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611.37/10-1951

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FOREIGN SERVICE DESPATCH

FROM : Habana

659

October 19, 1951

DESP. NO.

DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

Air Pouch

PRIORITY

REF :

For Dept.

Use Only

SUBJECT: Political Contributions by American Interests in Cuba

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I have the honor to report that several representatives of American interests in Cuba have recently brought up with me the question of what attitude Americans in Cuba should take if they are asked to make donations to Cuban political campaigns. The question is particularly pertinent right now because of the national elections to be held in June of next year.

It will be recalled in this connection that the question of political donations by Americans has been a live one in Cuba for many years. Nearly fifty per cent of Cuba's wealthy sugar industry is owned by Americans and there are other substantial American investments in Cuba. All these together represent a tempting possible source of income to candidates for public office in Cuba, who believe it necessary to spend increasingly large sums of money in political campaigns.

Through the years therefore there has grown up the habit of asking these American companies for contributions, and many of them in the past have contributed to campaigns. It has not been unusual for companies to contribute to more than one party. They have tended to regard this as an annoying form of taxation.

Ambassador Spruille Braden, as the Department also will recall, conducted a vigorous campaign against this practice and continued the campaign when he became Assistant Secretary of State in Washington. From an issue of local importance in Cuba, the question of political contributions by American interests became an international issue which provoked reactions even in countries where it had not been an issue previously.

I did not and do not favor the kind of campaign carried on by Ambassador Braden. Nevertheless, I do not consider that the Embassy can approve or authorize American companies to intervene in Cuba's domestic politics, as they would be doing if they submitted to pressure from Cuban political parties to make donations to those parties.

WLBeaulac/dw

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REPORTER(S)

PREPARATION TIME

ACTION COPY - DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

611.37/10-1951

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From Habana

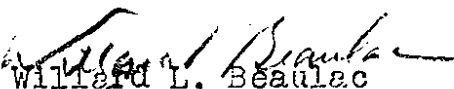
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I have therefore reached the decision that, while I shall make no public announcement and shall carry on no campaign against political donations by American companies, I shall take the attitude, when inquiries are made of me, that American companies and American citizens are bound not to engage in political activities in Cuba and that if I learn that a given company or individual is engaging in political activities here, through making political donations or in any other manner, I shall necessarily bear that circumstance in mind in connection with my attitude toward that company or individual. I have already begun to say this to persons inquiring and I have no doubt that information concerning the Embassy's attitude will spread rapidly throughout the American colony in Cuba.

I contemplate the possibility at a later date of approaching the leaders of the political parties in Cuba, including the President of Cuba, and asking them for their cooperation in restraining their followers from asking Americans to make political donations, having in mind that those Americans are under obligation not to intervene in Cuban domestic politics and having in mind that non-intervention in Cuban domestic politics by foreigners is good for Cuba.

  
Willard L. Beaulac

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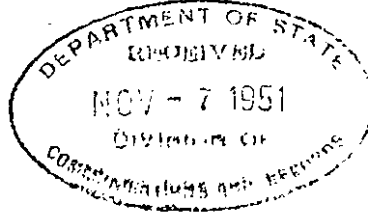
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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Mr. Tullman  
Mr. Nufer

FROM : Mr. Phillips

SUBJECT: Political Contributions by American Interests in Cuba



DATE: October 30, 1951

#657

Amb. Beaulac raises an important issue in his despatch on the above subject. I believe that the course of action that he intends to take is, in general, the soundest under the circumstances and that he should be informed of the Department's views on the matter.

The draft of a suggested airgram to Amb. Beaulac is attached for your consideration.

The last paragraph on page 2 of the despatch may merit separate consideration. Amb. Beaulac says that he is contemplating the possibility of approaching the leaders of the Cuban political parties to ask their cooperation in restraining their followers from asking Americans to make political donations.

It occurs to me that a direct approach might lay undesirable stress on the matter and that it might be advisable to suggest to Amb. Beaulac that his approach be informal and casual. He might take advantage of social encounters with the political leaders rather than seek them out to express his views. If you concur, the third paragraph in the suggested draft might be included - or something along those lines.

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