URUGUAY

THE URUGUAYAN LEND-LEASE ACCOUNT AND NEED FOR ARMAMENTS

833.248/1–1746: Telegram

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

[Extracts]

SECRET

WASHINGTON, January 17, 1946—7 p. m.

20. In conversation January 8, Assistant Secretary Braden\(^1\) agreed with General Arnold\(^2\) to approve interim allocation of aircraft to armed forces of Uruguay as follows: 8 B–25’s, 15 P–47’s, 4 C–47’s, 3 C–45’s, 5 AT–11’s. Because certain of these types of planes are now in short supply, it may be necessary to substitute other types for them.

Please telegraph Dept whether you approve allocations mentioned above. Subject has been discussed in Dept with Amb Dawson,\(^3\) who concurs in allocations, subject to Emb approval. Although you will no doubt wish to consult U.S. military air officers, your decision should, of course, take political and economic factors into account.

The foregoing information is not to be disclosed to Uruguayan officials. For your information questions of procedure on disposal of planes are still to be worked out. Dept will inform you as soon as ground and air force equipment can be made available.

ACHESON

833.248/1–2346: Telegram

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

SECRET

MONTEVideo, January 23, 1946—7 p. m.

[Received January 23—6:46 p. m.]

42. Deptel 20, January 17. Embassy concurs in interim allocation of aircraft to Uruguay Armed Forces and recommends prompt advice of proposed action to Uruguayan authorities. Concurrency is

\(^1\) For documentation on defense questions and lend-lease in 1945, see *Foreign Relations*, 1945, vol. ix, pp. 1375 ff.

\(^2\) Spruille Braden, Assistant Secretary of State for American Republic Affairs.

\(^3\) Gen. Henry H. Arnold, Commanding General, Army Air Forces.

\(^4\) Ambassador Dawson departed for the United States on January 12 and resumed charge in Montevideo on March 25, 1946.
based on fact that allocation is only small portion of equipment envisaged in staff conversations, that payment can be made from available lend lease balance and not necessitate congressional discussion at this time, and that planes will probably be made available at low figure presumably surplus price equivalent to or lower than lend lease price to Uruguay. Thus "implied commitments" arising out of lend lease overpayments and staff conversations will be partially discharged and ample time will be allowed to review basic policies of military collaboration. Some adverse comment may be expected from opposition, particularly Herreristas.

SPARKS

SECRET

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

[Extract]

WASHINGTON,] January 29, 1946.

Participants: Ambassador Dawson
Mr. Brown—RPA
Mr. Gilmore—RPA
Mr. Mann—RPA

The following are specific Uruguayan problems which RPA has discussed with Ambassador Dawson and the conclusions reached in regard thereto:

1. Armaments Problem

Uruguay has been keenly interested in using the very substantial credit which it built up under the Lend-Lease Agreement to purchase armaments at a discount at least equal to the one which was specified in the Lend-Lease Agreement.

a) In respect of aircraft Uruguay has been allotted, under the Adjusted Interim Aircraft Program, eight B-25's, fifteen P-47's, four C-47's, three C-45's and five AT-11's; and the Uruguayan Embassy has been so informed. It now develops that General Walsh's 6 office has revised this program by eliminating the bombers and fighters because Uruguay apparently did not request them in the staff conversations. Accordingly, the allocation now consists of four C-47's and eight C-45's plus AT-11's or AT-7's, depending upon which are in surplus and which the Uruguayans want.

The Uruguayans have recently indicated a desire to purchase, outside of the Interim Program, fifty PT-19's or PT-27's (primary

trainers), fifteen BT-13's (basic trainers) fifteen AT-6's (advanced fighter bomber trainers) and ten AT-11's (advanced bomber trainers).

In view of this situation it is recommended that Uruguay be permitted to obtain the desired number of primary and basic trainers under the Interim Program if the Army can make them available; and that the AT-6's and AT-11's be substituted for the bombers and fighters in the original program.

b) There has also been allotted to Uruguay, under the Interim Program, equipment for two battalions of infantry and two field artillery batteries; and the Uruguayan Embassy here has been so informed.

c) The delivery of the equipment above mentioned should be expedited as much as possible. It is understood that the implied commitment, if any, on the part of the US resulting from the staff conversations will be regarded by us as discharged by delivery of the materials above mentioned.

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833.34/4-1246: Telegram

The Secretary of State to the Ambassador in Uruguay (Dawson)

CONFIDENTIAL               WASHINGTON, April 12, 1946—4 p.m.

151. Approval has been given by Dept to sale from surplus of following small Naval vessels to Uruguay. You may notify appropriate representatives that Navy Dept and FLC will negotiate in Washington details concerning sale of these vessels. These vessels are part of Navy's counterpart of War Dept "interim program" previously approved by Dept and comprises small armed vessels of general types and amounts requested during staff conversations.

3 PT—Motor torpedo boat
1 PCS—Submarine chaser
1 AVR—Aircraft rescue vessel

For your conf info Navy plans similar program of Naval aircraft and Naval equipment.

Byrnes

833.24/4-2346

The Uruguayan Embassy to the Department of State

AIDE-MÉMOIRE

With reference to the acquisition of war materials and munitions in the United States of America and the use on the part of the Government of Uruguay of the sums delivered to the Government of the
United States in excess of the materials received on the basis of lend-lease, the Uruguayan Government would wish:

1. That both parties fix the amount of the balance actually existing in the United States in favor of Uruguay;

2. To this balance there would be added the balance of the quotas to be paid by Uruguay up to the point of covering the $7,800,000 that the Uruguayan Law 10091 of December 13, 1941 authorizes;

3. Once this total amount is fixed, Uruguay would prepare the lists of materials which it is interested in acquiring;

4. In so far as possible, once said lists have been studied, the Government of the United States would make offers as regards the technical specifications of the materials as well as the prices and other conditions of sale; and,

5. The bases already mentioned having been agreed upon, the Uruguayan Government would wish to sign an instrument with the Government of the United States summarizing the materials which would be transferred to Uruguay and the financial stipulations relative to such transfer.

WASHINGTON, April 23, 1946.

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833.34/5-1346: Telegram

The Ambassador in Uruguay (Dawson) to the Secretary of State

SECRET

MONTEVIDEO, May 13, 1946—noon.

[Received 12:05 p.m.]

287. Embtel 284, May 10. In informal conversation yesterday President 8 mentioned purchase of Canadian frigate saying he hoped our Government perceived no objection. He even intimated that if we objected, matter would be reconsidered. However, he made it clear he considers purchase very advantageous and would be keenly disappointed if deal fell through.

While President did not ask me to consult Department, I should appreciate its views in case he reverts to matter.

