requests from Argentina for munitions and kindred articles.

2. This directive which was quoted in the aide-mémoire which our Washington Embassy communicated to the SD \textsuperscript{55} under cover of Lord Halifax’s letter to Mr. Byrnes of the 28 Oct last \textsuperscript{56} states:

“While HM Govt are in present circumstances opposed to the supply to Argentina, or to private Argentine firms, of any arms or munitions of war or other goods particularly adapted for warlike uses, they would have no objection to the supply to Argentina of articles such as are generally of a civilian character, although they may be capable of military use.”

As the Embassy made clear at the same time, we regarded as articles of a civilian character aero-engines, training aircraft, civil aircraft, and all aircraft not suitable for combat. As the Emb further stated, the policy implied by the directive involved a very considerable sacrifice of British interests and it represents I can assure you the limit to which HM Govt felt, after the most careful and sympathetic consideration, they could reasonably go to meet the requests concerning exports to Argentina addressed to them up to that time by your Govt. I fear therefore that we cannot now take steps to interrupt any discussions which may be proceeding between the Argentine authorities and firms on the one hand and British exporters or depts on the other, concerning the export of articles which do not fall within the precise scope of our Oct understanding.

3. In any case we should doubt whether the interruption of such discussions would influence the electoral situation in Argentina. You will recollect that in Nov 1944 your Govt basing itself on political considerations, addressed to us an urgent request that our current meat negotiations with Argentina should be suspended.\textsuperscript{57} We deferred to this request despite the disadvantages, and even risk, to ourselves from doing so. This suspension as far as we were able to judge in no way influenced the Argentine political situation, and the definite results were to involve us in considerable additional expense and to improve the general bargaining position of the Argentinians when the time came for the resumption of negotiations.

4. The position as regards the trainer aircraft referred to in your letter is that a contract was signed some time ago by the Miles Co for the supply of 150 reconditioned Magisters to the civil aviation authorities with Bennequin Alo Co, Buenos Aires, as the intermediaries. (This is by the bye the only contract yet signed for the supply of aircraft to Argentina). Two sample reconditioned Magisters have arrived in Argentina. If present arrangements held, further deliveries will take place at intervals between March and Sept next. You will thus see that no further trainers will in fact be delivered until after the Argentine elections have been held. This should meet the point in the second paragraph of your letter.

\textsuperscript{55} State Department.

\textsuperscript{56} Not printed, but see Department’s aide-mémoire of November 15, 1945, \textit{Foreign Relations}, 1945, vol. ix, p. 555.

\textsuperscript{57} For documentation on relevant aspects of British policy with respect to Argentina, see \textit{Foreign Relations}, 1944, vol. vii, p. 288 ff.
5. At the end of your letter you mention that State Dept feels that in making the request you have put forward it is not asking any greater concessions from us than have been requested by us from you in connection with shipments to Spain. I think there may be some misunderstanding here. In reply to an enquiry made on our instructions by our Embassy at Washington last May as to the SD’s views re the supply of arms and military equipment to Spain, the SD, in a memorandum written at beginning of July replied *inter alia* that they saw no objection to the supply to the Spanish Govt of engines or *for?* training aircraft and complete training aircraft, excepting advanced training aircraft and engine parts thereof. It is true that in response to subsequent enquiries on the subject by George, Harvey, in a letter to him of the 30 Oct last, stated that we were at that time contemplating sending instructions to our Embassy at Washington to give a further explanation of our views to the State Department re the export of military equipment to Spain, and in doing so to ask whether the US Govt would be prepared to join with us in prohibiting the export to Spain of elementary training aircraft and engines and parts thereof. In the event, however, we subsequently decided not to make any communication to the SD on these lines. We did indeed decide ourselves to prohibit the supply from this country of any kinds of training aircraft (or engines or parts thereof) intended for the Spanish armed forces but bearing in mind the fact that the State Dept had already made their position clear in their memorandum of last July, we decided not to press the State Dept to follow suit.

6. I feel that I ought to take this opportunity to mention in conclusion that we do not regard Spain and Argentina as exactly parallel cases. Thus it would not in our opinion follow that because we thought a certain kind of treatment appropriate in one case the same treatment would necessarily be appropriate in the other.

Sent Dept as 1796; Buenos Aires 4; Rio de Janeiro 3.

WINANT

835.00/2-13/46: Telegram

The Chargé in Uruguay (Sparks) to the Secretary of State

SECRET

MONTevideo, February 13, 1946—7 p. m.
[Received February 14—12:21 a.m.]

93. Foreign Minister *58* told me he had read entire release on Argentina and wished to send his personal congratulations on this notable work. He said everybody was familiar with rumors of complicity but was stunned with such overwhelming proof. He referred to Argentine leaders in most derogatory terms and mentioned Ibarra García *60* recalling his two visits to President Amezaga with assurances of democracy and American solidarity.

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58 Not printed.
59 Eduardo Rodríguez Larreta.
60 Argentine Under Secretary for Foreign Affairs.
He said President Amezaga had not yet read release but had asked him specifically to request Department to furnish him any information as to individuals, newspapers and companies similarly involved in Uruguay.

SPARKS

835.00/2-1346: Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

CONFIDENTIAL  WASHINGTON, February 13, 1946—8 p.m.

MIACT

239. To assist you in connection with inquiries undoubtedly being made by press concerning our future course of action in respect to Argentina you are informed that we contemplate no statement here at this time except to point out that document speaks for itself and that in submitting it to other American govts we have indicated that we would appreciate receiving their views thereon (see last page of document).

We desire to have attention continue to focus on document itself and facts presented therein and not to do anything which might distract attention from it.

It is not intended to make any reply to Perón’s attack on Mr. Braden in former’s speech yesterday. To queries by correspondents in this regard Mr. Braden replied today off the record that he did not care to dignify attack by a reply.

Please keep us closely informed concerning local treatment of document in press.

Repeated to other missions in American republics for info and guidance.

BYRNEs

835.00/2-1346

Memorandum of Telephone Conversation, by the Deputy Director of the Office of American Republic Affairs (Butler)


Mr. Cabot telephoned at 2:30 this afternoon to report on reaction to our memorandum.

He said that nothing much has happened yet and that the general reaction is one of stunned surprise. He stated that the Argentine people seemed to be overwhelmed by the disclosure. His opinion is that the democratic elements are surprised that the situation set forth in the memorandum actually was so bad.
Mr. Cabot's own reaction was entirely favorable. He stated that he thought a splendid piece of work had been done and that he was glad the memorandum was issued at this time. So far as he has been able to ascertain there is no resentment among democratic elements about the publication of the memorandum.

Mr. Cabot expresses the preliminary opinion that there is about a 20 to 25 per cent chance that Argentina will break relations. The reasoning would be to break with the United States before the other American republics, as a result of the memorandum, might break relations with Argentina. He said that he would keep the Department promptly informed.

Mr. Cabot also raised the question of a possible reply to Perón's attack against Mr. Braden in Perón's speech of February 12. He thought it might be best to take no notice of the attack. I expressed the personal opinion that the publication of the memorandum is reply enough and that no other statement seemed necessary or advisable. However, I promised to telephone or telegraph immediately if the Department wished him to take any action. Mr. Cabot said that if anything were to be done, it should be done not later than tomorrow.

Mr. Cabot also requested that he be given as much advance notice as possible about the time of his visit to Washington for consultation. He said that election results should be published about March 10 and that if Mr. Braden wants him to come to Washington shortly thereafter he would have to make his reservations soon.

GEORGE H. BUTLER

835.00/2-1346: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

URGENT

BUENOS AIRES, February 13, 1946.
[Received February 13—5:08 p.m.]

465. In proclamation address last night Perón returned to charges against Braden of direct intervention in Argentine political affairs, . . .

"The stay of Mr. Braden in our country was characterized then by his interference in our affairs, by his giving form, encouragement and directive to the amorphous political organization which opposed us by his implacable and systematic attacks on the prestige of the June 4 revolution, its men and of myself in particular. And, finally, by the offer of his friendship to all of the enemies of the June 4 movement without giving any consideration to their political affiliation and ideology.

"In the name of Mr. Braden, when he was Ambassador to our country, some fully authorized person said that I would never be
President of Argentina and that here in our country no government could exist which is opposed to the policies of the United States.

"Now I ask: Why does Mr. Braden want in Argentina a partisan and obsequious government? Is it because he is trying to repeat in our country the schemes he failed in Cuba where it is public knowledge that he wanted to bring about the ruin of the sugar industry and where he went so far as to threaten the free press which denounced him? If through a fatal design of destiny the regressive forces of the opposition organized, supported and directed by Spruille Braden should triumph, the situation of the Argentine workers will be a terrible reality of misery, of suffering and ignominy, the same as the ex-Ambassador unsuccessfully attempted to impose on the people of Cuba.

"Consequently, let those who vote on the twenty-fourth for the Oligarchic-Communist alliance know that they are simply voting for Mr. Braden. The question of the hour is this: Braden or Perón.

"Paraphrasing the immortal phrase of Roque Saenz Peña—let the people know how to vote!"

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740.35112RP/2—1446: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

CONFIDENTIAL

Buenos Aires, February 14, 1946—6 p.m.

[Received February 14—5:43 p.m.]

484. Re Embassy's telegram 426, February 8, 7 p.m. Appellate Court yesterday rejected Judge Ortiz Basualdo's order restraining Junta de Vigilancia from taking possession of Staudt firms.

Without deciding constitutional question, Court held order was unjustified judicial interference with the executive functions required to fulfill obligations under Chapultepec and United Nations pacts and that measures placing Staudt firms under Junta's control were in compliance with international agreements which are incorporate in Argentine legislation.

It is believed certain that Staudt will petition for review by Supreme Court in which case Junta cannot proceed to take possession until Supreme Court either denies petition to review or affirms Appellate Court.

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*a Former President of Argentina, noted for promoting electoral reform.

*b Not printed.

*c German firms appearing on the Proclaimed List and object of court action in Chile as well as Argentina.

*d For action of this court, see telegram 1858, July 18, from Buenos Aires, p. 280. 798-815—69—15
The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 14, 1946—9 p. m.
[Received February 14—8:06 p. m.]

490. My impression derived from various conversations and abundant reports from Embassy staff is that predominating preliminary reaction to Blue Book is one of stunned humiliation. Few people have read entire text nor has there been time for them to have their secondary reactions. Most democratically-minded Argentines are deeply pleased at publication but enthusiasm is dampened by sense of humiliation. Effect of Blue Book on them in great majority of cases is likely to be increased repudiation of Peronism. Rabid Peronistas appear to have been impressed by Perón’s attack on Braden. There seems to be little disposition so far to doubt essential truth of revelations despite frantic shrieks of Peronista journals and denials of persons mentioned. Although there has been some criticism of timing of publication and of intervention in Argentine internal affairs so far this has been rather less than I had expected. There is also deepened feeling among thinking people that Argentina can never emerge from her present international difficulties or regain a shred of her former prestige while present crowd remain in office. Some sincere nationalists reported disgusted with Perón as result of revelations.

There is definite evidence reported by telephone and other telegrams that Perón is planning a smear campaign. To what extent he will stick to facts cannot as yet be determined but Department should in my opinion begin to consider what measures if any it is going to take in event Perón starts anything. It would also be appreciated if Department would consider giving me authority to act independently at last moment before elections, since Perón is quite capable of some infamous fabrication in last minute effort to sway electorate.

Cabot

The Ambassador in Brazil (Berle) to the Secretary of State

SECRET

RIO DE JANEIRO, February 15, 1946—11 a.m.
[Received 12:32 p. m.]

327. For Braden. Neves da Fontoura \(^6\) called me last night. They had had full Cabinet session discussion among other things Argentine situation.

Fontoura said he wished to follow our lead and give us all help he could and repeated question he had previously asked of La Guardia

\(^{6}\) João Neves da Fontoura, Brazilian Minister of Foreign Affairs.
and me. Supposing, he said, Perón is elected, what is your line of
march? In other words, what do you consider a possible solution?

I said I would cable and get as exact a statement as Dept could give
me and at moment speak only personally. I said obviously no new
diplomatic agreements could be of any use: We had had a barrel full
already. Fontoura promptly and vigorously agreed. I said that it
seemed to me certain personalities including Perón and a small group
of men around him would have to disappear in any case. I said that
I personally thought that a general signing of treaty contemplated by
Chapultepec but without Argentina under present regime, might be
considered as a first step accompanied by mobilization of moral pres-
sure in Hemisphere against Perón group.

I think Fontoura vaguely has in mind working a little with Farrell
to try to get Perón eliminated from picture in some fashion. How he
could do this of course remains to be seen.

In any case Dept has probably thought out the next step after
elections on hypothesis that Perón comes into power and Brazilian
Govt would like to know how they can be of help.

BERLE

835.00/2-1546 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

RESTRICTED	BUENOS AIRES, February 15, 1946—7 p. m.

[Received February 16—12:54 a. m.]

498. Headlines across front page Epoca February 14 read “Perón
accuses: Mr. Braden was chief of an organization of spies against
Latin America”. Then follows interview of Perón by Epoca director
from which following are translated extracts:

“I can affirm that everything said about me personally (referring
to Blue Book) is inexact. Even more: I publicly invite Mr. Braden
to present corresponding proofs.

We are in position to tell Braden something terrific: that here in
Argentina he was head of a vast espionage net not confined to Argen-
tina, but to all South America.”

Interview then referred to “expulsion” of General Lang because of
“proven espionage injurious to Argentina and other friendly coun-
tries” as an episode and left impression that “real offenses”, of which
War Ministry has documentary proofs, are serious and legion. “We
do not need to look for proofs in Europe, we have them at home.”

Following paragraph is translated in full:

“If I wished, like Mr. Braden, to make airy accusations, I might
also, although with better foundation than he, tell very interesting

things. I might say that Mr. Braden financed his political campaigns in our country with money obtained by means of extortion from Argentine merchants. The Black List served from [for?] this. There with Braden was a Mr. Griffith, Commercial Counselor,\(^{57}\) who was concerned with fixing the sums which Argentine merchants and industrialists had to pay to be removed from the Black List. This activity, if I were to speak as Mr. Braden speaks, was a source of income which enabled him to carry on his subversive work without cost, appearing in the eyes of his servants as being generous and well-paying."

He then stated that whereas he can prove all he said in his address concerning paternity of certain political enterprises, Braden can prove none of things attributed to him (Perón). He then referred to "Braden's famous phrase, heard by many Argentine ears, that 'with free elections or without free elections, Perón shall not be President. I say so,'" which he called key to whole subject.

"Lamentably for Mr. Braden, the Argentine people do not believe with him."

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835.00/2-1946: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

BUENOS AIRES, February 15, 1946.
[Received February 15—8:06 p. m.]

494. There follows summary Foreign Minister Cooke's radio address twice postponed from February 9 delivered last night:

As will be noted, entire address dealt with Blue Book although it was originally expected Foreign Minister would discuss general international situation with stress on latest Uruguayan note. Text will be forwarded airmail.

Cooke stated Argentine Government has not yet seen official text Blue Book; full reply cannot be based on newspaper reports. At proper time, reply will be addressed to American nations. Meanwhile Foreign Office regrets United States Government did not follow traditional custom between governments which maintain good relations of prior consultation which would have given Argentine Government opportunity to refute or clarify charges. Publication Blue Book not in accord traditional norms international law or cordial relations between nations supporting common cause. Published 12 days before elections and on day when one of presidential candidates was being proclaimed, question bound to arise in thoughts of many if attempt was not made to influence election.

\(^{57}\) John F. Griffiths, Special Assistant to the Ambassador.
Minister stated he personally did not believe any such thing, which would be unworthy of Government and people of that great democracy, but US Government’s failure to observe normal procedure bound to give rise to suspicions which will in no way favor United States or continental harmony.

Cooke then stated information supplied by press, although incomplete, is sufficient for him to declare in President’s name that all imputations direct or indirect based on evidence German origin formulated in Blue Book relative to latter’s intervention in acts or conferences with persons of any Axis powers are absolutely false.

Cooke then turned to discussion personal position and references in Blue Book which might tend to throw suspicion on him and his conduct. His services during 30 years political life have been in support democratic cause and principles; his work with revolutionary government has been directed toward return to constitutional regularity; during 6 months he has held office he has received complete support of President and Government officials. Consequently, he stated, he regrets that with reference to period of his office, Blue Book contains incorrect interpretations of situation based either on statements of irresponsible persons or on mistaken understanding of facts. During period his office, only two obstacles encountered in connection Government’s fulfillment of undertakings; both these obstacles arose through judicial action which Government has felt it must respect.

Cooke then said moment is not one for detailed rectifications but in near future numerous communiqués will be issued to prove Argentina’s past and present compliance with international obligations. Cooke expressed conviction that when present political passions have subsided, and regardless of result of elections, there will not be one Argentine who will not return to sacred principle that nation’s problems are Argentina’s affair.

While there are undoubtedly some Argentines, Cooke said, who will rejoice at charges made in Blue Book and attempt to make political capital out of them, time will come when they will understand interests of country are above all circumstantial and political questions; national sovereignty and dignity must be guarded above everything else. Foreign Minister concluded saying Argentina’s historical course, her future and destiny are bound to those of sister peoples and can never be diverted by any force foreign to sentiments of her sons and history; there is no human force or personal effort sufficiently powerful to break up spiritual unity of American continent.
The Secretary of State to the Chargé in Argentina (Cabot)

SECRET
WASHINGTON, February 15, 1946—8 p.m.

253. Urtel 436, Feb 9.\(^6\) Statement of US position re Podesta Costa \(^6\) is explained in separate telegram. In your discretion you may use info to clear up any misunderstanding.

Secretary’s press comments today covered in separate telegram. (Urtel 481, Feb 14) \(^6\) Dept contemplates no statement for present since obvious purpose Perón’s counter-charges is to divert attention from Blue Book by inducing us to engage in debate on his allegations. We are accordingly reitering that the document speaks for itself.

We are not at this time inclined to favor suggestion re publication of documentation and do not wish to encourage requests by foreign Govts for such action. Our statement has been submitted and we are awaiting receipt of other Govts views (see final page of document).

With reference to suggestion contained concluding sentence urtel 490 Feb 14 while Dept does not wish to limit your action in event sudden emergency development we hope you will at least have opportunity to communicate with us by telephone.

BYRNES

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The Chargé in the Dominican Republic (Scherer) to the Secretary of State

CONFIDENTIAL
CIUDAD TRUJILLO, February 16, 1946—11 a.m.
[Received 7 p.m.]

61. In informal conversation last night Foreign Minister Peña Batlle stated that he had approached Dept’s so-called Blue Book on Argentina with skepticism, but overwhelming data convinced him of “treachery” of Argentine Govt. If Perón is unsuccessful in Feb 24 elections, there will be no problem, but a victory would bring serious difficulties for hemisphere, according to Foreign Minister.

I stressed that document was transmitted by US Govt to other govt for purposes of [consultation?] and that we are interested in receiving their views (Depciertel Feb 14, 8 a.m.\(^10\))

Newspaper La Opinion 15th quoted editorial from Washington Post and La Nación 16th carried news service stories from various countries regarding Blue Book.

SCHERER

\(^6\) Not printed.
\(^6\) Luis Podesta Costa, candidate for judgeship, International Court of Justice.
\(^10\) Same as telegram 239, February 15, p. 209.
ARGENTINA

825.00/2-1746 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 16, 1946—4 p. m.

[Received February 16—2:46 p.m.]

515. Reaction among Armed Forces regarding Blue Book appears mixed but on the whole unfavorable. Among Navy, criticism reported limited; majority of officers apparently satisfied with publication. However, I have had message from vitally placed Admiral indicating that publication was prejudiced anti-Peronistas and strongly pleading that nothing further be published before elections.

We have as yet few reports of reaction among Army. There appears some reason to view their reaction with apprehension. (See below) . . . .

Many people . . . feel that unfavorable reaction . . . will be disastrous to Democratic chances in elections. They point out that officers of Armed Forces directly affected by political charges must do everything in their power to retain Govt. in friendly hands and that many lower officers are now more likely to accept grossly fraudulent elections. I hope that more ample reports will indicate that this is not the case.

Cabot

835.00/2-1746 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

BUENOS AIRES, February 17, 1946.

[Received 1:58 p.m.]

518. Following is official text of communiqué 71 issued last night by Foreign Office in re Blue Book. Communiqué, according to press, had been approved at Cabinet meeting earlier in day.

"The Government of the Nation, which does not yet know the official text of the Blue Book which the Government of the United States of America has published, and which at the proper time will be the object of the observations and rectifications which are proper, deems it appropriate to declare:

1. That it considers unusual in its nature, and contrary to the practices of international law in procedure, the publication of the Department of State of the Republic of the North.

2. That the Blue Book signifies, rather than an analysis of an international case, an interference in internal affairs of our country, which violates the sovereignty of a state which respects and defends the juridical equality of nations and which has been characterized, in its relations with the republics of America, by its spirit of brotherhood, traditionally pacifist.

71 In translation.
3. That the timing of the publication has caused, in great part of public opinion, the concern that its purpose may be to influence decisions which lie exclusively in the will of the Argentine people, called to elections for the 24th of the current month, in conformity with the provisions of the Saenz Peña law, which gives justice a preeminent role for their application, elections the fairness and legality of which the government and armed institutions of the nation have promised, and are firmly resolved, to guarantee.

4. That the Government of the Revolution is fulfilling and will fulfill faithfully the international commitments contracted by the republic by virtue of its adherence to the Conference of Mexico and its presence at that of San Francisco, and is in a position to prove to the governments of the sister republics and of the other United Nations the efficacy and sincerity of its conduct.

5. That this attitude and disposition authorize it to demand of all nations the same respect for the reciprocal commitments contracted, and in particular those pertaining to the obligation not to intervene in the affairs of its internal politics.

6. That it rejects as injurious to the dignity of the nation, unjustified and inaccurate accusations, at the same time that it declares that attitudes of this kind compromise the good neighbor policy to which the Republic has lent its most enthusiastic and decided support.

7. That the Argentine Government considers the situation with absolute serenity, convinced that the time will come when there will be appreciation of the honesty of its procedure, directed toward strengthening inter-American solidarity and assuring the reestablishment in the country of the democratic principles, which are consubstantial with the essence and origin of all the republics of the continent.**

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835.00/2-1846: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, February 18, 1946—11 a. m.

[Received 11:18 a. m.]

520. I am informed by French Ambassador and another fairly reliable source that Cabinet has discussed at length immediate break in relations with the US but decision was adverse. Ambassador states that military men opposed break. Other sources indicate that Cooke is utterly furious at Blue Book, that he supported break and that he is now going all out in a series of communiqués to refute our charges and to smear US in return. Another source indicates that Argentina plans to maintain relations unless and until it discovers through other American Republics that we are planning break in which case it will anticipate US.

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ARGENTINA

835.00/2-2146 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, February 21, 1946—7 p. m.
[Received 11:26 p. m.]

555. Opinion as to effect of Blue Book in Argentina continues to be sharply divided.

1. Great majority of people with whom Embassy comes in contact are pleased at publication. Practically all of these are democratic.

2. A substantial minority of democratic element believes Blue Book timing was poor. In democratic elements opinion appears to be swinging against timing of publication of Blue Book.

3. Despite wide questioning Embassy has encountered few instances of persons swung to one side or other by publication of Blue Book. Most notable apparent case that of General Peluffo, who alleges he was swung to side of Perón as result of affront to country's dignity.

4. Due to length of Blue Book Embassy has heard from various sources that public paying more attention to solicitadas (which frequently twist Blue Book text) than to Blue Book itself.

5. Many friends of US are fearful of the long range psychological reaction of Blue Book.

6. Most newspapers and politicians are handling Blue Book charges very gingerly. They are apparently apprehensive of unfavorable popular reaction.

7. Democratic forces by no means as confident regarding elections as fortnight ago but this is apparently due to success of recent Perón meetings and to implications of Plaza Once and other recent shootings rather than to Blue Book.

CABOT

835.00/2-2346 : Telegram

The Ambassador in Chile (Bowers) to the Secretary of State

SECRET

SANTIAGO, February 23, 1946—noon.
[Received 3:13 p. m.]

233. Following is concise valuation requested Depciertel Feb 21, 9 a. m.:

Reaction to Blue Book in Chile has been characterized by extremely cautious attitude displayed in press and official circles. Commercial and Govt supporting press has published editorials seriously questioning ethics of such a publication and recommending careful study of

78 Gen. Orlando Lorenzo Peluffo, former Argentine Foreign Minister.
77 Statements of self-defense and explanation.
76 Not printed.
sources and consultation among Latin American Republics before issuing official reply. Communist press has taken advantage of material to support phases of its own internal political platforms while at same time questioning US motives in issuing Blue Book.

No official statements have been made with regard to its contents and no prominent personalities have publicly expressed their views. It would appear, however, that official and serious opinion will follow tone of Brazilian Foreign Minister's declaration on subject 79 in view of fact that this declaration was hailed as "prudent and measured" by Govt supporting press as well as by Conservative Party organ.

Bowers

835.00/2-2346: Telegram

The Chargé in Venezuela (Dawson) to the Secretary of State

SECRET

CARACAS, February 23, 1946—noon.

[Received 5:45 p.m.]

132. Venezuelan official press and public reaction to publication of Blue Book was at first one of great interest which has now died down greatly. Practically only editorial comment has been in official paper expressing approval of our attitude but asking why we have not also taken stand against other Latin American dictatorships. That this was inspired is shown by fact that Junta President Betancourt took same line with me in conversation on Feb 5 reported fully in despatch 8399, Feb 8 and repeated it on Feb 13 (see despatch 8419, Feb 14). 80

Venezuelan policy will be decided by Betancourt. Main effect of Blue Book here has been to give Betancourt something on which to peg his position.

My impression is we can count on general Venezuelan support but that Govt will wait for lead from US and show little initiative except to try to get action against Dominican Republic and other similar regimes. Fascism has little meaning to average Venezuelan but dictatorship has because of country's history.

Argentina was completely off front pages yesterday. Considerable space given today to Perón's Blue and White Book but no press comment and do not think it is given much weight although any charges, however wild, do have some effect on thoughtless anti-Americanism.

Dawson

79 The official views of the Brazilian Government were not released until April 4. They were communicated to the Department of State, however, on April 1, in telegram 608, 8 p.m., p. 8.
80 Neither printed.
SECRETE

BOGOTÁ, February 23, 1946—3 p.m.
[Received 8:24 p.m.]

154. Your circular 21st 9 a.m. Press reaction to Blue Book at first quite favorable except for Communist *Diario Popular*. Now there is an increasing tendency to be more “neutral” with growing apprehension that Argentine question may divide Continent and destroy solidarity if question is not very prudently handled.

Official reaction has been largely submerged in current domestic political problems. Gustavo Santos, Colombian Ambassador to Buenos Aires, has been urgently recalled for consultation which indicates that Govt contemplates prompt study of Blue Book and attitude towards Perón if elected. A high official of FonOff feels strongly that consultation and possibly a conference would be essential in latter event.

While there are no perceptible pro-Argentine sympathies within Govt, indeed opposite is the case, there is, I fear, a peace at any price inclination.

WILEY

835.00/2-2546: Telegram

REstricted

BUENOS AIRES, February 25, 1946—3 p.m.
[Received 9:18 p.m.]

583. Press organs, both Democratic and Peronista, are unanimous in eulogizing conduct of yesterday’s elections, which are variously described as cleanest in Argentine history and as exemplifying high civic culture of Argentine nation. No case of disorder or intimidation is reported from anywhere in republic and although there appears to have been isolated instances of localized irregularities, both press factions are agreed upon inevitability and unimportance of such. Armed forces came in for merited praise for efficient organization of election and impartiality of their supervision. Tamborini is quoted as saying that conduct of elections evidences “renewed brotherhood between the people and the armed forces”.

Special Embassy observers, both in capital and provincial vicinity and in provinces, confirm press reports.

Streets of capital and even southern industrial suburbs in Buenos Aires Province were deserted during day except for cues at polling

* Not printed.
places on legitimate business of suffrage. All cafés, restaurants, theaters, tobacconists, even zoological garden closed.

Both groups are expressing certainty of victory of respective presidential candidates but unless Democratic landslide in key provinces of Buenos Aires and Santa Fe (observers believe Perón win would only be by narrow margin) definitely indicative returns may not be expected before week. Count of votes only begins at each provincial and at federal capital when all urns pertaining to each are assembled. Only definite date in electoral decree of December 1, 1945 is April 24 next wherein National Congress must constitute itself.

As already reported, Armed Forces will continue to protect urns during transportation to capitals and thereafter until scrutiny by electoral boards is completed.

There has as yet been no suggestion of fraud during remaining procedure.

Cabot

855.00/2-2546: Telegram

The Ambassador in Peru (Pawley) to the Secretary of State

SECRET

LIMA, February 25, 1946—4 p. m.

[Received 7:46 p. m.]

214. ReDepcirtel February 21, 9 a. m. Since none of important Lima papers have commented on Blue Book except for APRA La Tribuna, which is favorable, silence of major periodicals is considered as deliberate avoidance of controversial issue, and their failure to use this opportunity to criticize US is significant, as reported in previous telegrams. While news coverage has been extensive, only smaller and relatively unimportant papers have given their views which except for La Tribuna and the Communist sheet Labor are decidedly unfavorable. On February 22 La Prensa began printing in installments full text of document. Argentine Embassy has put out several communiqués denying that elections would be postponed and emphasizing tranquil atmosphere in Argentina.

There has been no clear cut official reaction, although APRA leaders have publicly announced approval. In general, prominent Peruvians both in and out of official circles and foreign diplomats stay away from the subject. Their non-committal answers and the general impression given, however, are that publication of Blue Book was a mistake, ill-timed, and if anything may have done more harm then good.

Pawley

82 Not printed.
The Ambassador in Brazil (Berle) to the Secretary of State

SECRET

RIO DE JANEIRO, February 25, 1946—8 p. m.

[Received 8:30 p. m.]

402. Specifically answering last paragraph Deptel 248, February 20, I do not believe Brazil has been inclined to favor existence in Argentina of type of govt incapable of full cooperation with US as means of maintaining favored position for Brazil. What did happen was Vargas' incurable habit of playing both ends against middle, whereby, while working closely with US, he likewise maintained close connections with Argentina and Perón through Yuzardo [Lusardo], his Ambassador, and through his brother Benjamin Vargas, and less openly through his brother Viriato Vargas who is, as Dept knows, acknowledged leader in Fascist movement and publishes Fascist newspaper here.

Possibly also Vargas was likewise concerned lest anti-dictatorial sentiment might eventually react in Brazil as indeed it finally did. But these were reactions of dictatorial group as another dictatorial group and were in nature of personal policy.

