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FOREIGN SERVICE DESPATCH

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FROM : AMEMBASSY, HABANA 1251

APR 14 1954

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 14, 1954

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| | REC'D 4/15 | OTHER | | <i>Do/R-2 ARA-2 USA-2</i> | | | |
| | | | | <i>ARMY-35 NAVY-39 AIR-24 CIA-15 OSD-2</i> | | | |

SUBJECT: Joint Weeka No. 15 for State, Army, Navy and Air 4-22-54
Departments from SANA. *OC 15-1*

Part I

Political

(UNCLASSIFIED) ORTODOXO UNITY AS FAR AWAY AS EVER. José PARDO Llada announced to the press that his conversations with the Agramonte faction of the Ortodoxos in pursuit of "unity" had failed. This was due to a resolution by the Agramonte group that "unity" must be based on the abandonment of agreements with non-Ortodoxo elements, i.e., disavowal by Pardo Llada of the "Montreal Pact", and the reaffirmation by all concerned of the Chibás independence line.

(UNCLASSIFIED) Comment. The Ortodoxos now seem as hopelessly far apart as ever, with the same divisionary issues that caused the original split in the party and with the added possibility that there may now be a fourth Ortodoxo group, that of Pardo Llada who, if he has not formally broken with "Millo" OCHOA, has at least come in for some harsh words from "Millo" because of his return to Cuba. Optimism is still expressed by Carlos MARQUEZ Sterling, Raúl CHIBAS, and some others, but in the light of Ortodoxo performance, political observers see little justification for hope for "unity" in the absence so far of fundamental changes of attitude.

(OFFICIAL USE ONLY) UNIVERSITY DEVELOPMENTS. It was made public that just prior to the planned but eventually abandoned student meeting on April 5 (see Weeka No. 14), a statement had been filed by the police with the Urgency Court charging that street demonstrations and subversive acts were being planned within the University, which the governing Council was unable to prevent. It is logical to believe that this statement was intended to justify proposed or anticipated violation of University autonomy in breaking up the meeting scheduled for the 5th (had it been held). That the University Council is concerned over the possibilities of the situation, including violation of autonomy, is indicated by the fact that it appointed a commission of three professors to study measures to correct longstanding threats to the "peace and order" of

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the University. As far as the University Student Federation (FEU) is concerned, the Embassy is informed that the more radical and revolutionary members, some of whom lost out in the elections for president in the various schools of the University to more moderate rivals now on the FEU directorate, are putting pressure on the latter for the adoption of more extreme opposition tactics. It was also said that the FEU was not representative of the great body of the students and that in part at least the results of the recent elections in the 13 schools represented an effort by the students to make the FEU truly representative and not a political instrument.

(UNCLASSIFIED) GOVERNMENT SALARY CUT: CORRIGENDUM AND AMPLIFICATION. Weeka No. 14 of 1954 conveyed the impression that the 10 per cent cut in subsistence allowances applied exclusively to military and police establishments. Actually the cut applied to all such allowances paid by the Government, though of course the bulk of these are allotted to those establishments.

It has been announced that 10 per cent retirement deductions on government salaries will be applied on the basis of salaries as they were before five per cent salary cuts became applicable on April 1.

(OFFICIAL USE ONLY) Comment. This method of collecting the retirement deductions will promote the impression that the five per cent cut is only a "retention". But on the basis of its information the Embassy believes the Government does not intend to reimburse the five per cent. However, the decision to collect retirement on the basis of the full salaries demonstrates the Government's determination that the five per cent cuts should be only temporary.

(UNCLASSIFIED) DRAFT OF LABOR LEGISLATION RELEASED TO PRESS. Following a press leak the Minister of Labor released to the papers a draft of legislation that has been under study for some months revising the law on strikes and lockouts and permitting discharge with compensatory pay.

(OFFICIAL USE ONLY) Comment. The legislation appears identical with copies sent to the Department under cover of despatch 767 of December 23, 1954, but a long preamble has been added.

(LIMITED OFFICIAL USE) RICE IMPORTS. As the result of vigorous protests by the Embassy, right up to President BATISTA, Decree No. 430 of March 13, 1954, regulating the entry of the 600,000 quintals additional deficit quota rice into Cuba for the rest of the rice quota year ending June 30, 1954, is apparently in the process of being changed to permit the unrestricted entry

into any port of Cuba, rather than into the Matanzas Free Zone alone for subsequent entry at the discretion of the Ministry of Agriculture.