Naval Attaché 9 reports Uruguayan Navy strongly desires prompt purchase Canadian vessel in question and turned to Canada only after applying unsuccessfully to US.10

DAWSON

7 Not printed.
8 Juan José Amezaga.
9 Capt. Forrest Tucker.
10 In telegram 192, May 17, 1946, to Montevideo, the Department indicated acquiescence in this purchase (833.34/5-1346).
Memorandum

Reference is made to the Aide-Mémoire from the Uruguayan Embassy, dated April 23, 1946, outlining the desires of the Uruguayan Government in the matter of acquisition of war materials and munitions in the United States and the use of the balance of payments made by Uruguay in excess of materials received under the terms of the Lend-Lease Agreement, which balance was in the neighborhood of $2,000,000 at the time of Lend-Lease termination.

Careful study has been given to the Uruguayan proposals under reference but it has been thought inexpedient to undertake negotiations at this time on any special agreement deriving from the original Lend-Lease proposals, both in the light of the interim arms program made known to the Uruguayan Chargé d’Affaires a.i. at a meeting with officials of the Department of State on March 13, 1946, and of the more general armaments legislation presently before the United States Congress. It may be noted here that under the interim arms program referred to, the following equipment was indicated as available for Uruguay:

Military equipment for:

- 2 Battalions of Infantry
- 2 Batteries of Field Artillery
- 4 C-47's
- 18 (C-45's) (AT-11's) depending on availability
- 50 PT-19's
- 15 BT-13's
- 15 AT-6's

It is understood, furthermore, that the Uruguayan Military Mission has been taking advantage of the Lend-Lease balance existing to make purchases out of surplus property, in accordance with the suggestion in the last paragraph of the Department of State's note of December 29, 1945, and that currently the balance in favor of Uruguay still available for such purchases is reported by officials of the Treasury Department as in the neighborhood of $1,770,000 (as of June 26, 1946).

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12 César Montero de Bustamante.
13 The Inter-American Military Cooperation bill; see House Document No. 548, 79th Cong., 2d sess.
14 Not printed.
The Chief of the Division of Lend-Lease and Surplus Property Affairs (Havlik) to Mr. Robert W. Cavanaugh, Treasury Department

WASHINGTON, August 21, 1946.

MY DEAR MR. CAVANAUGH: It has been brought to my attention that the Treasury Department, Lend-Lease Fiscal Operations, recently received a payment of $1,800,000 from the Embassy of Uruguay on lend-lease account.

Since this was an overpayment and since there appears to be no possibility that any further payment will become due under the terms of the Lend-Lease Agreement with Uruguay, it is the view of the State Department that any further payment or payments by Uruguay which may be offered should not be accepted by this Government. In the event that any further payment is offered the matter should be referred to my office.

Yours sincerely, hubert f. havlik

The Acting Secretary of State to the Uruguayan Ambassador (Blanco)

WASHINGTON, December 6, 1946.

EXCELLENCY: I have the honor to transmit herewith two copies each of Statement LL-9 and supporting schedules reporting charges made against the Government of Uruguay during the period from March 1, 1946 through May 31, 1946, covering defense material transferred in accordance with the terms of the Lend-Lease Agreements signed on January 13, 1942 by representatives of the Republic of Uruguay and the United States of America.

It will be noted that the amount of charges for the period under reference is $21,183.64, and that charges through May 31, 1946 for all defense material transferred to the Government of Uruguay aggregate the grand total of $5,169,879.20.

It is requested that the enclosed statement and supporting schedules be treated by Your Government on a most confidential basis.

Accept, [etc.] for the Acting Secretary of State:

spruille braden

11 None printed.
CONCERN OF THE UNITED STATES WITH RESPECT TO GERMAN PENETRATION IN URUGUAY

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

CONFIDENTIAL

MONTEVIDEO, January 18, 1946.
No. 6835

[Received February 11.]

SIR: With reference to the Embassy’s despatch no. 5270 of January 10, 1945, entitled “Sensational Arrest of Members of local Spy Ring” and despatch no. 5339 of January 23, 1945, entitled “Transmission of Legal Attaché’s Report concerning Arrest of Members of local Nazi Spy Ring,” I have the honor to report that, according to information received by the Legal Attaché, the Uruguayan Supreme Court on December 28 ordered the release under bond of the four remaining individuals of the group arrested in January 1945 as members of a local Nazi spy ring, which had operated under the direction of Juan Sigfrido Becker in Buenos Aires.

It may be recalled that on January 5 and 6, 1945, seventeen persons were detained for preliminary interrogation, all of whom were promptly released except for six who were to be held for trial. Fairly recently the release was unobtrusively ordered of Rodolfo Martínez Lanza, who had acted as a courier between Montevideo and Buenos Aires in his capacity of radioman for the C.A.U.S.A. airline, and later, on December 11, there was also released Antonio Domingo Frova Mazzoni, who had turned informer and whose declarations had brought about the confessions of the others. The remaining four individuals just released include: Juan Alberto Bove Trabal, Luis Alberto Sciuotto Moncalvo (PL), Luis Dreher Haussmann and Teodoro Muhlauer Landgraff. Dreher and Muhlauer are both Germans.

As occurred in the case of Martínez Lanza and Frova no notice appeared in the local press regarding the release of the four persons referred to. Perhaps this can be explained by the fact that this decision was reached by the Supreme Court when it was holding its annual review of petitions for release at the end of the year, at which time it can, and does, grant pardons to those individuals who in its opinion merit such consideration. Further, it is to be noted that the release of these four individuals is technically-speaking only provisional and that theoretically they can be re-incarcerated to stand trial at some future date.

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15 For documentation on the efforts of the United States in 1945 to secure the cooperation of Uruguay in controlling Axis interests, see Foreign Relations, 1945, vol. ix, pp. 1387 ff.
17 Neither printed.
18 For an account of Becker’s activities, see Department of State, Consultation Among the American Republics With Respect to the Argentine Situation (Washington, 1946).
According to several reliable sources a favorable decision in the present case was reached by the Supreme Court only due to the initiative of its President, Chief Justice Juan José Aguiar, who it may be recalled, summarily informed the Committee Investigating Anti-National Activities two weeks before that it would have to terminate its functions as of December 31 (see Embassy’s despatch no. 6819 of January 12, 1946, entitled “Suspension by Uruguayan Supreme Court of Functions of Committee Investigating Anti-National Activities; Doubt as to Interpretation of Laws pertaining to Committee; and Steps taken to prolong its Life”). One source has suggested that pressure was probably exerted on the Supreme Court by interested persons first to secure the release of Bove Trabal, who as the Department is aware has important family connections, hoping that, once he was released, the Supreme Court would feel bound to release the other three as well so as not to appear to have made any exception.