Official policy of Brazilian Govt which is still maintained and probably reflects general sentiment is that they are afraid of Argentine situation as continuing threat to security of Brazil and of hemisphere and as future threat because Argentina with superior industrial organization working through immigrant German technicians and others could place themselves in position of military and technical superiority. They do not like continuing quarrel on their border particularly since this could imperil and now does imperil Brazilian bread supply and they consequently hope for an early solution though they are in dark as to how it may be achieved. Fundamentally, they would like an Argentine with whom they can trade easily and can carry on with personal exchanges which have been customary without being perpetually frightened of intrigues, possible military adventures, and repeated internal Argentine explosions. I have seen nothing to indicate that any responsible man believes that by secretly encouraging a bad situation in Argentina they therefore increase their trading value with US. It is dangerous thinking to extract from left-hand maneuvers of Vargas a theory of Brazilian foreign policy which seems not to be justified by Maonlina [garble] currents both of opinion and of responsible thinking. Brazilian is worried about quarrel with

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*Not printed.

*Getulio Vargas, former President of Brazil.

*For documentation on this problem, see pp. 111 ff.
her largest near neighbor and hopes to God she will get over it and settle down. If asked, Brazilian Foreign Office would probably say that she had done her best to keep alongside of US but that in past year our own policy varied from a stiff line towards Argentina, to a conciliatory one and then back to a stiff one and that even President Vargas never got to the point of doing what we did when the Warren mission arrived in Buenos Aires.\textsuperscript{86}

\textbf{Berle}

\textbf{835.00/2-2746: Telegram}

\textit{The Ambassador in Nicaragua (Warren) to the Secretary of State}

\textbf{SECRET}

\textbf{MANAGUA, February 27, 1946—11 a.m.}

[Received 5:47 p.m.]

135. Information following is for Division CCA in response to Department's circular telegram February 21, 9 a.m.,\textsuperscript{87} regarding Argentine Blue Book.

(1) \textit{Press:} Nicaraguan press has shown favorable reaction to Blue Book charges against Argentina. . . .

(2) \textit{Official Circles:} Nicaraguan Government was ready to accept an Argentine Minister in Managua but has held off because of Blue Book charges. Official circles expressed surprise and disapproval of Argentine involvement with Nazis. At the same time they dimly concealed their admiration for Perón because he dared stand up to US. They are probably asking themselves whether full US pressure may not later be applied to Nicaragua and other dictatorships. Foreign Office stated in a note to Embassy that Nicaraguan Government is sincerely desirous of lending its cooperation in order to face jointly with other American Republics immediate solution of Argentine problem according to norms of Inter-American system.

(3) \textit{General Public:} The Blue Book charges have been warmly received by general public, not so much because of Argentina's close connection with Nazis as because Farrell-Perón regime is a dictatorship.

\textbf{Warren}

\textsuperscript{86} Reference is to the mission of Ambassador Ayra M. Warren and Lt. Gen. George H. Brett to Buenos Aires in April, 1945, to discuss matters consequent upon Argentina's recent declaration of war against the Axis. See \textit{Foreign Relations, 1945}, vol. ix, pp. 378 ff.

\textsuperscript{87} Not printed.
The Chargé in Argentina (Cabot) to the Secretary of State

CONFIDENTIAL

Buenos Aires, February 27, 1946.
No. 2130

[Received March 12.]

SIR: With reference to telegrams no. 560 of February 21, 8:00 p.m., and no. 565 of February 22, 5:00 p.m., reporting the appearance on February 22 of a booklet containing Colonel Perón’s answers to the charges of the Blue Book, together with certain documentary evidence of United States’ spies allegedly operating in Argentina, I have the honor to transmit three copies of this publication.

The first thirty-six pages endeavor to answer the specific charges of the Blue Book, but the treatment is too superficial and vague to merit comment. Pages 37 through 63 contain summaries of cases and photoprints of documents regarding alleged espionage activities, most of the latter referring to the former Military Attaché, Brigadier General John W. Lang. Since the Embassy knew nothing about these documents it can express no opinion as yet, but will transmit a copy of the military attaché’s report as soon as available. Pages 64 through 80 contain reprints of various of the “solicitadas” (paid notices) which appeared in the local press following the publication of the Blue Book, all of which have been reported recently by despatch or will be reported soon (list transmitted as an enclosure). The balance of the booklet contains various press notices, almost entirely from pro-Perón dailies, and from the Diario de La Marina of Habana, Cuba, making personal attacks against former Ambassador Braden, Gustavo Duran and Eduardo R. Chibas of Cuba. The publication contains a separate chart of [or] diagram representing the “forces which struggle against Colonel Perón under the direction of Mr. Spruille Braden,” which is perhaps the most childish feature of the entire effort.

Several experienced newspaper men believe that the booklet was published by the presses of Ahora, which, curiously enough, is the only local periodical which is credited with a photograph (reference page 104).

Newsprint dealers state that sixty tons of newsprint was obtained from them by “special request” shortly before the booklet’s publication, for delivery to the Ministry of Interior.

Although various pro-Perón dailies have repeatedly announced the selling price of the booklet as one peso, newsboys were able to collect over two pesos and a half during the first days of its appearance, but lately they have been glad to receive as little as thirty centavos.

Respectfully yours,

J. M. CABOT

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55 Neither printed.

56 Libro Azul y Blanco.
Quito, February 28, 1946—6 p. m.  
[Received March 1—11:57 a. m.]

117. Reference Embassy’s telegram No. 111, Feb 26, 6 p. m. The Minister of Foreign Affairs 91 called me to his office this afternoon and informed me that he preferred to give me in writing the official observations of his Govt regarding the Blue Book. He explained that the observations which are quoted below represent the considered opinion of himself and the President. He further stated that he believes that the point of view of Ecuador is shared with perhaps some very slight differences by Chile and Peru. The Ecuadorian observations follow in translation:

"1. The Ministry of Foreign Affairs has studied with careful attention the Blue Book published by The Dept of State of The US concerning the actions and intentions that are attributed to the Argentine Govt with respect to the Inter-American commitments signed by it and whose presumed non-compliance is the subject which the Ecuadorian Govt declared to be appropriate for current consultations between the Govts of the Hemisphere, taking it wherever possible out of the jurisdiction of other world organizations, while the means of regional solution were not exhausted.

2. From an examination of the chapters of the Blue Book which relate to the international conduct of the Argentine Govt, it follows in the judgement of Ecuador that there are accusations related with the agreements of a universal character undertaken by the United Nations which exceed the Inter-American competence and which should be the object of study, debate, and decision of the world organizations, and others relative to the continental conventions that the American nations could opportune submit for their appropriate formal resolution (juicio) with the presence of the accused Govt and an extensive analysis the proofs and allegations which might be presented by one side.

3. The Blue Book in this last respect constitutes an element which together with said detailed and ample proofs and allegations should be submitted for such formal judiciary action.

4. Nevertheless the superior interests of the Western Hemisphere and the desire to assure harmony definitely and solidly, the good understanding and the friendly cooperation of the American States make it advisable in the opinion of this Govt of Ecuador, that there be sought and that an endeavor be made to find in an atmosphere of frankness and understanding the re-establishment of the normal Inter-American relations which have been observed to be disturbed in the past by suspicions and "susceptibilities," and should be based in the future on mutual respect and reciprocal confidence.

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90 Not printed.
91 José Vicente Trujillo.
5. Finally the Argentine people have expressed their will concerning the composition of their future Constitutional Government in elections unanimously qualified as free and correct whose scrutiny will reveal the real national sentiment of the Argentine Republic as relates to its position within the American Democratic Bloc. Consequently it would be prudent to wait the result of the elections and the course taken by the new Argentine Govt in order to continue the consultations.”

SCOTTEN:

835.00/3-146: Telegram

The Ambassador in Guatemala (Kyle) to the Secretary of State

SECRET

GUATEMALA CITY, March 1, 1946—11 a. m.
[Received 3:29 p. m.]

105. On February 28 Foreign Minister *2* said he had finished study Blue Book on Argentina which he found “formidable” and which left no doubt of complicity Perón-Farrell regime as distinct from Argentine people. He observed that important matter now is what steps will be taken should Perón win election and hoped election of Tamborini would open way to Argentine participation at Rio.

Kyle.

835.00/3-146

Memorandum of Conversation, by the Assistant Chief of the Division of Caribbean and Central American Affairs (Newbegin)

[WASHINGTON,] March 1, 1946.

Participants: Dr. Don Guillermo Sevilla Sacasa, Ambassador of Nicaragua
Don Alberto Sevilla Sacasa, Secretary of Nicaraguan Embassy
Mr. Braden, Assistant Secretary of State
Mr. Newbegin, Assistant Chief, Division of Caribbean and Central American Affairs

The Ambassador called to inform Mr. Braden that he had received a letter from President Somoza in which the latter instructed him to call on Mr. Braden to inform him that President Somoza had read the Blue Book. The Ambassador continued that President Somoza, who reads English well, had read the book with a great deal of care and was tremendously impressed with its contents. He characterized the Book as brilliant and wished to inform Mr. Braden that he and his Government were in entire accord with its conclusions and that Mr. Braden

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*2* Guillermo Torello.

798–815—69——16
could rely on Nicaraguan support. Mr. Braden expressed his appreciation while emphasizing the point that the Book was not "brilliant" but that it was the result of much detailed and hard work and was, of course, entirely accurate.

The Ambassador stated that while the Nicaraguan views had been transmitted to Ambassador Warren, the President was particularly anxious to have his views conveyed directly to Mr. Braden.

835.00/3-446

Memorandum of Conversation, by the Assistant Chief of the Division of Caribbean and Central American Affairs (Newbegin)

[Extract]

[WASHINGTON,] March 4, 1946.

The principal purpose for the Honduran Ambassador’s call on Mr. Braden was to deliver a note with regard to the Blue Book on Argentina. The Ambassador informed Mr. Braden that the Book had been read with much interest and that Honduras supported the views of the United States. He continued that in this regard as in all other important matters of foreign policy the United States could count on Honduran backing. The note which he presented to Mr. Braden stated that in the opinion of the Honduran Government, the present Argentine military regime or any other Argentine Government controlled by the same groups did not deserve the faith and confidence essential for the signing of a treaty of mutual military assistance among the American Republics. Mr. Braden expressed his appreciation of the Ambassador’s courtesy in this respect.

R. N[EWBEGIN]

885.00/3-449: Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

SECRET

WASHINGTON, March 5, 1946—6 p. m.

323. Please cable estimate number of total votes cast in capital and each province where final returns have not yet come in.

AP this afternoon gives Tamborini 24,000 and Perón 37,000 votes in city of BA. Is there an explanation for Perón’s apparent strength in BA and do you expect Tamborini to carry city? What is your estimate of outcome of vote in Province of BA?

30 Dr. Julián R. Cáceres.

34 Not printed.
Please airmail (a) detailed description of voting and counting process; (b) list of possible means of fraud; (c) detailed description of procedures and precautions taken to avoid fraud; (d) your appraisal of whether fraud was actually possible; and (e) any evidence of irregularities or fraud including those in Provinces of BA and Tucumán which necessitated new elections in some districts. Cable summary of this report as soon as possible.95

While we appreciate considerations mentioned in your 641, Mar 4 96 it is too early to reach final conclusions re honesty of elections and therefore difficult to prevent speculation.

BYRNES

835.00/3-746 : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET  BUENOS AIRES, March 7, 1946—8 p. m.
[Received 11:50 p. m.]

671. Although full returns will not be available for some weeks and Tamborini may still win, it now seems probable that Perón has won residence [presidency] and that he will have a great majority in both Houses of Congress. After careful discussion with senior officers of the Embassy, I offer, for what they may be worth, the following considerations with regard to future policy in order that the Department may have had a chance to study them in event Perón is in fact elected.

1. On February 28 Secretary said: “Essence of our democracy is our belief in life and growth and in right of the people to shape and mould their own destiny. It is not our tradition to defend the dead-hand of reaction or the tyranny of privilege.” On August 17 last Mr. Braden said: “To assure the peace of the world, we, the victorious democracies, must and will establish the only legitimate sovereignty, the inviolable sovereignty of the people.” On September 7 Mr. Braden said: “So soon as the Argentine people are satisfied that they have obtained (a constitutional representative democracy), automatically their confidence will be reflected among the people of the US, thus creating a true and solid foundation for the friendliest relations between our two countries in every direction.”

2. Voting procedure and counting of ballots have unquestionably been fairest in Argentine history. Although period of violence and oppression before elections prevented them from being wholly clean,

95 In telegram 709, March 9, 1946, 2 p. m., the Chargé concluded that there had been no evidence of fraud or irregularity in the conduct of voting or in the counting (835.00/3-946).
96 Not printed.
there is no reason to doubt that Perón has been chosen by will of Argentine people.

3. I do not think that peace of world will be advanced by any effort on our part to get rid of government chosen by Argentine people. Perón is for Argentine masses symbol of social progress and nationality; further interference by US will accentuate our identification with privilege, reaction and pan-colonialism.

4. On basis of above, I believe that we must accept verdict of Argentine people and maintain relations with their chosen govt, unsatisfactory to US though it may be.

5. Election of Perón would in no way alter his past record of double dealing with US and connivance with Nazis.

6. Nevertheless basis for policy determination must be what Perón may be expected to do in future rather than what he has done in past. Only feature which would give us right to maintain crackdown policy would be clear evidence of purpose to make Argentine focus of some future aggression. What Perón has done in past should merely be one criterion on which to gauge future conduct.

7. I consider it vital that we continue and even accentuate extirpation policy on Nazis. I feel on basis of such information as is available to me that other American Republics will be even happy to give us real help in insisting on thorough housecleaning if they are not asked to take measures directed squarely at Perón. I would suggest drawing up a comprehensive list of measures against Nazis which Perón government must take. This should be done in consultation, perhaps in that now proceeding. I feel presentation of full list at early date advisable in order that Argentine Govt may not think piecemeal presentation of demands against Nazis is merely excuse to be disagreeable. We should equally make it clear that Argentina is on probation regarding fulfillment of commitments to other republics, both international and internal.

8. In presenting demands jointly to Argentina we should make it clear informally that we would not discuss either, whether Argentina has complied with Rio and Mexico resolutions or whether other republics have not complied with them. Basis of our joint action would be Blue Book prima facie case that Argentina during war tore to shreds her commitments to other republics and connived with our enemies. On basis these grave breaches in Argentina’s obligations to other American Republics latter demand specific performance in deeds not words regarding specified list in return for wiping slate clean. We would, of course, be prepared to discuss justice of charges of connivance and list of measures which must be taken. I feel above essential to give firm basis for our demands and to block any Argentine
effort to stir up trouble by discussing Argentine performance or linking it with that of other republics.

9. It seems to me essential that we should negotiate at early date pact envisaged by Act of Chapultepec, without Argentina if possible, but rather with Argentina than not at all (I appreciate Department may feel this impossible because of earlier statements or as result of Depciertel February 22, 9 a. m. [28]). If we are to accept Perón, I do not see how we can put off negotiating treaty for years. We might base willingness to negotiate an [on?] Argentine performance of demands. Greatest immediate danger of situation, as I see it, is that Perón will exploit his victory to dominate neighboring republics or undermine them by subversion, though danger he will form bloc against us must not be minimized. I reiterate my firm conviction that we must be in position through treaty to take effective action against outside subversion. Far from pussyfooting on this issue for fear of offending Russia, let us make it clear to Soviet once for all that we will not tolerate outside subversion of any kind, including Communist, in this hemisphere (I naturally do not extend this to legitimate Communist activities). We want no Azerbijans in this hemisphere.

10. We must make clear to Argentine Government that resumption of cordial relations would be progressively predicated on Argentine performance of demands. It would be understood that only upon complete fulfillment of demands mentioned in Number 7 would cordial relations be fully resumed and Argentina accepted as a member in good standing of inter-American system.

11. We are placed in difficult position because of question of military collaboration, need for Argentine food exports and commercial competition.

A. I trust we are moving as rapidly as possible to establish control of exports of arms by principal producing countries. Without generally respected arms export control arrangements we cannot expect for any considerable time to keep arms from Argentina and we must recognize the apprehension their purchase would cause among Argentina’s neighbors.

B. I believe we must have a firm understanding with British and Russians regarding military missions. Perhaps French should be included in arrangement.

C. At early date (possibly as recognition of some important Argentine act of fulfillment) we should begin to invite Argentine officers to our military training schools in US. In view of army fulfillment of pledges to guarantee free elections, I also feel we should immediately

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* For text, see Department of State, Treaties and Other International Acts Series No. 1543; for documentation on the Chapultepec Conference, see Foreign Relations, 1945, vol. ix, pp. 1 ff.

* Not printed.
adopt somewhat our friendly policy to it, particularly in exchanging information. (See Military Attache’s report of February 28, 1946) 99. We should seek to maintain air and naval missions and should make it clear that we would be prepared to expand them upon substantial performance by Argentina of demands.

D. We should make it abundantly clear to Argentines that any effort by Argentina to slide down any non-American nation’s cellar door militarily speaking will be taken into full account in eventual reestablishment of friendly relations with US.

E. We must have definite objectives not merely to be disagreeable in trade matters. Unless possible harm to Argentina done by restrictions gives us trading point, I see no advantage to handing over this big market to foreign interests by continuing this indefinitely.

12. In view of personal interest involved, I make no recommendations about accrediting Ambassador. Nevertheless should Department for any reason feel that more cordial policy than above should be adopted, I should obviously be transferred since I am inevitably associated here with policy of toughness.

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835.00/2-2846

The Assistant Secretary of State (Braden) to the Ambassador in Mexico (Messersmith)

SECRET

WASHINGTON, March 8, 1946.

Dear George: I am grateful for your February 28th and other letters 1 on the Argentine situation, and agree with your analysis thereof in every particular, excepting that there is a possibility, perhaps, the voting has been honest and Perón actually won by fair means. However, this does not alter the fundamentals of the situation.

You will recall that Perón has always said that he intended to be President by “fair means or foul” (por las buenas ó por las malas). The outlook for Argentina and the hemisphere is, of course, very much more serious if he has won by fair means. The delay in my confirmation as Assistant Secretary on which he capitalized to the limit; the blundering of the opposition when they had him out, as for instance, employers refusing to pay the increased wages they had been paying and telling workers to go get the money from Perón; the fact that nothing succeeds like success and his return to power was certainly a highly successful accomplishment; all of the intimidation during the months preceding election with the lifting of the state of siege only during the actual election hours; the issuance of decrees increasing wages and giving a month’s bonus; the fact that the Argentinos are

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99 Not printed.
1 None printed.
fed up with the old line politicos, that the country is going through a social revolution ... undoubtedly all had a great influence on the situation. After adding all of these factors together, plus some others, there still remains the fact that the Argentine people are about to elect to the Presidency a typical Fascist as proven by the Blue Book. In other words, at least so far as Argentina is concerned, and I fear this extends elsewhere in Latin America, the fundamental principles involved and the ideals for which we have fought the war are not understood.

Of course the press continues to accuse us, as we expected it would, of attempting to influence the elections. We have tried to make amply clear that we were not doing so—that while, of course, we were interested to know the results of those elections and hoped they would benefit Argentina, they were otherwise none of our business.

We will accept the verdict of the elections but continue to stand on our principles that we cannot and will not sign the Rio treaty with the same elements who have played a leading role in the Farrell-Perón regime which has had such complicity with the enemy.

You will also note that the latest development is that the Commies are now actively climbing on the Perón bandwagon. Away back last June I predicted to the Department that they would do precisely this.

With all good wishes,

Faithfully yours,

SPRUCE BRADEN

835.00/3-946: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, March 9, 1946—2 p. m.

[Received 5:40 p. m.]

703. [Here follows a description of the procedure used in conducting elections and methods of fraud most commonly employed in the past.]

It is Embassy’s opinion on basis available evidence significant fraud could not have been conducted during voting process. Likewise Embassy thus far has no reason to believe there was fraud in terms of tampering with ballot boxes following completion voting process. Seems significant this respect none of democratic parties has voiced protest or even suspicion important irregularity. Only such suggestions, minor in nature, have been on part Peronista press.

Reasons for new elections in various electoral districts Buenos Aires and Tucumán have been minor discrepancies between number ballots in ballot boxes and voters listed on electoral registers (if discrepancy greater than three in precinct new elections may be called). In
Tucumán irregularities which formed basis for new elections were in opinion political parties so unimportant that all petitioned electoral authorities to disregard them. Board proceeded despite petition.

In conclusion Embassy must repeat there has been no evidence so far of important fraud or irregularities in conduct voting or counting process. It may be presumed political groups themselves, particularly losing side, would be first to voice protest if there seemed any reasonable basis therefor.

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$335.348/3-1246$ : Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET  BUENOS AIRES, March 12, 1946—7 p.m.

[Received 7:05 p.m.]

720. Chief of Argentine Naval Intelligence has written Captain Webb to say General Staff desires send group of officers to US for purpose of bringing up to date information re naval aviation (planes, characteristics, armaments, radio electrical equipment, etc). Commission be composed of following: Captain (naval aviator) Ernest Massa, Commander (aeronautical engineer) Carlos M. Gadda, Lieutenant Commander (naval aviator) Vicente M. V. Baroja, Lieutenant (aeronautical engineer) Federico J. Rachart, one officer specialist in communications, and one medical officer. Letter asks what possibilities exist for carrying out this desire.

In line with mytel 671, March 7, 8 p.m., I recommend acceding to this request, the more so as Navy has of course taken leading part in securing the fair elections which have now been held. I believe we should inform Navy, however, that any purchases of equipment etc. must await complete fulfilment by Argentina of its pledges re Nazis to other American Republics.

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$711.35/3-1846$ : Circular telegram

The Secretary of State to Diplomatic Representatives in the American Republics

CONFIDENTIAL  WASHINGTON, March 18, 1946—2 p.m.

All American Republics have maintained diplomatic relations with Arg since last April. No question of recognizing new Arg regime arises. If question of severing diplomatic relations with such regime

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\(^2\) Capt. Walter W. Webb, American Naval Attaché and Naval Attaché for Air at Buenos Aires.
should arise it should in Dept’s view be decided by majority of American Republics as result of consultation now in process. We have no intention of taking unilateral action in this regard.

This position is entirely consistent with our refusal to sign a military treaty with any Arg Govt controlled by elements which have conspired with our enemies since such a treaty obviously requires a high degree of trust and conf.

Foregoing is primarily for your background info but if Dept’s views are requested you may informally so advise FonOff.

BYRNES

711.35/3–2246: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, March 22, 1946—4 p. m.

[Received 9 p. m.]

826. Although Embassy has received no policy directives since Perón’s victory became obvious except circular of March 18, 2 p. m.,\(^1\) statements regarding our policy published in local newspapers indicate there is to be no change. Realizing that public statements cannot fully express Dept’s thinking respecting policy, I nevertheless feel it my duty to report that Embassy feels a modification would be desirable. I believe that frank exposition of Embassy’s views may be helpful to Dept; and transmission of supplementary instructions by Department will aid Embassy in striving faithfully to implement Department’s policy.

What is to be achieved by continuation of present policy?

1. Elimination of Perón? I doubt present policy will achieve this and I do not see how we can afford to assume responsibility for seeking to replace Govt based on will of people for one based on force. I feel our ideals and principles require that we accept Govt representing will of Argentine people and symbolic to majority (however repugnant its Fascist antecedents may be to us) of social progress.

2. Prevention of aggression and liquidation of Nazis? Suggestions in my 671, March 7, 8 p. m., seem to me clearly more effective to this end.

3. Respect and friendship of Argentine Govt and people? Our position and vicious local press campaign have naturally prejudiced Peronistas against us; anti-Peronistas are somewhat disillusioned. I believe that we are not now perceptibly worse off than in past but am somewhat apprehensive of long-term reaction of Argentine people particularly if present policy continues for indefinite period. There is also growing tendency to object to our attitude.

\(^1\) Supra.
Continuation of policy would also entail following disadvantages:

1. Relations with Govt that has ample reason to hate us will be difficult in any case and Perón is now in stronger position than ever to intrigue against us. Embassy and Department would probably continue to be victims of infamous press campaign with no effective reply possible.

2. Inclusion of Argentina in hemispheric defense plans, and student training or military missions so necessary to achieve our military objectives and de-Nazify Argentine Army, would be indefinitely blocked.

3. Negotiation of mutual assistance pact would presumably be delayed for indefinite period despite our commitment to negotiate it (? we would have no instrument against aggression in this hemisphere should President's war powers expire.

4. Our inter-American relations might deteriorate under further strain of enduring crisis.

5. We would play directly into hands of other countries notably England and Russia. . . . Russians are moving in commercially and might find it convenient to move in in the political field also. Permanent injury may be done to our interests by giving foreign nations chance to entrench themselves in political, military and commercial fields, to make installations involving continuing commercial benefits, to send military and commercial missions, etc.

Further period of strained relations might be justified if reasonable prospect existed of yet achieving through our efforts original objectives of policy. However:

a. We cannot employ economic sanctions against Argentina in foreseeable future. On contrary present policy makes more difficult rectification of results of our earlier refusal to ship tires, rubber and fuel to Argentina. This is now contributing to starvation in Europe and consequent unrest harmful to our interests. Furthermore, neighboring republics need Argentine food.

b. I greatly doubt we are prepared to use force either unilaterally or collectively. Danger of eventual aggression is clear but by no means so certain as to secure support from other nations necessary for collective action. Use of force must be contingent on future aggressions.

c. Other possible measures to make Argentina feel our displeasure (such as expulsion from United Nations) would merely aggravate rather than help present unsatisfactory situation unless some specific objective sought.

d. An internal explosion which various observers predict as result of Perón's inability to fulfill promises and evil influences surrounding him is in my opinion more likely to be promoted than prejudiced by removing our open pressure on Perón.
Since we neither can nor should take effective action against Perón regime under present circumstances and in light of disadvantages to continuation of present course, I believe our policy should be based on outline given in Embtel 671, March 7, 8 p.m. and following:

I. Appeasement or merely letting bygones be bygones must be firmly rejected. Our position should be that grave injury has been done to all of American Republics but particularly to us who bore such important score in fight for freedom of all. In full consultation with other republics we should determine how Argentina is to make reparation. Although point might be made of Argentine liability to damages for her conduct during war, I believe we should take position that American republics should not press claims for damages if Argentine Govt fulfilled other specific demands (we could point out we did not wish Argentine people to suffer). US meantime should make clear to Argentina that further anti-American intrigues would merely make US firmer in pressing demands against Argentina. But I emphatically feel our demands should specify exact steps Argentina must take to extirpate Nazi activities and should look to eventual restoration of normal relations with Argentina, subsequent cordiality of relations to depend primarily on public reaction in US to Perón administration’s line of conduct.

II. Unless Argentina refuses to meet our demands in reparation for her past record or fails in performance we should refrain from further attacks on Perón and Govt. (Although I am not particularly optimistic there is some reason to hope that Argentine conduct in future will be less obnoxious than in past. In view of unpromising alternatives can we not afford to wait and see?) It seems to me important that US should always have effective means of making Argentina feel our displeasure if her conduct deteriorates even further and I should, therefore, also hold in reserve such further sanctions against Argentina as expulsion from United Nations.

III. Republics more immediately threatened notably Brazil should assume responsibility and leadership at least equal to our own if renewed Argentine purpose of aggression becomes evident. Although we must ourselves be eternally vigilant Argentina cannot hope even remotely to challenge our military strength. Given Act of Chapultepec eventual cooperation by us in moderate rearmament program should lessen rather than increase possibility of Argentine military aggression and help us to control situation. Danger from our viewpoint derives rather from possible use of Argentina as Nazi base, subversive conspiracies against neighbors and unfriendly international intrigues; and our pressure merely increases dangers of last two. Calculating as closely as possible under what circumstances we would be prepared to use force (which presumably would require inter-
American or United Nations backing) we should seek at that time to have moral and political factors as favorable as possible.

IV. By increasing unity of hemisphere along tested lines we should increase capacity of inter-American system to promote peace and stability in world greatly in need of them.

I recognize that domestic political considerations may make course I propose difficult. In that case, however, I believe our first efforts should be directed toward fully informing and reorienting US public opinion regarding policy matters.

Department will appreciate how difficult Embassy finds it under existing circumstances to accomplish anything constructive or even to know what, if anything, it should attempt. I should, therefore, be most grateful for detailed instructions at an early date.

Cabot

835.348/3-1246 : Telegram

The Acting Secretary of State to the Chargé in Argentina (Cabot)

SECRET

WASHINGTON, March 25, 1946—7 p. m.

402. Urtel 720, Mar. 12. Dept policy re technical collaboration Argentine armed forces is that our action in all such matters should be consistent with our refusal to sign a mutual assistance treaty to which Arg under present conditions would be party. We shall continue to refuse all assistance which would tend strengthen the Arg armed forces.

It is therefore requested that Capt Webb inform Chief of Arg Naval Intelligence that contemplated visit would be inopportune at present.4

Acheson

835.00/3-2646

The Chargé in Argentina (Cabot) to the Deputy Director of the Office of American Republic Affairs (Butler)

SECRET

BUENOS AIRES, March 26, 1946.

[Received April 4.]

Dear George: I am extremely obliged to you for your letter of March 15.5 It was the first news I have had from the Department regarding its attitude following Perón’s election and was therefore particularly helpful.

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4In a letter of April 30, 1946, to the Secretary of the Navy, the Acting Secretary of State indicated that a final decision in the matter was deferred (835.348/4-1546).

5Not printed.
I am forwarding herewith copies of Salinger’s report about the connection between graft and Perón’s campaign funds. As I indicated in my previous letter, it is interesting and may be true, but unfortunately we can get no court evidence to support it. I hope it will be of some use even as it is.

With regard to matters of policy, I fear that my telegrams have already shown you that I am not altogether in agreement with your way of thinking. However, you have a far better opportunity than I to see the whole picture and I shall of course try to carry out the Department’s policy to the best of my ability.

I am discussing with the principal officers of the staff what we can do locally to implement the Department’s policy. I do not imagine for example that the Department would wish to have me toddling around with the top Government crowd or entertaining them . . . . It occurs to me, however, that at a lower level it might be wise for contacts to be maintained about as at present, i.e., a minimum of formal but informally normal.

We are thinking in terms of working as hard as ever against the Nazis, both in economic warfare and in repatriation. Any ammunition you can give us in this connection will be most helpful . . . it is therefore not surprising that the Junta de Vigilancia has never been so charmingly responsive (we are even informed that Staudt is going to be liquidated), or that other Government officers are just too nice for words. I am somewhat afraid, however, that this may merely be due to Perón’s hope that we will change our tune. Incidentally, the various Government organizations are falling all over themselves for cooperation from the Information Service (for example in having film exhibitions, etc.)

I must reiterate what I have mentioned in my telegrams: that the atmosphere has decidedly changed since Spruille left; that most Argentines do not like our attitude, and that the more we talk about it the less they are going to like it. I realize that it may be necessary to inform public opinion in countries other than Argentina. What I do wish to make clear, however, is that there is very little possibility that what Spruille did here could be repeated under present circumstances; on the contrary, tough public statements are going to be resented, and the positive need for them should therefore be carefully considered before they are made.

Very sincerely yours,

John M. Cabot
The Chargé in Argentina (Cabot) to the Secretary of State

BUENOS AIRES, March 29, 1946—8 p. m.
[Received March 30—1:22 a. m.]

