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FOREIGN SERVICE DESPATCH

737.00(W)/4-452

FROM AMEMBASSY, HABANA

Action Taken *Noted* 1645

April 4, 1952

TO THE DEPARTMENT OF STATE, WASHINGTON.

Air Priority

PRIORITY

REF

Date of Action *4-9-52* F260001-0799

INFO
CIA

For Dept.
Use Only

SUBJECT: Weeka No. 14 from *State* Navy and Air Departments
From S--A

Name of Officer *Admiral*

Direction to *Section I*

DECLASSIFICATION DATE *11/28/76*

OFFICE *ARA*

POLITICAL

FADRC FOI CASE NO. *5C-544*

BATISTA has announced that work on the proposed "Constitutional Statutes" reported in Weeka No. 13 of March 28 is nearing completion and that they will be submitted to the Cabinet for consideration and approval as soon as possible. Several Cabinet meetings scheduled to be held this week were postponed, presumably to allow time for the drafting of the "Statutes" to be completed. A Cabinet meeting is scheduled for this afternoon and the press announces the "Statutes" will be approved and adopted at this meeting. While these "Statutes" have no Constitutional basis, they will nevertheless govern the country at least for the time being. During the week Batista outlined the provisions of the "Statutes" in a press interview. He said that the Executive Power would be vested in him as Provisional President and that the Council of Ministers (Cabinet) would exercise the Legislative Power, the Judicial Power to function without change. There will also be a "Consultative Council" without functions other than those of an advisory character. The President of the "Consultative Council" will be a Cabinet Minister. Several persons, including Carlos SALADRIGAS, Miguel SUAREZ Fernandez and Santiago REY, have been proposed as possibilities for this position. The "Consultative Council" is to be composed of representatives from all walks of life, including the press. Batista said that the Congress would be suspended in its legislative functions but that Congressmen would continue to receive salaries during their respective tenures. (Half of the Congressmen were elected to serve until 1954.) The office of Prime Minister is, reportedly, to be eliminated.

The Supreme Electoral Tribunal is to continue in its functions for the purpose of initiating electoral processes provided in the Constitution of 1940 and to carry out the changes in the electoral system embodied in the "Constitutional Statutes." Off-year elections reportedly are to be eliminated and general elections will be held in 1954.

ETCrain:ep
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737.00 (W) / 4-452

UNCLASSIFIED

H-1

Page 2 of
Desp. No. 1645
From Habana

UNCLASSIFIED
CONFIDENTIAL
SECURITY INFORMATION
(Classification)

Page _____ of
Encl. No. _____
Desp. No. _____
From _____

F760001-0800

years for all posts from municipal alderman up to President of the Republic. The general elections are tentatively scheduled for the latter part of 1953. The dates November 8 and 15 have been mentioned as possibilities. It is reported that a new Constitutional President would take office on February 24, 1954, anniversary of the 1895 "Grito de Baire" which proclaimed Cuba's independence from Spain.

The Batista regime contemplates raising the minimum party registration figure to 6 or 8 percent of the total registered vote as a means of eliminating small parties unable to meet the requirement (including possibly the Communist PSP). An electoral census would be taken early in 1953.

It is possible that the 1951 party registrations may be annulled. This would have the effect of disbanding all parties. This in turn would require the regrouping of political elements into new parties. The CTC labor leader, Eusebio MUJAL, who threatened even during the PRIO regime, to form a "labor party" (which would be barred by the terms of the Constitution of 1940 prohibiting political parties based on class, creed or race) has now announced his resignation from the PRC(A) and his proposal to form a new party. Other groups may comply with future registration regulations in order to participate in any elections that may be forthcoming. It is possible, of course, that they might refuse to participate in such elections, especially if they saw no chance for victory.

While Batista is proceeding with the consolidation of his regime, the popularity of that regime is by no means assured. Batista continues to be jeered at in the theatres while Ex-President Prio is now receiving applause unknown to him since the first days of his administration. Although no effective opposition to Batista has manifested itself so far, considerable resentment against him naturally exists. This resentment is strongest among the Autenticos, the Ortodoxos, the Communists and the University students and faculty.

The Ortodoxo plea to the COAS was poorly received in Cuba. Batista expressed the general sentiment by saying he had a "poor opinion" of the Ortodoxo action which amounted to a request for foreign intervention in Cuba's internal affairs. It

UNCLASSIFIED
CONFIDENTIAL
SECURITY INFORMATION

Page 3 of
Desp. No. 1645
From Habana

UNCLASSIFIED
CONFIDENTIAL
(Classification)

Page _____ of
Encl. No. _____
Desp. No. _____
From _____

F760001-0801

is believed that the action of the COAS in turning down the request was received by the majority of Cubans with satisfaction.

