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UNITED STATES OF AMERICA

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No. 2160

American Embassy  
Habana, September 12, 1946

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DEPARTMENT OF STATE  
SEP 20 1946  
DIVISION OF FOREIGN  
REPORTING SERVICES

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Subject: A year of "Reconversion" in our  
Cuban Relations.

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

Sir:

I have the honor to set forth below a summary of my impressions of the evolution of our relations with Cuba during my first year as Ambassador - a year which, as it happens, corresponds almost exactly with the first year of peace following World War II. This circumstance has had a marked bearing both on the nature of the problems arising between our two countries and on our respective attitudes towards such problems. By and large both sides have tended to become more demanding, to raise the ante, as it were, on the issues at stake. Also by and large, to pursue this analogy, the chips have been with the Cubans, but on the whole have not over played their hand too much.

It will be a long time, I believe, before any American Ambassador in Habana can honestly say that he has been fully content with the development of our complex relations with Cuba over a given period. I base this statement on my own experience, which has fostered what might be termed a constructive discontent: a feeling which stimulates a constant striving for more satisfactory relations, within my terms of reference as executor for our best interests.

In a letter to the Department shortly after my arrival here, I pointed out that I sensed in the Cuban people and Government a defensive complex against our overwhelming bigness (magnified many times by our war record); and that this sentiment expressed itself not infrequently in obstructionism or delay in according cooperation on matters of common interest. A year's experience has certainly confirmed this impression but it has also revealed some positive and hopeful factors mitigating this vexing attitude.

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SECRET

91

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

- 2 -

Over and above the normal patriotism and sensitive pride of the typical Cubano, there lies the fact that decisions are now being made by a new generation, who did not themselves participate in the Wars of Liberation and who lack their fathers' instinctive dependence upon Uncle Sam; or the dependence of a colonial administration upon its Mother Country which marked centuries of Cuban history. Their tendency is to feel their own way by trial and error, to learn for themselves - and they implicitly resent advice, much as they may sometimes need it. This tendency, intensified with the termination of abnormal wartime pressures, should in the long run be a healthy one, since no real sense of responsibility can develop without a sense of true independence - and irresponsibility has thus far been an almost congenital Cuban characteristic.

A further instance of the new "accent on youth", with all its faults and virtues, is the holding of almost all major governmental offices by the one-time student followers of President GRAU. They have largely replaced the old-line politician in the forefront of public life - as witness the three PRIO SOCARRAS brothers, Eddy CHIBAS, Inocente ALVAREZ, Ruben de LEON, Genovevo PEREZ and many others - most of them contemporaries at the University and all having cut their political teeth in an atmosphere of sharp hostility to the United States based on our repudiation of the original Grau regime. I feel some sense of accomplishment in that my day-to-day relations with many of these officials have contributed something to restoring mutual faith and friendship. While the Pan-American equivalent of "twisting the Lion's tail" is not unknown in Cuba, it is a source of satisfaction that, among all the political parties here, the only serious or bitter attacks against the United States during my year as Ambassador have come from the foreign-inspired Communists rather than from truly indigenous political groups. But, though there have been several demonstrations of spontaneous goodwill and cooperation, notably in the broad range of international policy, the general attitude of Cuban officialdom, now reinforced by the Administration's triumph in the June elections, is one of increasing independence and self-assertiveness.

Coupled with this psychological attitude, and affecting every political issue between our two countries, is a new-born and rather brash confidence based upon Cuba's remarkably strong postwar financial and economic position. In any form of bargaining or negotiating, we are no longer dealing with a poor and dependent neighbor, but with a solid young citizen with money in the bank who is eager to use it for his own immediate purposes, without outside interference. Paradoxically enough, the possession of ample current funds has seemed to strengthen rather than weaken Cuba's chronic reluctance to pay

SECRET

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Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

certain classes of inter-governmental and private debts. Whereas in the past, despite a depleted exchequer, payments were or might have been forthcoming in the hope of reciprocal favors, the attitude now seems to be that the debts will be taken care of some fine day but that Cuba needs no favors or credits and would rather use its wealth for public works, schoolhouses and workers' palaces. To say that our bargaining position since the end of the war has been rather weak is an understatement. Through the combination of factors noted above, along with our avowed rejection of strongarm methods inconsistent with Good Neighbor policy, the weakness of our current leverage is conspicuous.

With these considerations in mind, we have doubtless made more concessions during the past year than have the Cubans. But where we have lost out on what are after all relatively minor issues to us, we have usually gained in prestige and goodwill. A brief review of some of the major problems of the year will, I believe, bear out this thesis.