907. Necessarily hasty reading of 51 page mimeographed reply to Blue Book gives impression of many glittering generalities and rather weak argumentation. General tone one of more in sorrow than in anger, although at times indignation is expressed. No countercharges made and only a few of Blue Book charges are specifically mentioned.

Reply (in form of circular note) begins by referring to Blue Book as unprecedented case in diplomatic annals of continent and serious attack on spirit of American confraternity. It calls publication of Blue Book a lamentable intromission in internal political affairs of Argentina. After criticizing Von Meynen's⁹ exaggerations, it admits German spying in Argentina but says relations were broken because of discovery through Hellmuth¹⁰ case and refers to German espionage in United States. Memorandum claims Argentine adherence to Act of Chapultepec and United Nations Charter juridically estop subsequent accusations for previous acts.

Second section refers to Argentine fulfilment of international commitments particularly measures against enemy property, closing of German and Japanese schools, closing of Nazi publications, delivery of 2 Nazi submarines, repatriation of Graf Spee sailors, and measures against German spies.¹¹

Section III refers to charges against Argentine Army. It points out that Argentina tried to obtain arms from United States before turning to Germany and was rebuffed; that Argentina needed arms for own defense (Truman is quoted re United States); and that arms could not have been sent from Germany to Argentina. Section makes feeble denial of charges regarding Captain Chavarria's mission to Chile by saying he went to deliver replica of sword of San Martín; uses incorrect newspaper version of Blue Book reference to Rawson¹² to refute charge against him; with reference to Olano¹³ says that the army does not govern with menaces; claims that military program was stated by Ortiz; makes point that Libro Azul claims on one hand

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⁹ Erich Otto von Meynen, former German Chargé d’Affaires in Buenos Aires.
¹⁰ Osmaar Alberto Hellmuth whose revelations to British officers was one factor that led to the breach of relations between Argentina and Germany in 1944.
¹¹ For documentation on the encounter between the Graf Spee and British warships, the scuttling of the Graf Spee and internment of its crew by Argentina, see Foreign Relations, 1939, vol. v, pp. 91 ff.
¹² Gen. Arturo Rawson, former Acting President of Argentina.
¹³ Col. Manuel José Olano, President of the Administrative Council for the Intervention of Axis firms.
Argentina is arming disproportionately but on other hand admits Argentina could get no arms; refers indignantly to Blue Book statement that Govt soldiers staged a bloody demonstration in Buenos Aires and explains away army expenditures by referring to great improvements of a non military nature provided for soldiers.

Section IV refers caustically to Blue Book’s comments on Nazi character of Argentine regime by saying that nothing could be more perilous than foreign criticism of the internal political conditions of a country. Section admits that revolutionary Govt may have made mistakes but argues that that was inevitable and that general purpose of Government has always been laudable. Points to free elections as completing purposes of revolution and impossibility that Nazi regime would hold free elections. After several more pages of noble words about Argentine democracy and peaceful intentions reply ends by asking for restraint on part of United States toward weaker nations.

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I. Axis Agents

The United States and British Embassies until April 1946 had discussed with the Argentine Government the possible deportation of only one hundred and twenty-two German agents. More or less adequate action has been taken against all but nine of these. The two cases in which the position of the Argentine Government is most open to question are those of Ludwig Freude and Heinrich Doerge. Action taken against Freude is open to suspicion of non-sincerity of purpose; no action has been taken against Doerge. It might be said that proof of the Argentine Government’s sincerity in proceeding against Axis subversive influences, hinges on these two cases. Yet the case of Freude may take years to resolve even if the Argentine Government proceeds aggressively against him; thus its sincerity or lack thereof will be difficult to prove.

There are about one hundred and fifty other German agents (many not German citizens and some perhaps naturalized Argentines) of sufficient importance to request their deportation. Only about half these are very important. About seventy were involved in espionage

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862.20235/4-1046

Balance Sheet of Argentine Elimination of Non-Economic Axis Subversive Influences

CONFIDENTIAL

I. Axis Agents

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There are about one hundred and fifty other German agents (many not German citizens and some perhaps naturalized Argentines) of sufficient importance to request their deportation. Only about half these are very important. About seventy were involved in espionage

[End of page]
or sabotage cases [Class A (a)]. About eighty are in the A (b) classification outlined in the Department’s instruction of December 3, 1945, i.e., they took a leading part in aiding German political, social or economic objectives, et cetera, but are not known to be involved in espionage or sabotage. The Argentine Government has accepted the principle of deportation of espionage and sabotage agents regardless of their importance; it has not accepted the principle of deportation of “leading” Nazis.

Discussions regarding these one hundred and fifty are now being conducted with the Argentine Government on an informal basis. Action probably should not be expected regarding class A (b) cases until some démarche is made to the new government soon to take office, and it is induced to adopt a policy of repatriation of individuals in this category.

See Annex for details.

**Graf Spee Crew**

Eight hundred and eleven of the crew of the former German battleship *Graf Spee* were repatriated in February 1946. Two hundred and thirty escaped before that date. Probably half the escapees returned to Germany before the end of the war. Some of the remainder may eventually be recaptured and returned to Germany; two already have been recaptured and are awaiting repatriation.

### II. Axis Institutions

**A. Schools.**

The first action taken against Axis schools was a decree of September 10, 1945, ordering the government to take possession. At that time formal possession was taken of one Japanese and nine German schools; this action was of no positive value in as much as the schools themselves had already eliminated Nazi doctrines from the curricula in an attempt to forestall their closure. These schools and a few others were ordered closed on October 31, 1945, a month before the normal end of the scholastic year. By November 12, 1945, those named in the order actually were closed. They included most but not all of the important Nazi schools. The others were outside the capital or were well camouflaged as “Argentine” schools.

At the beginning of the new school year, March 1946, the Government took physical possession of the properties of some of the most dangerous Nazi schools. At least five remain however; two are well camouflaged. Still four others may be operating under camouflage or by circumventing Argentine regulations which do not affect small

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15 Not printed.
classes conducted by individual teachers. These matters now are under investigation.

The Junta de Vigilancia (a dependency of the Foreign Office primarily concerned with economic matters) is concerned with this problem from the standpoint of controlling Axis assets. The Foreign Office itself is interested from the overall standpoint of compliance with the terms of the Final Act of the Conference of Mexico City, 1945.\textsuperscript{16} The Ministry of Justice and Public Instruction is concerned from the standpoint of actual control and operation of the schools. The Superintendency of Corporations is concerned from the standpoint of granting or allowing corporate status to school associations. There is little or no coordination between these agencies. This Embassy is unable even to obtain material for its reports concerning action taken by the Argentine Government, except from the public press. There is, furthermore, little interest shown by the Argentine Government. It takes the position that the requisite action has been taken. Since this Embassy is not in a position, for lack of information, to contradict this position to any considerable degree, no action is taken by the Argentines to better the situation. One factor in this lack of interest is the conviction in Argentine Government circles that this Embassy and the Department have been playing politics with the Axis elimination program and that, therefore, their protests do not necessarily have great validity from a factual standpoint.

B. Axis Institutions.

All dangerous German institutions, other than schools, are believed to be closed and inoperative at the present time. Information in this regard is vague however, for the same reasons that that situation exists with regard to Axis schools (see above).

A few Japanese institutions have been closed but there still are operating a few which might be of a dangerous character. The Embassy’s information in this regard is too indefinite at this time to allow of definite statements or any approach to the Argentine Government other than a request for information. As pointed out above, such approaches have been to little avail.

C. Suggested Course of Action.

These matters should be carefully investigated by the Embassy, acting independently.

The Department should expedite the transmission of material taken from German archives captured in Germany, which bear on these matters.

\textsuperscript{16} Department of State Treaties and Other International Acts Series (TIAS) No. 1543.

798-815-69—17
The Embassy, acting jointly with the British Embassy, should propose to the new Foreign Minister when he takes office, or to President Perón himself, the adoption of some means by which the Embassy can work more directly with the operating agencies in this field, namely the Ministry of Justice and Public Instruction and the Superintendency of Corporations. This might be accomplished by an informal joint commission including Foreign Office and Junta de Vigilancia representatives.

All dangerous Axis teachers should be repatriated.

III. Axis Periodicals

There are at present in Argentina only three periodicals which might possibly be called continuations of former Axis periodicals. These are the Freie Presse, La Tribuna and La Época. It is questionable if these newspapers are continuations of Axis periodicals. In any case, such continuity, if existant, would be extremely difficult to prove. None of them now publish anything approaching Nazi doctrine although the latter two are very anti-United States.

The Embassy believes that it may now be considered that there are no Axis periodicals in Argentina at present.

IV. Other Related Matters

A. Former German Embassy Archives and Property.

The Swiss Legation relinquished possession of these archives and property to the Argentine Government. The British, French and United States Embassies have access to the archives. These Embassies have taken the position that the Argentine Government has possession merely as trustee for the Allied occupying powers. A request in September 1945 for delivery of archives and property to the three Embassies was denied with the observation that an examination of the archives was not yet complete and that, after the examination is completed, the matter again would be considered. The Argentine Government has not yet indicated acceptance of the theory that it is only a trustee.

At some appropriate future date, the three Embassies again may wish to ask for delivery to them of the archives and property.

B. Italian Matters.

The British and United States Embassies have agreed to discontinue present pursuit of Italian subversive matters because of their unimportance.
711.35/4–1246: Telegram

The Chargé in Argentina (Cabot) to the Secretary of State

SECRET

BUENOS AIRES, April 12, 1946—5 p. m.
[Received April 13—7:39 p. m.]

1057. Series of announcements—notably appointment of Ambassador Messersmith,18 memo expressing conditional willingness to negotiate mutual assistance treaty including Argentina, easing of export restrictions and abolition of export licenses—together with widespread press speculation re better relations between US and Argentina and editorial comment in US critical of our Argentine policy have strongly suggested to Argentine Government and people that a major reorientation of our policy is in progress.

I feel that I should point out to Department that all of this publicity not only prejudices our bargaining position here but also (particularly in the absence of instructions to the Embassy before the news is published) is harmful to Embassy prestige. Embassy has been necessarily cautious in dealing with Perón emissaries (reEmbtel 956, April 319) and it is notable that none have come in last days.

Argentine pressure on Uruguay is clear indication that even though we must modify our position, it is imperative not to lose sight of the continued danger Perón represents for us and not to think that we can win his friendship by appeasement. I am hopeful that we can reach reasonably satisfactory relations with Perón government by a combination of diplomatic toughness and conciliation, each at proper time, because I think that we can make this to his interest and that he realizes this. However, Ambassador Messersmith should in my opinion be in as untrammeled a position as possible upon his arrival here to survey the situation and act accordingly. Prior to his arrival I feel that the less official statements or press speculation re our Argentine policy that are published the better.

Department will appreciate that in absence of instructions Embassy continues unable (Embtel 825, March 22) to take any constructive action or even to know what attitude to assume in reply to questions from triumphant Peronistas and disheartened Democrats.

Cabot

18 George S. Messersmith presented his credentials as Ambassador in Argentina on May 23, 1946.

19 Not printed.
711.35/4-1246: Telegram

The Secretary of State to the Chargé in Argentina (Cabot)

SECRET

WASHINGTON, April 16, 1946—7 p.m.

513. Urteil 1067 Apr 12. Following is summary of current US policy towards Argentina. Cable specific points on which you wish further info.

1. There has been no change in general policy described in Depcirtel Apr 1, 11 p.m.21. Road will be open to complete inter-American unity only when and if incoming Argentine regime complies with its plain inter-American commitments including those relating to elimination of Axis influence. This means that until new regime has had reasonable opportunity to perform our attitude must be one of watchful waiting.

2. Continuance of existing diplomatic relations and appointment of new Ambassador is consistent with this general policy and with statements of Byrnes and Braden last August and September. There is however no present intention of sending or accrediting special mission to Perón’s inauguration.

3. There is no change in policy re export of arms and munitions to Argentina. Brit and Swedes who appear to be cooperating in this respect will be informed of any change in this respect (urteil 1067 Apr 13 22).

4. Final decision re possible change in present policy of non-collaboration with Argentine military on technical matters awaits an on the ground appraisal of situation by Messersmith. Meanwhile we do not wish to approve visit of Argentine naval mission to US (urteil 1062 Apr 10 22) or similar official projects and we are so advising Navy.

5. Removal of Argentina from Group E 23 simply recognition our inability unilaterally to control Argentine imports in face of growing availability of goods from other sources plus important factor of dependence of Europe and some American republics on Argentina for essential foodstuff. Effect mainly psychological since in practice export of most items has been permitted for some time. We are now discussing with Commerce question of procedural changes (urteil 1076 Apr 15 24) and will advise you as soon as possible.

6. Policy on export of aircraft is stated in Deptel 418 Mar 28.24. There will be no export of aircraft suitable for combat.

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21 Ante, p. 10.
22 Not printed.
23 This group included, besides Argentina, such countries as Austria, Bulgaria, Rumania, and Hungary with regard to which the control of exports of all commodities was to be continued under individual license.
24 Not printed.
7. Exportation of industrial equipment, machine tools, toluene and other products not capable of classification as arms and munitions will be permitted regardless of whether consignee is Argentine Govt or private entity.

8. Future of PL in Argentina is related to general problem of List's future which is currently under consideration. There is no present intention of abolishing List of Special Blocked Nationals or of unblocking funds and gold of Argentine banks now blocked.

9. Urtel 1058 Apr 12 \(^{26}\) re US Air Mission is being considered.

10. In general Dept agrees with your comments re additional official statements and advantage of Messersmith being in untrammeled position.

\(^{26}\)262.20235/4-2446

Memorandum by the Special Assistant (Spaeth) to the Assistant Secretary of State for American Republic Affairs (Braden)

CONFIDENTIAL

[WASHINGTON,] April 24, 1946.

You will note that a copy of the attached despatch \(^{26}\) was sent to Ambassador Messersmith.

I think a reading will satisfy you that it is, to say the least, a misnomer to describe the memorandum as a "Balance Sheet". To say that "more or less adequate action" has been taken against those Axis agents on our list of 122 who were not deported is certainly misleading. To state that "action (what action?) taken against Freude is open to suspicion of non-sincerity of purpose" is a gem of understatement.

I am afraid that if more memoranda of this kind are sent to Ambassador Messersmith he is going to have a very "unbalanced" picture of the anti-Axis program.

You will note that at several points in the memorandum ... refers to lack of information in the Embassy's possession and implies that the only source of our information is the Argentine Government itself. This would seem to bear out Mr. Klaus' \(^{27}\) view that the Embassy is either inadequately staffed or is not going about the intelligence job in the right way.

\(^{26}\)Not printed.

\(^{27}\)No. 2483, April 10, from Buenos Aires, which was covering despatch to "Balance Sheet," p. 241.

\(^{27}\)Samuel Klaus, Assistant General Counsel, Office of Foreign Liquidation.
The Ambassador in Belgium (Kirk) to the Secretary of State

SECRET

BRUSSELS, May 11, 1946—noon. [Received 5:20 p.m.]

566. Department’s 474, May 7. We ascertained from Foreign Office yesterday that official government contract had been signed in Buenos Aires April 10 by Pakt of Kronacker Mission for exchange of 25,000 tons of Argentine wheat for 1,000 tons of Belgian TNT. Contract provided for shipment of 250 tons TNT during April and 125 to 120 tons per month thereafter.

This morning I told Spaak that my Government and British Government had, as was widely known, long been endeavoring to prevent Argentine Government from acquiring stocks of arms or munitions that while we fully realized Belgians need for wheat my Government was concerned that Belgian Government should see fit to exchange high explosives in large quantities with Argentine Government for it and that this deal might have repercussions in Combined Food Board. I inquired whether Belgian Government could do anything to avoid execution of contract. Spaak seemed slightly embarrassed but said that as contract which was between the two Governments had been concluded on April 10 and as one-half Argentine wheat was already on high seas Belgian Government must carry out contract. He did not know whether any shipments of TNT had yet gone forward. He promised emphatically and repeatedly that Belgian Government would not in future conclude similar exchanges with Argentine Government.

In circumstances I do not believe we here can prevent shipment of TNT but will immediately consult British colleague.

Sent Department 566, repeated London 40.

Kirk

810.20 Defense/5-2746 : Telegram

The Secretary of State to the Ambassador in Argentina (Messersmith)

SECRET

WASHINGTON, May 27, 1946—2 p.m.

U.S. URGENT

698. Your telephone call to Briggs. The following message was prepared for transmission to you on May 24 and not sent because of word received by War Dept from Argentine Military Attaché on that date to effect that Gen von der Becke was already en route.

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52 Not printed.
53 Paul-Henri Spaak, Belgian Minister for Foreign Affairs.
54 Col. Arturo Bertollo.
55 Gen. Carlos von der Becke, former Commander in Chief of the Argentine Army and Chief of Staff.
Still believing that von der Becke was en route we replied to press inquiries on May 25 stating that we had no info concerning object of visit which was not in response to official invitation.

"On May 21 Gen von der Becke, who is now retired, informed Gen Caldwell that he, von der Becke, had been alerted by Perón for visit to Wash. Purpose of visit would be to discuss matters of hemispheric defense and allied subjects and to obtain military equipment. It was indicated first visit would be of short duration followed by a second and longer visit if situation warrants. Von der Becke inquired as to Caldwell's personal reaction to proposed visit and whether Gens Vandenberg and Eisenhower would receive him.

Caldwell suggested no definite plans be made until after Messersmith presents credentials. Caldwell's interpretation is that Perón wishes to capitalize on von der Becke's popularity with army, his professional reputation and his aloofness from politics in order to overcome opposition within army and press circles to inter-American military collaboration.

Foregoing report which was received from War Dept is related to Cabot's report by telephone that Fonoff has requested visa for von der Becke.

Dept's view is that while von der Becke shd not be denied visa he shd be informed that proposed mission to US would be premature at this time. It is noted that no ref is made to compliance by Arg with inter-American agreements referred to by Sec in his statement of Apr 8.

War Dept has been informed that Dept desires Amb Messersmith's views before expressing opinion. Telegraphic reply requested."

We are still of opinion that such a visit would be premature.

BYRNE

740.35112A/5-3146 : Telegram

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

BUENOS AIRES, May 31, 1946—7 p. m.

US URGENT

[Received 7:50 p.m.]

1495. New vigilance board officers energetically press Embassy to delete from PL controlled enterprises taken in possession, and have exhibited drafts of decrees for sale or Argentinization, promising final action within 60 days and plead for prompt deletion as necessary aid in securing bidders and as manifestation our faith in their sincerity. (Names of companies to follow.) In view of withdrawal of PL June 30, I urge deletion such enterprises before June 15 by Wash-

57 Lt. Gen. Hoyt S. Vandenberg, Assistant Chief of Air Staff, War Department.
58 Gen. Dwight D. Eisenhower, Chief of Staff, War Department.
59 For text of this communication of April 1, released to the press on April 8, see p. 10.
ington press release and local announcement in order that we may gain what we here are confident will be real advantage from compliance their request. Dept will appreciate that no such advantage can be gained but reverse will be true if information leaks out that we are planning to abolish list June 30.

Messemer

S10.20 Defense/6-146

_The Chief of Staff (Eisenhower) to the Under Secretary of State (Acheson)_

SECRET

WASHINGTON, June 1, 1946.

DEAR MR. SECRETARY: Thank you for your note of May 31 with its enclosures. I am somewhat at a loss regarding the second paragraph of the paraphrase copy of the telegram to Ambassador Messemer, which states:

"2) In the event that von der Becke calls on Eisenhower he would be received but discussion would be limited to pointing out that before the question of military collaboration could be considered it would be necessary for Argentina to comply with its inter-American agreements. There would be no discussion of what this compliance should consist of nor would there be any discussion of what United States might be disposed to do should Argentina comply."

In my conversation with you prior to my talk with Colonel Arturo Bertolli, the Military Attaché of Argentina, you suggested that to discuss with him the factors that Argentina would have to comply with in its inter-American agreements. Following specifically your instructions, I indicated to Colonel Bertolli that: (a) a list of names of important firms in Argentina was furnished the Argentine Government in the hope that these firms who supported the war effort of the Axis Powers would be liquidated or taken over by the Argentine Government; (b) a list of about one hundred persons in Argentina considered to be agents or spies of the Axis Powers, was furnished the Argentine Government in the hope that in accordance with the agreements previously mentioned, these persons would either be arrested or deported; (c) insofar as could be determined here it was my understanding that the firms mentioned were still in operation, and of the hundred persons named as agents or spies, only 23 of the minor ones had been arrested or deported.

I indicated to Colonel Bertolli that if the Argentine Government found it possible to meet the views of the Department of State as indicated above, General von der Becke would find me willing to meet

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*None printed.*
him more than half way in establishing such basis for effective cooperation between the Argentine and United States' Armies as would be approved by my government.

Since this was done with your complete understanding and approval, I feel that I should be placed in an untenable position should I be restricted to the literal interpretation of the paraphrase-quoted paragraph, which indicates that there would be no discussion of how the Argentine Government should comply with its inter-American agreements after having, in effect, discussed this somewhat freely with a subordinate of General von der Becke. Since General von der Becke is due to arrive shortly, I would appreciate an immediate reply on the above point. The War Department has been extremely careful throughout in refraining from taking the initiative in any detail outside its own clear responsibility and in keeping the State Department informed of all of its moves in this connection. It has followed to the letter the desires of the State Department as we understand them. The War Department has in no way inspired, sponsored or encouraged von der Becke’s visit.

Should von der Becke call upon me I will be glad to transmit to you a summary of the conversation—but if I am not even authorized to repeat to him the statements I made in good faith to his subordinate, then I feel I will have to decline to see him.

Sincerely,

Dwight D. Eisenhower

810.20 Defense/6–146: Telegram

The Secretary of State to the Ambassador in Argentina
(Messersmith)

SECRET

WASHINGTON, June 3, 1946—5 p. m.

US URGENT

745. Von der Becke visit discussed today in the light of urtel no. 1497 June 1 noon 41 with General Handy, Deputy Chief of Staff (General Eisenhower absent from Washington.) Full agreement that misunderstanding must be avoided, that State and War must maintain identical position and that visit here must not prejudice in any way your position or negotiations in Buenos Aires. A letter from UnderSec has just been delivered to Handy for Eisenhower which concludes as follows:

“Ambassador Messersmith has already had one conversation with President-elect Perón on the subject of Argentine-United States

41 Not printed.
relations, in the course of which he informed the President-elect that he hoped to be able to continue discussions shortly after Perón’s inauguration on June 4. A conversation such as outlined in the enclosed memorandum should be helpful to the extent it serves to impress on the Argentine Govt the necessity of complying with its inter-American commitments, in order that we can then be in a position to take up other important matters of mutual interest with them.”

Memo reads as follows:

“Should General von der Becke call on General Eisenhower, it is recommended:

1) General Eisenhower should not take the initiative in raising the question of US-Argentine relations or the question of military collaboration between the two countries.

2) Should either of these questions be raised by General von der Becke, General Eisenhower would reply that, as previously explained to Colonel Bertollo, General Eisenhower shares the hope expressed by General von der Becke that some basis for cooperation between the armies of the two countries can be established; and that General Eisenhower has been in conference with high officials of the US Govt looking toward that goal. General Eisenhower could then continue:

3) In seeking some basis for cooperation with the Argentine Army, General Eisenhower has been confronted with a problem of compliance with certain inter-American agreements, including resolutions VII, XVIII, and XIX of the Mexico City Conference which relate to the elimination of German and Japanese influence in this Hemisphere.

4) As stated to Colonel Bertollo, the Dept of State considers that among the important steps which should be taken pursuant to these resolutions are, for example, the elimination of German and Japanese ownership in certain business enterprises and the repatriation of certain enemy nationals.

5) The matter of specifying the agreements which are pertinent and what would constitute compliance are matters which should be worked out between the Foreign Offices of the respective Govts.

6) Once these matters have been worked out between the respective Foreign Offices then General von der Becke would find General Eisenhower willing to meet him more than half way in establishing the basis for an effective cooperation between the Argentine and US armies.

7) Until these matters have been worked out, General Eisenhower is not in a position to discuss what this cooperation shall consist of.”

Handy indicated agreement with terms set forth and will deliver personally to Eisenhower on latter’s return tomorrow together with copy Urtel 1497.

Von der Becke reached Washington today being met behalf War Dept by Lt. Gen. Vandenberg. He requested an interview with Eisenhower which has been scheduled for June 5.

Byrnes
SECRET

WASHINGTON, June 11, 1946—11 a.m.

789. Proposal contained urtel 1495, May 31 reviewed by IDPLC.
Following difficulties exist: 1) In administering PL the Dept and
IDPLC have never acted for any country on mere promises but only
upon performance in making actual sales or vesting title to firm;
2) if we were to reverse this policy Arg would certainly be wrong
country to single out in view her previous failures to comply with
commitments. Moreover, Arg Congress has not yet approved Re-
placement Decree; 3) Press release such as you suggest has never been
issued for any country and would mean special consideration for Arg
which certainly is not warranted for above reasons; 4) you have previ-
ously been authorized to give assurances to individual prospective
purchasers. In this connection refer also to Deptgam 404, Apr 19 and
Deptel 560 Apr 25. Dept & IDPLC therefore cannot approve
proposal.

In any event, in view of last sentence urtel 1495 Dept presumes that
your proposal delete controlled enterprises now inexpedient for follow-
ing reasons: 1) Although date of withdrawal PL has not been publicly
announced, New York Times article of June 2 asserted unofficially PL
being withdrawn July 1. Argentine Embassy here undoubtedly noti-
fied Buenos Aires. 2) Moreover Deptcirtel of Jun 5, 8 a.m. asked
all Embassies to notify Govts to which they are accredited of impend-
ing withdrawal of PL because of possible dependence of their controls
upon List.

BYRNES

810.20 Defense/6-1146

Memorandum by the Assistant Secretary of State for American
Republic Affairs (Braden) 44

SECRET

[WASHINGTON,] June 11, 1946.

The documents submitted by General von der Becke through Gen-
eral Eisenhower contain only information which was already known to
the Department and which for the most part is public knowledge in
Argentina. The nature of this information is summarized in the
underlying memorandum. 45 The information now presented essen-

44 Neither printed.
45 Ante, p. 83.
46 Addressed to the Secretary and the Under Secretary of State.
47 Not printed.
tially substantiates the position which we have taken with regard to Argentine non-compliance:

1) Concerning enemy property the Argentine Government has not nationalized a single enemy concern and has completed the liquidation of only two insignificant firms. (We had previously understood this figure to be four.) Title to the remaining enemy property, only a part of which is even under Argentine control, remains with the enemy.

2) Concerning enemy persons the Argentine Government has not deported the most dangerous persons. Of the list of persons recommended for deportation in January, a list which was restricted to 100 because of the limited capacity of the repatriation ship, only 23 have been deported. As regards an additional 40 individuals mentioned by General von der Becke, only 9 have been deported. Ambassador Messersmith on June 1 submitted to the Argentine Foreign Office a list of 619 additional persons for repatriation, none of which is known to have been repatriated.

In explaining Argentina’s failure to comply, General von der Becke mentioned legal obstacles. Similar legal obstacles appeared in every American republic including the United States. A study is presently being made of these legal obstacles in Argentina: their nature, seriousness, and means of overcoming them. There is reason to believe that these legal obstacles might, if the Argentine Government were disposed to take vigorous and sustained action, be overcome with respect to the remaining enemy properties and persons—much as they were overcome in the other American republics and as Argentina has herself overcome some of them in specific instances involving both properties and persons.

As General Eisenhower indicated to General von der Becke, the normal means of resolving the remaining questions concerning performance, both that pertaining to the legal obstacles and that having to do with specific persons and business enterprises, should be discussed and resolved by the Argentine Foreign Office and the American Embassy at Buenos Aires.

Spruille Braden

835.24/5-1746 : Telegram
The Acting Secretary of State to the Chargé in Sweden (Ravndal)

SECRET WASHINGTON, June 13, 1946—5 p.m.

1027. Urteil 870 May 17. Dept policy re armament shipments to Arg remains as stated Deptel 57 Jan 11 6 p.m. except as regards embargo on capital equipment destined for Arg armament industry.

46 Not printed.
47 Not printed, but see circular telegram of January 18, 1946, 10 a.m., p. 186.
In view practical administrative difficulties and doubt as to British cooperation in this respect, Dept has recently reconsidered and is now using as principal criterion for implementation its policy list of arms, ammunition, and implements of war (except commercial and private aircraft) contained President's Proclamation Apr 9, 1942 plus related items not contained therein the export of which it appears should be prohibited in special cases. Specifically, Dept has recently indicated it would not object to conclusion contracts for installation of plants: (1) for repair of aircraft at Córdoba for which it is understood Swedish and British interests have likewise been consulted, and; (2) for manufacture of artillery shells.

In view of British position Dept also now will permit export to Arg, regardless of purchaser, of aircraft, except tactical planes and advanced trainers.

Dept appreciates Swedish cooperation thus far and suggests that you urge Swedish Govt to continue to act along similar lines pending broader international solution this problem. Comment upon press reports re existence such understanding will continue to be refused and it is felt that Swedes might also refuse comment.

Ref urtel 931 May 29 copy press release May 29 containing Secy's statement before Congress on Inter-American Military Cooperation Bill being sent via airmail for your info.


ACHESON

711.35/6-1546

The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

Buenos Aires, June 15, 1946.

My Dear Mr. Secretary: I arrived in Buenos Aires on the evening of May 22 by commercial plane and in accordance with the arrangements made by the Argentine Government, presented my credentials to then President Farrell at eleven o'clock on the morning of May 23 . . .

. . . I have now been here about three weeks and as a result of my unexempting activity and continuous study, I am in a position to give you some conclusions which, while they are necessarily still somewhat preliminary, are sufficiently definite to bring them to your attention and consideration.

In the first place, I think that the President and you and the Depart-

*Department of State Bulletin, April 11, 1942, p. 323.
*Not printed.
ment and all interested agencies of our government as well as our people are in accord that the basic objective of our policy in this hemisphere has to remain as before, and more than ever, the consolidation of the closest collaboration in the political, economic, social and defense field among all of the American republics. We cannot conceive of such close collaboration on the proper and effective scope unless the whole-hearted collaboration of the Argentine, as of every other American republic, is included in that picture. This we have not had for many years and have not had up to today and it is necessary in our interest and that of the Argentine and of every other American republic, as well as in the interest of world peace and security, to bring that about.

At the outset I would say that I think our basic objective in the present situation with regard to Argentina must be twofold. We must endeavor to get the Argentine to turn her eyes away from Europe, to which they have always been directed in practically every field, and to turn them to this hemisphere. She has in many ways considered herself in the past as more closely tied to Europe than to the Americas and has looked with a certain amount of depreciation on her American neighbors. She has in many respects not been an American country. This is one of the basic reasons—of course not the only one—why the Argentine has taken such a difficult position in practically all inter-American meetings. As a result of the repercussions of the first world war, and of the second, and as a result of the present world situation which at least to a measure is understood here, there is an increasing realization on the part of the Argentine Government and people that their orientation must be to this hemisphere rather than to Europe. This current must be accentuated and consolidated for until the Argentine Government and people realize that they must turn their eyes somewhat from Europe and more to the Americas, little real progress could be made. Some has already been made and particularly in recent months as the result of the intransigent attitude of Soviet Russia.