Certain Uruguayan authorities sincerely interested in extirpating the vestiges of Nazi activities remaining here have been disappointed by the Court’s recent action since it is generally believed that it is hardly likely that further action will be taken against any of these six self-confessed Nazi collaborators. In this connection a report has just been received from a generally reliable source that Sciuotto is in possession of considerable money and is engaged in spreading pro-Perón propaganda here.

Respectfully yours,

For the Chargé d’Affaires ad interim:

REGINALD BRAGONIER
Second Secretary

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882.20233/2-1746: Telegram

The Secretary of State to the Ambassador in Uruguay (Dawson)

SECRET

WASHINGTON, February 22, 1946—5 p. m.

72. Reurtel 110, Feb 17. You may inform Pres Amezaga that our Ger investigations to date have necessarily been concentrated on sources pertaining directly to Ger-Arg affairs; hence, we do not yet know what documentary and other evidence pertaining directly to Uruguay is available. If you deem it useful you may inform him however that an informed official of the Ger Foreign Office has stated “The SD brought Brinckmann together with the agent Bove Trabal who functioned as a courier from Uruguay and brought information from there, which information the SD and Brinckmann shared, Brinck-

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20 Not printed.
21 Luis Alberto Sciuotto, said to have been a courier for the Juan Sigfrido Becker espionage ring.
22 Not printed.
23 Go-between between Perón and the SD.
mann using it for the Arg Army and the SD for Ger.” Blue Book 23 identifies Brinckmann.

We will be glad to make available further data as it is uncovered.

Byrnes

740.00112A EW/3-1846: Airgram

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

CONFIDENTIAL

Montevideo, March 18, 1946.

[Received March 25—4:18 p.m.]

A—85. Ref Dept’s circular airgram March 4, 9:25 a.m. 1946. 24 Replacement situation remains substantially unchanged as reported in despatches 6034, July 9 and 6194, August 10, 1945. 25 Replacement bill (desp. 6151, August 1, 1945 26) is pending in Congress, which reconvenes today after summer recess. Bill has been formally approved by majority of House committee (7 in favor, 3 with reservations, and 2 Herreristas dissenting). FonMin 26 stresses bill will be called for debate in House and Senate right away and expresses firm conviction it will be enacted; responsible congressional opinion is that bill will pass, though sharp debate is anticipated. If this legislation is to be enacted in Uruguay this session, it should be within the next 60 days. However, a further period may be required to implement the program.

Minister of Interior 27 repeats assurances that, given legislative authority, he will proceed effectively to eliminate “Nazi firms”. A few like Standt and Quincke, will probably resort to courts, but the majority of these listed in desp 6034 above are likely to be eliminated within 4 to 6 months after bill is passed.

Although not so effective in all respects as it was formerly, the Proclaimed List has not lost its effectiveness in Uruguay. The termination of armed hostilities, the premature (as regards Uruguay) reduction of the List to a hardcore, especially the current listing policy, and the reduction of personnel available to the Embassy for Proclaimed List work have all had adverse effects to varying degrees, but the vigorous administration of the List in Uruguay in the past is contributing considerably in maintaining its present prestige. The Embassy continues to purchase space in local papers for publication of the complete List for Uruguay on an average of once a month, and the publication of inclusions such as those recently made in Supplement 2 with doubtless prove helpful.

23 For documentation on the “Blue Book”, see pp. 182 ff.
24 Not printed.
25 Foreign Relations, 1945, vol. IX, pp. 1394 and 1395, respectively.
26 Eduardo Rodriguez Larreta.
27 Carbajal Victorica.
It has been noted with satisfaction that the program for continuation of the List, as approved on February 11 by the Executive Committee on Economic foreign policy, provides that Mr. Braden's 28 Office should be consulted in the early part of April for its "recommendations concerning continuation of the List for Argentina beyond May 8, and possible similar action in other countries which have not satisfactorily carried out replacement program."

Much adverse public criticism of the progress of Argentina's replacement program has emanated from various sources in Washington whereas Uruguay has come in for such criticism mainly through implication. The Embassy appreciates that the extent of German holdings and other considerations put Argentina in the Number One position in this respect as regards the American Republics. Nevertheless the fact remains that Argentina appears much farther advanced with a replacement program than is Uruguay.

The Embassy strongly recommends, subject to modification on the basis of future developments in Uruguay, that the Department make arrangements to continue the List for Uruguay beyond May 8. The withdrawal of the List on the eve of possible action by the Uruguayan Congress would seriously prejudice the Administration's current chances of obtaining enabling legislation and, in the absence of such legislation, would legalize the consummation of certain commercial transactions which would thoroughly discredit the previous actions of this Embassy in administering the economic warfare program in Uruguay.

The foregoing recommendation will be supplemented by more detailed information.

SPARKS

740.33112 RP/4–2546: Airgram

The Ambassador in Uruguay (Dawson) to the Secretary of State

CONFIDENTIAL

MONTEVIDEO, April 25, 1946.
[Received May 2—9:37 a.m.]

A-139. Reference Embassy's despatches no 7070 of March 21 and no. 7003 of March 29, 1946, 29 concerning economic security controls and status of replacement bill (for liquidation of Axis spearheads) pending in Uruguayan Congress:

(1) In spite of vigorous appeal of Foreign Minister Rodriguez Larreta (despatch no. 7003 of March 29) no further progress has been made in consideration of bill in Congress.

28 Spruille Braden, Assistant Secretary of State for American Republic Affairs.
29 Neither printed.
(2) In meantime, political situation has continued to deteriorate from Administration's standpoint, and Foreign Minister in particular is being bitterly attacked by opposition which demands his resignation, alleging he is responsible for Argentine refusal to supply needed wheat.

(3) Situation is now further aggravated by resignation of Blanco-Acevedista Ministers Castellanos and Schiaffino,\(^{30}\)consensus being that President will experience great difficulty in filling vacancies and organizing Cabinet which can command majority in Congress.

(4) In circumstances, outlook for enactment of replacement legislation is far from bright and Auxiliary Officer Ezequiel D. Salinas, who has devoted so much time and effort to the matter, now expresses fear (in which I concur) that “bill may be lost in the political scramble.” As Department knows, Embassy has pressed matter consistently and vigorously and bill has had strong support of such stout friends of democracy as Rodríguez Larreta, Minister of Interior Carbajal Victoriaca, and Senator Dardo Regules. Administration fully realizes deplorable position in which failure of bill will leave Uruguay but unfortunately it seems powerless to remedy matters.