Although a draft of the new decree is not yet available to the Embassy, President Batista informed Ambassador GARDNER on the night of April 12 that the new decree was drafted to meet the objections of our Government and to conform to the terms of the Joint Agreement of December 17, 1952 between the two governments.

(UNCLASSIFIED) DEVELOPMENTS AFFECTING SUGAR CANE CONSUMPTION. There have recently been two developments promising to affect sugar cane consumption favorably. A group of government agencies, sugar companies and labor unions have agreed to finance a plant in Cuba to produce cattle feed from sugar cane and molasses. It has been indicated that a ready market in Texas alone should exist for feed equivalent of at least 400,000 tons of sugar cane (see despatch No. 1240, April 13, 1954). The other development was a reliable report that 50,000 Spanish long tons will be set aside from the 1954 sugar quota for local consumption for the manufacture of denatured sugar for animal and poultry feed (see despatch No. 1241, April 13, 1954).

(UNCLASSIFIED) SECRETARY DULLES' CALL FOR UNITED ACTION IN INDO-CHINA. Cuban editorialists and political commentators devoted considerable attention to Secretary Dulles' call for united action in Indo-China in the event of Red China's intervention in the Indo-Chinese conflict. However, they expressed little or no opinion concerning the desirability of "united action", limiting themselves to explaining the reasons behind the position of the United States on the one hand and that of France and England on the other.

(UNCLASSIFIED) PRESIDENT EISENHOWER'S APRIL 5 SPEECH. President EISENHOWER's address to the Nation on April 5 received editorial attention in Habana only from the newspapers Información and Alerta. Both papers considered the speech as opportune in view of the developing "atmosphere of defeatism" in the United States and as likely to restore the self confidence of the American people.

Army

(UNCLASSIFIED) TRANSFER OF REGIMENTAL COMMANDERS. On April 9, 1954, three of the Rural Guard Regimental Commanders were transferred as follows: Colonel José FERNANDEZ y Rey from the 6th Regiment (Pinar del Río) to the 5th Regiment (Habana); Colonel Damaso SOGO y Hernández from the 5th Regiment to the 4th Regiment (Matanzas); and Colonel Leopoldo PEREZ y Coujil from the 4th

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Regiment to the 6th Regiment. In addition, Lt. Colonel Armando SUAREZ y Suquet was transferred from Chief of the Bureau of Investigation of the National Police to Inspector (second in command) of the 5th Rural Guard Regiment. He was succeeded by Colonel Orlando PIEDRA y Negueruela of the National Police. Lt. Colonel Antonio T. RAMOS y Avila, former Inspector of the 5th Rural Guard Regiment, was transferred to the General Staff.

(LIMITED OFFICIAL USE) Army Attaché Comment. The Army Attaché was informed by a Cuban Army officer that the change in Regimental Commanders was made by direct orders of the President and not on the recommendations of the Chief of Staff. He further stated that some of the Regimental Commanders lacked "sufficient background" for their duties because of their rapid rise in rank after the March 10 coup. Some of them have not been performing their duties satisfactorily and the President decided to give them a second chance in a new command. He implied that if they did not succeed in their new positions after a reasonable time they would be eliminated. He specifically excepted Colonel Fernández y Rey from this category since he has been a Colonel since 1949 and has done an excellent job. (B-3).

(LIMITED OFFICIAL USE) Embassy Comment. The Embassy's Legal Attaché has been informed that Col. Suárez Suquet was removed as Chief of the Bureau of Investigations because he did nothing to interfere with the graft attributed to the Chief of the National Police, Brig. Gen. Rafael SALAS Cañizares, from gambling, prostitution and the drug traffic. The source believed that Col. Piedra, a close friend of the President, succeeded Suárez Suquet on the express orders of Batista himself who, the source thought, felt impelled to this step in an effort to clean up the open and notorious vice situation in view of coming elections. Although Piedra's position in the National Police might impede interference with Salas Cañizares' alleged perquisites, the source claimed that Piedra had prepared a memorandum requesting the transfer of Salas Cañizares' brother and brother-in-law, respectively heads of the gambling and drug squads of the Bureau of Investigations, thus indicating that he intends to make at least a show of cleaning up the situation. (B-3).

President Batista informed the Ambassador on May 12 that these changes were only a beginning and that others would be made at all levels of the armed forces and the police, in order to mitigate the effect on public opinion of chronic high-handed activities by the same.

Navy, Air

Negative.


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For the Ambassador:


Carlos C. Hall
Counselor of Embassy

Participants:

CCHall, PJReveley, FCFornes, Jr., JdeZengotita,
CEDavis, EMTerrell, JCanter, Rakow (NA), Mason (AA).

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