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THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Buenos Aires, January 24, 1947

CONFIDENTIAL

Dear Mr. Ambassador:

I haven't written you it seems for about ten days, inasmuch as we have been expecting you back almost any time. Today, however, one of the local papers carried an item to the effect that you might have to remain in Washington for another week or so. In view of this I shall go on the off-chance that a letter will reach you and try to bring you up to date on what has been going on here.

General Lord and twelve of his associates arrived in town the early part of this week and yesterday had a much publicized meeting with the President, during the course of which General Perón adverted again to his Five-Year Plan and stated the objectives which he hoped the visiting group would achieve in connection therewith. I gather he wants a completely objective and outside opinion on the plan and to find out to just what extent it is a workable proposition and how the various phases thereof can be integrated.

General Lord called at the Embassy two days ago and said that he had, I believe, seen you recently in the States and that things were going well with you.

I have seen the Foreign Minister twice this past week and he is extremely interested in everything you are doing in Washington. During the course of a talk on Tuesday night I again raised the question of the decree which the Government was to have enacted several days previously respecting taking over enemy property. I remarked that I thought if the Government was going to take such action it could not do so at a more propitious time. He agreed with this and said it would be enacted the day following and he would send me a copy. However, that night at 8:30

Chiesa

The Honorable

George C. Messersmith,  
care Mrs. Ruth Mason Hughes,  
Division of Mexican Affairs,  
Department of State,  
Washington.

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Chiesa phoned to say that the Minister regretted he had not been able to keep his word, but would see that a copy was sent to me the day following, Thursday, between 2 and 3 in the afternoon. Nothing having happened then I received a telephone call later in the evening stating that the Minister wanted me to come to see him today at 12:45, which I am going to do. I have a hunch that Miranda, who has been in Punta del Este the past four days and is returning tomorrow, has been making some objections to the proposal. However, I shall know more about that today. We here hope that the Government can do what they have said they would in regard to this property.

As usual, the Minister is very much concerned over Communism, about which he told me he had had long talks with you. He said he did not know as yet what the results of the Brazilian elections had been, but he very much feared a more than substantial increase in the polling of the Communists. He feels that the United States should take more positive action in the other Americas in combating Communist anti-United States propaganda and activities.

We here are awaiting with all the interest in the world the result of your conversations with General Marshall. Leeper told me the early part of this week that he and his Government also are interested in them and hope that the situation between the United States and Argentina can be composed, as the present state of affairs is doing no one any good, not even, according to Noble, British exporters.

In this respect I am attaching hereto excerpts from a news sheet being issued in Montevideo. Its statement that "anti-United States feeling all over Latin America is on the increase" is merely a confirmation of what has already been reported so many times, and unless the situation can be composed along the lines suggested by you, it would definitely become worse, with resulting loss of political prestige for us in the other Americas and consequent economic loss to our exporters.

The AFL labor delegation arrived here on Sunday and called at the Embassy the following morning. They are in general a group of not overly educated nor highly intelligent individuals who appear to be completely under the domination of Cerafino Romualdi, who can talk rings around them both in English and in Spanish. That same day they

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issued a statement to the press in which the English word "survey" had been translated into the Spanish word "investigar". This created some resentment and the situation was not improved that afternoon when the delegation called on the President and reportedly Romualdi again had said his group had come to Argentina to investigate. Perón apparently hit the roof at this and said that they could do what they wished in Argentina, but that an investigation was not what they had come here for and if it was their idea they could do so without any Government connection. Later that evening Bramuglia told me that he was incensed over the whole affair, particularly the fact that Ivanissevich had invited them originally, and secondly that Romualdi had used words and a tone of voice toward the President which the Chief Executive of no sovereign state could take. Still later that evening Watrous phoned me from the City Hotel where the group was staying to the effect that hell seemed to be breaking loose upstairs and the delegation was about ready to leave the next morning. I came down and sat in on the meeting and listened to the talk that went on, Romualdi doing most of it and apparently swaying the rest of them to his point of view that the delegation had been insulted and the best thing to do was to leave the next day, having already achieved their mission, which was to determine whether or not the CGT is a free labor movement--they had decided it was not such.

I told them that I thought the entire affair was the result of a misunderstanding and that they should not go off half-cocked, but rather should stay on here and endeavor to ascertain what the real facts in the situation are. Another point which they raised was that President Perón had invited the Chairman and Vice Chairman of the group to meet with him next morning at 9 o'clock and they did not know whether to accept or not. I counseled them to accept the invitation inasmuch as not to do so would be a grave discourtesy, as well as would be their immediately leaving the Argentine. The morning following the meeting was held and proved to be eminently satisfactory, with the result that the delegation will carry out their visit here, and the Government has assured them of complete liberty to talk with anyone in the Republic at any time.

Pierre Loving, who I think is an INS special correspondent and who said that he had talked with you just prior to coming down here, dropped in to see me yesterday and to say that to his actual knowledge the original difficulty and

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misunderstanding arose from Romualdi's activities and attitude and that he was acting "like a damn fool". Frankly, I gather the impression from Romualdi that he wasn't particularly interested in the visit going off smoothly, for what reason and at whose instigation I leave you to draw your own conclusions.

Marion keeps well and busy and I gather is getting plenty of bridge. She is naturally most anxious to have you back here, as are all of us, and hope your return will not be delayed too long.

I think the above more or less brings you up to date on the more important things which have been going on. Actually things here have been fairly quiet.

With all good wishes,

Ever sincerely,

A handwritten signature in cursive script, appearing to read "Sid", with a long horizontal flourish extending to the right.

Sidney E. O'Donoghue