Our second objective must be to get the wholehearted and loyal collaboration of the Argentine Government and people, in the political, economic, social and defense field. I believe that the Argentine Government and people are prepared for this more than they have been at any time in a century.

I know that it is a primary policy of our government, which is very close to the heart of the President and of yourself, as it is to mine, and I believe to the great mass of our people at home, that this collaboration among the American States is essential to our peace and security in this hemisphere, that it is the first line of defense for us and all of
this hemisphere, and that this collaboration among all of the American States can be one of the firmest bulwarks in the world structure for security and peace.

After examining the situation very carefully, I have come to the conclusion that there are only three fields in which the Argentine has not met her inter-American commitments.

The first of these is in the field of enemy property, which I consider the most important. In this field there has been a greater measure of compliance, I find, than she has been given credit for, and emphasis has been placed by us on those things in which there has not been compliance and little credit has been given for what has been done. For the sake of the Argentine and her own economy and for purposes of hemisphere security, it is essential that the Argentine do take adequate measures in the field of enemy property.

The second important question remains, that of action with respect to enemy aliens and, particularly, enemy agents. In this respect, the performance of the Argentine Government has not been adequate but, again, she has not been given any credit for what she has done, and some of the difficulties in the way of her acting adequately have not been given due consideration and recognition. In this field, too, more adequate action by the Argentine Government is necessary.

The third field in which some action may still be necessary is that of German and Japanese schools and institutions. I find from my study in this field that the Argentine has perhaps complied as effectively as any of the American republics except ourselves in the matter of schools and institutions. What remains to be done in this field seems to be very secondary, but I am giving this further study.

There is a good deal of talk about this Southern bloc in which the Argentine has been interested and there is no doubt that it has been in the minds of some Argentines for many years. There is a tendency to make it appear that this is an idea of President Perón, and in all justice to him it must be recognized that this idea of a Southern bloc is just as much nourished by some of his most angry and powerful enemies as it may have been and be nourished by Perón.

Whatever intentions the Argentine may have had in this respect or whatever thoughts Perón may have had in this respect, the question is not now an active one although it is one which we must always bear in mind. Such a regional bloc of course would be disadvantageous for American unity and cannot be tolerated and it is just as dangerous as the idea which persists among a good many of the Latin Americans that Latin American collaboration comes first, and American collab-
oration second. These are ideas which must be combatted by all of the American republics but if we carry through the defense pact, keeping in mind the two major circumstances as above indicated, any thoughts which anyone in the Argentine may have with regard to a Southern bloc are out. Incidentally, in this connection, Perón was asked a good many questions by the Chileans and others during the recent inaugural ceremonies about his attitude on a Southern bloc. He very emphatically stated that he had no thoughts in that direction. Personally I doubt whether he has abandoned them but, in any event, he is going to have too much to do in the next few years to think about that, and in the meantime we can get this defense pact enacted and in effect, and that will serve as a partial antidote to any regional blocs in this hemisphere.

With all good wishes [etc.]

GEORGE S. MESSERSMITH

711.35/6-1546

The Ambassador in Argentina (Messersmith) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, June 15, 1946.

DEAR MR. SECRETARY: Supplementing my long letter on the Argentine situation 51 which you will receive at the same time as this letter, I wish to make the following brief comment.

Whatever errors were made in the Argentine situation began long before Braden had anything to do with the problem, and so far as we are concerned, they began with certain naive assumptions by Sumner Welles. 52 All the errors that have been made were made in good faith, whoever they were made by, and I do not think that we can make reurrences.

So far as Braden is concerned, he did make mistakes but they were all made in good faith and he was acting with the approval of the Department. There are some who nourish the thought at home that Braden should retire or could retire from the Department at this time, and I wish to tell you that it is my considered opinion still that any thought of this kind should be discounted completely. No matter what the criticism may be of Braden, I can assure you that it would do us infinite harm in the whole American picture and injure our program if he were to retire from the Department now, either voluntarily or at request. If sometime Mr. Braden wants to retire from the Department at an appropriate moment, that is another matter, but I do

51 Supra.
52 Under Secretary of State, 1937-1943.
not think he could leave his post in the Department now or should be permitted to leave it now even if he so desires because I think the effects would be contrary to our program and the major objectives which we are seeking.

I am familiar with some of the personal feeling which exists on the part of a number of people on this matter, but I think in any matter of this kind we have to leave out of consideration all personal feeling for the issues at stake are too important. I personally have sincere friendship and high regard for Braden, and I have the greatest sympathy for him in the present situation, but I have made the above statements about not being able to leave the Department now or in the presently foreseeable future in cold blood.

Whatever errors he may have made were through overzealousness, but they were made with the best intentions and he was proceeding with the knowledge and the approval of the Department.

I believe we have a way out of this situation with all decorum and dignity and with all maintenance of principle, but I think we have to proceed keeping all the factors in mind and cannot complicate the problem which is already sufficiently difficult by creating any unnecessary difficulties or situation. It is for this reason that I have written this note as I think it is so important that Braden remain in the picture.

I am sending him a copy of the long letter on the Argentine situation which I have written you.

With all good wishes [etc.]

GEORGE S. MESSERSMITH

810.20 Defense/6-1846: Telegram

The Acting Secretary of State to the Ambassador in Argentina (Messersmith)

SECRET

WASHINGTON, June 19, 1946—6 p. m.

US URGENT

840. There follows summary of conversation yesterday between ActSecy Acheson, Asst Secy Braden, von der Becke, and Ferrer Vieyra.53 Ref Braden telephone conversation June 19, Deptel 833 June 18.54

Von der Becke first read from memo exposition of views which briefly were that as soldier he is deeply impressed with urgent necessity formulation without delay of hemispheric defense measures, such measures of course to include provision for modernizing Arg army on basis US matériel. To this end he feels it important that Arg-US

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53 Enrique Ferrer Vieyra, Counselor of the Argentine Embassy.
54 Not printed.

798-815—69—18
problems be eliminated and agreement for joint hemispheric defense reached with utmost rapidity.

Gen then handed Secy memo containing text of Arg FonOff release denying French press story re alleged statement by von der Becke that hemisphere defense depends upon three principal bases—Canada, US, and Arg (Embtele 1647 June 18 66) he added personal denial. Secy indicated he had not even heard of matter and gave it no importance.

Von der Becke then handed Mr. Acheson three point memo in Eng reading textually as follows:

a) The submitting to Congress of the Arg adherence to the Act of Chapultepec establishes a constitutional requirement for its ratification; therefore, any other consideration shd be rejected as unfounded.

b) The Arg Govt has taken no steps towards making any purchases nor has it received any offer of arms from Russia.

c) The Arg Govt, in recent statements, has estab clearly its intentions to live in harmony and peace with all the countries of the world.

Requesting that Secy do him “great favor” which would immediately solve all outstanding differences von der Becke handed him memo reproducing note given Eisenhower at end of interview with him and quoted in Deptel 770 June 6,66 observing that issuance as public statement by Mr. Acheson would solve all problems.

Von der Becke repeatedly stated “all cases” now in hands of Justice; he endeavored to lead discussion into details of individual cases; and he asserted again and again Arg’s devotion to democracy, constitution, justice, and rights of habeas corpus.

For their part Secy and Mr. Braden refused to acknowledge “all cases” in courts and insisted that in any event Amb Messersmith in full possession of facts and fully qualified to discuss matter with Arg FonOff. Mr. Acheson stated that, while he, of course, as lawyer had respect for constitution and courts and would not even pretend to discuss Arg procedures in relation therewith, he was compelled in all friendliness to point out in connection von der Becke’s suggested statement that there actually were pending matters between the two govt.

He indicated that best manner to proceed with defense of hemisphere was energetically to endeavor to reach solution in these pending matters. Moreover, Mr. Acheson assured von der Becke that he would find US entirely cooperative and reasonable and that we would not expect the last case to be resolved by courts providing there was genuine and effective progress. He pointed out, referring to von der Becke’s pleas for speed that these matters had been pending since 1942.

Von der Becke was told he could perform constructive patriotic service

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66 Not printed.
by urging on his Govt the great importance of compliance with Mexico resolutions.

There was some discussion why Arg felt Congressional ratification Mexico City agreements necessary when other signatories had not; likewise why idea had been put forward only within last few weeks with no prior indication such necessity.

In reply to von der Becke's repeated implications that action desired by US insignificant in comparison with hemisphere defense agreement, Secy explained such action important in itself and as guarantee of compliance with any defense pact. Secy made it clear throughout (1) action expected not only important in itself but as guarantee effectiveness of hemispheric pacts; (2) discussion shd be centered in one place; (3) Amb Messersmith and Arg FonMin could best conduct discussions.

It seemed evident from von der Becke's insistence on need for court procedure in all cases, which he admitted might take "2 or 3 years", and his agreement that hemisphere defense could not be so delayed, that Arg Govt is endeavoring to have US abandon insistence on effective compliance, leaving it entirely to Arg courts what action shall be taken, while at same time proceeding with negotiation of Rio treaty. It seemed evident also that von der Becke (and therefore perhaps Arg Govt) is desperately anxious to reach agreement with US on defense and especially if it can do so without real compliance.

ACHESON

810.20 Defense/6-2046: Telegram

The Ambassador in Brazil (Pawley) to the Secretary of State

SECRET

US URGENT

RIO DE JANEIRO, June 20, 1946—4 p. m. [Received 5:20 p. m.]

1124. Dept 818, June 19, 7 p. m. 57 In my first calls on President Dutra, Foreign Minister, Ministers of Navy, War, Air, Finance, President of Supreme Court and President of Constituent Assembly they have urged early understanding between US and Argentina. I specifically asked would there be slightest chance of criticism of US or chance that Brazilian Govt and Brazilian people would express objection if US invited Argentina to join in hemispheric defense plan which would call for assisting Argentina militarily, particularly in view of fact that Brazil was active participant in European phase of war and rendered valuable assistance to Allies with bases, etc. In every case the replies were to the effect that it was necessary and desirable to have Argentina participate but that Brazil should be

57 Not printed.
kept fully informed of all discussions and when and by whom these
discussions would be had.

Therefore, French news agency report published in Rio papers, as
referred to in your above-mentioned telegram, naturally caused un-
favorable news comment. But Govt officials have not taken this news
agency report very seriously and denial made by General von der
Becke and Argentine Foreign Minister were very reassuring and
were received here with considerable satisfaction.

In response to my inquiry on this subject, Foreign Minister has
requested that I meet with him and other cabinet members at 5:30
today to discuss subject in detail but has dismissed this aspect of it as
being comparatively unimportant. Will report further. Suggest you
keep us currently advised of discussions and negotiations with Von
der Becke and Argentine Embassy in order keep officials here informed
and thereby avoid uneasiness and misunderstandings.

Pawley

810.20 Defense/6-2046

Memorandum by Mr. Horace K. Fleming, Special Assistant to the
Director of the Office of American Republic Affairs

CONFIDENTIAL [WASHINGTON,] June 20, 1946.

Just before staff meeting this morning I went down to the press
room where the correspondent of France Press allowed me to see the
original cable version of his story on the von der Becke interview. What
happened seems to have been substantially as follows:

General von der Becke emphasized to the correspondent the im-
portance of having three self-sustaining defense zones in the western
hemisphere. He pointed out that if a sudden foreign attack, by atomic
bomb or otherwise, should cripple the U.S., South America would be
separated from the other available zone—Canada. Hence it was es-

tenial that there should be a third zone in the south.

I am inclined to doubt that the General omitted from his discus-
sions any mention of Brazil. However, no matter what he may or
may not have said on this score Brazil certainly faded into the back-
ground when he produced a table (the same that was given to Eisen-
hower) showing that Argentina has an industrial machine, transport
network and general commercial potential, virtually equivalent to
that possessed by all the rest of South America combined (including
Brazil).

38 Juan Attilio Bramuglia.
39 Addressed to the Director of the Office of American Republic Affairs (Briggs)
and to the Deputy Director of that Office (Butler).
In the light of the General's statements about the necessity of a third zone the France Press correspondent drew from this table the not unexpected inference that von der Becke at least thought that the headquarters of the third zone should be established in Buenos Aires rather than Rio. It is, of course, true that the figures may have had another purpose—to impress Eisenhower with the power of Argentine should it happen to swing its weight elsewhere. However, whatever the purpose, it is quite evident that had von der Becke thought about it for a moment he would have realized the effect on Brazil of such a tabulation, presented under such auspices and to such a person (Eisenhower).

Where France Press went wrong was less in essentials than in details—viz. in quoting the General as referring to three " arsenals" instead of zones (which is quibbling) and assuming that von der Becke said more to Eisenhower on this subject than he actually did.

H. K. Fleming

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711.35/6-2446

The Ambassador in Argentina (Messersmith) to the Secretary of State

CONFIDENTIAL

No. 219

Buenos Aires, June 24, 1946. [Received July 5.]

Subject: Transmitting Memorandum of Conversation with the Foreign Minister on Concrete Aspects of Argentine Compliance with her Inter-American Commitments.

Sir: I have the honor to refer to my despatch No. 88 of June 6, 1946 covering a call which I made on the Argentine Minister of Foreign Relations. I also have to refer to my secret letter of June 15 to Secretary Byrnes in which I gave a full statement of the conclusions and observations which I have reached with respect to the Argentine situation and its composition up to this time.

I now have to transmit herewith a copy of a memorandum covering a two and a half hour conversation which I had with the Minister of Foreign Relations on June 20 which is self-explanatory. It will be noted that I stated to the Minister that my observations were as yet preliminary, but that I felt that they would have the approval of my Government.

In spite of the difficult nature of the subject matter, the conversation was most cordial and conducted in a very amicable manner throughout. It is my opinion that the Foreign Minister is desirous of reaching a settlement of these matters as soon as possible and that he realizes the importance of rapid solution and at the same time, of adequate solu-

*90 Not printed.
tion. There is in my mind no doubt that the Foreign Minister has been in almost daily contact with President Perón on these matters and that the President also is desirous of doing the appropriate things to bring about a composition of the situation.

I think it would be a mistake to assume, as is being assumed by some, both here and at home, that the Argentine Government is desirous of composing this situation only in order to get military material. The Argentine Government is now fully aware, and as a result of the visit of General von der Becke to the United States has no illusions, concerning the situation. It realizes that its relations with the United States must be conducted through regular and normal channels and that we will permit no deviation thereof. I think I have made it amply clear through my conversations here that we also are desirous of composing this situation and that we also wish the Rio meeting 61 to take place so that there may be full collaboration in defense matters under the defense pact. It has also been made abundantly clear that we do not want such a defense pact unless it is based on complete good faith of all the parties concerned and that this involves, by the Argentine, the meeting of certain obligations under her Inter-American commitments in an adequate form. I have made this clear in conversations with the President and the Foreign Minister.

There are reasons other than military material as well as of Argentine pride which impel the Argentine to have this desire to compose this situation. The Argentine is in need of many materials aside from military materials. It knows that the United States is the best and the most desirable source of these materials. It realizes that even though export restrictions may no longer exist on non-military material from the United States that exports badly needed in the Argentine will be facilitated if there is a complete return to normal relations between the United States and the Argentine.

I am further of the opinion that there is the beginning of real understanding in the Argentine that its course during the first world war and the second world war was not in the interests of the Argentine and that there is at least a sound basis for belief that the Argentine desires to look less towards Europe and more towards the United States and the American countries.

While there is no doubt that the Argentine has failed to meet so far obligations which she took under her Inter-American commitments, and in an adequate manner, there is also reason to believe that a careful study of the facts will show, as it has convinced me, that her relative performance as compared with most of the other American Republics is better than she has been given credit for by us and by public

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61 For documentation on this proposed conference, see pp. 1 ff.
opinion. We cannot ask the Argentine to do more than we are expecting from others of the American Republics, and this too is a factor which we must keep in mind in our final judgment as to Argentine compliance.

I am not yet in a position to determine what can or will be done here in the matter of compliance. I believe there is a sincere desire on the part of the President and of the Foreign Minister and of high officials of the Argentine Government to comply adequately and also to orient themselves more fully into the American picture. I realize, however, that there is very great disorganization in the Government and that it is made up very largely of persons inexperienced in Government and many of whom are very inept and inexperienced as well as those elements which are trying to use the new situation for their personal advantage. This means that with the best will in the world, even if it is there, the Argentine Government will have considerable difficulty in carrying through such good intentions which it may have, for anyone who is familiar with Government knows that it not only needs the will and decision at the top, but also adequate administration and instruments to carry through policy. This administrative machinery and adequate elements are still presently lacking in an unhappy degree in the present administration, and a great deal will depend upon the manner in which the Argentine Government can function under the new "constitutional" administration.

After my conversation with the Minister of Foreign Relations on June 24, I will report further.

Respectfully yours,

GEORGE S. MESSERSMITH

711.35/6-2546

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

BUENOS AIRES, June 25, 1946. [Received July 5.]

Sr: I have the honor to refer to my confidential despatch No. 219 of June 24 entitled "Transmitting Memorandum of Conversation with the Foreign Minister on Concrete Aspects of Argentine Compliance with her Inter-American Commitments." I now have to transmit herewith a copy of a memorandum of conversation as which I had with the President of the Argentine before an informal dinner in his home on the evening of June 24. This informal dinner was arranged for the sole purpose of my being able to have a long conversation with

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as Not printed.
the President in his home rather than at the Casa Rosada where such conversations are subject to constant interruption.

The appended memorandum of conversation is self-explanatory. I merely wish to add that the President was cordial and I believe, sincere. He was very frank in expressing to me the difficulties which he is having in organizing the new machinery of government, and he did not conceal any of the embarrassing situations with which he has to deal. He said that so far as these questions of enemy property, enemy aliens, and enemy institutions are concerned, he is determined to find a way to liquidate them in spite of the constitutional, statutory, and court difficulties which stand in the way, and he said in the most categorical way that he was giving these matters his constant personal attention.

I called on the Minister of Foreign Relations this morning in order to present a note informing him of our release of the Argentine gold in the United States. Although the conversation had to be short as I had engagements in the Chancery which I had to meet, the Minister, after expressing appreciation of our action with regard to the gold, said that the President had informed him of my conversation with him the evening before. He went on to say that he had had a long meeting with the Junta de Vigilancia as he had informed me he would. He said that he was giving study to all of these matters affecting enemy property and enemy aliens and that he was devoting a great deal of time at his home to going into these matters. He said that they had made their definite determination to nationalize a number of the more important firms; other important firms they would sell to Argentine interests; others less important they would liquidate; and some he thought were so small that they would not be of any interest to anyone and certainly were not a danger to anyone. He said that as soon as he and the Junta de Vigilancia had completed the segregation of these firms which they were making indicating the disposition which they thought should be made of them, he would get in touch with me, and he hoped to do so within a week. He wished to consult me before they proceeded with final action on these lists as he wished to determine whether in my opinion the action which they were taking was complete and covered the really significant firms. I told him that I was prepared to do so at any time convenient to him.

He went on to say that the court difficulties and the pending suits, both with respect to property and aliens, made their situation very difficult but that so far as property was concerned, they hoped to avoid the court suits by direct settlement with resident owners; with the non-residents, of course, they would simply put the money into the fund. He said that he hoped that some of the pending suits with respect to enemy property could be voluntarily withdrawn by the
direct action which they hoped to take between the Government and the former owners.

With regard to enemy aliens, he said that he was going into these cases individually and that he was going to press the Minister of Justice to take rapid action. In this connection I called his attention to the fact that I was somewhat disturbed about the effect on public opinion in my country and in the other American Republics if it became known that some forty of these aliens who were among the more important and dangerous had been released under surveillance. I said that I thoroughly appreciated the action of the Argentine Government, but that I thought that their action might be misunderstood, particularly by the press. The Minister said that he thoroughly appreciated this, but that he wanted me to know, and he wanted our Government to know, that this action had been taken in the most complete good faith and that justice had to follow constitutional procedures and that the action which had been taken in holding these people in custody while their cases were pending in the court was arbitrary and could not be justified. He said that they were employing over two hundred people to watch these people and they were taking good care that nobody got beyond the jurisdiction of the court. Personally, I am completely convinced of the good faith of the Argentine Government in the matter and there is not any doubt that in the United States under similar circumstances we would have done exactly the same that the Government here has done on return to constitutional procedures.

As a matter of fact, I learned that the arbitrary action which was taken in these cases which is not justifiable under the Argentine constitution and laws, was stimulated by suggestions from this Embassy. While these suggestions were made to the Argentine authorities in good faith by this Embassy and while the Argentine authorities undoubtedly acted out of a desire to show their willingness to comply, there is no question that the action was arbitrary and an invasion of the judicial power by the executive. This is the point of view which we have to take on it because the last thing we can do is to ask another government to do away with its constitutional and statutory and court procedure which action could easily set an unhappy precedent for disorderly government against interests of American and other foreign residents here.

My conversation with the Minister of Foreign Relations above mentioned was short as I had to return to the Chancery, but there is no question from what he said that he is giving this matter his attention constantly and urgently, and everything which he said fitted into what the President had said to me the previous evening.

I will keep the Department fully informed as to developments.

Respectfully yours,

George S. Messersmith
SECRET

WASHINGTON, July 2, 1946—6 p.m.

898. In regard to compliance with International Commitments, Argentine views as expressed by von der Becke, Perón and others are obviously premised on the proposition that the commitments are fully satisfied when the Executive Branch places the matter for implementation before the Legislative or Judicial Branches. Both because it makes Argentine commitments illusory and because as a precedent it would undermine the foundations of structure of international relations based on mutual obligations of Governments, this position is unacceptable. Not with the Executive Branch alone were our agreements with Argentina. Although the known constitutional limitations on the power of the Executive Branch to bind Government as a whole are universally understood as to most modern Governments, the assumption of obligation implies representation and auxiliary obligation that the Executive Branch will take every possible step needed for timely performance by the Government as a whole, and that the Executive Branch is unhampered in this by conditions undisclosed to the obligee Government. Argentina has sought and enjoyed the benefits of the agreements to adhere to Chapultepec and obtain admission to UN without any indication to the world that their concomitant obligations not also assumed by Argentina and binding, and, in justified reliance that the obligations and benefits of the agreements were reciprocal, benefits were given by U.S. and other Governments. From the beginning, we had been assured by responsible Argentine officials, including Vice President Perón, that these agreements fully binding of the Argentine Government and had in fact embarked on actual substantive performance of specific obligations (reDeptel 1124, dated June 1, 1945 48) thereafter, as required by provisions of Argentine commitments, Argentine Government apprehended and deported certain German agents, seized German assets, intervened and liquidated certain firms, closed certain schools, etc. Without ever having raised any question concerning the binding effect of obligation on Argentine side or precedent necessity of obtaining any further ratification or implementary action, to have accepted the benefits of commitments from this Government and other United Nations must lead

48 Copy missing from Department files. This copy is printed from a paraphrase copy in the Buenos Aires Embassy files.
49 Not printed.
to the conclusion either that fundamental misrepresentation was made to the United States or that reference to other branches of the Argentine Government is essentially a form of callous violation and repudiation. If at all dependent on congressional ratification, the original obligation required the Argentine Government immediately to convene congress or take the necessary steps of congressional convocation before acceptance of the benefits and not so to conduct self as to constitute representation in fact that the commitments were then binding in full. Therefore, failure to convene Congress constitutes an unacceptable method by which Argentina disables own performance or is a deception of a serious nature. Re cases to Judicial Branch, similar considerations apply. Although no requirement interfering with the exercise by courts of judicial function may be imposed under law with respect to pending cases, all Branches, and especially Executive and Legislative, must be deemed obligated by international commitments to take every step necessary to insure the speediest possible performance by the Argentine Government of the obligations thereunder either by passage of expediting legislation or by the exercise of administrative discretion. The Department, specifically, cannot admit propriety of further postponement of determination of cases of expulsion or replacement for allegedly normal period routine court calendar or drawdown procedures where expedition is in fact possible now. It is expected by us that the Argentine Government provide expedition as, for instance, by preferential calendar treatment by administrative action or legislation of setting up, with limits permitted by the constitution or law, of a special court. Under existing Argentine law these forms of expedition are possible, according to the Department's information. Obligations require the Argentine Government, moreover, through executive or judicial agencies to pursue vigorously and thoroughly litigation all issues of pact and law by competent counsel and before thoroughly impartial judge. Throughout at every stage, sincerity and good faith of litigation and presentation of facts and arguments must be evident.

For your information the foregoing statement of the thinking of the Department on this subject is sent to you. Of course, if there is prompt and adequate performance by Argentina these questions will not arise. Your comments on the above are requested, nevertheless. It is also requested that you explore the domestic aspects of Argentine law covered above with a reputable and wholly impartial Argentine lawyer.

Acheson
Memorandum by the Acting Secretary of State to President Truman

[WASHINGTON,] July 12, 1946.

I hand you herewith a memorandum on the Argentine situation prepared by Assistant Secretary Braden pursuant to your suggestion during your recent talk with him.

I have read the memorandum and recommend it for your approval.

[Enclosure]

Memorandum on the Argentine Situation by the Assistant Secretary of State for American Republic Affairs (Braden)

SUMMARY OF CONCLUSIONS

There is both a long-term and an immediate Argentine problem. The essence of the long-term problem is that Argentine Governments have long aspired to create and control an anti-United States bloc of Latin American states and to become the dominant power in South America. Perón’s aim, already partially accomplished, of forming a totalitarian-type state, with almost absolute power in his hands, increases the danger which this traditional Argentine policy represents to the inter-American system.

There is no quick, easy way to change this attitude which is the root cause of Argentina’s obstructionist role in every phase of inter-American politics and of Argentina’s so-called “neutrality” in both World Wars. But by continuing to stand for the principle that agreements must be honored by performance; by continuing to identify ourselves with economic progress, democracy and liberty rather than with opportunism and totalitarianism; and by continuing, within the framework of the good neighbor policy and on a practicable basis, a constructive program for improvement in living, health and educational standards throughout the hemisphere, we can demonstrate the vitality and utility of democracy and lay the foundation for a sound and enduring solidarity of governments and peoples.

The immediate problem is whether we should sign a military pact with Argentina and furnish that country with arms and munitions before Argentina has performed its inter-American agreements to liquidate key German business enterprises and repatriate dangerous German nationals.

Since 1942 our consistent policy has been to insist on performance of these undertakings. To waive real compliance by Argentina prior

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to the negotiation of a mutual assistance pact would not be a just and honorable compromise within our principles. It would be an abandonment of the principles and declared policies of Presidents Roosevelt and Truman and Secretaries Hull and Byrnes. An abandonment of this policy now would be interpreted as proof of our vacillation, weakness and defeat. It would seriously impede a lasting solution of the important long-term problem referred to because:

a) Argentina will have demonstrated her ability to violate her agreements

i) to regard an act of aggression against the United States as an act of aggression against Argentina (Declaration of Havana *6*),

ii) to eliminate Axis influence and activities in Argentina (Rio, Washington and Mexico City Agreements *7*),

and nevertheless force us to sign still another agreement—a military pact;

b) It will appear to contiguous Latin American states that they cannot safely rely on consistent United States support in resisting Argentine pressure;

c) It will encourage the Argentine Government to continue to demand tribute under the threat of associating itself with a European power;

d) It will encourage the Argentine Government to proceed with its current National-Socialist program with all the attendant dangers for United States capital investments and influence; and

e) It will mean loss of political prestige and moral influence throughout the hemisphere; and it will be regarded as an abandonment by us of democratic elements and encouragement to others to adopt Peronista-type programs in their own countries.

The postponement of the signing of a military pact until Argentina has performed need not delay the separate program for standardizing arms throughout the other American republics.

By continuing to stand on our announced policy we will effectively demonstrate that, if Argentina is to enjoy the fruits of equal partnership in the inter-American system, it must honor the principles of that system and its freely contracted obligations thereunder.


Treaties are of no value unless they rest upon the good faith of the parties involved. In a treaty such as the contemplated mutual assistance pact, which would affect the security of the United States and the defense of the Hemisphere, the Government of the United States must be in a position to assure the American people that it has not entered into any such treaty as long as a doubt exists about the good faith of any of the other parties thereto.

**ALTERNATIVE COURSES OF ACTION**

There are three possible courses of action:

A. Acceptance of the Argentine thesis that there are no outstanding problems between the two governments and agreements to provide arms and to collaborate with Argentina in a military defense pact.

B. Acceptance of a majority decision of the other American republics as to whether or not we should require compliance by Argentina.

C. Strict adherence to Secretary Byrnes’ statement of April 8 that “there must be deeds and not merely promises” before we will sign a military treaty and deliver arms to Argentina.

Each of these alternatives must be analyzed by reference to our national interest.

A. **Appeasement of Perón by giving him arms and offering him military collaboration before there has been compliance with international obligations would mean:**

1. A daring Argentine victory over and a body-blow to the inter-American system. Argentina alone of all the republics would have succeeded in repudiating obligations jointly undertaken to meet the threat of a common enemy.

2. That a nation can ignore its solemn commitments, not only without detriment to itself but that it can even participate in the benefits to be derived from the very agreement whose obligations it has discarded. To acquiesce in establishing such a precedent would endanger the sanctity of all international agreements.

3. The loss of United States prestige and moral influence throughout the Hemisphere by the abandonment of a policy enunciated by President Roosevelt and Secretary Hull and confirmed by President Truman and Secretary Byrnes.

4. Proof that the persistent Argentine strategy of playing off a non-American power against the United States pays dividends and the conviction that the same game can be successfully repeated again and again for even higher stakes.

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*For text, see circular telegram of April 1, 11 p. m., p. 10.*
(5) Encouragement to Perón to go forward with the program of domination of South America.

The governments of the other American republics fully understand, as we do, that the traditional aim of Argentine foreign policy has long been to control a bloc of South American states in opposition to the United States. To the extent that we fail to adhere consistently to our declared policies, the ability of neighboring states to withstand Argentine pressure is lessened. Bolivia and Paraguay are already in the Argentine orbit and pressures have been exerted on Uruguay and others.

(6) Perpetuation in this hemisphere of a powerful German economic and political machine and the defeat of our repeatedly announced policy to destroy German militarism and Nazism wherever it is found. In addition to other dangers* this would be inconsistent with and detrimental to our policy to press for elimination of German influence in Europe as we are now doing in the Safehaven negotiations with Switzerland and Sweden and in respect of German property in Spain, Portugal, Turkey and Ireland.

(7) Abandonment of the liberal and democratic elements in Argentina and other American republics (who potentially constitute the only true friends we can count on for the long pull) and encouragement to military and reactionary leaders (who are innately inimical to our way of life) to follow Peronista-type programs in their own countries.