DAWSON

862.20210/5-246: Telegram

The Ambassador in Uruguay (Dawson) to the Secretary of State

CONFIDENTIAL

MONTEVIDEO, May 2, 1946—12 a.m.

US URGENT

[Received 12:33 p.m.]

266. Depciotel April 30,\(^{31}\) All organized German propaganda media completely liquidated.

See Embassy’s despatches ending 7203 April 23,\(^{31}\) for status of schools. Sociedad Escolar Alemana PL has given satisfactory buyer option at 247,500 pesos on Liceo Alemán building and equipment evaluated by buyer at 400,000 pesos. Sale is possible within 2 weeks Uruguayan Govt to block net proceeds in joint account.

Club Alemán PL is becoming inactive thru sale of premises to satisfactory buyer (Govt. will block residual 20,000 pesos).

Cámara de Comercio Alemana PL and Choral Society own no real property and are inactive.

Círculo Alpinista PL inactive but owns club building.

Liga Deportiva Alemán PL and Círculo Alemán PL own real property and remain active with small membership.

\(^{30}\) Rafael Schiaffino, Minister of Industry and Labor, and Daniel Castellanos, Minister of Public Instruction.

\(^{31}\) Not printed.
Activities of Asociación Cultural Germano Uruguaya restricted principally to instruction German language. Recently made effort to increase current membership of about 65.

German church with predominantly PL membership and Nazi Party member pastor and Sociedad Alemana de Socorros Mutos are active. Embassy has made no direct effort to destroy them thru PL.

Glider Club liquidated.

Federation of German Societies Association of German engineers and veterans organization appear inactive but cannot be said to have ceased to exist.

Association for aid of needy Germans whose activities were highly political during war continues to operate but with less funds.

PL is principal repressive agent of above organizations and its withdrawal would permit resurgence in absence of adequate local controls outlook for which Embassy’s despatch 7070 March 21 and A-139 April 25 is not encouraging.

DAWSON

740.33112 RP/9-2746: Telegram

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

SECRET

MONTEVideo, September 27, 1946—2 p. m.
[Received September 27—12:52 p. m.]

463. Embassy A 139, April 25. Foreign Minister tells me with chagrin there is no possibility of enacting replacement bill during present session, that members of his own party and Batillistas are not prepared to force issue on eve of elections, that he and Minister of Interior are apprehensive as to Govt’s position if intervened firms institute court action, citing case of Quincke who is demanding intervention be lifted, that Minister of Interior opines unless bill is enacted shortly, interventions must be withdrawn since firms were intervened without congressional authority and that Foreign Minister is considering expeditious in reviewing evidence on intervened firms and lifting intervention of those not deemed dangerous. I remonstrated on grounds of Quincke’s record and Mexico City resolutions. Foreign Minister finally asked me to study problem obviously hoping I might offer suggestions.

Information from other sources confirms impossibility of enacting bill before elections. However, contemplated review of firms may

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21 Not printed.

preclude further consideration of bill and involve gradual to total abandonment of interventions.

Dept’s comments requested.

Sparks

862.26283/11-1446: Telegram

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

CONFIDENTIAL

Montevideo, November 14, 1946—6 p.m.

[Received 7:08 p.m.]

556. Embassy’s despatch 7857 November 6. I mentioned today to Foreign Minister release of Fuhrmann, et al, strong articles by Dr. Guani and applicability of CPD resolution 26, and inquired as to Govt’s position. Foreign Minister said he received news in Chile and had been annoyed by leniency of Uruguayan courts. He has not had opportunity since return to consider matter but plans to consult with Judge De Gregorio to determine what Uruguayan Govt can do.

Sparks

740.33112A/12-446

The Ambassador in Uruguay (McGurk) to the Secretary of State

RESTRICTED

Montevideo, December 4, 1946.

No. 22

Sir: I have the honor to refer to my telegram no 581, 1:00 p.m., of today’s date reporting a conversation with the Foreign Minister last evening concerning the proposal made by Senator Connally on Monday at a United Nations session regarding an indication to Franco that he should step down, and to report that during this conversation I had an opportunity to bring up with the Foreign Minister the question of the liquidation of Nazi firms in Uruguay. I approached the subject by referring to an editorial in El País on Monday last relating to the special session of the national Congress to be called this month and during which, among other things, the question of liquidation of Nazi firms is to come before that body. The Minister said that we were of course aware that he had done everything possible to bring about the liquidation of Nazi firms in Uruguay, particularly those qualified as spearhead, and that he proposed so to continue up to the

34 Not printed.

35 Alberto Guani, former Minister for Foreign Affairs.

36 Committee for Political Defense; for documentation, see pp. 76 ff.

37 Not printed.

38 Senator Tom Connally, representative of the United States to the first and second sessions of the General Assembly of the United Nations, 1946.

39 Gen. Francisco Franco, Prime Minister and Chief of State of Spain.
time of and during the special session. He however stated that he would find it very difficult to get any positive action for the reason that these firms had been in Uruguay for some time, that those in control were well acquainted in Uruguay, had intermarried within the country, had hosts of friends outside and inside the Government, and that they would of course exercise all of their influence to prevent any action being taken against them. He said that he could not give me any reasonable assurance that positive action would be taken but he said that he wished to assure me that he would continue his efforts to have something done along the lines desired.

I gather from this conversation that the Minister being a member of a minority party feels that he will not wield as much influence with the new Congress as heretofore and that he is not at all sanguine that his efforts to further the liquidation of the Nazi firms concerned will meet with much success.

Respectfully yours, J. F. McGurk

DISCUSSIONS BETWEEN URUGUAY AND THE UNITED STATES CONCERNING AN AIR TRANSPORT AGREEMENT

711.3327/10-1946

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

[Extract]

RESTRICTED

No. 7776

MONTEVIDEO, October 18, 1946.

[Received October 23.]

Sir:

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In the course of my conversation with Dr. Polleri in which the general aspects of aviation problems in the River Plate area and their relation to the proposed agreement were discussed, I mentioned that I had seen the recent statement in the local press of Sr. José M. Peña, Director of Civil Aviation in Uruguay, in which he outlined Uruguayan civil aviation policy. The statement as it appeared in the press reads in translation as follows:

"Uruguay considers that the aviation problem is divided into three aspects: (1) That comprising lines of a domestic character susceptible of eventual extension abroad, which are reserved exclusively for national aviation. (2) International airlines, with long routes operated by companies of other nationalities, which fly over the national territory with respect to which the country (Uruguay) has aspirations that they will make regular stops on all their schedules in our territory at present—and in the future—utilizing for the purpose the magnif-
icent Carrasco Airport, for the moment one of the best in South America. (3) The service across the River Plate which Uruguay considers must be carried out under conditions of strict reciprocity and of mutual facilities and advantages which contemplate the respective interests, by lines genuinely Argentine and Uruguayan which respond to the well-understood aeronautical, economic, and political interests of the two interested countries.