Sugar

The difficulties here might have been largely obviated, from our own point of view, by the conclusion urged by the Department and Mr. BRADEN of a rigid two-year agreement in early 1945, when our bargaining position was much stronger. But the two-year purchase agreement signed in July, with flexible price clauses protecting the Cuban consumer, may pay better dividends in the long run in terms of maintaining for a time a stable economy in this important sector of our international trade. Meanwhile, American banks have extricated themselves entirely from their embarrassing "mortgage" on a large share of the Cuban sugar industry, and American ownership as a whole has painlessly dwindled from sixty odd to forty odd percent - a much more healthy proportion. The many frictions incidental to the protracted sugar negotiations - during which the Cubans nevertheless faithfully continued to deliver the goods - were submerged in July in a burst of goodwill at very high levels, in which, incidentally, the economic sections of the Embassy received much-deserved credit.

Air Bases and Lend-Lease Agreements

In the matter of the promised return of the Bases, the Cubans went beyond the letter of the law in asking for the restoration of the Bases before the termination of a state of war, but to some extent this was

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Embassy, Habana  
Despatch no. 2100  
Dated September 12, 1946

compensated for by a very satisfactory cash arrangement for the Cuban purchase of surplus equipment. The turning-over ceremony, held very appropriately on Cuban Independence Day, was featured by tributes from the highest Cuban authorities to the understanding and non-interventionist spirit evidenced by the United States. Just as the developments in sugar gave the lie to charges of colonial imperialism on our part, so did the generous terms of the Base restoration refute similarly-inspired charges of militaristic intervention. In both cases the lesson, and the contrast, were plain to all the world except the hate-indoctrinated Communists. And in an atomic world we have lost nothing strategic by abandoning friendly Bases half an hour's flight from Florida.

Virtually all Cuban officials are lawyers, with a brief for their own client, Cuba, and the letter of the law in the matter of Lend-Lease payments has not impressed them as it did in the matter of returning the air Bases. However, as in the somewhat analagous case of their pledged - and long deferred - subscriptions to UNRRA and the International Bank and Fund, it may be expected that a sense of pride will eventually persuade them to honor their small commitments.

American Claims and Property Rights

Perhaps the sorest point of our current relations, and certainly the one fraught with the most irritating repudiations of specific official promises, is the question of claims arising from inter-governmental commodity contracts (peanut seed), compensation for squatter-infested American property (Stowers case) and the wide range of substantiated private claims of American nationals dating back to the turn of the century. This whole mass of aggravation, with Lend-Lease thrown in, could be eliminated by a ten or twelve million dollar appropriation by a Government which is now receiving, over and above record normal revenues, some \$20,000,000 from the proceeds of sugar crop sales in the open market and is contemplating seizure of many more millions which would accrue to the sugar industry from price increases resulting from rises in our cost-of-living or foodstuffs price indices. But instead of a comprehensive and equitable solution involving little strain on the Cuban fiscal position, we seem destined to an endless case by case bickering with corresponding decline in political and commercial confidence and adverse side effects. The American business community here is seriously concerned over both the claims and squatter issues, and if the

94

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

coming session of a Congress now completely under Administration control does nothing towards a solution, there will be unpleasant repercussions. I feel that in the matter of justifiable private claims, such as those of the Isle of Pines Company, and elementary property rights, such as Stowers', we shall gain no compensatory goodwill by displaying magnanimity or tolerance in the face of delays and false promises by the Cuban authorities. If there is a place for hard bargaining based upon a really workable and specific quid pro quo, this is it, rather than the Lend-Lease issue.

*Dept is planning for all necessary is at the moment emphasize level*

Commercial Policy and Business Relations

However we may sugar-coat it, the pill of our prospective reduction or complete elimination of the bilateral tariff preferences is going to be a bitter one for Cuba to swallow. Of course, if our Congress next year should by any chance take action towards increasing the Cuban share in the United States sugar market, much of the adverse effect would be offset, but even so there would still remain many problems of adjustment. The successful outcome of the forthcoming Preliminary Trade Meeting is therefore of great importance to Cuba, but even more important from our viewpoint is the task of educating the Cubans away from their current narrow economic nationalism, which has resulted in ever-increasing violations of the letter and spirit of the present Trade Agreement. This process has now been ably begun by a special mission from the Department aided by the Embassy's economic staff, and it is to be hoped that by the time the multilateral conferences of major trading nations are held Cuba will understand that her own best long-range interests lie in full cooperation with our proposals for liberalizing the whole concept of world trade.