(8) Encouragement to Perón and other nationalistic leaders to believe that, since we are impotent to require compliance with intergovernmental obligations, we will be equally impotent to protect the rights of our own nationals.

B. Acceptance of a majority decision of the other American republics as to whether or not we should require compliance by Argentina.

This course would submit for decision by the other American republics the Argentine proposition that no further compliance should be required. If a majority of the other republics accepted this proposition, then irrespective of our own convictions, we would be obliged to sign the mutual defense treaty at Rio with Argentina.

Without our leadership and support many of the republics would be powerless to resist Argentine pressure. Argentina has already used its control of food supplies to put pressure on Uruguay, Bolivia,

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*The Germans in Argentina constitute a large, wealthy, unassimilated, politically influential group which enjoys a virtual monopoly in various scientific and industrial fields. Their representatives continue to advise with the Argentine Government. The extraordinary power which this group wields in Argentina continues to be used against the United States. [Footnote in the original.]

Peru, Venezuela, and even Brazil. Most of the republics—and particularly those in geographic proximity to Argentina—are afraid to incur Argentine enmity by taking a strong stand, particularly since they fear being left to face Argentina alone as a result of a change in United States policy. Should the United States evidence the slightest willingness to abandon its position, each in its own immediate self-interest might vie with the others for Argentine favor.

Since 1942 our policy that Argentina must honor her agreements by performance has been repeatedly stated in the most unequivocal terms. The attitude of the other American republics, induced by fear of Argentina, is also known. Were we therefore to declare now that we are prepared to accept a majority decision of the other American republics, they would immediately understand that the United States accepts defeat.

They would believe that we were seeking to spread the onus for defeat at the last moment by reference to a majority decision. We would thereupon suffer all the ill consequences listed under Alternative A. Our prestige would suffer disastrously at home and abroad. The American people would be bewildered by such a reversal of our policy.

C. Strict adherence to Secretary Byrnes' statement of April 8 that “there must be deeds and not merely promises” before we will sign a military treaty and deliver arms to Argentina.

This is our policy today. It is consistent with our world policy: We are prepared to compromise within our principles but we will not abandon those principles.

There is a possibility that the almost desperate desire of the Argentine armed forces for modern equipment and materiel will induce “the deeds” which we have been requesting since 1942. This would solve the immediate problem of Argentine compliance and on the basis of the April 8 statement would pave the way to conclusion of the military pact.

We are, however, bound to acknowledge the contingency of continued resistance from Perón, and with it, postponement of the mutual assistance treaty contemplated by the Act of Chapultepec. The charge will then again be heard that our policy is breaking Hemisphere solidarity and that we are jeopardizing continental security. It is ironical that Argentina, which did break hemisphere solidarity and jeopardize continental security throughout the war, should be excused and we blamed. For the United States to assume a defensive attitude in these circumstances would be unpardonable.

The argument that a refusal promptly to include Argentina in a

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70 See the documentation on the wheat-rubber problem of Argentina, Brazil, and the United States, pp. 111 ff., and references to wheat crisis under countries named.
military assistance pact will destroy Hemisphere unity does not bear analysis.

"Hemisphere unity" which is achieved by waiver of solemnly contracted obligations can never be the basis for an enduring inter-American system. Security in the Americas is dependent upon the maintenance of the integrity of the inter-American system. If Argentina or any other one nation is held to be above the rules, then the rules have no meaning and insecurity takes the place of security. The people and the government of the United States desire to continue their efforts to create a genuine solidarity in the Americas. But a solidarity resting upon a failure to correct the conditions that undermine that solidarity would be worse than useless.

Delay in the negotiation of the permanent military treaty has not and should not block other substantial and important inter-American undertakings. Cooperation among the American republics is going forward today, with participation by all the republics, on a dozen fronts. The Governing Board of the Pan American Union has never been more active. That body recently sent a comprehensive draft "Charter of the Americas" to all the governments in preparation for the conference in Bogotá, Colombia, next year.\(^{71}\) The Inter-American Economic and Social Council \(^{72}\) is meeting regularly at the Pan American Union on a score of new assignments. Other inter-American organizations and committees are at work, and conferences, such as that on Copyright held during the past few weeks, are being convened on schedule and with attendance by all of the republics.

A further argument against postponement of the treaty is the claim of jeopardy to our national security. It is contended that our security requires that, irrespective of the consequences of appeasement by waiver of international obligations, we immediately conclude the treaty and enter upon a program of full military collaboration with Perón.

The primary interest of the United States in the mutual assistance treaty is the undertaking that an attack against any American republic by a non-American power shall be considered as an attack against all of the republics. This interest is, however, already safeguarded by:

1. The Declaration of Havana, quoted at p. 12 above, which is binding, without time limit, upon all the republics and which was acted upon by all except Argentina in World War II.
2. The Act of Chapultepec which is binding on all the republics until the state of war is formally terminated.
3. All the security provisions of the United Nations Charter, which, it will be recalled, had not been agreed upon when the Act of Chapultepec was signed by the American republics.

\(^{71}\) The Ninth International Conference of American States which met from March 30 to May 2, 1948. For preliminary discussions concerning the Conference, see pp. 28 ff.

\(^{72}\) See *Foreign Relations*, 1945, vol. ix, pp. 172 ff.
In these circumstances there would seem to be little justification for the somewhat panicky insistence that our national security requires one more formal promise of mutual aid, immediately and irrespective of Argentine compliance with earlier promises of such assistance. Moreover, in respect of the security of the other republics against attack by a non-American power, they are well aware that, apart entirely from treaty obligations, the United States would, under the Monroe Doctrine and for its own security, immediately go to the assistance of any American state attacked by such a power.

A secondary interest in the proposed pact has been to induce the other republics to standardize their equipment with ours, thus facilitating the establishment of our military and naval missions throughout the Hemisphere and excluding those of non-American powers. This objective can be attained in all republics except Argentina immediately upon the enactment of the Truman Bill and without waiting upon the treaty. In the case of Argentina, it must not be overlooked that under our present policy, by reason of effective agreements with Great Britain, Canada, and Sweden, we are preventing the export to Argentina not only of our own arms and matériel but also those of the countries mentioned. Although a military treaty which included Argentina would open the way to deliveries of planes, tanks, and guns by the United States, the treaty would also terminate our understandings with the countries mentioned. And no agreement is contemplated under which Britain, Sweden or Canada would respect our desire to standardize military equipment in Argentina.

Since early in the war it has been the primary objective of the Argentine armed forces to regain ascendancy over the forces of Brazil and Chile. In mid-1943 when we needed every plane and gun against the enemy, the Argentine government requested military aid to restore "continental equilibrium." Perón's objective is the same today. He wants "equilibrium" plus as against Brazil and Chile, and he seeks to participate in the military pact because he is aware that only through such participation will he be able to obtain modern military equipment from all of the exporting nations. There is no reason to believe that Perón will permanently abide by an agreement to standardize or to limit arms if such agreement would in any degree prejudice the relative strength of his forces. Standardization would, in other words, be attained only by our acceptance of Perón's quantitative criteria.

This evaluation of the Argentine purpose in relation to the pact also bears upon the interest of the other American republics in treaty protection against attack by any American state. Since the Mexico City Conference, such protection has been provided through the secu-
rity provisions of the United Nations Charter. It is also assured by the Act of Chapultepec until the war emergency is formally terminated. In view of these binding undertakings, it may well be questioned whether the security of the other republics, and particularly of the immediate neighbors of Argentina, would be promoted by another promise of assistance—a promise to be obtained in this instance only at the cost of immediate modernization of Perón’s armed forces. Argentina’s neighbors are well aware, as we should be, that a modernized army, even though it were never employed in open aggression, would greatly strengthen Perón’s hand in promoting a southern bloc through economic pressure and political penetration, modern techniques of aggression which, unfortunately, are not readily checked either through the United Nations or through a military assistance treaty.

**Conclusion**

Because of the anticipated attitude of the other American republics under alternative B, that alternative is, for practical purposes and in end result, the same as alternative A. Both of these courses would make possible the early convening of the Rio Conference and would create the appearance of military solidarity throughout the Hemisphere.

It is not here maintained that alternative C, which may mean postponement of the mutual assistance treaty, will entail no disadvantage. It is maintained that:

1. Alternative C is clearly and beyond all doubt preferable to any other course since the price of an immediate treaty would be abandonment of principles for which the war was fought and on which an enduring peace must be built;

2. The only hemisphere solidarity worthy of the word is one based upon a proved common loyalty;

3. If we were to waive Argentine default upon inter-American obligations and to subsidize the default by supplying her with arms, we would invite the contempt of Argentina herself, and of all the peoples who are looking to our country for leadership in the establishment of principle and morality in the conduct of nations.

We have taken this leadership in the counsels of the great powers. To maintain the same leadership in the counsels of the small nations will often be difficult in the extreme, because our enemies will question our motive and the recalcitrant will charge abuse of our power. Yet we know, and must not be afraid to declare, that security for the small nation is wholly dependent upon the integrity of the international system and that if any one nation, be it large or small, is held to be above the rules, then the rules have no meaning, either for the great or for the small.
It is fitting here to recall that President Roosevelt acknowledged no difference in responsibility as between the great and the small when he declared in respect of Argentina:

"Unless we now demonstrate a capacity to develop a tradition of respect for such obligations among civilized nations, there can be little hope for a system of international security, theoretically created to maintain principles for which our peoples are today sacrificing to the limit of their resources, both human and material."

810.20 Defense/7-1646

The British Embassy to the Department of State 74

AIDE-MÉMOIRE

My Government have noted with sympathetic interest the proposals submitted to Congress for Inter-American Military Co-Operation, and particularly President Truman’s covering message of 7th May. 75

2. In their desire to co-operate, as far as possible, in the announced object of preventing a competition in the supply of arms and equipment to Latin America, they would greatly appreciate it if they could receive, in confidence, such detailed information as may be agreeable to your Government with regard to:

a) the proposals for furnishing, or exchanging, standard United States equipment against existing non-standard armaments in Latin America;

b) the percentage of Latin American forces which it is proposed to equip and train under the Hemisphere Defence proposals now before Congress.

3. It will be remembered that British equipment and training have long been predominant in several of the Latin American Navies: a matter of importance from the point of view of maintaining the traditionally friendly relations which have always existed between Britain and the countries concerned.

4. As this satisfactory state of affairs is believed to be of common advantage in furthering Anglo-American policy in Latin America, my Government would be glad to know whether they are correct in their belief that the Hemisphere Defence Forces whose equipment and training it is proposed to standardise represent about twenty-five per cent. of the total armed forces of each Latin American country concerned?

5. If this, or some other, percentage is envisaged, my Government would propose to supply at least a part of the remainder; especially to the Latin American countries referred to above. The manifest ad-

74 Handed by the British Ambassador (Inverchapel) to the Under Secretary of State (Acheson) on July 18, 1946.
75 Department of State Bulletin, May 19, 1946, p. 859.
vantages of their so doing are apparent inasmuch as arms, equipment, or training thus supplied to Latin America can be controlled and kept under observation. The alternative—as was recently indicated in Buenos Aires—might well be the supply of arms from other European sources including Soviet Russia, Czechoslovakia and Sweden.

6. In these circumstances my Government would be grateful to learn whether Argentina is, or is likely to be, included amongst the countries who, under the terms of the Inter-American Military Co-Operation Act, would be furnished with a percentage of standardised United States equipment? If so, the sale of United States armaments to Argentina would naturally release my Government from the “Gentlemen’s Agreement” relating to that country; under which British arms, munitions of war, or other goods particularly adapted for warlike uses have steadily been denied—especially to the Argentine Navy and Air Force. The arguments presented in paragraph five above apply with particular force to the Argentine Navy in view of the importance of perpetuating its traditional sympathy, which was of considerable value to the cause of the United Nations in wartime; in marked contrast to the attitude of the Argentine Army, whose German training and armament have reaped results well known to both Governments. For this reason especially my Government are desirous of resuming supplies to Argentina of the above-mentioned character; without, at the same time, conflicting with the United States plans under review.

7. In the particular conditions obtaining in Santo Domingo, my Government would also be glad to consult with the United States Government regarding requests for certain minor items of armament for which applications have been received.

8. In short, while retaining their liberty of action in a matter of great and many-sided importance to Great Britain, my Government are anxious to co-ordinate their policy with that of the United States Government as regards the rearmament and equipment of Latin America. The arrangements herein discussed must, it is recognized, be of a provisional character; pending conclusion of definite international arrangements with regard to traffic in arms.

WASHINGTON, 16 July, 1946.

835.24/7-1646: Telegram

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

BUENOS AIRES, July 16, 1946—10 a. m.

[Received 10:47 a. m.]

1841. No information has leaked out here regarding Argentine Soviet Trade Mission negotiations but member of Soviet Mission said
to correspondents several days ago they were considering "several" agreements. I think it most likely that Soviet Mission has made proposals to Argentine Govt along line mentioned in Deptel 938, July 13.  

Publication information with date line other than Moscow or Buenos Aires may have deterring effect on Argentine military at this time if they should be favorable to such purchase Soviet or German equipment. There is little doubt in my mind that Argentine military would be interested in getting German war plant equipment.

MESSERSMITH

740.35112 RP/7-1846 : Telegram

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

BUENOS AIRES, July 18, 1946—10 a. m.  
[Received 3:47 p. m.]

1958. ReEmbtl 484, Feb 14. Argentine Supreme Court on July 16 sustained Appellate Court decision vacating lower courts orders which restrained Vigilance Board from further action against Staudt and Co and other enemy firms until final decision of pending litigation affecting control and liquidation decrees. Court reasoned that in case of decisions adverse to Government aggrieved parties could be adequately indemnified by cash payments. The Board now appears free to proceed with liquidations and sales of enemy assets. President Perón had previously informed me of his intention of indicating to Minister of Justice importance of rapid decisions and of having forced proceed thereafter with rapid disposition of enemy assets. Full report follows.

MESSERSMITH

610.20 Defense/7-1646

Memorandum of Conversation, by the Under Secretary of State
(Acheson)


Participants: The British Ambassador  
Mr. Hadow, Counselor of the British Embassy  
The Under Secretary of State  
Assistant Secretary, Mr. Braden  

The British Ambassador and Mr. Hadow called at the Ambassador's request. Mr. Braden received them with me. The Ambassador handed me the attached Aide-Mémoire  and asked

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*Not printed; it repeated telegram 2164, July 12, 1946, from Moscow concerning the possible dispatch of German arms to Buenos Aires (535.24/7-12).

* Dated July 16, p. 278.
me to read it, which I did. In reply to the questions raised in the Aide-Mémoire I made the following points:

This Government has in mind several objectives in the Inter-American Military Cooperation Program. First, from the military point of view, a common action in the defense of the Hemisphere will be greatly facilitated if throughout the American Republics there should be standardized equipment and common types of military organization and training. It is obvious how this would facilitate combined action both from the supply and operational points of view in the event of any threat to the Hemisphere. Accordingly, the idea contained in the Aide-Mémoire that the cooperation extended to only a percentage of the force of each country was new to us. It did not seem that the purposes could be achieved if the forces of any of the Republics were equipped and trained partly in one way and partly in another.

Second, as the Aide-Mémoire pointed out, the presence of German military missions had proved both a danger and a handicap during the past war. Accordingly, another of the purposes of the program was to avoid these hazards in the future.

Third, it was desired to prevent an armament race either because of the external pressure of sellers of armaments or because of internal competition among the various countries. To this end, both under the Chapultepec arrangements and the contemplated treaty staff conversations and cooperation were envisaged for the purpose of keeping armaments to a minimum and to coordinate effort. Mr. Braden stressed our hope that armaments could be reduced rather than increased by this program.

So far as Argentina was concerned, I said that it was our purpose not to engage in discussions for supplying arms to Argentina until the political problems between us had been straightened out. At present it looked as though little progress is being made in this direction in the light of Peron’s retreat from the Mexico City agreements by placing them before the Congress for their action. Until this matter was clarified we saw little hope of making progress. Therefore we hoped that the gentlemen’s agreement would be continued in effect.

In response to Santo Domingo, I stated that we had declined to ship further armaments to that country and that we hoped that the British would take the same attitude. Mr. Hadow mentioned that Santo Domingo had obtained some arms from Brazil. We reiterated our view that under present circumstances we thought arms from any sources were undesirable and we urged the British not to ship any.

Mr. Hadow inquired whether we had had any confirmation of the report that Argentina was attempting to get German equipment
through the Soviet Union. Mr. Braden replied that a cable from Mr. Messersmith indicated that there was foundation for this report. Mr. Hadow stated that, if through Russian help Argentina were able to get equipment from the Skoda Company in Czechoslovakia or other German or Russian sources, the Argentines might become quite independent of help under the Inter-American Bill. Mr. Braden stated his intention of following this matter closely.

DEAN ACHESON

835.00/7-2246

Memorandum by President Truman to the Under Secretary of State (Acheson)\(^7\)

SECRET

WASHINGTON, July 22, 1946.

I spent yesterday reading the Argentine report \(^9\) and it seems to me that we should stick to specification "C" on page twenty-eight \(^8\) of the Alternative Courses of Action—that backs up the Secretary of State in his statement of April eighth, as set out on page twenty-three.

H[ARRY] S. T[RUeman]

862.20235/7-2446

The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

CONFIDENTIAL

BUENOS AIRES, July 24, 1946. [Received August 2.]

Sir: I have the honor to transmit herewith a translation of a Note dated June 15, 1946 \(^6\) from the Ministry of Foreign Affairs and Worship forwarding a list of schools, both German and Japanese, which have been closed by the Argentine authorities.

I do not wish in this despatch to cover the question of enemy property and enemy subjects as these will be covered in separate despatches. I shall confine myself in this despatch to schools and institutions.

After a very careful study of the basic data I now can inform the Department that a full survey of the situation with respect to German and Japanese schools and institutions in the Argentine leads to the

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\(^7\) In a letter of July 30, 1946, Assistant Secretary of State Braden advised Ambassador Messersmith that the Argentine report was requested by the President and that he was delighted with the President's response (835.00/7-2246).

\(^8\) Ante, p. 270.

\(^9\) See p. 272.

\(^6\) Not printed.
definite conclusion that the Argentine Government has substantially complied with its commitments in this respect under Resolution VII of the Final Act of the Mexico City Conference. I am unable to state definitely to the Department why in this particular field the Argentine Government proceeded with more vigor and more effectiveness than it has so far in the field of enemy property and subjects, but I venture the opinion that it was because it was easier under Argentine law and procedure to take this action than against enemy property and subjects.

I may say that, in addition to the fifty-three German and Japanese schools listed in the enclosure to this despatch, which cover the important schools, this Embassy has information that twenty-five others have been closed or intervened or have voluntarily ceased activity. All Japanese schools in the Argentine known to this Embassy are included in the foregoing figures.

A survey by the Office of the Legal Attaché shows that an additional forty-two German schools were also closed and there is reason to believe that probably the major number of these were closed voluntarily and not as a result of direct action of the Argentine Government but rather as a result of the direct action taken against more important schools.

The information in the possession of the Legal Attaché of the Embassy and of the Embassy shows that some sixty Axis institutions, not including organizations which existed merely for the operation of schools, have been intervened, taken possession of, or their corporate licenses cancelled. As a matter of fact, we have reason to believe that there may be even more such institutions in this category in which action has been taken but on which complete data are not available in the Embassy. I would like to state in this connection that the institutions and organizations mentioned in this paragraph include the important German clubs in the Argentine.

The information in the possession of the Embassy with respect to a few schools would indicate that the action taken may not have been as complete as might be desired, but there is, however, no evidence that Nazi principles or doctrine are being taught in any of the existing schools under their new organization and operation. In these several cases the Embassy has informally brought to the attention of the Foreign Office the facts as known or reported to the Embassy, but the information in the possession of the Embassy has not been of a sufficiently definite character to indicate that the action taken by the Argentine authorities has not been adequate. It should also be pointed out that in the case of these few schools they are licensed and supervised by the Government, succeeding former German schools, and it must be assumed in the absence of evidence to the contrary that ade-
quate safeguards have been taken with respect to the operation of and the teaching in these schools.

From time to time the Department has sent information to the Embassy which it has gathered from various sources which would indicate that there were some 215 Axis schools (15 Japanese and 200 German) in the Argentine. The Embassy is inclined to doubt the accuracy of this figure of 215 schools, as it has been able to locate, after careful inquiry and surveys, only about 125 of this number and in which adequate action, as above indicated, has been taken. There is good reason to believe that most of the remainder were small, what are known here as “family” schools, which are not required to register with the Argentine school authorities. It will be remembered that outside of the few large centers of population in the Argentine the population is very sparse and scattered, and these so-called “family” schools exist where instruction may be given to a very small group of students, sometimes only the children in a particular family. It is believed that some of these “family” schools were undoubtedly in the Province of Entre Ríos, as in 1937 a Nazi Party publication referred to 3500 students and 100 teachers in that province and indicated that a large proportion were in such “family” schools. I would like to observe in this connection that the statement of 3500 students and 100 teachers in this Nazi Party publication could not be taken too seriously.

So far as the remainder of these schools (believed to be mostly “family” schools) are concerned, there is reason to believe that they are no longer in existence, as the information which we have is that most of these small German schools closed voluntarily with the rupture of diplomatic relations, Germany’s defeat and the discontinuance of the financial support of such organizations as the Auslandsinstitut.

Respectfully yours,

GEORGE S. MESSERSMITH

835.24/7-2546

Memorandum of Conversation, by the Acting Chief of the Division of River Plate Affairs (Mann)

CONFIDENTIAL [WASHINGTON,] July 25, 1946.

Participants: Mr. Stone, Counselor of the Canadian Embassy;
A-Br/S-Mr. Spaeth;
RPA-Mr. Mann

On July 19 Mr. Stone called at his request on Mr. Braden to discuss Argentina’s desire to buy two corvettes and a frigate from Canada. It was decided to look further into the facts and to await the outcome
of the Department’s conversation with Mr. Hadow of the British Embassy on the same general subject before coming to a final conclusion. On July 25 Mr. Stone called on Mr. Spaeth and Mr. Mann and said that the Canadian Government intended to remove all arms from the three vessels in question; that they were capable of conversion into coastal freighters and refrigerator ships and, in fact, others were now being operated in commercial traffic; and while the Canadian Government could in no case control the end use in Argentina, it has no reason to believe that these vessels, already obsolete from a naval standpoint, would be put to naval use. Mr. Stone said that his information was that by removing a boiler, room could be made for a hold, and that this would reduce speed to about 10 knots which was average for commercial type vessels.

In view of the above and Mr. Stone’s statements that his Department was under pressure from the Canadian surplus property people, he was informed that no objection was perceived to the sale of these vessels and that the Department appreciated his government’s cooperation in prohibiting the sale of armaments to Argentina.

It was agreed that “gray cases” would have to continue to be considered ad hoc; that we would continue to consult concerning these cases; and that in each case it would be necessary to decide whether all the available information indicated that questionable items would probably be put to a commercial rather than a military use. The conversation did not cover replacement parts and items designed to improve existing military and naval equipment.

711.35/7-2646

The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

TOP SECRET

BUENOS AIRES, July 26, 1946.

No. 438

Sir: I have the honor to acknowledge receipt of the Department’s telegram No. 898 of July 2, 1946, 6:00 P.M. in which it makes a statement of the Department’s thinking on the question of Argentine performance and compliance and requests my comment with regard to the statement. This telegram arrived in the Embassy on July 3 and it was my intention to make an immediate reply thereto but I was obliged, on July 5, to remain in the Embassy residence under the care of my physicians as I was taken with a stomach ailment which made it necessary for me to remain in bed for several weeks and to abstain, under instructions of the doctors, from any but the most essential
duties. I am very pleased to be able to state that I am now much better, and although I am still working from the Embassy residence, I hope to be able to return to the Chancery next week.

I think that I should frankly state that during all of my long service with the Department I have not received a communication from the Department which has caused me in certain respects more concern. I am not able to determine why this telegram was sent and there are certain phases of the telegram which I am not able to understand.

In the first place I should frankly state that it would appear from this telegram that I was not familiar with the Department's views and attitudes. When I accepted this mission at the request of the President and Secretary Byrnes, I did so only because I felt it was a matter of duty to accept the mission. I accepted it because of my understanding of the world situation and of our American problem and of the importance of the Argentine situation in connection therewith. Before leaving for this post I had the opportunity for conversations with the President and with Secretary Byrnes and with Under Secretary Acheson and Assistant Secretary Braden with regard to my mission and with regard to our policy. There was, I believe, complete understanding with respect to the task with which I was entrusted.

I will now briefly comment on various aspects of the Department's telegram under reference.

The Department states at the outset of the telegram that the views of the Argentine with respect to compliance with international commitments as expressed by President Perón, General von der Becke, and others are obviously premised on the idea that the commitments of the Argentine are fully satisfied when the executive branch of the Argentine Government places various matters involving compliance before the legislative or judicial branches of the Government for implementation. The Department states that such a position is unacceptable, and I am in thorough agreement that such a position would be unacceptable if it exists.

I am, however, unable to determine on what the Department bases the statement that Argentine views with reference to compliance are premised on such a proposition. I do not know of any statement made by President Perón since my arrival in Buenos Aires on May 22, 1946 which would in any way indicate that President Perón believes that Argentine compliance with its commitments is met when various matters with respect thereto are placed before the legislative or judicial branches of the Government for implementation. There is nothing which President Perón has said in official addresses, in statements to the press, or in private statements to me which would indicate any such attitude or position by him.\(^2\) On the other hand, the Presi-

\(^2\) See the memorandum of July 16, by Assistant Secretary Braden, p. 22.
dent has indicated to me in the clearest manner that he is thoroughly understanding of the fact that in the matter of enemy property, enemy subjects, and enemy institutions and schools the Argentine must meet the obligations which it undertook in adherence to the Agreements of Mexico City and of San Francisco.

So far as General von der Becke is concerned, the Department is aware from the despatches and reports of this Embassy and from statements of the President of the Argentine that General von der Becke did not proceed to the United States with an official mission from the President or the Ministry of Foreign Relations. He went at the request of the Minister of War. He had no authority to speak for the Argentine Government. As this matter has been so fully covered in despatches and letters from this Embassy and as the nature of the mission of General von der Becke, its origins and all attendant circumstances, are so well known to the Department, it does not seem necessary to go into this matter further here. I am, however, unable to determine why, under these circumstances, the Department should refer to statements made by General von der Becke with respect to compliance for it is so obvious, and must have been obvious when this telegram was sent this Embassy, that General von der Becke was not speaking with any authority.

The Department's telegram in referring to these statements with respect to compliance refers not only to statements by President Perón and General von der Becke, but also to "others." I do not know what persons may be included within the term "others", but so far as this Embassy is aware, we are not in possession of any information that any responsible officer of the Argentine Government has made statements such as those to which reference is made in the first part of the Department's telegram under reference.

With reference to the observations made by the Department in the telegram under reference concerning the constitutional limitations on the power of the executive branch, but the nevertheless implied obligations of the Executive, I am unable to determine why this reference is made in this telegram unless it be based on the fact that President Perón informed the Congress that the Acts of Mexico City and San Francisco and other international pacts and agreements entered into by the provisional government would be submitted to the Congress for their judgment and ratification. It is not for me to enter here into an interpretation of the Argentine Constitution. It is a known fact that the Government which gave its adherence to the Acts of Mexico City and San Francisco was a provisional government. Elections were held and a President and a Congress were elected early this year. When the Congress met, the newly elected President informed the Congress in an address made just before his taking the oath, that the
Government of which he was about to become the head was a constitutional government representing the will of the Argentine people as expressed in a free election. He stated that consequently all the decrees and laws, as well as all international understandings and agreements entered into during the period of the provisional government, would be submitted to the Congress for their discussion and action. The President stated that this was a necessary procedure under the constitutional practice of the Argentine. Later when he addressed the Congress after having taken the oath of office as President, he set forth the legislative program of his administration and stated that all these international agreements and understandings would be submitted to them for approval.

The Minister of Foreign Affairs, Dr. Bramuglia, came to see me this morning and spent several hours with me. He brought with him complete documentation with regard to enemy property, enemy aliens, and enemy schools and institutions. He informed me of the decisions which have been taken by the Government. With respect to enemy property, the Government has decided to proceed with the nationalization, Argentinization, or liquidation of German property having an estimated value of well over 200,000,000 pesos. The firms in which he indicated they would take definite and prompt action covered, so far as I could see during our conversation, all of the important enemy firms. He expressed willingness to discuss certain other firms not included in the present program if we had information which we believed showed that action should be taken. With respect to enemy aliens, he indicated a program which the Government was going to take to facilitate the action of the courts and carry through deportations, denaturalization, etc. which was much more adequate than anything I thought we would be able to get. With respect to enemy institutions and schools, I informed him that I had already informed my Government that in this particular field I believed that the Argentine Government had taken adequate action, but we agreed to continue to maintain liaison and exchange of information with respect to such schools and institutions in accord with the agreements of Mexico City.

I do not wish in this despatch to go into my actuation since I assumed charge of this mission on May 22. I can only say that I have been in constant touch with the President and with the highest officials of the Argentine Government since my arrival. I have had many formal and informal conversations with them in which every phase of these problems has been explored and discussed in a spirit of complete frank-
ness and directness. I would not be reporting accurately if I did not state that I have found a desire of the Argentine Government to carry through its obligations and to incorporate itself more fully into the American picture, and also to normalize its relations with the United States.

I shall keep the Department fully informed of developments.
Respectfully yours,

George S. Messersmith

711.35/7-2746
The Ambassador in Argentina (Messersmith) to the Secretary of State


No. 448

Sir:...

After a study of the list appended hereto in which the Minister has stated immediate action will be taken, and after the study of the long list of some hundreds of firms (which is not transmitted herewith as I do not believe it has any interest to the Department, and time would not permit in any event because of its length to send a copy by this mail), we are convinced that if the Argentine Government proceeds with appropriate action in the firms listed in the list herewith transmitted it will have adequately fulfilled its obligations in the matter of enemy property, and I make free to say that, if it does carry through this program adequately as set forth in the appended list, it will have carried through its obligations as fully as if not more fully than any one of the other American republics. I am sure the Department will be of this view also.

An examination of the list hereto appended will show that it covers almost all of the firms in which our Government and the British Government have evinced any interest. Notably, however, it contains no reference to the Staudt firms. I am unable to explain at this moment why the Minister should have omitted from this list the Staudt firms, but it is probably due to the fact that the Staudt interests have caused more difficulty to the Argentine Government in its liquidation program than any other. Most of the court suits which have been instituted against the Government in the matter of enemy property action have come from the Staudt interests.

We are giving this whole matter very careful study in the Embassy. Our preliminary opinion is that, if the Argentine Government pro-

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*Not printed.
**The Minister for Foreign Affairs, Juan Atilio Bramuglia.
ceeds with the nationalization, Argentinization or liquidation of the firms mentioned in the appended list as the Minister has indicated it will do, it will have performed adequately in the matter of enemy property. The Department will realize from its knowledge of what has been done in other American countries, that, if the Argentine Government carries through this program according to the appended list, it will have done relatively more than most and perhaps any other of the American countries.