"In setting forth the norms within which there must be assured, on the indicated base of reciprocity, the contemplation of those superior interests, such as can be contemplated within the criterion of the respective Governments, there will tend to formalize a bilateral accord between both sister nations which we have had, moreover, the great satisfaction of raising by virtue of an initiative of the Argentine authorities who are in agreement with the Uruguayan position in that respect. This circumstance is more expressive than any other fact in order to insure the success that the negotiations about to be opened with the delegations of both countries already designated undoubtedly will have."

I observed that there appeared to me to be an obvious conflict in the policy as stated by Sr. Peña, should Uruguay require foreign airlines to land all flights in Montevideo, and at the same time should reserve exclusively to Argentine and Uruguayan airlines the "River Plate service" (presumably the traffic between Montevideo and Buenos Aires). I added that such policy would seem to be in direct conflict with more recent developments in international aviation policies and, particularly, with the terms contained in the proposed air transport agreement between the United States and Uruguay. (It might be added parenthetically that Sr. Peña has always held these ideas with respect to what he terms the peculiar situation of the River Plate.)

Dr. Polleri was inclined to agree that a conflict might exist between the second and third points outlined by Sr. Peña. He went on to express informally a personal opinion that in the event of conflict between Uruguayan domestic aviation, including the short hop to Buenos Aires, and foreign trunk lines, Uruguay should probably be prepared to sacrifice the national lines because of the greater advantages that would normally and naturally accrue to the country as a result of the efficient operation of foreign airlines calling at Montevideo. Dr. Polleri added that this problem is causing Uruguay considerable difficulty in negotiating agreements with other foreign countries, mentioning Argentina, Great Britain, France and Holland. I said that if the statements made by Sr. Peña indeed reflected the thinking of the special commission, I felt that it was imperative that I be afforded an early opportunity to discuss the matter with the commission. Dr. Polleri stated that he believed that these matters are now being examined by the commission with a view to determining just what Uruguayan aviation policy should be. I outlined what I
considered to be forceful arguments which would prevent our accepting such an exception to the Fifth Freedom, and I stressed particularly the new Section C which we desire to incorporate in the agreement. I pointed out that the terms of the Section would provide for fair and equal opportunity in the operation of the routes and that air transport capacities would bear a close relation to traffic requirements and take into account the reciprocal interests. I particularly emphasized paragraphs D and E of the section. I also referred to our efforts to assist PLUNA which Dr. Polleri recognized. In considering the problem of traffic between Montevideo and Buenos Aires, it is in a sense a special problem in that the distance between the two cities is about one-half that between New York and Washington, and that both countries would like to reserve to themselves this appreciable potential air traffic.

From my conversation with Dr. Polleri I obtained the impression that opposition to the terms of our proposed agreement may be expected from Sr. Peña, but that his convictions are not necessarily shared by the other members of the commission. I hope shortly to be able to ascertain just what is the consensus of the commission.

It is pertinent in connection with these agreements that under Section 7 of Article 75 of the Uruguayan Constitution the Uruguayan Government must submit such agreements to the General Assembly for approval. Section 7 stipulates that it is the power of the General Assembly "to approve or reject, by absolute majority of the total members of both chambers, treaties of peace, alliance, commerce and the conventions or contracts of whatever nature that the Executive Power may conclude with foreign powers."

Respectfully yours,

EDWARD J. SPARKS

711.3327/11–2746 : Telegram

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

CONFIDENTIAL

MONTEVIDEO, November 27, 1946—6 p.m.

[Received 7 p.m.]

570. For Merchant from Mitchell. Called today on Foreign Minister and Pratt de Maria FonOff representative on Commission with which I expect to meet tomorrow.

4 Livingston T. Merchant, Chief of the Aviation Division.
4 Presumably Lt. Col. William Mitchell, Office of the Assistant Secretary of War for Air.
4 Eduardo Rodríguez Larreta.
Pratt de Maria stressed he was not speaking for Commission but indicated possible Uruguayan desire to insure minimum number stops Montevideo and suggested exchange of diplomatic notes or possibly direct understanding with Pan American. He said while Carrasco now has much better facilities than Buenos Aires, Argentina may well develop better airport in near future and Uruguay fears airlines may then overfly and stop only in Buenos Aires. We stated matter must be considered in relation to joint release with British of September 19 and also as precedent.

Embassy believes Uruguay is not so much concerned with Pan American’s future failure to stop as with desire for precedent for agreements with other countries.

Local Pan American representative is unable give Pan American’s position without consultation but states Uruguay facilitates maintenance and refueling and believes Pan American will always desire make reasonable number of stops here.

Doubtful questions are effected on Pan American’s plans for operation, possible precedent whereby small countries could require US carriers to stop elsewhere, and meaning of “pre-determination of frequencies” in paragraph 4 B of joint release of September 19. If we agree to minimum number stops, believe proper method is by route description in annex with obligation to continue only so long as airport facilities at Montevideo are adequate for technical and operational requirements of US airlines. Will explore question further here but request instructions general US position. [Mitchell.]  

SPARKS

711.3327/11–2746: Telegram

The Acting Secretary of State to the Ambassador in Uruguay  
(McGurk)

CONFIDENTIAL  

WASHINGTON, December 3, 1946—6 p.m.

436. Embtel 570 Nov 27. Dept willing assure reasonable commercial service at Montevideo by designated US airlines but would like avoid any mention of specific or minimum number frequencies. Would Uruguayans be satisfied with exchange notes referring to last para Section A Annex re non-stop flights, qualifying same with our assurance that as long as Montevideo airport and facilities adequate our airlines will stop there on sufficient number of schedules to offer reasonable commercial service? No objection if PanAm implements this

with like assurance and possible further estimate re number or percentage frequencies they contemplate stopping Montevideo.

Sent Montevideo; rptd London as Deptel 8004 referring to Deptel 7727 Nov 15 to London.

ACHESON

711.3327/12–546: Telegram

The Ambassador in Uruguay (McGurk) to the Secretary of State

RESTRICTED

MONTEVideo, December 5, 1946—9 p. m.

[Received 9:16 p. m.]

