

E.T. Long - ARA - 9/20/79
FOI 220723 Rabasa

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737.00(W)/3-752

SERVICE DESPATCH
Action Assigned to 11461
FROM : AMEMBASSY, HABANA
Action Taken not DESP. NO. 11461 DATE March 7, 1952
TO : THE DEPARTMENT OF STATE, WASHINGTON. AIR PRIORITY
REF : F780011-0265 3-11-52
SUBJECT: WEEKA NO. 10 FOR STATE, ARMY, NAVY AND AIR DEPARTMENTS
FROM SNA
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POLITICAL

President TRUMAN'S message to Congress requesting \$7,900,000,000 for defense was described in the Cuban press this morning as a vast program against aggression. The President was quoted as stating that victory of the free nations lay in the United States. This morning's press also reported the new, "fantastic" Soviet war budget.

The results of the Puerto Rican elections were widely reported but with little editorial comment.

Local political activities were devoted to the naming of candidates and the approval of national pacts prior to the March 10 deadline. The Ortodoxos have officially proclaimed the AGRAMONTE-CHOA ticket. BATISTA'S PAU is becoming more and more a haven for politicians who failed to be included in the electoral tickets drawn up by other parties. At the moment Batista's chances appear to be declining.

The Government parties met in Provincial Assemblies throughout the Island to approve lists of candidates and party alliances. The latter step is a legal requirement in electoral coalitions, and in the current elections will apply only to the Government group. The only ones who have taken no action in the Government group are the Republicanos who apparently feel they have been neglected in the drawing up of electoral tickets. They have reportedly made overtures, so far without success, to the Ortodoxos. This splinter group will join whatever party can offer Congressional nominations to its leaders. Failing this, the Republicanos may decide to string along with the Government. It is probable that neither the Republicanos nor GRAU'S Cubanidad will be included in the formal Government alliance, despite the fact that Grau's Cubanidad group was the first officially to proclaim HEVIA for the Presidency.

The resignations of Carlos Hevia as Minister Without Portfolio and as Head of the National Development DEPARTMENT OF STATE sion were officially accepted on March 3. Minister **RECEIVED**

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Commerce ZAYDIN and Minister of Public Works CASERO have also tendered their resignations. Casero will reportedly be nominated for Vice-President on the Government ticket. Several other Ministers are expected to resign before the end of this week. The Government parties, perhaps on the 9th, will issue a joint proclamation naming Hevia for President and (presumably) Casero for Vice-President.

A petard exploded at the door of the office of the Ortodoxo Senator, Pelayo CUERVO Navarro (in his absence), on the morning of March 5 and caused some damage but resulted in no deaths. Three persons were reported injured. This is one of the few cases of violence of a political nature to occur so far in an otherwise normal electoral campaign. The reason for the crime is not known. The Ortodoxos have "warned" the Government of its responsibility in the matter, stating the explosion constituted an attempt to silence the voice of the principal accuser in the notorious Case 82 involving charges of fraud against the GRAU regime.

The local press has given considerable publicity to the report published by Newsweek regarding the Communist organization in the Caribbean. According to Newsweek, Cuba is the Communist headquarters in the area. Several newspapers have commented editorially on the article, pointing out the need for increased vigilance.

The Communists suffered a set-back when Roberto AGRAMONTE the Ortodoxo candidate for President, issued a statement published March 4 denying rumors of a pact with the Communists and stating there was an abyss between the Ortodoxos and Stalinism.

The Communists have failed to nominate anyone for the Presidency. They have also failed, despite the most strenuous efforts, to obtain an electoral pact with any party. They have finally announced, almost in desperation, that they would support the Ortodoxos with or without a pact. This announcement gave rise to the rumors denied by Agramonte that there must be at least a secret agreement between the two groups.

Recent articles by AREVALO, ex-President of Guatemala, in Mexico, attacking the United States, have received wide publicity. Several editorials rebutting Arevalo's statements have appeared. One newspaper described Arevalo's statements as "ridiculous." The Communist news organ Hoy devoted considerable space during the week, including a headlined report this morning, to the effect that the United States is intensifying its "germ warfare" in Korea. Hoy stated on March 6

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that "the U.S. dictators have inaugurated bacteriological warfare in Korea with all its horrible sequel of suffering for the brave and heroic Korean people."