On April 3 the Soviet Legation presented a note to the Ministry of State informing it that in view of the Cuban refusal to permit the entry of Soviet diplomatic couriers and pouches on March 21 the Soviet Union was suspending diplomatic relations with Cuba and withdrawing its Legation. The Cuban Government on the same day delivered a note to the Soviet Legation stating that the Cuban Government "in the development of its normal foreign relations has established the procedure--for the use of bags or mail--of a prior exchange of notes determining in each case the reciprocal immunities and limitations of such service." It also pointed out that since the Soviet Union had not recognized the Cuban Government it could not in any event constitute a violation of diplomatic norms accepted by the international community. While refuting the considerations contained in the Russian note, the Cuban Government of course accepted the fact of a break in relations between the two countries.

Most Cubans suspect that the Soviet Legation served as a center of espionage and subversion in Cuba and few, outside of the Communists themselves, regret the Soviet action. The Embassy believes that the vast majority of Cubans will be pleased to see the end of the Soviet Legation in Cuba. The Soviet action cannot fail but be a blow to the local Communists. The real reason for the Soviet decision is not clear. The Communists will undoubtedly lose prestige in Latin America. On the other hand, the Soviet Union will undoubtedly exploit its refusal to deal with a "fascist puppet of Yankee imperialism" as a propaganda tool in world forums.

ARMY.

Negative.

NAVY

Negative.

AIR

The Official Gazette of March 31, 1952 announced the promotion to Colonel of Lt. Colonel Manuel LARRUBIA y Paneque, Chief of the Cuban Air Corps. This announcement was made in conjunction with 22 other promotions in the Cuban Air Corps, ranging from Lt. Colonels to Second Lieutenants.

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SECURITY INFORMATION

Desp. No. 1645

From Habana

UNCLASSIFIED
CONFIDENTIAL
SECURITY INFORMATION
(Classification)

F760001-0802

Page _____ of

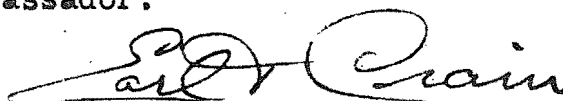
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Desp. No. _____

From _____

To all outer appearances all remains calm in the Cuban Air Corps.

For the Ambassador:



Earl T. Crain
Acting Counselor of Embassy

Participants:

DGClark, ETCrain, REGomez,
CCRarick (AA)

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FROM : AMEMBASSY, HABANA

Action Taken *Noted*

1646

APR 4 1952
April 4, 1952

TO : THE DEPARTMENT OF STATE, WASHINGTON.

AIR PRIORITY

REF :

Date of Action *4-9-52*

Action Office Symbol *OLI*

SUBJECT: Weeka No. 14 For State, Army, Navy, and Air Departments
From *S-A* Name of Officer *B. de la Cova*

Direction to DC/R

SECTION II

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18
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ECONOMIC

The week has witnessed an increasing interest in the special 1jp cabinet meeting which had been called for Thursday afternoon, April 3, and was later postponed until April 4, and the announcement that at that time the Council of Ministers would discuss the so-called provisional statutes that are being drafted which are to serve as the basis for the new government of the country for the time being. It was reported that while the legislative functions of the congress were in suspense, the substance of the 1940 Constitution would be included in the provisional statutes and would be modified only in so far as is necessary to adapt the Constitution to the revolutionary regime. Apparently General BATISTA has indicated that the question of when new elections will be held will be dealt with by the Superior Electoral Tribunal and the new government under these new statutes.

It is reported that the legislative functions will be taken over by the Council of Ministers and that a so-called Advisory Council, which will be representative of capital, industry, businessmen, labor and the press will be created. Presumably this Advisory Council will function in a consultative capacity to the new government and the Council of Ministers. It was strongly rumored on April 3 that two well known ex-members of the Prfo political party, Miguel SUAREZ Fernandez, former President of the Senate and former Minister of State, and Senator Santiago REY, would occupy prominent positions in the new administrative organization.

The uncertainty manifested during the previous week regarding the health of General Batista has now disappeared. A meeting of the Council of Ministers was held on Monday, March 31, and at that time it was announced that a decision had been made to increase the pay of all soldiers, sailors and policemen by 30 percent and to establish a minimum wage for school teachers of 150 pesos per month. Among other decisions taken was an agreement to discuss in the near future the abolition of the National Transportation Commission and its inclusion under the Ministry of Communications. It was decided that a special committee should be appointed to hold public hearings among sugar mill owners, cane planters, labor organizations, doctors and civic associations in regard to the proposed extension of the

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737.00 (W) / 4-452

Page 2 of
Desp. No. 1646
From Habana

RESTRICTED
SECURITY INFORMATION
(Classification)

Page _____ of
Encl. No. _____
Desp. No. _____
From _____

insurance attention plan for sugar workers which has aroused widespread protest.

The new President of the National Development Commission, Amadeo LOPEZ Castro, who is generally regarded as being very close to General Batista and who has been given the rank of Cabinet Minister without Portfolio, recently held a press conference at which time he outlined the aims of the new Batista administration. According to the press, Lopez Castro mentioned the rehabilitation of the original revolutionary aims, effective establishment of the fundamental principles of the Constitution of 1940, continuation of public works without regard to personalities or privileges, agrarian reforms, increased industrial development, and the elimination of politics from labor unions and the democratic election of union officers.