584. Merchant from Mitchell. As result of second meeting held today with special commission it appears certain that agreement in standard form plus minor changes already approved by Department can be reached with Uruguay, provided annex contains new paragraph reading:

"That, so long as traffic requirements justify such service and the airport facilities provided at Montevideo are adequate for the technical and operational requirements of United States airlines, the number of landings scheduled by US airlines at the airport serving Montevideo shall be at least as great as that scheduled at such airport by US airlines at the time this agreement comes into effect." 46

Uruguayan position is (1) they enjoy entirely satisfactory air service without agreement and are requesting no routes for Uruguayan carriers; (2) they are under pressure from their own airlines to curtail Fifth Freedom privileges by reserving Buenos Aires-Montevideo traffic; and (3) they must defend agreement against their own airlines and opposition forces in Congress which must ratify it. Despite these factors (re Deptel 436, December 3) Uruguay believes insertion above paragraph will make ratification possible and they are prepared to give immediate effect to agreement pending ratification. It is possible above paragraph could be contained in exchange of notes but since latter must be public we strongly recommend it be included in annex, where it will be useful in ratification process. Moreover it does not represent departure from established principle. British position (London’s telegram 9929 to Department 47) strengthens this conviction. Urge approval conclusion on this basis. Expedite full powers. [Mitchell.]

McGURK

46 In telegram 439, December 6, 1946, 7 p. m., the Department indicated acceptance of this paragraph (711.3327/12–546).

47 Not printed.
711.3327/12-646: Telegram

The Acting Secretary of State to the Ambassador in Uruguay
(McGurk)

WASHINGTON, December 11, 1946—5 p. m.

US URGENT

444. Text of air transport agreement forwarded urdes 33 Dec 6.45 appears satisfactory except for following.

Re art 12 we would prefer language based on US bilateral agreements with Greece and Czechoslova 49 “The provisions of this agreement shall become operative from the day it is signed. The Uruguyan Govt shall notify the Govt of the USA of the approval of this agreement by the Uruguyan Congress, and the Govt of the USA shall consider the agreement as becoming definitive upon the date of such notification by the Uruguyan Govt.”

If Uruguyans insist on using their art 12 form, Dept feels revision still necessary. Their art 12 has definite treaty connotations and first sentence implies we also will exchange instrument of acceptance, which is impracticable under our executive agreement procedure. Without changing substance of Uruguyan language Dept suggests following much more acceptable from our standpoint:

“This agreement will be approved by each contracting party in accordance with its own law, and the agreement shall enter into force definitively upon an exchange of diplomatic notes in Montevideo indicating such approval. Pending the approval of this agreement by the Uruguyan Congress and the exchange of notes mentioned in the first sentence of this paragraph, both contracting parties undertake, in accordance with their constitutional powers, to make effective the provisions of this agreement from the date on which it is signed”. In any event you should make clear that a note from Uruguyan Govt informing of approval by its Congress will be adequate for our purpose, and even if they choose to transmit instrument of acceptance therewith, we intend merely to acknowledge their note and confirm understanding that agreement has come into force definitively from such date.

Believe Sections B and C of annex should read “shall” instead of “should”.

Para B Section 2 Annex line 5 page 7 English draft: recommend words “to be” be inserted after “route or routes”. Our interpretation this para that Uruguyans will be accorded traffic rights in US on route or routes to be agreed upon, whereas present language might

45 Not printed.
49 Department of State, Treaties and Other International Acts Series Nos. 1500 and 1628.
mean Uruguayans could obtain same rights in US as US services on routes already agreed to in para A this section.

President signed Full Power for McGurk and Mitchell Dec 10 which is being forwarded air pouch. Impracticable for Dept to notify Uruguayan FonOff directly, but separate tel informs Emb re Full Power, and Emb may certify this tel to FonOff.

Telegram final language art 12 and whether other above modifications can be made.\(^5\)

ACHESON

**EFFORTS OF THE UNITED STATES TO RELIEVE URUGUAY'S WHEAT CRISIS**

833.61311/4-846 : Telegram

The Secretary of State to the Ambassador in Uruguay (Dawson)

SECRET

WASHINGTON, April 8, 1946—7 p. m.

148. World deficit in wheat first half 1946 only covered to extent 60 percent by supplies available from exporting countries. Hence not contemplated import requirements of any claimant country can be met in full. Arg represented on CFB Cereals Committee. Since transportation difficulties so severely limit amounts exportable from Arg in this period as to call in question that country's ability to cover minimum requirements of such historic importers as Brazil, Peru, Bolivia and Paraguay, it is unlikely Arg could supply to Uruguay except on basis of minimum consumption needs.

Emb therefore requested ascertain on what consumption basis 100,000 tons import requirement for Uruguay computed.

BYRNES

833.61311/4-1046 : Telegram

The Ambassador in Uruguay (Dawson) to the Secretary of State

SECRET

MONTEVIDEO, April 10, 1946—5 p. m. [Received 7:05 p.m.]

222. Average Uruguayan consumption wheat about 250,000 tons. Deptel 148, April 8 actual and estimated crop shortages total roughly 100,000 tons. Foreign Minister\(^5\) states while this amount required for normal needs, Govt is about to ration wheat probably on basis of

\(^{5}\) In telegram 594, December 13, 1946, 7 p. m., Ambassador McGurk indicated that the Department's modification of the Uruguayan version of article 12 and other minor changes were acceptable to Uruguay. The air transport agreement was signed at Montevideo, December 14, 1946, and entered into force provisionally on that date. (711.3327/12-1346)

\(^{5}\) Eduardo Rodríguez Larreta.
reduction of one-third in wheat deliveries to mills. Foreign Minister expresses personal belief that country can get by with imports of 50,000 tons. Inquires urgently whether US can assure supply of 50,000 tons for July delivery. Embratel 220 today Foreign Minister points out that such assurances would greatly strengthen Uruguayan position vis-à-vis Argentina.

Dawson

833.61311/4-1246: Telegram

The Ambassador in Uruguay (Dawson) to the Secretary of State

SECRET

MONTEVIDEO, April 12, 1946—11 a.m.
[Received 11:17 a.m.]

231. Following is summary of views expressed to me by Uruguayan close to President 53 who has spent week in Buenos Aires in effort to obtain wheat.

"Argentine could furnish Uruguay 50,000 tons requested. Refusal due solely to Perón 54 who is using wheat as instrument in building up anti-US bloc having promised 50,000 tons each to Bolivia and Paraguay and 100,000 to Peru. Perón resents attitude Amezaga administration and is grateful to Herreristas. He aims to bring Uruguay under control and encourage establishment government subservient to him. For present his policy will be to humiliate, embarrass and discredit Amezaga administration and build up and aid Herreristas with view to victory in November elections. Attitude towards Uruguay already verges on aggression and constitutes serious danger for Uruguay and US. Reduction Uruguay to vassal state would be great victory for Perón and defeat for US. Informant convinced US must and will assist Uruguay insofar as practicable." 55

Full memo of conversation 56 by courier. Repeated Buenos Aires.