Arrangements have been completed for the visit of the Voice of America's floating transmitter, the U.S. Coast Guard Cutter Courier, to Habana during the period March 19-21. A ceremony dedicated to freedom of information will take place on board the ship on March 20. President PRIO plans to speak during the ceremonies. The ceremonies will be recorded and then broadcast at a later hour during the day over the transmitter of the Courier, but using the 630 kc frequency of the radio network CMQ.

ARMY

Negative.

NAVY

Captain P. H. FITZGERALD, USN, of the Office of Chief of Naval Operations (Naval Missions Division), visited the U.S. Naval Mission in Habana last week. The Cuban Navy arranged for various tours of its Navy Yard, Naval Academy, Naval Air Station and forces afloat. Conversations with the Cuban Naval General Staff brought forth statements that the Cuban Navy was most anxious to participate in the Mutual Security Program, particularly in the field of anti-submarine warfare. Later, Captain Fitzgerald flew to Haiti to visit the U.S. Naval Mission at Port-au-Prince.

Having completed their immediate task relating to the evaluation of the dipped sonar (underwater detection equipment), the U.S. naval ships and five helicopters based at the Cuban Naval Air Station at Mariel, returned to their base at Key West this week (Week No. 8, February 21, 1952). That the operation at Mariel was a pronounced success is evidenced by the high number of tests completed as compared with the much lower number of tests which the group previously made while based at Key West. Key West authorities have indicated the possibility they may desire to make a similar use of Mariel facilities at a later date. Rear Admiral PASCUAL, Chief of the Cuban Navy, has given assurance that Mariel is "always" available to the U.S. Navy.

AIR

Negative

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For the Ambassador:



Earl T. Crain
First Secretary of Embassy

Participants:

DGClark, ETCrain, REGomez,
Pitts (AA), Ryan (NA)

Copies to Amembassies:

Ciudad Trujillo, Port-au-Prince, Guatemala City, Mexico, D.F.

MA (4) for USARCARIB and USARFANT

AA (1)

NA (2) for Guantánamo

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E.T. Long - ARA - 9/20/78
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FROM : AMEMBASSY, HABANA

1162
MARCH NO. March 7, 1952

TO : THE DEPARTMENT OF STATE

AIR PRIORITY

REF : F780011-0269

Action Assigned to *[Handwritten]*
Action Taken *noted*

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SUBJECT: Weeka No. 10 For State, Army, Navy, and Air Departments
From SNA

date of action 3-11-52

SECTION: IT

ECONOMIC

With the 1952 sugar grinding season in full swing and with re- mi
current evidences that the production for 1952 will probably reach
record proportions, the Cuban press has given considerable attention
to news stories originating in London regarding the discussions of
the International Sugar Council and the report that the Council's
statistical committee has come up with a study reflecting a probable
Cuban sugar surplus of more than 1,250,000 metric tons. Cuban in-
terests are, of course, fully alive to this situation and on all sides
there are predictions that there may be a serious recession in the
local industry unless fortune should pay this country another favor.
The possibilities of having to effect a planned retrenchment are recog-
nized but it can be taken for granted that this would be the final
emergency step, after all other possibilities have been tested.

Perhaps the temper of the industry, and even more so the Govern-
ment, can be gauged in terms of the insistence that a minimum price
of 20 cents per gallon for molasses must be paid to the Cuban Sugar
Stabilization Institute. With a little known carryover of molasses
from last year amounting to some 18 million gallons and with this
year's supplies accumulating rapidly due to foreign buyers' refusal
to meet the 20 cent price, local storage facilities are becoming over-
taxed and it is reported that arrangements have been made to ship some
75,000,000 gallons of molasses to the United States for storage. The
shipment will be made on a consignment basis but will be handled by
two American firms, Southwestern Sugar and Molasses Company (Kaplan)
and Publicker Industries, Inc., which would have options to buy the
molasses at whatever price the Institute may eventually decide upon.
At least for the moment the Sugar Stabilization Institute is not con-
templating a reduction from the 20 cent per gallon price but it is
easily possible that within the next few months a sharp reduction will
have to be made if any appreciable supplies are to be moved into con-
sumption.

