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FROM : Embassy Habana

Willard L. Beaulac
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TO : THE DEPARTMENT OF STATE, WASHINGTON.

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DEPARTMENT OF STATE
BUREAU OF INTER-AMERICAN AFFAIRS
APR - 3 1952
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SUBJECT: CONVERSATION WITH LAWRENCE BERENSON,
NEW YORK ATTORNEY AND FRIEND OF BATISTA.

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I have the honor to enclose a memorandum of a conversation I had yesterday with Mr. Lawrence Berenson, a New York attorney and close friend of General Batista.

It is expected that Mr. Berenson will probably be one of the Americans closest to General Batista. He does not hesitate to interest himself in, and comment freely on, Cuba's domestic affairs, including its political affairs.

Although I had not seen Mr. Berenson for some eleven years, and although Mr. Berenson had never had anything to do with sugar matters when I knew him, he took it upon himself to inform me concerning the graft allegedly being engaged in by persons high in the sugar industry. Mr. Berenson revealed that his principal informant on such matters was Mr. Julio Lobo, who is no lily himself.

The present memorandum is submitted for the record and for possible future reference.

Willard L. Beaulac
Willard L. Beaulac

Enclosure:

Memorandum of conversation
with Berenson, March 26

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March 26, 1952

MEMORANDUM OF CONVERSATION

The Ambassador
Lawrence Berenson

Mr. Berenson called. He said he had been with Batista a week or so before the coup d'état. He said Batista knew this thing was going to happen, but he didn't think it was going to happen so soon. The younger officers, however, had told Batista, "March 10 is the day" and Batista had gone along.

Berenson said he thought General Tabernilla had a great deal to do with planning the revolt. Mrs. Batista told Berenson that she knew nothing about the coup until she awoke on the morning of March 10 to find Batista gone.

Berenson gave me a series of personal impressions of Batista, the kind of job he would do, etc.

Berenson said that Batista was worried by the delay in American recognition. He said Batista thought that a lot of the criticism of him in the United States would disappear after recognition. I take it that this was one of the principal reasons for Mr. Berenson's call. I made no particular comment on his statement.

I asked Berenson to refresh my memory as to what he used to do in Cuba in the old days. He reminded me that he was the attorney for the Textile Association and had worked closely with Ambassador Caffery, Walter Donnelly, etc.

I asked Berenson whether he expected to have any connection with the Cuban Government. He said he did not. He was an intimate friend of Batista, he and his wife and Batista and his wife had spent some time together at Poland Spring last summer. He had handled private business for Batista and probably would in the future; but he did not expect to have any connection with the Cuban Government.

I asked him to let me know if he should make a connection with the Cuban Government. I said I liked to be clear about the status of people who came in to see me to talk about Cuban matters. He said he would.

I asked Berenson whether he knew Bernard Relin (Ex-President Prfo.'s American "Public Relations" adviser, a New York^{er}, and an alleged gangster). He said he had never heard of Bernard Relin.

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He asked whether Relin is a little fellow; I said no, he is a big fellow. (I am very sure Berenson knows Relin, or knows about him.)

I told Berenson I should like to give him a little advice, and that was to talk about Cuban politics as little as he could, even to Batista. I said that he was an American and Americans were being accused of mixing in politics down here. I should like him to keep out of the political situation, in his own interest and in the interest of his Government. Berenson said he would. He could not keep Batista from talking about the political situation, of course, and Batista depended on him a good deal for impressions concerning public reaction in the United States, etc.

Berenson said that Batista had asked Edmund Chester, former A.P. representative here and now with one of the broadcasting companies, to come to Habana. He thought Batista wanted to employ Chester as a kind of publicity man, but he doubted that Chester would give up his present job for that purpose.

Berenson talked about the storage contract which the Institute had made with three molasses buyers in the United States covering the storage of 80 million (sic) gallons of molasses. He says the storage charge for one year is 1-1/4¢ a gallon, which amounts to about \$1,000,000. The kickback is 1/2¢ a gallon, which is being divided among members of the Molasses Committee of the Institute, etc. Berenson mentioned names.

Berenson referred to the "3¢-per-bag tax on sugar for Prío's electoral campaign." He said the tax was to be increased to 6¢ per bag in April of this year. He said the \$1,200,000 already collected had been divided among Prío, who got \$400,000, Mujal, who got \$300,000, and certain other persons. (I checked later with Arturo Maffas concerning this "3¢-per-bag tax." He said it was a voluntary fund raised by the mill owners to protect their interests. Some was used for advertising, some to subsidize newspapers, and some undoubtedly was paid to certain officials. He said the contribution was not on the basis of any particular figure per bag. It was supposed to be a revolving fund of \$1,000,000, and mill owners were free to contribute what they wished. He knew nothing about any increase in the fund.)

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