The American business community, too, is having to adjust itself in this postwar reconversion period to a new concept of Cuba as an independent economic partner rather than a protected dependency. As in the case of other long-entrenched special privileged groups, the transition will not be an easy one, and there have been many headaches during the past year over the increasing inroads and demands of the Cuban Government and of newly organized labor. Where grievances have been legitimate, as in the case of certain claims and property rights mentioned above, or where intervention or harassment has occurred in disregard of Cuban law or in

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95

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

- 6 -

violation of treaty rights, the Embassy has firmly, if not always successfully, supported the American complainant. But little can be done constructively until a broad Treaty of Commerce and Navigation, backed by goodwill and mutual understanding of the changing relationships, has been negotiated. Much has been done during the past year in tripartite spadework by the Department, the Embassy and the American Chamber of Commerce in preparing a draft of such an agreement for submission to the Cuban Government.

#### Cooperation in World Policy

When President Grau (at the recent elaborate testimonial dinner tendered me as a tribute to the freeing of the Philippines) said that Cuba was devoutly thankful that the United States, rather than any other power, possessed the effective secret of atomic warfare, he gave voice to what I believe is the sincere feeling of the great majority of Cuban, as well as other Latin American, people. Coming from the Cubans, who know us so intimately, the tribute is all the more real, and the implied rebuke to the minority of Cubans who implacably hate us - the Communists - is very clear. This spirit of basic confidence, despite all our minor differences, has characterized Cuba's attitude during the past year in the whole broad range of our world and hemisphere policies.

We counted on, and received, Cuban support at Chapultepec and San Francisco; Cuba has followed the Anglo-American policy on Franco Spain, despite great internal pressures to the contrary; and in the various new international organizations, such as UNRRA, the International Bank and Fund, and United Nations subsidiary organizations, Cuba has allied herself to our principles, with only such reservations as befit a very self-conscious "little" power. On the tortuous Argentine question Cuba was shrewdly non-committal, preferring, like many others, to suspend judgment, although with respect of the Larreta proposal Cuban reception was distinctly reserved. Only in the matter of our World Trade Proposal and in regional radio matters has there been any serious doubt as to the extent to which we may be able to rely on Cuban support in major current issues.

Meanwhile, Cuba has of her own accord intensified good neighborly relations in this hemisphere - notably with Canada, Mexico and Venezuela - and has expanded

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SECRET

96

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

- 7 -

her foreign representation in general. This increasing maturity and interest in the international field helps to counteract the previously noted tendencies towards accelerating nationalism, and the Embassy has made every effort to foster such development despite a notable shortage of adequate personnel either in the Cuban Foreign Office or its representatives abroad. On the whole, we may be quite well satisfied with Cuba's progress as a partner in world affairs during the past year.

#### Social and Cultural Relations

In both of these fields the first year of peace has provided a considerable contrast to the activities of the war period. The Cubans never abandoned social festivities to the extent that many of the actual belligerents chose or were obliged to, but the coming of peace, accompanied by record prosperity witnessed an eager upsurge of entertaining. I have naturally expanded my official entertaining in accord with this trend - a really serious business in Cuba - and members of my staff have done likewise within the limits of their representation allowances. We have found a great many direct and indirect benefits to the conduct of official business in these social contacts with both Americans and Cubans, and a recent delegate from the Department, Mr. Harry TURKEL of the Commercial Policy Division, remarked that his task of clarifying the issues of our World Trade Proposals was more advanced by a small and selective luncheon at the Residence than by several days of office conferences.

The rather extensive wartime activities of the former CIAA office and the former semi-official local Coordination Committee have been partly retained in the form of an informational program emphasizing films. The moderated emphasis on officially-sponsored cultural relations has been in accord with the peculiar position of Cuba, which by reason of historic, economic and geographic factors is already so intimately associated with all phases of American life as to need comparatively little in the way of an official program.

#### Conclusion

As I look back over developments of the past year, I have the feeling that relations between Cuba and the

United States

SECRET

97

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

- 8 -

United States may only have been settling gradually to a basis different from that which existed prior to the abrogation of the Platt Amendment. As Cubans, generally, have become convinced that there is only a very remote possibility of the United States reverting to a frankly interventionist policy, they have had a natural tendency to flaunt their "independence" in small ways - much as a puppy might yelp bravely at a mastiff behind a fence. The "fence" is our own determination that we will not again be lured into "landing the Marines".

