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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA *Action Assigned to* 1592 *March 28, 1952*

TO : THE DEPARTMENT OF STATE *Action Taken* WASHINGTON *Air Pouch* MAR 28 1952
PRIORITY

REF : F760001-0794 24
For Dept. Use Only

SUBJECT: Weeka No. 13 for *Date of Action* 4-1-52 *Army, Navy and Air Departments*
From SANA *Action Office Symbol* 1AD
Name of Unit SECTION I *DECLASSIFICATION DATE* 11/27/76

POLITICAL

Direction to DRA (il) *PER* H Ryan *OFFICE* ARA, DIT
FADRC FOI CASE NO. 5-C-544

The United States recognized General BATISTA's regime on March 27. The note constituting recognition was presented by the Ambassador to Batista's Minister of State, Dr. Miguel Angel de la CAMPA. In a press interview following U.S. recognition, General Batista stated that his Government had received U.S. recognition with "profound satisfaction." He said the relations of close friendship, and historic considerations, have caused both peoples to march together at all times. He considered U.S. recognition as having "inescapable significance" from the point of view of Cuban-U.S. friendship and trade. He also said it would be the task of his Government to strengthen the bonds of friendship and understanding with those countries to which Cuba "without reservation extends open arms." To date 21 countries have officially recognized Batista.

Batista continued during the week the process of consolidating and strengthening the new regime. He has worked to this end through the steady replacement of officials of the former Government with men of his own choice in both the civilian and military branches. He has also applied both pressure and persuasion on governors and mayors throughout the Island to obtain their support--a process in which he has had considerable success. At the same time it has been widely reported in the Cuban press and radio that a new set of "Constitutional Statutes" is being drawn up for submission to the Council of Ministers. These unconfirmed reports are to the effect that the "statutes" will include the essential provisions of the Constitution of 1940, modified only where necessary to confer on the regime a "juridical basis." Reportedly, provision would be made for holding general elections in the latter part of 1953. Congressional salaries would continue to be paid, at least for the time being, but the Congress would be "recessed" for an as yet unknown length of time.

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F760001-0795

The Government is said to be considering the advisability of increasing, possibly to 10% of the total registered vote, the number of registrations required to form a legal, national, political party. Such a move would tend to eliminate the multi-party system in Cuba, wiping out several small national parties, including the Communist PSP. In the 1951 registrations the Communists barely reached the two percent figure required to survive as a national party.

Batista was hampered in his activities during the past few days by a siege of chicken pox in conjunction with laryngitis and general fatigue. His non-appearance during this period gave rise to opposition rumors that he was a "captive" of his junior officers. This rumor was dissipated with the reappearance of Batista and a statement by his Army Chief of Staff, General TABERNILLA, that the relations between Batista and the Army were "solid as granite."

In an exclusive interview granted to the magazine Visión Batista stated he would watch the Communists closely and that if necessary he would take "drastic measures" against them.

The University of Habana students and the opposition Ortodoxo party have continued their leadership in opposing the Batista regime. The students continue their denunciation of Batista through the use of loud speakers situated in the University, the autonomy of which continues unmolested. The Ortodoxos have issued several leaflets condemning Batista and denouncing all acts of the regime as illegal. They have appealed to the Court of Constitutional Guarantees to declare the Batista regime unconstitutional. The press of March 28 also reports that the Ortodoxos have appealed to the OAS. In their plea to the OAS the Ortodoxos said there was a great deal of talk of despotism in countries behind the Iron Curtain and that the time had arrived to condemn the same acts when they occurred in America.

President ^{1/}PRIO, now at Miami Beach and under whose administration the Court of Constitutional Guarantees was established, has also appealed to the Court to declare Batista's regime unconstitutional. The Court is not expected to take official cognizance of these requests at any time in the foreseeable future.

Although numerous PRC(A) leaders left the country following the coup, many remained. Others, including former Prime Minister GANS, have since returned. Ex-Minister of Defense, Ruben de LEON, returned yesterday and was promptly arrested.

1/ (-in exile)

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This is one of the very few cases of this type and it is assumed he has been or soon will be released. The old warrior of the PRC(A), Senate President Antonio VARONA, refused to leave Cuba and has assumed leadership of Autentico opposition to Batista. In today's morning press Varona accused Batista of breaking constitutional continuity, of limiting the free determination of the people and of restricting liberty of expression and thought. As President of the Senate, Varona rejected every act of the "Council of Ministers" as "spurious and totally illegal." He announced to "the peoples of the Americas" that the Cuban Congress does not accept and repudiates the regime of force led by Batista. He said that the international commitments entered into by Batista would have no value in the future and called on all political parties to form a civilian front in opposition to the militarists.

Political commentators continue to be barred from the air. However, all political leaders in the opposition and all commentators, including those barred from the air, are permitted to express themselves through the medium of the press.