It is understood that the Ministries of Commerce and Justice re-
cently have consulted regarding the practical operation of the order
of the Council of Ministers which would permit the expropriation of

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cattle throughout the island for the provision of the Habana market. As previously reported in last week's Weeka, the Council established a credit of 500,000 pesos for such expropriations and no doubt the Minister of Commerce has brought considerable pressure to bear upon cattle owners in an effort to compel or persuade them to send their animals to Habana at the present minimum price, which admittedly is much too low. It is still doubtful whether there will be any results from these Ministerial consultations as Commerce Minister ZAYDIN is on the point of resigning to become eligible for the June elections for Senator. In the meantime it is understood that while Habana normally receives a daily allotment of from 1,000 to 1,200 head of cattle, arrivals so far this week have not exceeded 130 animals per day, and the beef shortage has, if anything, become more aggravated and severe.

The controversy between the restaurant owners and catering workers has continued through the week and each side has been guilty of extravagant threats and serious exaggerations. Both factions were called in for consultation by President PRIO and while the employers apparently were given to understand that a solution approximating their requirements would be attempted, the workers on the other hand, backed by Minister of Labor BUTTARI, have decided not to accept their salaries unless the ordered pay raise is included and have again threatened a general strike within the next week if their demands are not fully met.

The labor commemoration of the March, 1935, strike was held during the evening of March 5 and was without incident. The rally in Central Park was addressed by a number of the more prominent leaders and finally by Senator MUJAL, the Secretary-General of the CTC. Mujal is reported to have strongly urged the unity of all workers to keep the Cuban Confederation of Labor powerful and influential in its efforts to maintain the improvements achieved by the workers through the years of struggle and sacrifice.

The Railway Retirement Fund apparently has received an advance from the Government amounting to some 220,000 pesos for the account of the United Railways which will enable the Fund to meet pension payments which were due at the end of February and which could not be paid due to the lack of ready cash. This at best very temporary relief has at least postponed a strike which had been threatened for March 9. In the meantime the officers of the Retirement Fund have announced that their problem is due to the non-payment of regular contributions, the aggregate outstanding amounting to 6,895,000 pesos. The three principal offenders reported are the United Railways with 1,178,000 pesos, Omnibus Aliados with 5,070,000 pesos, and the now defunct Havana Electric Railway Company with 647,000 pesos. With the United Railways and the Omnibus Aliados both intervened by the federal government, it would appear that if the Railway Retirement Fund hopes to collect these outstanding contributions the only possible source is from the Government itself.

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It has been reported by the Statistical Department of the Ministry of Finance that total federal income for the first 8 months of the 1951-52 fiscal year, that is, July 1, 1951, through February 29, 1952, has amounted to some 203 million pesos. The total budget for the entire year anticipated income amounting to 300 million pesos and even in the face of somewhat heavier disbursements for increased salaries and other charges under Law No. 13, it is hoped that collections will also take on an increasing trend and that at least a balanced budget can be achieved by the end of the year.

As was anticipated, Carlos HEVIA has resigned from his position as President of the National Development Commission to become the 1952 presidential candidate for the Administration Party. Perhaps as one of the preliminary steps in his campaign the press recently has featured a long statement regarding the number of public works projects which were undertaken or completed during the time he held office with the Development Commission. The arrival of a Belgian commercial mission in Cuba (see Weeka No. 4 of January 25, 1952) has now been confirmed for March 9 through March 13. It is understood that the mission, which is headed by ex-Minister of Interior Mauricio BRASSEUR, consists of 21 industrialists, bankers and other business men who will investigate the possibility of increasing trade between Belgium and Cuba. The mission, which reportedly is now in Mexico, will continue after visiting Cuba to the Dominican Republic and Venezuela.

For the Ambassador:


Duwayne G. Clark
Counselor of Embassy

Participants:

DGClark, ETCrain, REGomez
Ryan (NA), Pitts (Asst. AA)

Copies to Amembassies: Ciudad Trujillo
Port-au-Prince
Mr. Wellman (MID)

MA (4) for USARCARIB and USARFANT
AA (1)
NA (2) for Guantanamo

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