This Embassy is now, however, studying what further observations we shall make to the Minister and we are presently of the opinion that we should bring to his attention very definitely the Staudt interests for liquidation or complete Argentinization, as well as some 15 or 16 of the firms of secondary importance which are contained in the long list of hundreds of names not transmitted with this despatch, for the reasons already indicated above.

The Minister indicated in a very categorical manner that he had already given the most definite instructions to the new Junta to proceed rapidly with respect to the firms mentioned in the appended list. He did not indicate whether he had already discussed this matter with the President and with the Cabinet, but I am of the opinion that the Minister would hardly have made such categorical statements as those which he made to me and delivered to me these confidential documents, of which I could make copies, returning the originals to him, if he had not so discussed the matter with the President and the Cabinet in the most definite manner.

Respectfully yours, 

GEORGE S. MESSERSMITH

810.20 Defense/7-3146

The Secretary of War (Patterson) to the Secretary of State

CONFIDENTIAL

WASHINGTON, July 31, 1946.

DEAR MR. SECRETARY: I have Mr. Acheson’s letter of 23 July 1946 inclosing a copy of the Aide-Mémoire submitted by the British Ambassador expressing the interest of the British Government in the Inter-American Military Cooperation Bill. I suggest that in replying to the British Ambassador the following information be considered.

The War Department does not know of any plan whereby only twenty-five percent of the military and naval needs of the various

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66 The Secretary of the Navy (Forrestal) addressed a similar letter on August 6 to the Secretary of State.
67 Not printed; in it the Under Secretary sought the comment of Mr. Patterson on the British aide-mémoire of July 16, p. 278.
republics of this hemisphere would be furnished by the United States. On the contrary, the plan contemplates comprehensive standardization of all military and naval equipment and training in the republics of this hemisphere. A plan whereby any percentage would be furnished from sources outside the hemisphere would defeat entirely the purpose of the plan for standardization of equipment.

The program of standardizing military equipment and training in all of the republics of America, including the United States, is an outgrowth of the desire of these republics, as declared in the Act of Chapultepec, to consult among themselves in order to agree upon the measures to be taken in the event of aggression. Since these republics agree that standardization of equipment, organization, and training within the hemisphere is a necessary advance step to provide for common defense and internal security, the introduction of military or naval equipment manufactured outside the hemisphere would not be compatible with the expressed desires of these republics. Nor would the introduction of equipment produced outside the hemisphere be to the best interests of the United States, since it could only lead to a situation similar to that which we faced at the beginning of World War II when the other American Republics were stocked with European equipment. At that time, replacements and ammunition were not available for the then standard equipment and a considerable amount of men and materiel had to be diverted from United States' forces for the training and equipping of armies of the other American Republics so that they could protect their own coastlines and could furnish some units for transfer to the more active theaters of operation.

In view of the basic purposes of the military collaboration program, it does not appear desirable to apportion it among the nations of the world. Any action leading to the contribution by any other nation to the armaments of the other American Republics, who look to us for leadership and guidance, can only lead to a renewal of the unfortunate prewar situation by serving as an incentive to other non-hemispheric nations to renew attempts to sell large amounts of armaments to the American Republics.

Insofar as Argentina’s participation in the program is concerned, I feel that the decision as to whether or not she receives such equipment rests largely with the State Department. I feel that it would be most desirable to include that country in the program of military standardization as soon as she adheres to her hemispheric commitments. Moreover, I would consider it most unfortunate from the viewpoint of the military security of this hemisphere if Argentina were to receive military or naval equipment from sources outside the hemisphere.

Sincerely yours,

Robert P. Patterson
The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

Buenos Aires, July 31, 1946.

No. 471

SIR: I have the honor to make the following report on a conversation which I had with President Perón on Monday evening, July 29, 1946, and with the Foreign Minister, Dr. Bramuglia, on Tuesday afternoon, July 30, 1946.

I said that I was particularly happy to know from what the Foreign Minister had said that it had been decided to proceed rapidly with the ratification of the Acts of Mexico City and San Francisco. I said to the President that I wished to reiterate, not only in my official capacity, but in a purely friendly way, that I thought it was highly desirable for the Congress to proceed with the ratification of these Acts as soon as possible. I recalled to the President that every one of the American countries was watching what the Argentine would do in the matter of ratification; I said that I was sure that all of the countries of the United Nations, and particularly those which were fully independent and self-respecting, were watching such action in the same way and with the same interest. I said that if the Senate did not approve these Acts under the present constitutional regime and therefore ratify the act of the provisional government in having adhered to the Acts of Mexico City, on the basis of which to a large extent the Argentine had been admitted to the United Nations meeting in San Francisco, there would be created a most damaging situation with reference to Argentine prestige and the international situation of the Argentine.

I also said that in a purely unofficial way I wished to state that the lack of ratification in the near future might lead to serious inconveniences for the Argentine as questions might be raised about its continued presence in the United Nations. I said that if the Argentine did not ratify the Acts of Mexico City and San Francisco, it was quite possible that some country would raise the question as to whether the Argentine was properly in the United Nations Organization and that without doubt such an initiative would meet with a good deal of sympathy in a number of quarters. ⁷

⁷ The Ambassador reported in telegram 2041, August 20, 6 p. m., that the Argentine Senate unanimously approved the agreements of Mexico City and San Francisco (835.00/3-2046).
... The conversation with regard to this point closed with the President stating that he would immediately the following morning take up this question of speeding up ratification and that he would make his position in the matter again unequivocally clear to the Senate which was one of desire for immediate ratification.

I then asked the President whether the Foreign Minister had fully informed him with regard to our conversation of July 25 on enemy property, enemy aliens, and schools and institutions. The President said that the Minister had fully informed him and that he was in complete accord with what the Minister had said. I said to the President that since that conversation I had examined the supplementary lists of some hundreds of firms which the Foreign Minister had left with me on July 25, and that I had found that in the opinion of this Embassy most of the firms in that list were either of no importance or were firms on which this Embassy and the British Embassy had no information. I said that a careful examination of the list by us showed that there was a total of eighteen firms among these hundreds which I thought required the attention of the Argentine Government, in addition to the 69 firms on the list given me by the Foreign Minister on June 25 and with respect to which firms the Minister had said immediate action was being taken, to meet compliance by the Argentine Government in the matter of enemy property. I said that I was confident that if the Argentine Government proceeded with the nationalization, Argentinization, or liquidation of the 69 firms mentioned in the list which the Foreign Minister had left with me and if appropriate action was taken in the case of the 18 firms on the list which I was going to submit to the Foreign Minister where such action was found to be justified by the ownership, and activities, of the persons in these firms, my Government would consider that the Argentine Government had complied fully in the matter of enemy property under its inter-American commitments. I said that I had not discussed this phase of the matter with the British Embassy, but as the information which the British Embassy and we had was identical and as we had collaborated in these matters, I was sure that such action would be satisfactory so far as the British Government was concerned.

The President said that instructions had been given to the Junta to proceed with the appropriate action in the case of the firms on the list which the Minister had given me and that all attention would be given to the observations which this Embassy would make with regard to the 18 firms I had referred to in addition.

With respect to enemy aliens I said to the President that the Minister had discussed this matter with me fully but that there was a list of several hundred aliens concerning which the Minister wished to
consult this Embassy and of which list the Minister had only one copy
and had not yet sent me a copy. I said, however, that as the Minister
had indicated that the Argentine Government was prepared to act
under its laws and procedures with respect to the German agents and
practically all those persons of any importance to whom their atten-
tion had been drawn by this Embassy and by the British Embassy,
it was my hope that the action taken by the Argentine Government in
the field of enemy aliens would be as satisfactory as that outlined by
the Minister in the matter of enemy property. The President said
that the Argentine Government had no interest in these enemy aliens
and that he wished to have as rapid a liquidation of the matter as
possible.

In the matter of enemy schools and institutions, I told the President
that so far as I could see, and I have so informed my Government al-
ready, I felt that the Argentine Government had taken adequate
action.

Respectfully yours,

GEORGE S. MESSERSMITH

835.24/7-2946: Telegram

The Acting Secretary of State to the Minister in Sweden (Dreyfus)

SECRET

WASHINGTON, August 1, 1946—7 p. m.

1274. Urtels 1190 July 29 and 247 Feb. 1. 88 Re Swedish intention
terminate present understanding re export of arms to Arg following
considerations made known verbally Counselor Swedish Legation
who called yesterday pursuant instructions his Govt.

Dept policy re armament shipments Arg remains same stated Dep-
tels 57 Jan 11 and 1027 June 13. 89 This policy based SecState state-
ment Apr 8 90 to effect Arg compliance inter-American commitments
must be implemented by deeds and not merely promises before US
willing sign military pact or deliver arms Arg, and has no relation
whatever to projected arms standardization program as suggested by
Swedes.

Even if so-called Truman Bill 91 enacted we would not furnish arms
Arg unless and until Arg has complied with its international commit-

88 Neither printed.
89 Neither printed, but see circular telegram of January 18, 10 a. m., p. 186.
90 Statement of April 1, released April 8; for text, see circular telegram of
April 1, 11 a. m., p. 10.
91 The Inter-American Military Cooperation Bill, House Document No. 548,
79th Cong., 2d sess.
ments. Impossible now predict re Arg compliance but upon compliance, gentlemen’s agreement would terminate.

Similar agreements with British and Canadians remain in force and relaxation Swedish controls would seriously prejudice these agreements. Dept greatly appreciates Swedish cooperation thus far and view factors outlined hopes it will be possible Swedish Govt continue act in accordance understanding now in effect.

Foregoing should be communicated FonOff with renewed assurance that any contemplated change our policy will be made known immediately Swedish Govt. Pls cable report.

Sent Stockholm, repeated Buenos Aires.

ACHESON

835.24/8-746

Memorandum of Conversation, by the Assistant Chief of the Division of Northern European Affairs (Trimble)

SECRET

[WASHINGTON,] August 7, 1946.

During the course of a conversation with me this afternoon, Mr. Aminoff *2 said that on the basis of the recommendations which he had made to his Government following his conversation with Mr. Spaeth, Mr. Brown *3 and myself several days ago, the Foreign Office had instructed the Legation to inform the Department that it would delay, for “technical reasons” issuance of export licenses covering armaments manufactured by Bofors for the account of the Argentine Government until the latter part of September, but that it would probably have to make “token” shipments at that time. I told Mr. Aminoff that this delay would be useful but that I hoped it might be possible to extend further. In this connection, I pointed out that the manifests of all ships arriving at Buenos Aires are published and, hence, even if a Swedish vessel should bring only ten machine guns, the news that Sweden was resuming arms shipments to Argentina would spread all over the country and would naturally have an extremely adverse effect on our efforts to prevent the British and Canadians from shipping arms and munitions to that country. I, therefore, ventured the hope that additional “technical reasons” could be found to postpone such shipments and told Mr. Aminoff that we would let him know as soon as the Argentine Government has taken action looking toward the nationalization or sale of Nazi firms in Argentina and the actual deportation of the Nazi agents there.

W. C. T[rimble]

*2 Swedish Chargé.

*3 Walter Brown, Special Assistant to the Secretary of State.
Memorandum by the Acting Assistant Chief of the Division of International Security Affairs (Elliott) to the Chief of the Division (Johnson)

[WASHINGTON,] August 8, 1946.

Item No. 6 appearing on page 3 of the July Report of the Secretary’s Staff Committee (SC/M/10) relates to the so-called “Arms Standardization Bill”. For the purpose of briefing you on developments in this matter, I am outlining below the present status of this matter together with the principal steps which have been taken.

During March and April the proposed legislation was reconsidered by the Subcommittee of SWNCC for Latin America. When the War and Navy members of this Subcommittee again urged that a favorable report be submitted to SWNCC, the State member, largely due to SPA’s refusal to concur except after consideration by the Secretary’s Staff Committee, referred the question to the Secretary’s Staff Committee where, after considerable discussion, it was decided to approve a much revised draft of the bill. SWNCC approval was obtained on April 25, 1946 (SWNCC 246/6).

The draft then went to the President together with a draft message for Congress. A copy of the message together with the draft bill is attached. The marked portions of the message were included at the suggestion of IS.

The bill was considered first by the House Foreign Affairs Committee at which time the Secretary testified in favor of it. This Committee reported the bill out to the House by unanimous vote, but it did not reach the House calendar before adjournment. The Senate held one hearing on the bill in the Senate Foreign Affairs [Relations] Committee where Senator Tunnell expressed positive disagreement with its provisions. The Senate Committee failed to report the bill out before adjournment.

Due to the adjournment of Congress, the action on the bill is suspended indefinitely. It is interesting to note that, when considering recently the measures pending in Congress on which the Department desired action to be taken, the Secretary’s Staff Committee decided that this bill should not be pushed by the Department of State. General Hilldring was instructed to tell the Army and Navy that, if they wished the bill to be passed, pressure for enactment would have to originate in the War and Navy Departments as this Department was not prepared to press for its passage at this session.

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**Not printed.**

**Neither printed.**

**Senator James M. Tunnell of Delaware.**

**Gen. John H. Hilldring, Assistant Secretary of State for Occupied Areas.**

**For the relation of Argentina to this measure and the position of the Department of State with respect to an inquiry from the British Embassy, see the aide-mémoire of August 28, p. 307.**
The Assistant Secretary of State for American Republic Affairs (Braden) to the Ambassador in Argentina (Messersmith)

[Extract]

Washington, August 9, 1946.

Dear George: I am terribly sorry that the Department's telegram No. 898 of July 2, 6 p.m. (to which you refer in your letter to me of July 26 and in the Embassy’s despatch No. 435 of July 26) caused you the slightest annoyance or gave you the impression that there is any doubt here in respect of your understanding of the basic elements of the problem of Argentine compliance.

We were concerned exclusively as to the possible attitude of the Argentine Government and your assurances in this particular give us the answer. I am sure you will appreciate our desire to be as thorough and prompt as possible in bringing to your attention any and every doubt or reservation which we may entertain at any time on this difficult problem. Only in this way can we obtain the benefit of the Embassy’s views to correct misapprehensions that may develop. I say this because in thirty odd years of cable communications between the United States and Latin America, on important matters, both personal and official, I have learned that it is necessary to spell things out in the simplest and fullest terms and frequently to say what appears to be obvious; otherwise misunderstandings inevitably arise.

It was in this spirit that I gave careful consideration to the cable before it was sent and must accept my full share of responsibility therefor. The cable was discussed with and approved by Briggs, Butler, Spaeth and Mann, and signed by the Acting Secretary.

Faithfully yours,

Spruille Braden

The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

Buenos Aires, August 15, 1946.

[Received August 26.]

Subject: Observations on our Relations with the Argentine and with Particular Reference to a Memorandum Prepared by Assistant Secretary Braden for President Truman

Sir: I have the honor to refer to a secret letter dated July 30, 1946 with which Assistant Secretary Braden transmitted to me four enclosures. The first of these enclosures is a "Memorandum on the Ar-

** Not printed.
gentine Situation” which Mr. Braden states in his letter to me of July 30, 1946, was prepared at the request of President Truman. The second enclosure is a memorandum dated July 12 from Acting Secretary Acheson to the President transmitting this memorandum and in which the Acting Secretary states that he has read the memorandum and recommends it to the President’s approval. The third enclosure is a memorandum dated July 22, 1946 from President Truman to Mr. Acheson as Under Secretary of State, in which the President states that he spent the previous day reading the appended report and that it seems to him that we should stick to Specification “C” on page 28 of the Alternative Courses of Action—which specifically backs up the Secretary of State in his statement of April 8, as set forth on page 23 of the memorandum of Mr. Braden. The fourth enclosure is a memorandum dated July 22 from the President to Assistant Secretary Braden attaching a copy of his memorandum of July 22 to Under Secretary Acheson.

Before proceeding with this comment I wish to refer to the three Alternatives of Procedure—A, B, C, which Mr. Braden has set forth on page 28 of this memorandum. In my opinion, Alternatives A and B are not feasible or desirable, and I think in the memorandum itself Mr. Braden has set forth some of the important reasons why Alternatives A and B could not be carried through by us.

Alternative C, as stated by Mr. Braden in the memorandum, is “strictest adherence to Secretary Byrnes’ statement of April 8 that there must be deeds and not merely promises before we will sign a military treaty and deliver arms to the Argentine”. I wish to state that I have always been and am now in complete accord with Secretary Byrnes’ statement of April 8, and as my reports and despatches before I came to to the Argentine and since I am here as Chief of Mission will show, I have supported this point of view, and my action as Chief of Mission in the Argentine since May 22 has been controlled thereby.

President Truman in his memorandum of July 22 to Under Secretary Acheson states that he has read Mr. Braden’s memorandum and that it seems to him “that we should stick to Specification C on page twenty-eight of the Alternative Courses of Action—that backs up the Secretary of State in his statement of April 8, as set forth on page twenty-three. In his statement of the President in his memorandum of July 22 to Under Secretary Acheson I would gather that the President is not expressing complete accord with every statement made in the memorandum of Assistant Secretary Braden but is confining him-

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1 Not printed.
self to the statement actually made in the memorandum that we should continue to base our policy with reference to the Argentine on the statement of Secretary Byrnes of April 8.

... The Department has given careful study to these factors as has this Embassy and it is my understanding that the Department and this Embassy are in accord that Argentine compliance necessary for the normalization of relations is dependent upon four major factors. These are:

1. Ratification by the Argentine Congress, as required under her constitutional procedure, of the Acts of Mexico City and San Francisco;
2. Adequate action with respect to enemy property;
3. Adequate action with respect to enemy aliens;
4. Adequate action with respect to enemy schools and institutions.

I made these points definitely clear to the Argentine government, as the despatches of this Embassy since my assumption of this mission will show. There has been, therefore, no deviation by this Embassy in carrying through the policy of our government but rather emphasis thereon, and the action of this Embassy has been in complete accord with Secretary Byrnes' statement of April 8. The action of this Embassy, therefore, has been and is also in accord with President Truman's statement in his memorandum to Under Secretary Acheson of July 22, "that we should stick to Specification C which backs up the Secretary of State in his statement of April 8".

The memorandum of Secretary Braden on the Argentine situation would seem to carry at least the indirect inference that we were considering a change of policy or the abandonment of principles to which we are attached. I do not know on what such an assumption could be based, but it does not appear from any knowledge of mine that there has been any thought of sacrificing principles to which we are attached, and must remain attached. If the purpose of the memorandum of Assistant Secretary Braden was to seek reaffirmation of Secretary Byrnes' statement of April 8, I am unable to determine what basis there should be for concern in this respect. If it was based on any actuation of myself or this Embassy, I believe that the despatches and letters which I have written to the Department since my taking charge of this mission will show that there has been no such action.

On the other hand, if it is assumed that, even if the Argentine complies with her inter-American commitments, we must keep our relationships with her on anything but a cordial basis and that we must carry on our relations with her on a basis other than that of complete collaboration, I am in complete disagreement, for this would assume
that we have a quarrel with the Argentine which we do not wish to compose. It is my assumption, and I am sure that I am correct in this for we could not base our policy on any other consideration, that it is our desire to normalize completely our relations with the Argentine and to collaborate with her in every field in the same measure and in the same cordiality and with the same effectiveness that we collaborate with every one of the other American republics.

On page 4 of Mr. Braden's memorandum a reference is made to the fact that many Argentines believe that they are entitled economically and even politically to control Uruguay, Paraguay, Bolivia, Chile and parts of Southern Brazil. There is no doubt that this idea has persisted and still persists among many Argentines. On the other hand, the existence and persistence of such an idea cannot be an obstacle to our carrying on normal relations with the present Argentine Government, for it must be borne in mind that among the very considerable number who voted against Perón, there were the leading proponents of the idea. This pretension of the Argentine is not a policy of the present administration in the Argentine and, if there were to be another government in the Argentine composed of the elements which opposed President Perón in the last election, it is not improbable that this idea would be stressed more strongly. In this connection it is necessary to observe that, for as much as it may be worth, the present Argentine administration has declared that it does not have any thought of forming a Southern bloc or of carrying through any pretensions in the economic or political field against neighboring countries. As a matter of fact, in the past month this attitude of the present administration has been been translated into some concrete acts and there is no present proved indication of the Argentine Government intervening in the political affairs of its neighbors.

On page 5 of the memorandum reference is made to some sweeping decrees with reference to government control of commerce, finance, et cetera. There is no doubt that the present Argentine administration has issued several decrees which are of a far-reaching character, but when one considers that economically as well as politically the Argentine has been living in the world of 1910 and before, it is understandable that some of these measures come as a considerable shock and may be too far-reaching. I think before we form a definite opinion as to the objectives of the present Argentine Government in the social and economic field, it will be necessary to observe the manner in which these decrees are actually implemented and the degree to which new measures along the same line may be undertaken.

*This portion of memorandum not printed.
The implication in this part of the memorandum of Assistant Secretary Braden is that we have yielded something to the Argentine in permitting exports of goods other than war material and in releasing the gold and blocked funds. As a matter of fact, we had absolutely no reason whatever for withholding goods, except war material, from the Argentine with the end of the war. The war was over. We had not been at war with the Argentine. Even though she had been a poor partner in the war, she had declared war against our common enemies. In removing the restrictions on exports to the Argentine of manufactured goods, et cetera, other than war material, we were not yielding anything to "Perón and his associates". We were simply carrying through a sound and proper policy in our interest and which we had to carry through. There was no basis whatever for not shipping goods other than war material and every obvious reason for doing so.

So far as the release of the gold and the unblock[ing] of the balances are concerned, we had no reason whatever for holding on to the gold which was the property of the Argentine Government and the Treasury and the Department of State realized that we had held on to the gold longer than we should have. In releasing the gold we were carrying through a belated action of justice and equity and we were certainly not doing it to please any government.

So far as the unblocking of the funds of the two banks is concerned, we did so when we had the adequate assurances that any German assets therein would be blocked by the Argentine Government and our action was only the proper and necessary and equitable action for us to take.

I am unable to say why the memorandum should state that these steps were taken on my recommendation as this statement carries a certain implication. I did recommend these steps but I recommended them as just and equitable and necessary steps, and I am sure that there is no one of understanding in the Treasury or in the Department of State or in the Department of Commerce or in any agency of our government who would question that these steps were imperative and equitable.

What the course of events in the Argentine will be, no one at home or here is presently able to tell. That the Argentine will comply with her inter-American commitments seems now more likely than in the past. That the Argentine will incorporate herself more fully into the American picture and system also seems more likely. These changes are the result of a combination of circumstances. In some respects the Argentine is just beginning to live in the present. To a very considerable extent she is still living in the past. Out of this

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4 This portion of the memorandum on "The Immediate Situation", not printed.
grew many of her political, social and economic ills. My own feeling
is that the Argentine will have to go through some very definite suf-
ferring economically and perhaps politically before she will grow up to
the stature of a country of her resources and live in her time. There
is at present no reason to take any developments in the Argentine
either too tragically or too pessimistically. If the Argentine will con-
tinue to give cause for concern to her neighbors and to us, she will also
be giving concern to herself. So far as the present government is con-
cerned, we have presently to give faith and confidence to its acts until
it shows that such faith and confidence is not justified. The constitu-
tional government has been in power only several months. It is
struggling with great difficulties, many of them growing out of the
circumstances through which it came to power. As we have nothing
but friendly sentiments towards the Argentine people and as we have
nothing but the most sincere desire for the development of the Argent-
ine economy and as we desire her collaboration in the concert of the
American nations, our attitude must certainly be one not of present
condemnation and opposition and antagonism, but one of under-
standing what is happening in the country, observing carefully what is
happening, and guiding our actions by the performance of the Argent-
ine of her obligations. We have no quarrel with the Argentine and
none of our procedures must give the slightest indication that we have
a quarrel with the Argentine. To take such an attitude would be to
create a situation for the long-range future which can be of no advan-
tage to us nor to the Argentine nor to the other countries of the
Americas, and if we took any attitude except one of receptiveness
towards collaboration we would be destroying the basis of the whole
American system and destroying the confidence in us of every one of
the other American republics.

Respectfully yours,

George S. Messersmith

111.12 Braden, Spruille/8-1646

The Ambassador in Argentina (Messersmith) to the Secretary of State
[Extract]

PERSONAL AND SECRET

BUENOS AIRES, August 16, 1946.

DEAR MR. SECRETARY: . . .

There is no doubt that I started my mission with a tremendous
handicap for there was, of course, great resentment here on the part
of the elected government for the attitude assumed by then-Ambas-
sador Braden during the electoral campaign. I will not go into this
specifically, but whether then-Ambassador Braden acted under his
own initiative, or whether he had the approval of the Department does not make much difference because the fact remains that he was considered in the Argentine, both by the adherents of now-President Perón and those opposed to him, as the leader of the opposition to Perón. Mr. Braden and the Embassy became specifically identified with the electoral campaign, and no matter how correct the activities of Mr. Braden may have been and no matter how much they may have had the support of our Government or not, both sides in the Argentine consider that we were intervening in an internal electoral situation, and in every one of the other American countries they consider that Mr. Braden, if not we as a Government, did intervene, and they do not like it and have not forgotten it. The question is not who was right or who was wrong or the motivation behind the activity of Mr. Braden or any approval of our Government, but the question is that every one considers that we did intervene. The consequence is that the adherents of President Perón who were successful in the election hold it against us and those who were against Perón do not like us any the more because they lost.

I have had, therefore, to overcome this handicap which you will appreciate is a very real one, but I have, I think, to a very considerable extent succeeded in doing so, but because I have established friendly contact with the President and the Argentine Government which has been constitutionally elected, there are reasons to believe that from some sources in the State Department information is being given out to at least a part of the press and to certain commentators that I am "selling out", that I am "toady" to Perón, that I am sacrificing principle, etc., and that this is being done is obvious from some of the newspaper articles and radio comment in the last month. All this, of course, is perfectly ridiculous because I have been doing my obvious duty which is to establish friendly contact with the constitutional government so that an atmosphere can be created in which we can really talk frankly about the problems at issue and find a solution, and this is what I have been doing.

With all good wishes [etc.]

GEORGE S. MESSERSMITH

740.00112ABW/8-1646: Aitogram
The Ambassador in Argentina (Messersmith) to the Secretary of State
CONFIDENTIAL
Buenos Aires, August 16, 1946.
[Received August 26—12:30 p. m.]

A–858. Numerous inquiries by Argentine and American firms and their representatives necessitate clear understanding of Department
policy regarding trading with former Proclaimed List entities. Many such inquiries must be answered in writing. Problem relates to policy to be observed with reference to 1) firms deleted by group deletions; 2) firms still listed at discontinuance of PL.

It is the Embassy's understanding that, except where there has been specific blocking of funds by the Treasury, there is nothing to prevent American or Argentine firms dealing with former PL entities. It is recognized that to place the representation of American products on an exclusive basis with a former PL firm might be undesirable from many points of view. In the case of transactions involving solely the sale or purchase of merchandise, it would appear that there is less basis for discouraging trading with former PL firms. If American firms fail to supply merchandise required or fail to purchase merchandise offered, nationals of other countries will undoubtedly take advantage of the opportunities since it has already become a known fact that firms in several European countries are actively seeking connections with former PL firms, probably in some instances with official approval. Insofar as Argentine firms are concerned, a statement from the Embassy attempting to discourage transactions with former PL firms might be interpreted as interference by the United States in the internal affairs of the country.

In order to assist the Embassy in answering inquiries received regarding the firms described in the classifications indicated in the first paragraph, specific instructions would be appreciated regarding the attitude to be taken under the following conditions:

1. Is there any objection to Argentine firms engaging in buying and selling transactions with former PL firms?
2. Is there any objection to an Argentine firm acting as exclusive distributor or as purchasing representative for a former PL firm?
3. Is there any objection to the Argentine branch of an American firm purchasing part or all of a specific requirement (i.e., metal tubes for the packing of dental cream) from a former PL firm or selling a specific product (i.e., small electric motors for the manufacture of household appliances) to a former PL firm?
4. Do we consider as objectionable transactions involving sales or purchases by firms in the United States, either directly or through travelling representatives, where former PL firms are involved?
5. Do we consider as objectionable the appointment by distributors or agents in Argentina, whether American or Argentine, of former PL firms to act as sub-dealers or sub-agents?
6. Do we consider as objectionable the appointment of former PL firms as exclusive distributors or sole purchasing agents?

* MESSERSMITH

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*The Department replied in airgram 816, September 30, p. 319.
TOP SECRET

WASHINGTON, August 20, 1946—4 p. m.

1095. Dept is gratified to have your opinion that the Arg Govt will comply with agreements relating to repatriation of inimical persons and elimination of undesirable ownership in Axis spearhead enterprises. This morning's press account of Senate ratification of Mexico City agreements is encouraging indication of Arg Govt's intention to comply.

We agree that we shd not expect perfect performance. As regards property the level of performance by the other American republics—particularly those such as Brazil, Chile and Mexico which were faced with problems comparable to the one in Arg wd be a factor. In respect of persons the measure of performance by other American republics is pertinent but regard must be paid to the fact that few, if any, counterparts to worst Nazis in Arg were found in other American republics.

While our attitude and position must be reasonable we think you will agree that regard must be paid to the quality as well as quantity of persons and firms which are to be dealt with as well as the point of progress actually reached by Arg in accomplishing the objectives of both programs.

It is most difficult to determine now on a hypothetical basis whether there wd be substantial, over-all compliance if no measures were taken against certain prominent individuals (such as Freude) or enterprises. These questions can better be decided in the light of current circumstances and performance in other respects. Our feeling is therefore that we shd not at this stage attempt to blue print the precise point of progress which we wd regard as constituting deeds rather than promises.

Foregoing is a very gen. statement of some of the considerations which we had in mind in suggesting in Deptel 1082 Aug 15 that clearance with the Pres and Secy is indicated. We are in process of further defining our views on these points and upon receipt of your despatches 561, 565 & 583 we will airmail instr which we believe will show little if any disagreements between Dept and Emb on these important points. Every effort will continue to be made to assure that Pres and Secy have direct knowledge of your views, which as always will have careful consideration.

We also agree that it is not in our province to lay before Arg a blue print of what must be done. Precise names of persons and individuals

*Not printed.
*Neither printed.
have already been so often discussed that Arg Govt already has a gen
knowledge of what we consider to be adequate performance. At same
time our Govt cannot escape responsibility of deciding for itself
whether there has been compliance with an agreement to which it is
party particularly since our decision will determine whether we will
enter into a military pact with Arg. That is essence of Secy’s state-
ment of Apr 8 and of Pres’s directive.

We also agree that Dept shd continue, as it has since your arrival
in Baires, to refrain from making any statement impugning the good
faith or motives of Arg Govt since this wd only make your task more
difficult. There have been instances where in response to direct in-
quiries from press—in almost all cases re stories emanating from
Baires—it has been necessary to say that there has been no change in
our Apr 8 policy. An example was the recent UP and Kluckhohn
despatches from Baires alleging that a composition had already been
reached under the terms of which the US agreed to deliver arms to
Arg. N.Y. Times editorial (we have no record of N.Y. Daily Post
editorial) referred to in your 2080 Aug 17\(^9\) and other editorials to same
effect were spontaneous reactions to statements attributed by Baires
press to the Arg official Peralta aggravated by quotations published
here of alleged Perón speech of same day to leaders of his NR Party.
We cannot give you our comment on these newspaper accounts until we
have received a full report from the Emb.