ARMY

During the past week the non-appearance of General Batista due to an attack of chicken pox gave rise to a flurry of rumors that he was being held under arrest by dissident elements within the Army. These rumors, however, were dispelled and, according to a statement by General Tabernilla, "the Army stands like a block of granite behind General Batista." In addition to his duties as Chief of State, as could be expected from his past career, Batista seems to be taking a much more direct and active part in Army affairs than did President Prio. For example, a press report states that Colonel CRUZ y Vidal, the Chief of SIM, reports to Batista at his home each night for instructions.

Very reliable information indicates there will soon be a major reorganization of the Army, probably accomplished by a decree abolishing or amending the present 1942 ORGANIC LAW.

The U.S. Army Mission resumed full scale activities on March 28 following recognition.

The three Service Attachés (Army, Navy and Air) called on the new Minister of Defense this morning, following which the Army and Air Attachés had appointments to meet officially the new Chief of Staff of the Army, General Tabernilla.

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NAVY

Following news that the U.S. Government had recognized the Batista regime, Lt. Cdr. FEIJOO, Cuban Naval Liaison Officer, informed the Naval Attaché that RAdm. RODRIGUEZ Calderon desired to continue in even greater degree the previous close relations between the Cuban and U.S. Navies and that the U.S. Navy would have complete cooperation in any projects it might propose.

Comment: While the Cuban Navy has every desire to cooperate with the U.S. Navy, it may be well to bear in mind that its capability to do so may be substantially lessened because of the lack of qualified officers in command jobs. The prestige of the naval officer corps has suffered by wholesale promotions based on favoritism. The former junior lieutenants who are now the senior officers have displayed guarded attitudes toward members of the Naval Mission which may indicate their realization of their own inability and lack of experience.

The governmental decrees by which many senior naval officers had been dismissed have now been modified by subsequent decrees changing the status of "dismissal" to that of "retirement." Retired status permits an officer to receive a pension.

Comment: Batista, in mitigating his previous decision, exacted the assurance from RAdm. PASCUAL (ret.) that he and other officers so retired would live quietly and not interfere with the present government.

Ensign Roberto CORREDERA, Cuban Navy, has received orders to proceed to Washington as Assistant Naval Attaché with additional duties as Cuban Naval Staff Member of the Inter-American Defense Board. Corredera took no part in the recent revolt. He is a graduate of the U.S. Naval Line School at Newport, Rhode Island.

AIR

The reorganization of the structure of the Army Air Corps, which was expected to be enacted into law by decree during the Prio regime and which was expected to be one of General Batista's first acts (see also Weeka No. 11), has apparently been tied in with a proposed similar structural reorganization of the entire Army. Newspapers state that Major General Tabernilla, new Chief of Staff of the Army, has announced the organization of a new Armored Regiment for the

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Army. A reorganization of the overall structure of the Army, including the Army Air Corps, could easily be the reason for the delay in approving the Air Corps reorganization which has been expected for the past ten days.

For the Ambassador:



Earl T. Crain
Acting Counselor of Embassy

Participants:

DGClark, ETCrain, REGomez,
Elmore (MA), Ryan (NA),
CCRarick (AA)

Copies to Amembassies:

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FROM : AMEMBASSY, HABANA

1593

March 28, 1952

TO : THE DEPARTMENT OF STATE, WASHINGTON.

AIR PRIORITY
PRIORITY

REF :

SUBJECT: Weeka No. 13 For State, Army, Navy, and Air Departments
From S--A

Action Taken noted
3-31-52
Date of Action
Action Office Symbol AD
SECTION II
Name of Officer Vincent
Director F6

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ECONOMIC

The post-revolution quiet has continued during the present week although comment and rumor regarding the failure of the new Council of Ministers to meet influenced some uncertainty. In order to put an end to these rumors it was announced that Prime Minister BATISTA was suffering from a combined case of chicken pox and laryngitis and that as soon as his health had improved the Council of Ministers would resume routine meetings. In the meantime, at a press conference at Campo Columbia, Batista's secretary, Raúl ACOSTA Rubio, stated that the new government "is more interested in consolidating its present position through the enforcement of law and order and meeting the nation's needs than it is with academic argument as to its constitutionality".

Closely following a public announcement that all police and most military forces had been returned to normal duty, a renewal of spot precautionary and control measures developed on Monday, March 24. A special military guard appeared at the Standard Oil refinery, stating that it had instructions to protect the property. At the same time a number of police took up station at the main Woolworth store in the center of Habana under the same pretext. As of Friday, March 28, these guards are still on duty. The reason for this action is uncertain but may be connected with the report, later denied, that ex-President PRIO had announced in Miami his intention of setting up a government-in-exile in that city. It is also possible that these precautions were taken to prevent a Communist demonstration. The refinery, of course, is vital but can be easily protected. The Woolworth store, on the other hand, is located in the very center of the city's commercial life and on previous occasions has been the point where so-called spontaneous demonstrations have occurred. Regardless of the explanation of these new precautionary measures, so far as is known everything is quiet and very few other enterprises in the city were afforded the same special protection that was granted these two American properties.

