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No. 4165

Habana, Cuba, July 11, 1947

RECEIVED
DEPARTMENT OF STATE

JUL 17 AM 11 1947

Subject: Grau Administration Pressure on the Press.

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

I have the honor to submit herewith a copy of a memorandum prepared by the Public Relations Officer assigned to this Embassy, describing the newspaper situation in Habana, the pressure which the Grau administration is bringing to bear on the (largely oppositionist) daily press, and the subsidy which is reported to be received by the "Diario de la Marina" from the Argentine Government.

It will be recalled that under the Batista administration the press was largely kept in line through the assignment of "botellas," or sinecure government jobs, to administrative and reportorial personnel. This device, bitterly criticized by the Grau forces prior to the 1944 election, could hardly have been resurrected. Apparently the same effect is being obtained through allowing typographical workers to strike for, and obtain, higher wages than the traffic can bear, and then, in case the paper in question proves amenable to suggestions with regard to editorial policy, making up the deficiency, or more than making it up, through the surreptitious payment of government funds. Something of this sort seems already to have occurred with respect to the "Diario de la Marina," which, as of today, is understood to be receiving fees from five different sources -- the Franco Government, the Trujillo Government, the Sugar Growers' Association, the Grau administration (as above), and the Perón Government (as suggested in my despatch No. 4163 of July 10, 1947, "Aggressive Argentine Propaganda Activity in Cuba," and as now confirmed by Mr. Stewart's informants).

Respectfully yours,

For the Ambassador:

H. Bartlett Wells

H. Bartlett Wells
Second Secretary of Embassy

Enclosure:

No. 1-Confidential Memorandum

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MEMORANDUM

To: H. Bartlett Wells July 10, 1947
From: C. Allan Stewart - OIC
Subject: Newspaper Situation in General

According to information in journalistic circles, "Diario de la Marina" is being paid by Perón to beat the drum for the Argentine cause. The amount allegedly being paid is said to be \$50,000. I have not heard any talk of "Información's" receiving a subsidy from the Argentines.

The government is still putting the heat on Dr. Pedro CUE in an effort to get him under obligation. Dr. Cue is supposed to have told my informant that he was offered \$15,000 a month from an unnamed Ministry to pay for wage increases demanded by his shop and editorial workers. This money would be paid in cash in bills of small denominations to make everything completely secret and untraceable, but if the good doctor ever took a cent of money the fact would become general knowledge, thereby laying Cue open to a charge of venality. Dr. Cue is quoted as saying he will sell out before doing this, and is further supposed to have said he already has received an offer for his newspaper from a wealthy, unidentified Cuban.

While the wage demands already have been presented to Dr. Cue, the shop workers have not subjected him to pressure, as in the cases of "Diario," "Información" and "Prensa Libre." Ates Graficas, the union of typographic shop workers, however, has let it be known that his day is coming.

The editorial workers are discussing wage increases with Dr. Cue, but on a friendly, ability-to-pay basis. Angel GUTIERREZ C., president of the Asociación de Reporters, tells me that similar conversations have been, and are being held with other, well-heeled, newspapers and increases of from 20 to 25 per cent are being obtained. Gutierrez says all negotiations are friendly, with no strike threats. His story is corroborated by other sources, which say that the Bloque de Prensa members agreed to raises of this nature. Dr. Cue, however, told the other Bloque members that he could not grant such increases, and is conducting his negotiations with the editorial workers at present in the friendly manner described by Gutierrez (who works for "El Mundo").

A \$15,000 subsidy from the government would more than pay the wage increases demanded by "El Mundo's" workers,

leaving

- 2 -

leaving something for Dr. Cue.

My source declared that the impasse between "Diario" and the shop workers was settled by a similar government grant, and the sudden end of recriminatory articles in "Diario" and "Hoy" last Saturday would seem to bear this out. On Friday, "Diario" front-paged a story saying it would fight the unjust wage demands to the bitter end. "Hoy" printed a story on the same day quoting the shop workers as saying they would get what they demanded or strike the paper. Saturday and thereafter not a line has been printed anent the labor trouble in "Diario." If the workers backed down, it is a cinch "Diario" would have exploited the fact, and since "Hoy" (as far as I recall) has not referred since Friday to the trouble in the "Diario" shop, apparently the Artes Graficas boys got what they wanted and were told to lay off the gloating.

My source says "Información" and "Prensa Libre" also granted the increases demanded by the shop workers, with the government acting the part of Santa Claus. It will be interesting to see whether "Prensa Libre" continues its bitter attacks against Grau, or merely puts up a token resistance.

Cue's determination to sell rather than knuckle under seems to be generally known in journalistic circles.

C. A. S.