Acheson

862.20235/8-2246: Telegram

The Ambassador in Argentina (Messersmith) to the Secretary of State
CONFIDENTIAL

BUENOS AIRES, August 22, 1946—7 p. m.
[Received August 22—6:49 p. m.]

2060. Embtel 1836, July 15\(^9\). Embassy advised by good source Su-
preme Court today reversed decision Appellate Court and sustained
decision of court first instance in granting habeas corpus to number
German agents, including Becker\(^10\) et al. Two of judges held that
law of residence is unconstitutional while two others approved decision
without going into questions of constitutionality.

While there is no official confirmation this decision, it is not im-
probable information correct.

It remains opinion Embassy that regardless these difficulties, Argen-
tine Government has decided to proceed against considerable number
on lists submitted by British and ourselves.

Messersmith

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\(^9\) Not printed.

\(^10\) Johannes Siegfried Becker, former head of the network of Axis espionage
organizations in South America.
The Acting Secretary of State to the British Ambassador
(Inverchapel)

WASHINGTON, August 26, 1946.

My Dear Mr. Ambassador: In acknowledging your note of August 15, I enclose an Aide-Mémoire bearing on the inquiries that you made of me at our interview on July 18 and set forth in the Aide-Mémoire of July 16 that you left with me at that time.

I hope this information meets the purpose of your inquiries and will be helpful.

Sincerely yours,

Dean Acheson

[Enclosure]

AIDE-MÉMOIRE

On July 8 [18] the British Ambassador left with the Acting Secretary of State an Aide-Mémoire containing certain inquiries with respect to the plans of the United States Government under the program for Inter-American Military Cooperation submitted to Congress by the President. It specifically requests detailed information, to be held in confidence, regarding:

“(a) the proposals for furnishing, or exchanging, standard United States equipment against existing non-standard armaments in Latin America;

“(b) the percentage of Latin American forces which it is proposed to equip and train under the Hemisphere Defense proposals now before Congress.”

With respect to (a) above, operational plans and procedures have not yet been worked out, nor has a final conclusion been reached regarding any pattern for the actual furnishing or exchange of equipment. These matters are currently under consideration by the authorities of this Government. The objectives, however, are clear and may be stated as follows:

(1) Under the Act of Chapultepec and other inter-American agreements, the American republics have agreed that the military defense of the Hemisphere against any aggression from abroad is a matter of common concern to be achieved by political and military cooperation among them. This is in keeping with the provisions of the United Nations Charter respecting the right of self-defense and the institution of regional arrangements. It is generally understood among the American republics that the cooperation envisaged cannot be fully effective unless their respective military forces are designed to operate on the basis of standard organization, training and equipment. Such

standardization is the immediate objective of the program for Inter-American Military Cooperation.

(2) This Government is hopeful that this program may be carried out in such a way that its effect will be to limit the size and cost of the military establishments involved. The increased effectiveness of these establishments for the defense of the Hemisphere, under such a program, should contribute to their economy. This Government appreciates, however, the danger that international competition among the suppliers of military equipment might tend to thwart the attainment of this objective.

With respect to paragraph (b), quoted above, this Government has at no time considered that the program of standardization would be applicable to any limited percentage of the armed forces involved, nor was it aware that there had been any thought to this effect until it received the Aide-Mémoire under reference. Such a limitation would appear to be in derogation of the objectives of the program stated above.

The Aide-Mémoire also contains the inquiry whether Argentina is, or is likely to be, included among the countries which, under the terms of the Inter-American Military Cooperation Act, would be furnished with a percentage of standardized United States equipment. This Government continues absolutely faithful to its policy of furnishing no equipment to the armed forces of Argentina while the Government of that country continues to be in default on its explicit commitments to the United States and the other American republics. Appreciating the cooperation of the British Government in this policy, under the “Gentlemen’s Agreement”, it considers itself bound to notify that Government immediately should a change in the circumstances appear to warrant a change in the policy. Meanwhile, it understands that the “Gentlemen’s Agreement” continues in effect.

The Aide-Mémoire also refers to the question of furnishing items of armament for the military forces of the Dominican Republic. This Government continues to adhere to its policy of not furnishing such items to the Dominican Republic, and welcomes the cooperation of the British Government in this policy. Again, should a change of circumstances suggest the discontinuance of this policy, this Government would be glad to inform the British Government forthwith.

This Government appreciates the understanding and cooperative attitude of the British Government with respect to these matters. It stands ready to discuss them further at any time on the continuing basis of mutual confidence and helpfulness between the two Governments.

In particular, this Government recognizes that the arrangements under discussion must be regarded in the light of such international
agreement with respect to the traffic in arms as may be reached in the future.

WASHINGTON, August 26, 1946.

835.00/3-1646

The Acting Secretary of State to the Ambassador in Argentina
(Messersmith)

[Extracts]

SECRET	WASHINGTON, August 29, 1946.

Dear George: Two days ago I received your letter of August 16 enclosing copies of your letters to the Secretary and to the President. In accordance with your request, these letters were immediately forwarded by pouch to the Secretary and the President.

Second, as to our policy toward Argentina. It seems to me that there is no difference of opinion or doubt as to the objectives of the policy. The Secretary has stated it, the President in his recent note has reaffirmed it, and both you and Braden stated it the same way. For the present, therefore, we are all going forward with the objective of looking toward the ratification of the agreements and the performance of acts of implementation prior to either setting the date for or holding the Rio Conference. So far, there is no disagreement. It is when we come to determining whether or not there has been adequate compliance that you foresee a difference of view. From the many talks which I have had with Braden, I do not think that he holds the view, as you fear he does, that there must be completion of all acts of compliance before we are ready to go forward. I do think that there is probably a difference in approach and emphasis between you two as to what you would each think amounted to sufficient compliance. Certainly, in this preliminary stage, there is probably a difference in the generalities which you would each use to describe a satisfactory situation. Whether there would be any difference when a concrete program was laid out and put into effect, I do not know.

However, I think that it is borrowing trouble to believe that this is a real difficulty. In the first place, it is much easier to disagree in formulating a general statement than in appraising a concrete program; and secondly, the determination that acts taken as of any particular date indicate compliance with obligations in good faith is a

35 Not printed.
decision which will not be made by Braden or me but by the Secretary and the President.

As we have cabled you, the President has taken a direct and continuing interest in the Argentine situation. As we have also assured you, the President receives your despatches, letters and telegrams. If, when the time comes, the decision is open to doubt, he will unquestionably wish to discuss the matter with you. From considerable experience, I know that the President listens to the views of his advisers and then makes up his own mind.

To sum these comments up, I do not believe that Braden or anyone in the Department is undermining you publicly or privately. I have thought that you have had our full support. I shall do my best to satisfy myself that this is and will remain the case. On the matter of policy, it seems to me that we are all clear as to the policy laid down by the President and are trying to carry it out. When it comes to deciding whether, under that policy, there has been bona fide compliance, that decision would be made by the President, who is getting all the information and who I am sure will wish to hear from all concerned in the decision.

I appreciate fully the difficulty and importance of your task. I have been doing everything I can to assist you in it. I feel sure that, with all of us working together, it can be successfully achieved.

With warmest regards,

Sincerely yours, [Dean Acheson]

835.24/9-1046

The Ambassador in Argentina (Messersmith) to the Assistant Secretary of State for American Republic Affairs (Braden)

[Extract]

SECRET

Buenos Aires, September 10, 1946.

Dear Spruille: I have to acknowledge receipt of your secret letter of August 23 16 in which you state that you fully share the concern expressed in my letter of August 2 and the accompanying despatch 19 regarding the recent action of the Swedish Government in informing us of its intention to lift the embargo against arms exports to the Argentine. I appreciate your sending me the copies of the letters which Secretary of War Patterson under date of July 31 wrote to the Secretary of State as well as the copy of the letter of Secretary of Navy Forrestal to Mr. Acheson under date of August 6 on this

16 Not printed.
19 Neither printed.
matter. I have also read with much interest the aide-mémoire dated July 16, 1946 which the British Embassy left with the Department on this matter.

I note that this whole matter is being considered by General Hildring’s Munitions Control Committee and that you will inform me promptly as soon as a decision is reached. I note that we have decided to ask the Swedish Government to continue the embargo.

In my opinion the Swedish Government will be willing to exercise a little delay but not much, and that to all intents and purposes the gentlemen’s agreement with Sweden may be considered as ineffective.

So far as these arms which the Argentine purchased in Sweden are concerned, I even doubt whether we are serving any useful purpose in reality in endeavoring to delay shipment of these particular arms. I think if we can get the Swedish Government to agree not to accept further orders for the present it will be a very happy thing, but I do not believe that the arms which are being manufactured presently under orders placed several years ago by the Argentine in Sweden are of sufficient importance in volume or character for us to make much of the matter, and from the political point of view, I don’t believe we are helping ourselves very much.

With all good wishes,
Cordially and faithfully yours,

GEORGE S. MESSERSMITH

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255.00/9-2546

The Acting Secretary of State to the Ambassador in Argentina
(Messersmith)

TOP SECRET

Washington, September 25, 1946.

No. 252

The Acting Secretary of State refers to various despatches from the Embassy on the subject of Argentina’s compliance with inter-American agreements.

There does not appear to be any disagreement between the Embassy and the Department in respect of the general principles which govern the question of the kind of performance which should be expected of Argentina in order to achieve the mutually desired speedy solution: That is to say, perfect performance should not, on the one hand, be expected or required; and, on the other hand, the Department should expect that positive steps will be taken of such a character as to constitute substantial performance as distinguished from mere promises to perform in the future. There is also agreement that per-
formance is to be measured by both the quantity and the quality of the persons and firms selected for repatriation and nationalization, respectively, as well as by the point of progress actually reached in carrying out both programs.

The immediate and difficult task—and one in which the Embassy’s advice is particularly needed—is in the application of these principles to the facts.

The recent ratification of the Final Act of the Mexico City Conference by both branches of the Argentine Congress suggests the necessity for formulating more precise views regarding this immediate problem. To this end, it would be most helpful to have the views of the Officer in Charge with respect to the following statements and questions. Some of the information requested is not in the Department’s files; and in the instances where reports already exist, a fresh report covering recent developments or more explicit or complete information is needed. The questions have been formulated with a view to facilitating short replies wherever this is feasible. If the Embassy is not able promptly to furnish answers to all of the questions, it is requested that an interim reply be made promptly, followed later by a more complete report.

I. BUSINESS ENTERPRISES

1. The business enterprises which appear to qualify for inclusion in the Argentine replacement program fall into five groups:

   a) As of June 21, 1946 there were a total of 69 spearhead enterprises which the Argentine Government had already decided to deal with without delay. Of this total the liquidation of 8 had then been begun; 22 were then in condition to be liquidated immediately; 16 were then in condition to be transferred immediately to the State or to private interests; 1 was then in condition to be liquidated within 90 days; 21 were in condition as of that date to be transferred within 90 days to the State or to private interests; and action in 1 was awaiting decision of the courts. What progress has been made toward the liquidation or sale of these firms since June 21, 1946?

   b) The Argentine Government has since July 30, 1946 had under study 26 additional concerns, including 8 Staudt subsidiaries. It is not known whether a decision has been taken by the Argentine Government in respect of this group. In this connection, the Department will be pleased to receive the list of enterprises which was prepared by the Argentine Government and from which the 26 names in this group were selected by the Embassy.

   c) There are the following eleven firms which are connected with, or subsidiaries of, the enterprises listed in paragraphs a) and b) above and which are not listed in either of those groups. Is it correct to assume that these eleven firms are included in the two preceding groups?
[There follows a list of the eleven firms.]

d) There are the following 18 additional firms reported to be owned from Germany or Japan which the Argentine Government apparently does not have under consideration:

[Here follows a list of firms in this category.]

d') [e] Finally, there are the following 7 enterprises which appear to be spearhead in character by reason of ownership or control by certain individuals residing in Argentina and which the Argentine Government apparently does not have under consideration:

[Here follows a list of firms not under consideration.]

2. It will be appreciated if the Embassy will indicate which, if any, of the enterprises referred to in paragraph 1, sections c), d), and e) it no longer regards as spearhead together with a brief summary of the facts on which the Embassy's conclusion is based.

3. Does the Argentine Government intend to proceed on a basis of liquidating or selling the entire enterprise or only the interests of the undesirable owners thereof? If the latter:

a) Will all owners resident in Germany be regarded as undesirable?

b) Is the Argentine Government disposed to consider certain Argentine nationals (including naturalized Argentines Freude, Martens, and Staufft and native-born Argentine Delfino) as undesirable?

c) In determining ownership, will the Argentine Government look to the real instead of the ostensible owner where the latter in reality is only a cloak?

d) Will German nationals residing in Argentina who were responsible for the operation of major spearhead enterprises during the war be considered undesirable owners?

4. Would transfers and liquidations under present Argentine law and procedure effectively divest all the former owner's right, title, and interest in the enterprise in question?

5. What safeguards have been adopted by the Argentine Government to prevent sales to cloaks of former undesirable owners?

6. In view of the recent ratification of the Mexico City Act, will it be necessary for the Congress to ratify either or both of the existing enemy property decrees or to pass new enemy property legislation in implementation of that Act before the program can get under way?

7. Will it be necessary to delay further the initiation of a large scale program because of any constitutional or legal questions; if so, of what do they consist?

8. After all legal obstacles to performance have been removed, approximately how much time will be required under Argentine procedures, assuming the exercise of diligence:

a) to complete the liquidation proceedings?

b) to complete the transfer of titles and interests?
(It is recognized that it is not possible to be precise; it will be sufficient if the Embassy will make its estimate in approximate round figures such as, for example, 6 weeks or 6 months.)

9. Would the Argentine Government be disposed to vest the titles of the undesirable owners in the enterprises in question in order to expedite a solution of this problem? If the vesting of enemy property is still considered by the executive to be unconstitutional, on what precedents and provisions does this opinion rest?

10. It will be appreciated if the Embassy will indicate as precisely and in as much detail as possible the exact point of progress in the contemplated replacement program which he would regard as constituting deeds within the meaning of the Secretary's statement of April 8.

II. Persons

11. Approximately 700 names have been presented by the Embassy to the Argentine Government for consideration as possible candidates for repatriation.\textsuperscript{20} It is understood that the Argentines have prepared a list of several hundred names as a basis for further discussion. When the Argentine list is received by the Embassy, it will be appreciated if the Embassy will promptly forward a copy thereof to the Department.

12. Upon the Embassy's receipt of the Argentine list, it will be appreciated if the Embassy will indicate:

a) Whether the list includes the most important of those who have propagated Axis doctrines in schools and institutions. If there are any omissions, please forward a list of them together with a brief summary of the pertinent evidence regarding each such person.

b) Whether the list includes the most important economic leaders in the Nazi and Japanese business communities. What are the Embassy's views in respect of the repatriation of the key Axis economic leaders?

c) Whether the list includes the names of the following Nazi agents and, if not, whether the persons whose names are omitted should, in the Embassy's opinion, be repatriated by the Argentine Government:

[Al list of the agents follows.]

13. The Department understands that the candidates for repatriation fall into three principal groups:

a) Aliens, nearly all of whom are German nationals, who are under indictment and awaiting criminal trial in the Argentine courts. This group, while numerically small, includes many of the most important Axis agents.

b) Aliens, nearly all of whom are German or Japanese nationals, who are subject to immediate repatriation if and when the evidence against them is determined to be sufficient to warrant deportation. This group is by far the largest numerically. In this group fall eco-

\textsuperscript{20} For documentation on the repatriation of Germans throughout the world, see vol. v, pp. 794 ff.
nomic leaders and those who have propagated Nazi doctrines in schools and other institutions and most of the lesser enemy agents.

c) A few who have become naturalized Argentine citizens. Freude, Staudt, and Martens are principal names in this group.

14. Does the Argentine Government propose to proceed with the criminal trials of the Axis agents referred to in group a), paragraph 13 above? If so

a) When does the Argentine Government propose to commence criminal trials?

b) In cases of conviction where a prison sentence is imposed, will the Argentine Government require that the Axis agents first serve sentence in Argentine penal institutions before they will be subject to repatriation?

c) In cases where, for technical or other reasons, Axis agents are found to be innocent of any crime under Argentine law and the evidence none the less seems sufficient to justify deportation because of activities on behalf of the enemy in wartime:

i) Will it be necessary to have an additional hearing to determine whether deportation is warranted under the Law of Residence?

ii) Will an acquittal on the criminal charges be a defense in the deportation hearing on the allegation of double jeopardy or some other ground?

15. It is understood that those included in group b), paragraph 13 above are entitled to a hearing, the purpose of which will be to determine whether the evidence is sufficient to justify deportation under the Law of Residence:

a) Is it correct to assume that, if the evidence is found sufficient to justify deportation, the Argentine Government will not require that they first stand criminal trial for offenses against Argentine law?

b) Is there a real danger that the Law of Residence will be held unconstitutional; if so, have plans been made to have the question definitely settled by the Supreme Court?

c) What are the essential facts which the Government must establish to make out its case on the deportation hearings?

d) Approximately when does the Argentine Government propose to initiate deportation hearings?

16. Is it correct to assume that the Argentine Government will require that those who fall in group c), paragraph 13 above first be denaturalized? If so:

a) Does the Argentine Government propose to institute promptly denaturalization proceedings against the worst offenders in this group?

b) Are the principal issues which must be established in such proceedings those specified in Decree 6605, August 27, 1943; and must this decree be ratified by the Congress?
c) Assuming that such proceedings result in the denaturalization of the defendant, would:

i) the Argentine Government require that the defendant then stand trial for any offenses against Argentine law and that he serve any sentence that might be imposed? If not,

ii) would it be necessary to grant the defendant a hearing to determine whether the evidence is sufficient to justify his deportation under the Law of Residence?

17. It will be appreciated if the Embassy will indicate as precisely and in as much detail as possible the exact point of progress in the repatriation program which it would regard as constituting deeds within the meaning of the Secretary’s statement of April 8.

III. SCHOOLS AND INSTITUTIONS

18. It would be appreciated if the Embassy would forward a final and complete list of the German and Japanese schools:

a) which have been closed or intervened by order of the Argentine Government and which are not now operating under the same or a different name;

b) which have been voluntarily closed and are not now operating under the same or a different name;

c) which, whether previously closed or intervened or not, have resumed or continued operation under the same or a different name, indicating those

i) which have eliminated objectionable teachers, and

ii) which have not eliminated objectionable teachers.

It is not intended that the foregoing paragraphs a)–c) inclusive, shall include parochial schools or family schools having an enrollment of less than 30 students.

19. Which, if any, of the German or Japanese schools referred to in paragraph 18 now employ teachers whose names are included in repatriation lists which the Embassy has furnished the Argentine Government?

20. It would be appreciated if the Embassy would forward a final and complete list of the Axis associations and institutions other than schools

a) which have been voluntarily or involuntarily closed;

b) which are still operating

i) under the control of the Argentine Government;

ii) without such control.
WASHINGTON, September 30, 1946.

DEAR MR. AMBASSADOR: Thank you for your letter of August 20 regarding the necessity for ratification by Argentina of the United Nations Charter and of the Final Act of the Mexico City Conference.

I believe there has never been any doubt in anyone's mind about the necessity of Argentina's ratifying the United Nations Charter in whatever way its Constitution requires. Article 110, paragraph 1 of the Charter expressly provides:

"The present charter shall be ratified by the signatory states in accordance with their respective constitutional processes."

The question was whether, in the absence of an Argentine Congress, Argentina could legally ratify the United Nations Charter by mere executive decree or whether congressional consent to ratification was necessary because of the provision in the Argentine Constitution which reserved to the Congress the exclusive right to approve "treaties". This question was important in 1945 because it related directly to the question of whether Argentina was a member in good standing of the United Nations. You will recall that Mr. Braden's position was, in substance, that it was a mistake to admit Argentina to the United Nations before it had discharged its inter-American obligations. He suggested that the ground lost at the San Francisco [Conference] could, in part at least, be recovered by holding that Argentina was not a member in good standing because it had not obtained congressional ratification as required by its constitution and Article 110 of the Charter. The documents mentioned in your letter and in your despatches 565 and 583 of August 13 and August 15, 1946 all appear to relate to this particular question. Certainly this is true of the Embassy's telegrams 2113 of September 8, 1945 and 1498 of July 11, 1945 and Cabot's despatch 436 of July 31, 1945. If the other documents to which you refer bear on other questions, I would appreciate having copies of them or, if they are already in the Department, their numbers and dates so that we can locate them. (The documents which we are not able to find are the Department's telegram of August 3, 1945; the Embassy's reply thereto; the Department's telegram inquiring "what stage such action constitutes in the ratification processes under the con-

\[^2^6\] Not printed.
\[^2^7\] None printed.
stitutional processes of the country”; Post’s memorandum of July 2, 1945; and Dr. Ameghino’s July 28, 1945 statement to the press.)

The Department’s statements to which you refer related to a very separate question of whether it was also necessary for the Argentine Congress to ratify the Final Act of the Mexico City Conference.

The Final Act of Mexico City, unlike the United Nations Charter, does not specifically provide for ratification. As a matter of fact, the only basis, of which I am aware, upon which an argument could be built that congressional ratification was necessary is that the Mexico City Act was a “treaty”. It is interesting to note in this connection that none of the other American republics—all or nearly all of which have constitutional provisions reserving to Congress the right to ratify treaties—found it necessary to obtain congressional consent to ratification of the Mexico City Act, which is a pretty clear indication that none considered the resolutions, declarations, and recommendations of Mexico City to be “treaties”. Moreover, I believe the customary practice has not been to regard resolutions, declarations, and recommendations of inter-American meetings of Foreign Ministers as treaties requiring congressional ratification. If there are exceptions to this practice, I am told they are based on domestic political expediency rather than constitutional necessity or arise out of the special nature of isolated resolutions which seem to have treaty characteristics. I do not know of any precedent that the wartime resolutions relating to enemy property and persons have special treaty characteristics, and I believe that the Argentines themselves did not submit to their Congress similar resolutions of the Rio and Washington Conferences.

In view of these considerations, there was some surprise at the suggestion that the replacement and repatriation programs in Argentina were dependent upon congressional ratification of the Mexico City Act. The surprise was somewhat accentuated by our recollection that the United States had sponsored Argentina’s admission to the United Nations in the belief that Argentina was already bound by its signature of the Mexico City Act to the same extent as were the other American republics. I believe that the Argentine Government itself did not suggest that congressional ratification was necessary until more than a year after Mexico City.

It would appear that the most probable explanation of the Argentine attitude in this respect is that the Government, for reasons of domestic politics, wished to spread the responsibility for carrying out the programs which had already been agreed to. At least that is the impression one gets from Foreign Minister Bramuglia’s statements of August 21, 1946 to the effect that congressional action was really neces-
sary only in the event special laws should be needed to carry out the program envisaged in the resolutions. He said, inter alia:

"In the case of the Final Act of Chapultepec, the adherence of Argentina has been legislatively approved by the Senate. No treaty was concluded in Mexico. The Conference passed nothing but resolutions, recommendations or declarations, but none of these required or requires the approval of Congress, unless the case should arise that the Executive Power need the legislative sanction of special laws for the defence of the American States and of the Hemisphere, if some of the recommendations or declarations rendered this necessary in the event of anti-American acts.

"This situation has not arisen, but all the same the voice of the people must be heard through the words of their representatives."

This, of course, is a matter which would have had real importance only if the Congress had failed to ratify. I have, however, sketched our line of reasoning rather fully in an effort to clear up the confusion to which you have referred.

We are naturally pleased with the ratification because it indicates in a concrete way that the Argentine Government has serious intentions of moving the programs along. I hope, as I know you do, that real progress can be made promptly so that we can put away once and for all the question of compliance with the pertinent wartime agreements.

With best wishes,

Sincerely yours,

THOMAS C. MANN

740.00112A EW/8-1646 : Airgram

The Acting Secretary of State to the Ambassador in Argentina
(Messersmith)

CONFIDENTIAL

WASHINGTON, September 30, 1946.


Your understanding that there is nothing except the blocking of certain funds by Treasury to prevent American or Argentine firms from dealing with former Proclaimed List entities is correct. (Such blocking, however, applies only to German-owned firms, and does not effectively prevent transactions with the blocked firm.) The Undesirable Trade Contacts program is a service to American firms, and no effort is made to police relations with ex-PL firms, or to force American exporters to follow the recommendations of the Commerce Department.

Inquiries received by the Commerce Department from American firms are answered with the form letter sent under transmittal slip,
July 10, 1946. You should note that the form letter states only that non-merit deletions from the Proclaimed List are “not recommended as agents or distributors for American firms”. The form letter is sometimes supplemented with an oral indication of the nature of the adverse information concerning the firm involved. Concerning transactions involving merely purchase or sale of merchandise the Commerce Department takes no position, but in response to inquiries from American firms with respect to such transactions, it likewise often indicates orally the nature of the evidence against such firms. Inquiries received by you from American firms should be answered in line with the form letter under reference, and you may in your discretion confidentially inform American firms of the reasons for considering a specific firm as undesirable.

The Department believes that inquiries in the nature of the specific questions raised on page 2 of your airgram no. A-858 25 may generally be handled in accordance with the foregoing policy and procedure. As an indication of how the Commerce Department’s program may be made applicable abroad, however, answers to each of your inquiries are given seriatel below:

1. and 2. If Argentine firms and individuals inquire concerning either transactions or agency relationships with “merit deletions” they should be informed that the firm was deleted from the Proclaimed List without prejudice. If the inquiry concerns “non-merit deletions” the Argentine inquirer should be informed that the United States Government takes no position in the matter, in as much as it has no jurisdiction over the activities of Argentine nationals. You may, however, point out to the inquirer that in general firms which were deleted from the List for reasons other than merit are expressly “not recommended” to American firms as distributors or agents. In your discretion you may also indicate why the firm in question is considered undesirable as an agent or distributor for an American firm.

3. and 4. No concerted effort is being made to prevent purchase and sales transactions between American firms and ex-Proclaimed List firms. However, the United States Government naturally does not like to see close business relationships, even of a non-agency-distributorship character, develop between United States firms and spearhead firms. Wherever possible the Commerce Department discusses with American firms the possibility of obtaining their requirements from, and disposing of their merchandise to, friendly foreign firms. You should likewise, whenever it is feasible, attempt to direct American business toward Argentine firms which are politically satisfactory.

5. With respect to Argentine distributors appointing former Proclaimed List firms as sub-dealers, see answer to questions numbers 1 and 2 above. American firms, upon inquiry, should be informed that

25 August 16, p. 303.
former Proclaimed List firms (hard core or non-merit deletions) are not recommended as sub-agents or dealers.

6. This problem is the crux of the entire Undesirable Trade Contacts Program. Such inquiries are, as indicated above, answered by a form letter stating that former Proclaimed List firms (other than those deleted without prejudice) are not recommended as agents or distributors for American firms. Please refer to Circular Instruction dated March 20, 1946 and Instruction no. 134, August 6, 1946.\textsuperscript{28}

ACHESON

711.35/10-246 AW

The Ambassador in Argentina (Messersmith) to the Acting Secretary of State

[Extracts]

CONFIDENTIAL

BUENOS AIRES, October 2, 1946.

DEAR DEAN: In a recent letter to one of the higher officers of the Department (I am not able to say at the moment to whom it was addressed as we are unable to lay hands on it immediately in the files), I stated that there were now two reasons in addition to the original one which made it so important for us to straighten out our relations with the Argentine.

In that letter I stated that the President and the Secretary and the Department of State had wished to straighten out our problems with the Argentine through securing compliance by the Argentine with her inter-American commitments as this was imperative for the strengthening of the American picture and to make possible the Río de Janeiro meeting and the negotiation of a defense pact, as well as the normalization of our relations with the Argentine being desirable for our general interest and that of this hemisphere. We were particularly interested in this because of the whole world situation which we had to face then and must face now.

I pointed out that it was my understanding of this situation which made me willing to accept this task.

As I pointed out in that letter, there are now two more reasons which make it desirable for us to straighten out this Argentine situation. One is that the Soviet Government is making this tremendous effort in South America and is doing everything to sabotage inter-American relationships. The blasts from Moscow against the proposed defense pact in the Americas, the criticism by Moscow and from certain quarters in the United States of the Bill submitted to the Congress which will enable us to implement the defense pact, and the

\textsuperscript{28} Neither printed.
constant attacks which are being made by Moscow and Soviet-controlled foci in other places against inter-American collaboration and against us and against our "imperialistic" designs, are all part of a pattern. There is no doubt that the inter-American system will remain under constant attack from Moscow, and there is increasing activity on the part of Moscow in the countries of the Americas. Following the Soviet pattern, they are not working so much through their Missions, although they are active enough, as they are through local organizations—either communist or to the most extreme left. In a good many of the American countries the situation leaves much to be desired in this respect, and the Soviet activity in Chile, Bolivia, Venezuela, Colombia and Cuba must give us cause for preoccupation for the economic situations in some of these countries is such that there is fertile ground for their activity. The Argentine and Colombia are really the only two countries in the other Americas today which we can depend upon completely to combat Soviet influence and penetration, and in an effective way.

For this reason, I think it is increasingly important for us to straighten out our situation with the Argentine, for the Argentine is one of the countries in the Americas which can be depended upon to prevent communist penetration, and she will be prepared to collaborate in any sound measures among the American States to prevent communist penetration. As long as our relations with the Argentine are not on the normal and completely collaborative basis that they should be, we are hampered in any collaboration in this important field.

The second new factor which has arisen since it was decided that I should go to Buenos Aires is the fact that the British position in some ways is stronger now than before. In a series of letters to Will Clayton,27 I reported fully on the British-Argentine trade negotiation on sterling balances, meat prices, and the British railways. The negotiations almost broke down but, fortunately, a solution was found. Now that the solution has been found, the position of the British here has undoubtedly been strengthened. I am inclined to think that the British will play more fairly with us in the future than they have in the past in the whole American picture, and particularly in the Argentine, as I think the British have learned a lot and realize the importance of the American system to them in a way that they did not before. I think the new British Ambassador here, Sir Reginald Leeper, has done a good deal to make his government understand these situations better and I think Mr. Bevin 28 understands this situation better than some of his predecessors did.

With all good wishes [etc.]  

GEORGE S. MESSERSMITH

27 Assistant Secretary of State for Economic Affairs.  
28 Ernest Bevin, British Secretary of State for Foreign Affairs.
The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extracts]

Buenos Aires, October 3, 1946.