The exhilaration of the "independent" attitude of Cubans now appears to be subsiding and I believe we may expect that the relationship between our two countries will level off on a new plateau - with gradually increasing mutual respect which should mark the relations between neighbors who are "good" in the best sense of the word. This process will inevitably be slow but it can be hastened if we continue in our inclination not to provide gratuitous assistance - except, of course, succor for humanitarian needs - and instead to wait those manifestations of reciprocal cooperation, such as debt payments and other expressions of decent goodwill, which might normally be expected of any neighbor who wishes practical cooperation. The very recent indication that the Cuban Government may finally pay its Lend-Lease account, when faced with our reluctance to sell further war matériel until this payment is made, should encourage us to maintain this attitude in other matters. If we are firm but reasonable, I believe we may eventually expect results. And if we are reasonable, it seems very unlikely that Cuba will be tempted to look farther afield - to some other great Power - for the largesse that we may withhold.

While I express this note of optimism for the future of relations between Cuba and the United States, it is more difficult to be hopeful concerning domestic developments on this Island. The struggle toward national dignity, as expressed in terms of the public safety and probity, seems at best to be spasmodic; but perhaps an improvement in the average can be perceived, in retrospect, through the ups and downs on the

graph

SECRET



94

Embassy, Habana  
Despatch No. 2160  
dated September 12, 1946

- 9 -

graph of assassinations and graft and political turmoil. While fear of the assassin's hand has been haunting the streets of Habana in recent weeks, the current atmosphere is no doubt tame in comparison to that experienced by my predecessors in the early 1930's.

As I have indicated in many reports, I do not feel that the Grau Administration is as yet entitled to credit itself with any deep or lasting accomplishments. However, we are dealing here with what is probably a more "democratic" civilian Government than any other in Cuban history. Under the seemingly sincere inspiration of President Grau, it is trying to establish itself without dictation from the military (the previous locus of sovereignty) and without external interference. The course of our future relations with Cuba will depend greatly upon the success of Cuba's own self-conducted experiment in democracy - and inevitably upon the future of sugar. Under the Good Neighbor policy we can do little more than seek to encourage, by every legitimate means, an attitude of responsibility and an atmosphere of stability in which Cuba may make her own way into the community of mature and progressive peoples.

As I look forward, I cannot refrain from reflecting that rarely has a Chief of Mission been more favored in the loyalty and efficiency, judgment and understanding, of his staff of officers and clerks - dwindling though the numbers have been in the face of the economies forced upon the Department by the Bureau of the Budget. Without the reassurance of this splendid group of assistants, the labor of fostering and nurturing the more sane and sound trends in relations between Cuba and the United States would indeed be a much less happy prospect.

Respectfully yours,



R. Henry Norweb

File No. 710  
RHN/RWBenton/ and others  
in collaboration/dts  
To Department in original  
and hectograph.

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SOCIETY OF THE ARMY OF SANTIAGO DE CUBA  
ILLINOIS BRANCH

March 22, 1947

Honorable Wayland C. Brooks  
U. S. Senator from Illinois  
Washington, D. C.

Dear Senator Brooks:

There is an old Irish adage which states "There is no use having friends if you cannot use them". Being Irish and needing the use of a friend I impose upon you to help me.

February 15th, 1948 will be the 50th anniversary of the sinking of the Maine in Havana Harbor. The Veterans of the Spanish American War, more particularly those who served in Cuba would welcome an invitation from the Cuban Government to visit Havana and Santiago de Cuba during the year 1948.

May I request that you approach the Cuban Ambassador at Washington and broach the subject to him with a view of his taking the matter up with his Government.

The Society of the Army of Santiago de Cuba meet at the Edgewater Beach Hotel, Chicago, upon the date of April 26, 1947, and they have evidenced a desire to visit Cuba upon the 50th anniversary of their participation in helping to set up the Government of the Republic of Cuba. The Cuban Consulate Chicago has always attended our Banquet and Reunion. It would be splendid if he be authorized to extend the invitation of his Government on this occasion and I am sure that we can organize to have a goodly number of the Veterans and their wives to make the trip to Havana and Santiago de Cuba at a stated time in 1948.

I am very desirous of making a success of this Pilgrimage and will greatly appreciate your assistance in making the approach.

Sincerely yours,

/s/ John V. Clinnin  
11 S. LaSalle St., Chicago.

JVC:1hb