Dawson

833.61311/4-2446: Telegram

The Ambassador in Uruguay (Dawson) to the Secretary of State

MONTEVIDEO, April 24, 1946.
[Received April 24—11:05 a.m.]

255. By decree yesterday Government ordered expropriation of all stocks of wheat and wheat flour and intervention of all establishments dealing in OEE milling wheat. Intervention contemplates extensive

52 April 10, not printed.
53 Juan José Amezaga.
54 Juan Perón, President elect of Argentina.
55 For the opinion of the Ambassador in Argentina on the danger of a southern bloc, see despatch 583, August 15, 1946, p. 297.
56 Not printed.
measures for regulating milling use of flour and distribution of wheat and wheat products. For present holders of wheat and flour are prohibited from supplying customers more than 66% of 1945 average deliveries. Text by airmail.

DAWSON

S33.61811/4-2446

Memorandum by the Assistant Secretary of State for American Republic Affairs (Braden)\(^57\)

TOP SECRET

[WASHINGTON,] April 24, 1946.

Before luncheon at Blair Lee House today I explained the Uruguayan wheat situation to Secretary Anderson,\(^58\) emphasizing two points:

1. We have certain formal commitments which obligate us to supply Uruguay, as per attached copy of note and letter directed to Secretary Anderson and signed by Mr. Acheson.\(^59\)

2. As a matter of fact, the supplying of this wheat to Uruguay does not cut into the world supply situation at all because the wheat which should have gone to Uruguay from Argentina will eventually have to be exported from that country in any case.

Secretary Anderson was greatly concerned as to the position he would be in after the public announcement that a shipment of as much as 50,000 tons would be made. I told him all we were concerned about was to get the announcement out today of the first shipment.

Secretary Anderson doubted that he had the authority to authorize shipment of 50,000 tons, including three shipments of 8,000 tons each for May, June and July, and therefore endeavored to communicate with Mr. Craig\(^60\) of the Department of Agriculture. He was not able to get him on the telephone before luncheon and after luncheon Don Kennedy got the call through. After speaking to Craig, the Secretary told me that he could only make me a firm commitment for the May shipment, that was all right, go ahead; but not to worry about the June and July shipments (sic) since they would be worked out later.

SPRUILLE BRADEN

\(^57\) Addressed to ARA: Mr. Briggs; A-Br.: Mr. Wright; RPA: Mr. Mann.

\(^58\) Clinton P. Anderson, Secretary of Agriculture.

\(^59\) Not printed.

\(^60\) Glenn H. Craig, Executive Officer, Combined Food Board.
The Acting Secretary of State to the Ambassador in Uruguay (Dawson)

WASHINGTON, April 25, 1946—6 p. m.

US URGENT

167. Pls inform FonMin that a definite allocation of one cargo amounting to approximately 8,000 tons of wheat for shipment from US in May has been approved by appropriate authorities and that allocations of additional cargoes for later shipment are under active consideration. It is expected that the Govt of Uruguay or its agents will make necessary commercial arrangements for purchase and shipment thru ordinary commercial channels of wheat in question. We are transmitting note to this effect to Uruguayan Emb here.

Pls explain confidentially to FonMin that Dept is confident subsequent allocations can be obtained for shipment from US in June, July, Aug and Sept of balance 50,000 tons requested if need continues. However in view of terrific demand on US supplies to alleviate immediate starvation in famine areas no official public announcement or commitment can be made at this time for more than the May shipment referred to.

We have no objection to immediate public announcement by FonMin of allocated cargo for shipment in May and believe he would be justified in assuming air of confidence that additional shipments will be forthcoming.

Uruguayan Emb here has been informed of foregoing.

ACHESON

The Ambassador in Uruguay (Dawson) to the Secretary of State

MONTevideo, June 8, 1946.
[Received June 8—9:30 a. m.]

325. Montevideo Manana carries report its special correspondent quoting Peron as stating that Argentina has not slightest prejudice or resentment which could affect its relations with Uruguay and that its foreign policy can be summarized in following formula: first Argentina; second neighboring countries, third nations of Latin America; and fourth other countries, and that his Government has directed that wheat be furnished Uruguay at prices and conditions prevailing in Argentina, delivery to be made without intermediaries and between official organisms.61

Repeated Buenos Aires.

Dawson

61 In telegram 331, June 12, 1946, the Ambassador reported an exchange of notes between Argentina and Uruguay providing for the sale by the former of 50,000 tons of wheat to the latter (833.61311/7-2946).
URUGUAY

833.61311/6-1146 : Telegram

The Secretary of State to the Ambassador in Uruguay (Dawson)

CONFIDENTIAL

WASHINGTON, June 11, 1946—7 p.m.

221. July wheat export program being finally determined. Pls cable whether FonMin considers report contained urtel 325 June 8 changes Urug need for US wheat to extent that July cargo can be foregone. Urgent demand from famine areas makes US export position extremely difficult.

BYRNES

833.61311/7-2946 : Telegram

The Acting Secretary of State to the Ambassador in Uruguay (Dawson)

SECRET

WASHINGTON, July 29, 1946—6 p.m.

US URGENT

294. Uruguayan Emb here states that it needs 20,000 tons of wheat for delivery next Oct and Nov. Uruguay offers to make immediate commitment for purchase or alternatively to agree to return same quantity wheat in Jan after harvesting.

Uruguayans stated that while Argentina apparently wishes to comply with its promises thus far Argentine wheat has arrived slowly and in small quantities. Mora expressed fear that Perón might at critical moment in elections stop shipments entirely for purpose influencing outcome elections and further that Argentina’s strong bargaining position threatens Uruguay’s freedom of action.

We asked for detailed info re present supply situation in Uruguay and re Uruguay-Argentine contract and deliveries thereunder past and expected. This and other information necessary for appraisal of need would be helpful in negotiations with interested agencies. Mora stated he would cable request for info and suggested separate inquiry be made of FonOff through you.

Pls cable report and your recommendation including report on current status of Uruguayan measures to conserve supply.

ACHESON

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62 In telegram 333, June 13, 1946, 11 a.m., the Ambassador reported that no July cargo from the United States was required (733.35/6-1346).

63 José A. Mora, Uruguayan Chargé in Washington.
The Ambassador in Uruguay (Dawson) to the Secretary of State

SECRET

MONTEVideo, July 30, 1946—7 p.m.

[Received 8:40 p.m.]

403. For basic information re Uruguayan wheat situation see dispatches 6960, 7335, 7396 and report 169, June 24. No official estimate production new harvest available but heavy rains in July and tendency to plant more linseed make present outlook uncertain. Prevailing price level for linseed is double that for wheat. Total wheat receipts June and July from US 17,487 tons and from Argentina 4386 tons.

