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FOREIGN SERVICE DESPATCH

837.10/2-2654  
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FROM : AMEMBASSY, HABANA

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DESP. NO.

MAR 2 1954  
February 26, 1954  
DATE

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Embassy despatches 773 Dec. 16, 1953, 784 Dec. 18, 797 of Dec. 23, and 815 Jan. 4, 1954. 837.10 ARA 01 E TC CIA CONFIB TR TAIK

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	REC'D 3/3	OTHER CIA-5 COM-8* FRB-2* TR-3* TAR-2

SUBJECT: New Public Works Program Gets Under Way.

① The despatches under reference reported on the Cuban Government's "New Economic Plan," based on a 145-million-peso public bond issue which, in addition to refunding certain previous issues, and incorporating authorized issues, would provide roughly 50 million pesos for a new public works program. Reportedly, the marketing of the new bond issue, largely through Cuban banks, has been proceeding satisfactorily; the new bonds, denominated "Veterans, Courts and Public Works Bonds," appear to be stabilized on the Habana Securities Exchange at 99 1/2. With direct relation to public works, an additional marketing device is provided by the authorization for the contracting agency to let contracts without public bid to established contractors who agree to accept half payment in these bonds.

On February 18, Dr. José PARDO JIMENEZ replaced Sr. Alfredo NOGUEIRA as Minister of Public Works; according to press reports, Sr. Nogueira resigned to give full time to his activities as head of the Radical Union Party, one of the coalitions of Government parties. On the same date, Presidential Decree No. 284 was published outlining the first phase of the new public works program, allocating 7,660,000 pesos for five projects under the National Development Commission and 10,387,370.45 for 26 projects under the Ministry of Public Works. A full listing of these 31 projects and copies of Decree 284, as published in the Gaceta Oficial of February 19, are enclosed. It will be noted that about two-thirds of the 18 millions to be expended in this first phase of the new public works program is for highway, road, and street construction. Nearly three million is to be used for military installations. Of the 26 items in the Ministry of Public Works list, half relate to the Topes de Collantes Tuberculosis Sanatorium near Trinidad, an old project of the Batista Government; these 13 items total almost 1.5 million.

On February 25, President BATISTA laid the cornerstone for the General Courts Building (Palacio de Justicia) in the new Civic Center, Habana. The contract for this 10,000,000-peso construction job, to be completed in 15 to 18 months, was recently granted to a prominent Habana contracting firm, reportedly with part payment to be made in bonds. This construction job, plus 2.5 million in construction and repair work on other court buildings throughout the country, was one of the previously-authorized items integrated in the 145 million plan; as such, it is not part to the mentioned 50 million new public works program.

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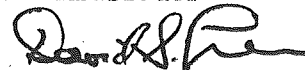
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Also, construction work has been resumed on the Communications Center, again in the Civic Center at Habana. This is another integrated item of the "New Economic Plan;" the current cost estimate for completion of this building is two millions but this may well prove too low.

All of the above add up, for the present, to some 30 millions in additional public works activities. In subsequent phases of this program, some 32 millions more from the 145 million bond issue will presumably be allocated to other specific projects, partly under the National Development Commission and partly under the Ministry of Public Works.

For the Ambassador:

  
David S. Green  
Commercial Attaché

Enclosures: *all*

1. Listing of New Public Works Projects under Presidential Decree 284 of Feb. 18, 1954.
2. Six copies of Presidential Decree 284 as published in the Gaceta Oficial.

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Listing of New Public Works Projects Under Presidential Decree 284  
of February 18, 1954

A. National Development Commission

1. "Northern Route" highway from Matanzas to Morón (Camaguey Province)	\$3,000,000.00
2. "Southern Route" highway from Güines (Habana Province) through Cienfuegos to Trinidad (Santa Clara Province)	3,000,000.00
3. Paving, drainage, sewage and water purification projects at Sancti Spiritus (Las Villas Province)	730,000.00
4. Road from Sancti Spiritus to Jíbaro (Las Villas) and repair of drains	230,000.00
5. Road from Santa Clara to Manicaragua (Las Villas)	<u>700,000.00</u>
N. D. C. Total	\$7,660,000.00

B. Ministry of Public Works

1. Extending the Malecón (sea-wall thoroughfare) from "G" Street to 12th Street, Vedado, Habana	\$3,500,000.00
2. Reconstruction of naval airport, Mariel (Pinar del Rio Province) and highway to airport	600,000.00
3. Road from Barandilla to Central Highway between Bauta and Marianao (Habana)	500,000.00
4. Road from Guantánamo to Caimanera (Oriente)	400,000.00
5. Completion of Columbia Military Airport, Marianao (Habana)	950,000.00
6. Highway from Cruces (Las Villas) to Mal Tiempo- Potrerillo, with bridge	250,000.00
7. Purchase of site and construction of Camp for Regiment 4 (Army) in Matanzas Province	1,200,000.00
8. Road from La Coloma to La Coloma Beach (Pinar del Rio) and waterworks for La Coloma	100,000.00
9. Airport near "Ruis Rivera" Military Camp (Pinar del Rio) and road to airport from Central Highway	120,000.00

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10. Road from Camarones to Guaniquical (Las Villas)	\$ 185,348.00
11. Telephone line from Trinidad to Topes de Collantes and construction of picnic area and lookout park	97,235.00
12. Urbanization of Guaniquical	195,606.00
13. Police station, park, streets, etc., of Guaniquical	116,544.85
14. Equipment and supplies for Police Station at Guaniquical, including three jeeps	26,574.80
15. Completion and furnishing the school at Guaniquical	54,184.20
16. Waterworks at Vega Grande River, Trinidad and accessory swimming pool, etc.	108,413.00
17. Completion of the electric plant for Guaniquical	40,177.00
18. Complete reconstruction and equipping of the Civil Hospital, Trinidad	291,701.60
19. Repair and protection of the principal water main, Trinidad	29,780.00
20. Water purification plant (360,000 gallons daily) for Topes de Collantes Sanatorium	105,550.00
21. Electric plant (250 kw) for Topes de Collantes Sanatorium	101,250.00
22. Vehicles, office equipment, etc. for Topes de Collantes Sanatorium	65,006.00
23. Construction of athletic fields in all the provinces	300,000.00
24. Road from Babiney to Jiguaní (Oriente)	300,000.00
25. Repair and paving streets, city of Camaguey	200,000.00
26. Water purification plant, city of Camaguey	550,000.00

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