Dear Mr. Secretary: I wish to tell you how much I appreciate Caffery's telegram No. 15 of September 2, 9 a.m. in which he conveys your message to me stating, with reference to my letter, that there has been no change of policy since my talk with you in Washington and that no requirements will be made with respect to Argentine compliance in addition to those set forth in your statement of April 8. You state that in determining whether or not those demands are complied with you shall be guided by my recommendations and that we must be reasonable in our decision as to compliance. You state that our objective is to restore not to prevent friendly relations. You are good enough to congratulate me on the progress which I have made and hope that before long we will be able to secure such compliance with the requirements respecting enemy property and aliens referred to in my letter as will enable us to discuss with Brazil the date of the conference for the consideration of the defense pact.

With all good wishes [etc.]

George S. Messrs.

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The Ambassador in Argentina (Messersmith) to the Secretary of State

[Extract]

Buenos Aires, October 12, 1946.

Dear Mr. Secretary:

As you know the Argentine Government, through an act of the Congress, has ratified the Acts of Mexico City and San Francisco. It is the clearest integration of its policy into the American picture that has appeared from this country for decades. I can assure you that there is no doubt but that the Argentine Government wishes to collaborate with us more fully than with any other country and to that end it is prepared to do all that is necessary. The Argentine Government, however, will not accept dictation from us any more than we...

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20 The Secretary was attending meetings of the Paris Peace Conference.
21 Jefferson Caffery, Ambassador in France.
22 Not printed.
will from someone else, and it will not accept endeavors to impose conditions on it with respect to performance which go so far beyond what other American Republics have done. As you have well stated in your telegram to me from Paris dated September 2, 9 a. m.,\textsuperscript{32} we must be reasonable in our decisions as to compliance and our objective is to restore not to prevent friendly relations.

With all good wishes [etc.] GEORGE S. MESSERSMITH

\textsuperscript{32} Not printed.

\textsuperscript{33} Neither printed.

\textbf{The Ambassador in Argentina (Messersmith) to the Assistant Secretary of State for Economic Affairs (Clayton)}

\textbf{[Extracts]}

\textbf{Buenos Aires, October 15, 1946.}

\textbf{DEAR WILL:} I have your letter of October 9 in which you refer to my letter of September 28 \textsuperscript{33} with which I sent you a copy of our despatch on “Desire of the Argentine Navy to Acquire Four Small Vessels in the United States”.

You will recall that the Argentine Navy informed the Naval Attaché of this Embassy that the Argentine Navy must close this deal by November 3, 1946 or it will in all likelihood lose the vessels. As there is no indication that they desire them for improper purposes and other than the purposes indicated in the despatch, and as the armament which is on the vessels can be removed before being delivered, and delivered later after we have cleared up our situation, I hope very much that the appropriate decision has already been made in the Department and by the appropriate agencies of our Government to permit the sale of these four vessels to the Argentine Navy.

Unless we are going to be able very shortly to collaborate more fully with the Argentine Navy and the Ministry of Aeronautics we are going to lose our position definitely to the British in both fields. There is no reason that I can see why these four vessels should not be sold now and I think it is of the utmost importance that we facilitate this sale. The Argentine Navy is so keen on this that there is hardly a day passes that they do not bring it to our attention.

With all good wishes [etc.] GEORGE S. MESSERSMITH
SECRET

BUENOS AIRES, October 15, 1946.

No. 1004

[Received November 1.]

Sir: I have the honor to refer to a secret memorandum instruction dated September 11, 1946, stating that the Acting Secretary of State transmits for the information of the officers in charge of our Missions in the American Republics, a copy of a memorandum on the Argentine situation which was prepared at the request of the President and submitted to him for his consideration. The memorandum instruction states that the President has approved alternative “C” on Page 28 as a course of action to be followed.

To this instruction is attached a memorandum entitled “Memorandum on the Argentine Situation”, which Assistant Secretary Braden transmitted to me with a covering letter of July 30, 1946, stating that the President had asked him to give him a written report on our Argentine policy. The President, in a memorandum dated July 22 addressed to Mr. Acheson as Acting Secretary, stated that he had read this report and that it seemed to him “that we should stick to specification ‘C’ on Page 28 of the alternative courses of action—that backs up the Secretary of State in his statement of April 8 as set out on Page 23”.

On the receipt of the letter from Assistant Secretary Braden dated July 30 transmitting this “Memorandum on the Argentine Situation” which he had submitted to the President, it was given careful study by me, and I found it necessary to transmit a secret despatch, No. 583, of August 15, 1946, to the Department, entitled “Observations on our Relations with the Argentine and with particular Reference to a Memorandum prepared by Assistant Secretary Braden for President Truman”. In this despatch I stated that while the memorandum in some respects was useful, it was altogether inadequate as a presentation of the Argentine situation, in some respects incorrect, and that it did not take into account major phases which had to be considered in our relations with the Argentine. I will not enter into detail with respect to the comment which I made on this memorandum in my despatch No. 583, of August 15, as the despatch is available in the Department. I wish, however, to call particular attention to the

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*Instruction of September 11 not printed, but see memorandum by the Acting Secretary of State to President Truman, July 12, and enclosure, p. 270.

*For the President’s approval, see his memorandum to the Under Secretary of State, July 22, p. 282.
comment on the memorandum prepared by Assistant Secretary Braden which is contained on Pages 7, 8, 9, 10, 11, 12 and 13 of my despatch.

The Department will therefore appreciate my surprise when we received in this Embassy the instruction of September 11 under reference, with which is transmitted a copy of this memorandum originally submitted by Assistant Secretary Braden to the President, and concerning which I had made completely objective and altogether well-founded comment in my despatch No. 583, of August 15. The memorandum was transmitted without any revision and without taking any note of my despatch No. 583.

I consider that this is a matter of primary importance for several reasons. In the first place I do not see the reason why a memorandum on the Argentine situation is transmitted to our Chiefs of Mission at this particular time.

In the second place, I could see the purpose of sending such a memorandum on the Argentine situation to our Chiefs of Mission in the other American Republics if it presented a complete and adequate and up-to-date picture of the situation in our relationships with the Argentine, and this the memorandum as submitted to our Chiefs of Mission does not do.

The memorandum as transmitted would leave the impression that the President has approved the memorandum as a whole, although the covering instruction simply states that the memorandum was prepared at the request of the President and that “the President has approved alternative ‘C’ on Page 28 as a course of action to be followed”. There is nothing new in this, for our policy has been based on the statement of the Secretary of April 8, 1946, and there has been no question, so far as I know, of any change in that statement.

Another factor which has to be considered in this connection is that this memorandum is being sent out by the Department as an official document with the impression that it has the approval of the President and it is therefore a document which, for our Chiefs of Mission will be considered for their guidance. In view of the inadequacies of the memorandum as a presentation of the Argentine problem I think that this is most unfortunate.

I therefore respectfully request the Department’s consideration of either recalling the memorandum on the Argentine situation referred to in this despatch or substituting it with a memorandum which adequately takes into account the observations made in my despatch No. 583, of August 15, 1946. The Department will appreciate that I have no other course than to make this recommendation as the Chief of this Mission who is responsible to the Department for objective and
complete reports on developments in the Argentine situation from this post and I would be failing in my duty if I had not and do not again bring to the attention of the Department the inadequacies of the memorandum originally transmitted to the President.

Respectfully yours,

GEORGE S. MESSERSMITH

711.25/10–3046

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

Buenos Aires, October 30, 1946.

Dear Mr. Secretary: . . .

. . . . . . . . . . . . . . . . . . . . . . . . . .

The only sound rule we can follow is not to lay down to the other American republics which individual aliens must be deported, but to view performance to see if those against whom real evidence is available of improper activity are deported.

I mention this specifically because in connection with the Argentine the names of individuals, such as Ludwig Freude and his son Rudolf Freude have been mentioned. Ludwig Freude has been named as “a spearhead”, and, in some cases, “the spearhead” of German espionage activities in the Argentine. Ludwig Freude was born in Germany and has been in the Argentine for decades. He is now well advanced in years—I believe in his 70’s. He is an Argentine citizen. The records of the British Embassy and of this Embassy and all the available records we can consult show no concrete evidence against Freude of having engaged in espionage or of having had contact with espionage agents. The only thing in the record with regard to him is that, when the German Embassy was closed here it left with him some 40,000 pesos in money which represented a balance of funds they had. There is no evidence whatever that Freude used this money to aid German espionage or to aid the enemies of our cause.36

On the other hand, Ludwig Freude has played a constructive role in the Argentine economy and was one of the citizens of the Argentine with money who contributed to the campaign of new President Perón. It was, also, in the house of Freude, with whom new President Perón has had a friendship for many years, that President Perón took refuge at one time when he was threatened with arrest.

The only way in which the Argentine Government could take action against Ludwig Freude would be on the basis of denaturalization pro-

36 For further information on the charges against Freude, see Department of State, Consultation Among the American Republics With Respect to the Argentine Situation (Washington, 1946), pp. 58–60.
cedures, and after the most careful investigation the Argentine Government has found no evidence against him, and an official decree has been issued in the last few days stating that an examination of the facts shows no evidence that he took any action detrimental to the Argentine or to the United Nations.

There is, therefore, no possible basis for us to ask that any further action be taken with regard to Ludwig Freude, for we cannot produce any evidence which would be helpful to the Argentine Government. As a matter of fact, I know that Ludwig Freude has recently been most helpful in making clear to certain people in the Argentine Government the importance of deporting those Germans against whom evidence exists of improper action.

In spite of the foregoing, there are those, I understand, who would make our recognition of Argentine compliance with her inter-American commitments dependent upon the deportation of Ludwig Freude. Of the injustice and absurdity of such an attitude I need make no further mention.

Similarly, much has been said in the press concerning Ludwig Freude’s son, Rudolf Freude, who is a native-born Argentine citizen in his late 20’s. He is one of the personal secretaries of President Perón. There is absolutely no evidence in the possession of the British and ourselves and, so far as I know, of anyone, to the effect that Rudolf Freude committed any act against the Argentine or the United Nations during the war. As a matter of fact, I know that, in his capacity as a private secretary to President Perón, he has been very useful to the American press and that he has been useful in the program with regard to enemy property, schools and institutions, and aliens. He is exactly in the same position as hundreds of thousands of native-born Americans of German origin.

Similarly, there has been a tendency to take an attitude with the Argentine Government that it must deport or take certain drastic action with respect to Ricardo Staudt, who is one of the most important business men in the Argentine and who has been an Argentine citizen since shortly after the end of the first World War. While Staudt may be a person who is personally objectionable to many people in the present Government of the Argentine, the Argentine Government cannot take action on such a basis, for Staudt is a clever man and took good care to see that, if his sympathies were with the Germans during the second World War, he did not get into a position of doing anything which would interfere with his Argentine citizenship. Although the most exhaustive investigations have been made by the British and

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See Consultation Among the American Republics With Respect to the Argentine Situation, pp. 60-64.
ourselves and by the Argentine Government, it is obvious that nothing can be done with reference to Staudt, except that, so far as his business interests are concerned, 570 shares which represent the interest of his three sisters in Germany and are therefore enemy property, will be taken over by the Argentine Government.

I will not go into this further, but I have wanted to make it clear that we cannot lay down a blueprint with regard to persons or firms. The question is whether action is taken where the British and we and the Argentine Government have adequate information on which action can be taken: the question is whether or not in all good faith the Argentine Government takes action in such cases where the evidence is available.

With all good wishes [etc.]

GEORGE S. MESSERSMITH

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740.35112 RP/11-446

The Ambassador in Argentina (Messersmith) to the Secretary of State

TOP SECRET  BUENOS AIRES, November 4, 1946.  [Received November 13.]

Sir: ... I have to refer specifically to Section 1 of the Department's top secret Instruction No. 252 of September 25, 1946. Supplemementing the information already transmitted in the above mentioned despatches, the following information is submitted as a preliminary reply to Section 1 entitled "Business Enterprises" of the Department's Instruction No. 252.

For the purpose of clarity and for the convenience of the Department, the questions in Section 1 of the Department's Instruction No. 252 of September 25, 1946 are hereunder repeated with the appropriate information following.

"1. a) What progress has been made toward the liquidation or sale of these firms since June 21, 1946?"

[Here follows a list of firms liquidated or in the process of liquidation, 22 in condition for immediate liquidation, 16 in condition for transfer to the State or to private interests, and 21 yet to be transferred in this manner. The great majority were or would be referred to the Central Bank.]

"b) The Argentine Government has since July 30, 1946 had under study twenty-six additional concerns, including eight Staudt subsidiaries. It is not known whether a decision has been taken by the Argentine Government in respect of this group. In this connection,
the Department will be pleased to receive the list of enterprises which was prepared by the Argentine Government and from which the twenty-six names in this group were selected by the Embassy."

"c) There are the following eleven firms which are connected with, or subsidiaries of, the enterprises listed in paragraphs a) and b) above and which are not listed in either of these groups. Is it correct to assume that these eleven firms are included in the two preceding groups?"

Such an assumption is not correct as will be seen from the following report of status of these firms:

"d) There are the following eighteen additional firms reported to be owned from Germany or Japan which the Argentine Government apparently does not have under consideration".

The status of the following eighteen firms is as indicated.

In respect of all of the above enterprises where it is indicated that intervention or investigation is to be lifted, as well as those on which definite action is not clear, discussions between the Embassy and the Ministry of Foreign Affairs are proceeding actively and in detail. The Embassy, of course, is urging action of a positive character in all cases where it is possible to submit evidence establishing enemy ownership or control.

"2. It will be appreciated if the Embassy will indicate which, if any, of the enterprises referred to in paragraph 1, sections c), d), and e) it no longer regards as spearhead together with a brief summary of the facts on which the Embassy's conclusion is based."

While it is recognized that some of the above firms have been considered as spearhead in the view of the Department and the Embassy on the basis of information heretofore available, no reorganization thereof into new categories has been made by the Embassy. However, various important considerations make it impractical to press complete liquidation of all of these firms; in fact, in the case of some of them there is not adequate information available to press for any action, and although the Argentine government has made independent investigations on its own, supporting evidence has not been found.

"3. Does the Argentine Government intend to proceed on a basis of liquidation or selling of the entire enterprise or only the interests of the undesirable owners thereof?"

From data supplied the Embassy by the Ministry of Foreign Affairs, it would appear that in firms where the enemy interest repre-
sents less than fifty percent of the capital, controls will be lifted upon payment into a block account in the Central Bank of the sum representing the enemy interest. In most instances where the enemy interest exceeds fifty percent of the capital, the Embassy is of the opinion that the firm will be liquidated, sold, or nationalized in accordance with its importance to the national economy.

“If the latter:

“a) Will all owners resident in Germany be regarded as undesirable?”

On the basis of a resolution passed by the Junta in the case of Curt Berger y Cía. in which the interests of Argentine nationals were not frozen, it is presumed that mere residence in Germany does not, in itself, denominate a person as undesirable, particularly if that person is an Argentine national. It is believed that this attitude is necessary under existing Argentine law.

“b) Is the Argentine Government disposed to consider certain Argentine nationals (including naturalized Argentines Freude, M. tens, and Staudt and native-born Delfino) as undesirable?”

There are indications that certain Argentine nationals may be considered as not in all respects desirable by the local authorities, but in the absence of legal basis for revocation of citizenship or conviction for offenses against the state, the government is helpless with respect to seizure of their property or their elimination from local enterprises. This situation in the Argentine does not differ in any way from the situation in the United States and in others of the American countries, and in fact, in all countries.

With respect to Ludwig Freude, an Argentine citizen of German origin, a despatch is going forward to the Department covering the Freude situation, and therefore no complete reference thereto will be made here except to state that the Argentine government cannot take any action in the case of Freude or his enterprises on the basis of the information which has been given it by the British and ourselves or which it has been able itself to secure. The Argentine government after a full investigation has issued a decree to the effect that Freude has not committed any acts against the Argentine state or the United Nations. The denaturalization proceedings which had been started against him at the instance of this Embassy by the Argentine government are about to come to a close, and I understand that within a relatively short time, and perhaps by the time this despatch reaches the Department, the court will confirm the naturalization of Mr. Freude. So far as the commercial interests of Mr. Freude are concerned, they are his and of persons against whom there is no information, and there is, therefore, no basis on which the Argentine government could
take any action with regard to his business concerns, and the Embassy is therefore not in a position to press any action.

With respect to Staudt and the Staudt interests, I would refer to my despatch No. 990 of October 14, 1946 which presents the considered views of this Embassy. In view of the fact that Staudt is personally distasteful and is a man of highhanded methods, the Argentine government made every effort in order to find evidence on which action could be taken with respect to Staudt and his firms. It was, however, as indicated in the above mentioned despatch, impossible to find any evidence on which Staudt could be denaturalized or action taken against his firms beyond the taking possession by the Argentine government of the 570 shares of the over-all Staudt company which are owned by the three sisters in Germany and therefore an established German interest.

With respect to Martens, he is an Argentine citizen born in Germany who is supposed to have taken over some espionage work, but it is the considered opinion of the Embassy that we have not furnished adequate information to the Argentine government on which denaturalization proceedings could take place and my last information from the Argentine authorities is that they have not found adequate information on which denaturalization procedures could be prosecuted.

So far as Mr. Delfino is concerned, he is a native born Argentine citizen, and as such, the question of denaturalization does not arise. If action were to be taken against him and his property, it would be necessary to prove acts by Mr. Delfino against the Argentine state and the United Nations, and the evidence which our government and the British government have presented is not sufficient as a basis for such proceedings, and the evidence which the Argentine government on the basis of very careful investigations has, is not sufficient. It may be taken, I think, for granted, therefore, that the Argentine government can take no action against Mr. Delfino and could not be expected to do so.

Respectfully yours, 

GEORGE S. MESSERSMITH

835.34/9-2846: Telegram

The Acting Secretary of State to the Ambassador in Argentina

(Messersmith)

CONFIDENTIAL

WASHINGTON, November 6, 1946—6 p.m.

1340. Urdes 876 Sept 28. Dept considers release of four demilitarized frigates would seriously prejudice continuation of embargo agreement with British. These vessels are unsuited commercial uses

* Not printed, but see letter of October 30 from Buenos Aires, supra.

* Not printed.
and easily rearmed. Export license accordingly denied Sept 18 pending further clarification compliance problem.

Dept concurs your recommendation re Victory ships (urteil 2372 Nov 4 39a). However, only application so far received by Maritime from Flota 40 is for three regular Victory ships for cargo purposes. Navy unaware objection cited urteil.

ACHESON

362.20235/11-646

The Ambassador in Argentina (Messersmith) to the Secretary of State

CONFIDENTIAL

BUENOS AIRES, November 6, 1946.

No. 1166

[Received November 13.]

SIR: . . .

The Argentine Government has been going into the matter of Mr. Ludwig Freude for a number of months with a great deal of care to the knowledge of this Embassy. I now have to transmit herewith (enclosure 1) a translation of a decree 41 published in the Boletin Oficial of October 23, 1946, signed by the President, the Foreign Minister, and the Minister of the Interior, as is necessary in the case of such decrees, which clears Ludwig Freude of any charges brought against him to the effect that he had lent himself to anti-Argentine activities and the decree directs the return to him of such property, real and personal, which had been embargoed by the Argentine Government through the Junta de Vigilancia y Disposición Final de la Propiedad Enemiga.

Respectfully yours,

GEORGE S. MESSERSMITH

111.12 Braden, Spruille/11-1946

The Ambassador in Argentina (Messersmith) to the Secretary of State

SECRET

BUENOS AIRES, November 19, 1946.

MY DEAR MR. SECRETARY: I am sure I need not tell you that I have given very considerable thought to your personal letter of October 29, to which I replied very briefly in my personal letter to you of November 6, 42 your letter having reached me that morning. I cannot escape the conclusion, after all the thought I have given to your letter, that there must be some very serious misunderstandings in your mind, and possibly in that of the President, with regard to my actuation and my attitudes. How these misunderstandings could have arisen I am not able to say but that they exist there seems to be little doubt.

From the point of view of the position with which I have been en-

39a Not printed.
* Flota Mercante del Estado, Argentine Government-controlled shipping organization.
41 Translation not printed.
42 Neither printed.
trusted here by you and the President this is, of course, an unhappy and undesirable situation, because if our relations with the Argentine and with the other American republics do not have the importance which I believe they have, and which opinion I believe you and the President share, then there is little reason for me to come here to undertake the task entrusted to me. It is this phase of the problem which gives me the greater concern and which leads me to write you at this time further.

From the purely personal point of view I am, of course, deeply distressed, as I have been in the Foreign Service for thirty-three years and during that time I have, I believe, given myself as unselfishly and as fully to the interests of our Government as anyone could possibly do with the capacities which he may have. During all of that time I do not believe that my loyalty, sincerity and correctness of actuation have ever been questioned and I think the record will show and does show that my actuation at every post with which I have been entrusted has been constructive.

Therefore, from both the official and personal point of view, I am deeply distressed that what I am sure are certain misunderstandings exist. There is much that I could say in this letter from the personal point of view but I have not been accustomed to consider these personal factors in connection with my work and I do not intend to occupy your time with any consideration of personal aspects in this letter. As I said in my letter of November 6, I am confident that when we have an opportunity to see each other I can in five minutes clear up any of these misunderstandings which exist with regard to my actuation.

However, from the point of view of the mission with which I have been entrusted I must write you briefly with regard to this problem which we have with respect to the Argentine and in a measure with some of the other American republics. My stay here of now almost six months has convinced me more than ever of the importance of our putting our whole house in the Americas in order, which involves the reestablishment of normal relations with the Argentine and this latter involving by the Argentine the reasonable fulfillment of her commitments. I am not accustomed to overestimate situations nor to overestimate the results which may have been achieved through any of my own efforts but I do know that since I came here a very great change has taken place in the Argentine, in the Argentine Government as well as among thoughtful persons here. I know that a great deal of progress has been made in laying the basis of better understanding and more full collaboration by the Argentine in the American picture. There are steps still to be taken by the Argentine Government and these I am confident will be taken in a measure which you and the President and the American public will find entirely adequate and satisfactory. I have endeavored to explain in my letters to you,
and of course more fully in my despatches to the Department, what the difficulties are which have to be overcome by the Argentine Government in carrying through these commitments. These difficulties have been so real that it is difficult to make them understood, even in the most complete reports, at this distance.

You will recall that in a previous letter I indicated to you that I thought it would be desirable for me to make a trip home, but that in some ways I preferred not to make the trip. One of the reasons I felt I should not make the trip was that I thought the long air trip might aggravate my stomach ailment, but happily I have so much improved that I am prepared to make the trip. The other reason I did not wish to take it was that I thought it might arouse speculation in the press of various kinds which might not be helpful.

I have given our whole problem very careful review and I have come to the very definite conclusion that it would be desirable for me to make a trip home so as to have an opportunity to talk with you about certain major aspects of this whole situation, for I feel that I need to discuss it with you, and certain aspects thereof with officers of the Department. As you say, and very properly so, the decisions in this matter of the Argentine will be made by you, but that you intend to consult the President, and I am inclined to think that it would be very helpful if after having had a talk with you at home we might together have a talk with the President, and in order that there may be no misunderstandings with respect to my attitude in this matter I would not see any reason why Mr. Braden, as the Assistant Secretary in direct charge of our relations with the American republics, should not be present at such a conversation.\(^4\)

With all good wishes [etc.]

George S. Messersmith

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835.00/11-2046

*The Ambassador in Argentina (Messersmith) to the Secretary of State*

SECRET

Buenos Aires, November 20, 1946.

No. 1273

Sir: .

I now have to transmit herewith for the strictly confidential information of the Department for the present (enclosure 1)\(^4\) a trans-

\(^4\)The Ambassador indicated in telegram 2541, December 18, 1946, that he planned to leave Buenos Aires, December 20 and, according to a letter from the Secretary of State to the Chief of the Bureau of Medicine and Surgery of the Navy Department, dated December 26, 1946, he planned to enter a hospital for an examination (123 Messersmith, George S.).

\(^4\)Not printed.
lation of a decree which has been issued by the Argentine government which is self-explanatory and in which are listed the names of the persons who are to be made the subjects of this special action. When the Foreign Minister handed me a copy of this decree, he stated that only four copies of the decree as yet existed and that he was giving me one of these but that I was to maintain the existence of the decree in complete confidence, as the Argentine government was presently doing, in view of the fact that the arrest of these individuals had to be carried through in such a way as to avoid possibility of escape of any of these individuals or their having the opportunity to have recourse to legal action in the way of habeas corpus. The Minister said that these aliens included in the decree were in process of being arrested and detained and would be given administrative hearings, and on the basis thereof, in view of the information in their possession, would be deported on a vessel, presumably of the Argentine Navy or Merchant Marine, which is being prepared for the purpose. He said that the decree would not be published until the departure of the vessel.

The Department will note from Article 1 of the decree that there are listed therein the names of 52 persons, most of them being Germans. The Minister explained that this list did not represent all of those in the lists which the British and we had submitted to the Argentine government for investigation in which action may eventually be taken. He stressed that this list contained the names of most of those whom the British and we had indicated in our lists as being the most important enemy aliens in the lists and those concerning whom the Argentine government had been able adequately to definitely establish the fact of acts against the State and the United Nations. He said that it was the desire of the Argentine government to get this particular group out of the country and to continue its investigations with regard to other persons on our lists.

The Minister pointed out that the procedure being followed was the same which had been followed in the case of those deported on the Highland Monarch. He pointed out that it was the only way that the Argentine government presently saw of getting these more important enemy aliens out of the country without prolonged action in the courts permitted under the Argentine law on behalf of these persons.

It is quite obvious that this action of the Argentine government is to be an expression of its good faith in dealing with this problem of enemy aliens in which it has encountered so many difficulties which have been brought out fully in despatches of this Embassy.

The Foreign Minister said that it was hoped to get this ship carrying these aliens on its way during the course of this week and that the departure of the ship would depend upon the ability of the police to locate and detain the persons in the lists. He informed me on the
morning of November 18 that the police had already been able to locate and detain some 40 persons. He said that several who were not of German nationality had already been able to escape surveillance and proceed to Chile but as they were not of Chilean nationality, it was the opinion of the Ministry that they would be able to be located in Chile and eventually deported.

Respectfully yours,

GEORGE S. MESSERSMITH

862.20235/11-046

The Secretary of State to the Ambassador in Argentina (Messersmith)

SECRET

WASHINGTON, November 27, 1946.

No. 378

Sir: Reference is made to despatch No. 1166 of November 6, 1946, concerning the exoneration of Ludwig Freude by the Argentine Government and to the attached summary of the evidence concerning Freude's activities on behalf of the Axis.

The testimony of the German General Wolf and the German Military Intelligence agent Schlueter establishes that Freude was designated as one of the custodians of German Embassy espionage funds in anticipation of Wolf's departure; that Freude's instructions were to pay such funds to persons in the possession of a secret password; and that in the interim between Argentina's severance of diplomatic relations with Germany and Argentina's declaration of war against Germany, Freude in a very secretive manner and on at least three separate occasions made payments to Schlueter who used a substantial part of the funds for espionage purposes.

In sum, the exoneration of Freude cannot, in the light of the facts, be regarded as a step in the direction of compliance by Argentina with its international agreements. On the contrary, it can only be interpreted as a lengthy stride in the opposite direction. If, however, as you suggest, the Argentine Government has acted in this matter in entire good faith and no particular importance is to be attached to former Foreign Minister Cooke's statements that Freude cannot be touched, there would appear to be no reason why a further approach should not be made to the Argentine Government on the basis of the evidence set forth in the attached memorandum.45

Very truly yours,

For the Secretary of State:

SPRUILL BRADEN

45 Not printed.
The Ambassador in Argentina (Messersmith) to the Assistant Secretary of State for American Republic Affairs (Braden)

TOP SECRET

BUENOS AIRES, November 29, 1946.

DEAR SPRUille: I have to refer to my Top Secret Despatch No. 1169 of November 6 and 1273 of November 20 which I sent you with covering letters. You will recall that in order not to get any distribution not duly authorized by you, I sent the originals and copies of the despatches to you.

In spite of all the precautions which were taken here, there was a leak somewhere among the few people in the government who knew about this matter or from a subordinate and some of these agents were warned and escaped surveillance under which they were and it has been impossible up to the present to locate a fair number of them including Becker. They have some of the principal ones but some have so far eluded them. I know that the police in Buenos Aires and all over the country are concentrating on finding these people and it is my belief that they are making every effort to get them. The President and the Foreign Minister said yesterday that they were sure they would get them all.

The ship is ready to take them out but they want to wait until they have the lot they set out for. I am merely sending you this word for your personal information so that you may know the background.

The activity of the police in Buenos Aires and throughout the country has, of course, become known and is a matter of speculation but the press is not saying much about it any more as the publicity might be of help to these people who are in hiding. The American correspondents are very curious about what is going on and ask me questions but I tell them that I know that it is a matter on which only the Argentine Government can give any information and the Government is refusing naturally to make any comment with regard to the arrests and searches until they are ready to send the ship out...

With all good wishes [etc.]

GEORGE S. MESSERSMITH

Memorandum of Conversation, by the Chief of the Division of River Plate Affairs (Lyon)

WASHINGTON, December 13, 1946.

Mr. R. F. Willey, representative of the Bethlehem Steel Corporation, having been referred to me by Mr. Dreier,*7 IA, telephoned me

*Not printed.
* John C. Dreier, Acting Chief of the Division of Special Inter-American Affairs.
and said that the Bethlehem Steel Corporation had been requested by the Argentine Government to pass bids on the following Naval Ships:

- 1 cruiser
- 4 destroyers (of the Cleveland class)
- 3 submarines (of Italian design)
- 1 tanker (small)
- 1 troop ship
- 1 escort carrier
- 1 repair ship

Mr. Willey wanted to know what the Department’s views on this were. I explained briefly to him our policy vis-à-vis Argentina and said that at present we are opposed to furnishing armaments to Argentina, that the above ships were obviously armaments, and that therefore, our position would be against furnishing these ships. Mr. Willey said that was the answer he had expected to receive, that he had conferred with the Navy Department which had referred him to us. Mr. Willey said that if this was the position our Government was taking, and that no other American firms would be able to obtain export licenses for armaments for these ships, he was going to tell his people that it would be impossible to complete bids on these ships within sixty days which was one of the requirements.

I explained to Mr. Willey that we had a “gentlemen’s agreement” with Great Britain, and consequently, she wouldn’t be able to build these ships, and asked whether any country would be able to. He said that Italy might, but that she didn’t have the materials, and it would take five or six years at least. I stated that I didn’t know what our policy was, but that I couldn’t believe that we and the British would sit back and allow Italy to furnish these ships to Argentina. Mr. Willey’s answer was “we won’t.”

Mr. Willey said he couldn’t imagine what Argentina wanted all these ships for, and said that his Company did not need business badly enough to go against the wishes of the U.S. Government in this matter.

**NEGOTIATIONS CONCERNING AN AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES AND ARGENTINA**

[Documentation on this subject is in Department of State file 711.3527. For the text of a statement issued on October 1 by the Department of State and the Civil Aeronautics Board regarding the suspension of negotiations, see Department of State Bulletin, October 13, 1946, p. 682.]