Lopez Castro's description of the aims of the new administration, particularly those regarding the labor element, may be significant and may point up what appears to be a contradictory position by labor outlined by Secretary-General of the CTC Eusebio MUJAL on the same day. According to the press, Mujal announced that in his opinion the Autentico Party is finished and that in order more effectively to combat Communism he intends to organize an entirely new political party which will represent the popular will of the people, reinforce Cuban democracy, and obtain for all classes, especially workers, a constant improvement in their living standard. Mujal is reported as having stated that the new party which is being formed will be neither for nor against the Batista regime but will support it if it adopts a positive program and will combat it when national interests so require.

In some quarters it is believed that Mujal's announced intention to form a new labor political party is a maneuver to assure his political survival. At the time Mujal and Batista made their peace shortly after the March 10 coup (see Weeka No. 12 of March 21, 1952) it was generally understood that Batista had agreed that labor's hard-won gains would be protected so long as they had been achieved on a proper legal basis. At that time, however, Batista reportedly indicated to Mujal that labor was to stay strictly out of the political picture. The proposed new labor political party is hardly consistent with this reported agreement.

There is abundant evidence that the local labor fraternity is by no means certain of its position and that it is not losing any time in probing for reaffirmation of its previous position. The Rancho Boyeros air workers reportedly have approached the Ministry of Labor renewing their demands that the government do something to reactivate the direct Habana-New York air service certificates for both National Airlines and Compania Cubana. The Labor Minister himself has admitted that while there has yet been no solution to the wage-hour differences between employers and restaurant workers, he has hopes that a solution can be found in the near future. On the other hand, and of possibly more

RESTRICTED
SECURITY INFORMATION

Page 3 of
Desp. No. 1646
From HabanaRESTRICTED
SECURITY INFORMATION
(Classification)Page _____ of
Encl. No. _____
Desp. No. _____
From _____

significance, was an announcement by Labor Minister Jesus PORTO-CARRERO on April 1 that he had received reports that Communist elements were attempting to stir up trouble among workers of the port of Habana. The Minister is reported as having stated, "Constitutional guarantees have been suspended and everything connected with the maintenance of public order corresponds to the police and the armed forces, to whom I have referred this matter so that they can take the pertinent action. The Government will respect all the rights and support all the improvements achieved by the workers but with the same energy it will prevent any abuses by the enemies of democracy such as are involved in the present case."

To date the new government has been unable to find a new President for the Agricultural and Industrial Development Bank. On March 29 it was announced that Dr. Gonzalo del CRISTO had been appointed a Vice President in charge of the Agricultural Division and that he would assume temporarily the responsibilities of the President of the institution, thereby allowing Rufo LOPEZ Fresquet, who had resigned but stayed on temporarily, to leave. On April 1 it was reported that as Vice President of the Bank in charge of the Industrial Division Dr. Carlos DUQUESNE had been appointed. As a replacement in the National Bank for Jose GUERRA, formerly Director of the Stabilization Fund, Bernardo FIGUEREDO Antúnez has been selected.

Apparently the responsibilities of the newly constituted Tribunal of Accounts have not been prejudiced by the new government. In the Gaceta Oficial of April 2, 1952, the Tribunal's General Instruction No. 1 creating the commission for the study and determination of the floating debt of the country was made public. At the same time the Tribunal's General Instruction No. 2 was released, an order requiring all government officers and employees, with a few exceptions, to submit to the Tribunal within a period of three months a complete statement of their property and wealth, this statement to embrace and include all members of their families as outlined in Article 43, 3rd paragraph of the 1940 Constitution.

Early this week two new government delegates on the Cuban Sugar Stabilization Institute, Carlos GOVEA and Juan CABRERA, from the industrial and agricultural sectors of the industry were installed, replacing Francisco MONET and Regelio RODRIGUEZ Blanca. The substitutions are generally considered to be largely political in character. The Cuban press has given considerable prominence to wire stories from Washington regarding a report made by Mr. Lawrence MEYERS of the U. S. Agriculture Department on the recent London meeting of the International Sugar Council and the possibility that a new international sugar agreement is needed. Meanwhile the local situation continues firm and fairly optimistic,

RESTRICTED
SECURITY INFORMATION

Page: 4 of
- Desp. No. 1646.
From Habana

RESTRICTED
SECURITY INFORMATION

Page of
Encl. No.
Desp. No.
From

although there appears to be abundant evidence that this country has, with a record crop in prospect for 1952 and with next year's production promising the same volume, a definitely overstocked position in the making. There are indications that at least some of the large Cuban interests are assuming a "short" position for the latter part of this year, their calculations being based upon the trend of this year's sales which so far are considerably behind sales for the same period of 1951. However, for the moment there are certainly no indications that the industry or the Cuban Government is prepared to take any precautionary or remedial steps. There seems rather to be a general feeling in all quarters that regardless of indications on the world market, Cuba should continue to produce sugar at a maximum volume with the hope and expectation that somehow serious price decreases can be avoided.

For the Ambassador:

DuWayne G. Clark
DuWayne G. Clark
Counselor of Embassy

Participants:

DGClark, ETCrain, REGomez
Rarick (Asst. AA)

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Mr. Wellman

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