Normal 25,000 tons monthly consumption has been reduced by 30 percent (17 in milling and 13 in lower sales of bread) so minimum 17,000 tons monthly needed from abroad August through November. Political situation makes further reductions in consumption impossible. Lower percent milling of grain was demanded in recent lockout of bakers and Government may be forced to permit some improvement in flour. Total needed for August-November is 68,000 tons and if 46 more are received from Argentina final theoretical deficit would be 22. Embassy therefore believes Uruguay will need minimum 20,000 tons from US for October and November delivery. Embassy recommends such wheat be purchased and not borrowed against future harvest.

DAWSON

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

No. 7648

MONTEVideo, September 5, 1946.

[Received September 11.]

Sir: I have the honor to refer to the Department’s telegram no. 322 of August 21, 1946 requesting the Embassy to keep the Department informed on details of developments in the Uruguayan wheat situation.

In an interview held on September 3, 1946, Sr. E. Storace Bordaberry, the President of the National Subsistence Board (Comisión Nacional de Subsistencia), stated that it had been the original intent of Uruguay to obtain 80,000 tons of wheat from Argentina for the six months period June to November, inclusive, but that 30,000 tons, al-

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64 None printed.
66 In telegram 322, August 21, 1946, 6 p.m., the Department conveyed the authorization of the Department of Agriculture for the export of 8,500 long tons of wheat to Uruguay during September (102.78/8-2146).
68 Not printed.
though promised officially by the Argentine authorities, had been cancelled. The request was then made for 50,000 tons from the United States since, even with reduced consumption, Uruguay would need a minimum of 17,000 tons of wheat monthly during the six months period.

During the three months period, June to August, inclusive, Uruguay has actually received only 36,649 tons of wheat, of which 19,162 tons have come from Argentina and 17,487 from the United States. This tonnage has been almost completely consumed, and, if new supplies of wheat are not received by the middle of this month the situation will become critical. Dr. A. Dominguez Cámpora, a director of the Bank of the Republic, is at present devoting his full time to trying to persuade the officials in Argentina to ship to Uruguay during September the quantity of wheat which had been promised from Argentina for the month of October.

Sr. Storace understands that two vessels will sail from Baltimore, Maryland, and Philadelphia, Pa. on September 10 and September 29, respectively, both carrying cargoes of 8,500 tons each.

It is the opinion of Sr. Storace that, if 8,000 more tons of wheat can be obtained from Argentina during September, and if there is no delay in the arrival of the 17,000 tons from the United States, the situation will not again become critical until the first part of November, at which time Uruguay hopes to obtain another shipment of 8,000 tons from Argentina. If successful, however, the total amount of imports for the period of wheat from both countries will amount to only 69,000 tons, as compared with necessities of 102,000, based on a monthly consumption of 17,000 tons, thereby leaving a deficit of 33,000 tons. He believes, therefore, that the situation between November and December 15 may be extremely critical and that additional quantities may have to be obtained at that time from both the United States and Argentina.

There is a possibility that the harvesting of the early wheat may begin in the first days of December, but there is no high degree of optimism at present that this will take place. The locust invasion is now causing serious concern in Uruguay and measures are being taken in an effort to bring it under control. Uruguay is officially reported to have planted approximately 400,000 hectares with wheat, and, if an average yield of 800 kilos per hectare should develop, there will be a harvest of 320,000 tons, from which 40,000 tons must be taken for seed. The majority of the well-informed experts, however, are not anticipating at this moment a harvest materially in excess of 250,000 tons, which, less the 40,000 tons for seed, is approximately the average annual consumption.
Sr. Storace emphasized that the situation regarding wheat in Uruguay continues not only extremely serious, but that at any time it may become critical. He also emphasized that forecasts of the next harvest are subject to change from day to day as weather and other conditions change in the interior.\footnote{In telegram 360, October 4, 1946, 7 p. m., to Montevideo, the Department advised that for the fourth quarter of 1946, 17,000 tons of wheat were allocated to Uruguay (833.61311/10–446).}

Respectfully yours, For the Chargé d’Affaires ad interim: 

FRANKLIN W. WOLF 
Commercial Attaché

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

No. 7787 MONTEVIDEO, October 21, 1946. 

[Received October 30.]

Sir: I have the honor to refer to the Department’s telegram No. 322 of August 21, 1946\footnote{Not printed.} requesting the Embassy to keep the Department informed in detail with regard to developments in the Uruguayan wheat situation, and also to this Embassy’s Confidential Despatch No. 7648 of September 5, 1946 replying thereto.

During the month of September Uruguay received no wheat from the United States, but did receive a total of 9786 tons from Argentina. During the month of October to date Uruguay has received no wheat from the United States, but has received a total of 8649 tons from Argentina.

Although these receipts from Argentina during September and October were of the greatest value in easing the critical situation in Uruguay, particularly in view of the fact that the scheduled shipments from the United States were delayed due to the maritime strike, the situation remains extremely serious.

As explained in this Embassy’s Despatch No. 7648 referred to above, the minimum requirements of Uruguay during the six-month period June to November inclusive were established by competent government experts to be 102,000 tons, or an average of 17,000 tons per month. During the period from June 1 to date Uruguay has actually received only 55,084 tons of wheat, of which 17,487 have come from the United States and 37,597 from Argentina. It is clear, therefore, that, even if the 17,000 tons allocated to Uruguay by the United States should be received prior to the end of the current month, there would still be a theoretical deficit in the minimum requirements of 13,000 tons. Under the agreement with Argentina there is precisely this quantity still due.
as the balance undelivered of the scheduled 50,000 tons, but whether or not it can be made available in time is, at the moment, doubtful. The Uruguayan authorities have advised this Embassy that there are only two further shipments expected from Argentina in the near future, such shipments totalling only 680 tons, but every effort is being made to obtain additional quantities as soon as possible. Present indications are that the month of November, which coincides with the election period, will prove extremely serious, if not critical, inasmuch as no harvesting of the early wheat can begin until the first part of December. However, it is understood that the Uruguayan vessel *Tacoma* is now in the port of Baltimore loading a full cargo of wheat for Uruguay, and, if this operation is successful, the situation will be improved.69

This Embassy will continue to keep the Department advised regarding developments in this situation.

Respectfully yours,

For the Chargé d’Affaires ad interim:  
FRANKLIN W. WOLF  
Commercial Attaché

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69 The departure of this vessel carrying 8,000 tons of wheat and the loading at Philadelphia of 8,500 tons of wheat for Uruguay in another vessel were indicated in telegram 409, November 8, 1946, to Montevideo (833.61311/10–2146).