It is reported that production by the Cuban milling industry through March 15 amounted to 3,396,000 short tons of raw sugar and 166,163,000 gallons of molasses. This raw sugar total is almost 9 percent in excess of the previous record of March 15, 1948, while the molasses total is 19

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percent more. On this basis the 1952 crop appears to be of record proportion although abnormal, humid, warm weather in many sections of the country, plus drought damage in Oriente Province, may mean that the grinding season will be shorter than in previous years. The local press has featured reports from New York that there are strong possibilities that sugar import quotas may be increased in the near future. The price trend after last week's downward adjustment appears again to be quite bullish.

The new President of the Cuban National Bank, Joaquin MARTINEZ Saenz, formally took possession of his post on Monday, March 24. On the following day and before a representative audience comprising industrial, financial, and trade groups as well as various government officials, the new President made a comprehensive statement of his intended policy. He undertook the responsibility of maintaining the National Bank as a non-political instrument of the government and seems to have convinced his audience of his serious purpose. From comments made by several persons present it would appear that the present day Martinez Saenz is a far cry from the inexperienced and irresponsible politician who gained first prominence during the early 30's when he was a leader of the ABC political party and for a very short time the Minister of Finance.

There have been no further developments as regards the appointment of a President of the Agricultural and Industrial Development Bank. The rumored designation of Dr. Gustavo GUTIERREZ has not materialized and for the time being Dr. Rufo LOPEZ Fresquet continues to function as the Acting President of the institution. The Development Bank has continued business and on March 24 announced the granting of loans to a total of almost 311,000 pesos for industrial and agricultural enterprises. Credits in the industrial field have been extended to a new pharmaceutical manufacturer, a new milk pasteurizing plant, a sausage manufacturer and a canned food factory. The credits extended in the agricultural field were distributed throughout rural areas to some 19 small farmers.

The announcement by the Cuban Ministry of State of the appointment of Joaquin E. MEYER as the new head of the Economic Office of that Ministry has produced a most encouraging reaction. Dr. Meyer is recognized as a career officer of the Ministry who has had wide and diversified experience at a variety of foreign posts and conferences. It is believed that his selection may bring to the Ministry's Economic Office an administration of reality which has at some times in the past been sadly lacking and which has often retarded official negotiations and lent confusion to the country's international economic policies.

While there have been no outstanding labor developments during the week, it is significant that the new government seems to be determined

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to push forward a program for the construction of a series of cheap housing projects, which will, of course, be of great benefit to the lower income groups. During the week the Textile Workers Congress, which had opened at Matanzas but which had been suspended due to the revolution, resumed and then concluded its sessions. It is understood that the Cuban Telephone Company has finally reached an agreement with its workers which allows for wage increases and other advantages representing an additional company outlay of 1,500,000 pesos per year. Individual increases have ranged between \$12 and \$19 per month, with a minimum wage of \$140 per month. Contrariwise, two of labor's principal leaders seem to have run afoul of the Cuban courts, a situation which would have been practically impossible a few weeks ago. It is understood that the Urgency Court has issued orders for the arrest of Javier BOLANOS, the leader of the railway labor group, for failure to appear on a charge of contempt before the Tribunal of Social and Constitutional Guarantees. The leader of the bus drivers, Marcos HIRIGOYEN, has been accused of extortion by four former taxi drivers and ex-members of his union who claim that Hirigoyen required and enforced the payment of a certain portion of each day's earnings. Apparently the police have been ordered to investigate these charges.

The local press has given prominent notice to the reported action of the recent meeting of the Executive Council of the Inter-American Broadcasting Association in Panama which, among other things, reportedly sent Prime Minister Batista a telegram stating in part "the peoples of the Americas have their eyes fixed upon Cuba, confident all media for dissemination of thought will continue freely to fulfill their lofty mission" and, "the full force and support of 3,800 radio stations through the Western Hemisphere declaring for continued maintenance of freedom of expression and enterprise in all media of communication in Cuba is brought to the attention of the Cuban Government in a radio program addressed to General Fulgencio Batista by the Executive Council of the Inter-American Association of Broadcasters".

The possibility of further trade negotiations between Cuba and France appears to have been indicated by remarks recently attributed to Cuba's Ambassador in Paris when he mentioned that Cuban tobacco might be used as a compensation item for Alsatian potash. Cuban textile manufacturers have visited the new Minister of Finance, assuring him of their support and have presented their case for continued protection from foreign competitors. Presumably the reason for this action has been the continued publication in the United States of news reports referring to the Cuban-U.S. textile dispute and a hope that the new Cuban Government will withdraw some if not all of the higher duties negotiated at the Torquay Conference. The Finance Minister assured the Cuban interests that their position would be fully protected.

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The Habana meat shortage is improving slowly but it is apparent that a shortage is anticipated for some time to come. There are very strong rumors that the Cuban Government is on the point of signing an agreement with Uruguay which will provide for the Cuban purchase of an undetermined quantity of Uruguayan beef to relieve the situation in this area.

For the Ambassador:


Duwayne G. Clark
Counselor of Embassy

Participants:

DGClark, ETCrain, REGomez
Rarick (Asst. AA)

Copies to Amembassies: Ciudad Trujillo
Port-au-Prince
Panamá
Montevideo

Mr. Wellman

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

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