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7290001-0803

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FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, HABANA

1688

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

April 10, 1952

REF :

Action Assigned to

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SUBJECT: Weeka No. 15 for State, Army, Navy and Air Departments
from SANA

SECTION I

POLITICAL

The Constitutional Statutes, to replace the 1940 Constitution, were approved and promulgated by the Council of Ministers on April 4. Immediately thereafter, General BATISTA, who had signed the Statutes as Chief of Government and Prime Minister, assumed office as Provisional President.

The new Statutes follow the lines of the Constitution closely, except where changes were necessary to conform to the current situation. Among the principal innovations introduced were the reestablishment of the death penalty for military offenses, treason in time of war and gangster and terrorist activities of a grave nature. The suspension of certain rights, including the right to strike is provided for, when necessary and for the time "necessary to the security of the State". A number of changes in the electoral process were introduced, dissolving existing parties, eliminating the Constitutional provision that parties which have affiliations amounting to 2 per cent of the population are legally recognized, and repealing the Electoral Code. These measures left the door open for raising the electoral percentage required for political parties in the Electoral Code to be prepared by the Superior Electoral Tribunal, to eliminate some of the smaller parties, including the Communist PSP, which, in the 1951 registrations barely achieved the required two percent minimum. Elections were scheduled for the third Sunday in November 1953.

The Government was also reorganized by the Statutes to vest the Executive and Legislative power in the President "with the Council of Ministers" (Cabinet) and suspending the

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functions of the Congress. There is also to be a Consultative Council which will act as an advisory group to the President and the Council of Ministers, to be composed of members representing "the fundamental activities of the nation". The Consultative Council will reportedly be composed of 50 to 60 members selected by Batista and the Council. The Minister of Labor is quoted as stating that Carlos SALADRIGAS is the most likely candidate for President of the Consultative Council and Jorge GARCIA Montes for Vice President, with directive jobs for Miguel SUAREZ Fernandez and Anselmo ALLIEGRO, possibly as Secretaries of the Council, being considered. The judicial branch of the Government was left intact. The Statutes provide that Governors, Mayors and Aldermen hold office at the pleasure of the Council of Ministers.

Immediately after the promulgation of the Statutes the Executive Committee of the Ortodoxo Party announced that the Party did not consider itself dissolved and it would not participate in elections under the Statutes. The announcement declared the Batista Government and its acts illegal and destructive to freedom and popular sovereignty and affirmed the Party's determination to resist.

Possible evidence of growing sensitivity of the Batista regime to Ortodoxo needling was the seizure of the presses and jailing of the printers who were preparing leaflets entitled "La Palabra", written by Ortodoxo leader José PARDO Llada. The police action was based on the fact that the publication was not "authorized". Pardo Llada assumed full responsibility, claiming the publication was not illicit since it was identified with his name and the address of the print shop. The material was reportedly strongly derogatory to the Government.

Following the removal of two Auténtico Mayors, Emilio SORONDO of Bauta, and Manuel MIRANDA of Guamacaro, Carlos HEVIA and the National Executive Committee of the PRC (A) made a public protest against these and other removals of elected officials. They said such dismissals show the true purposes of the present regime, which is "getting deeper each day into the methods of dictatorship while hiding behind the mask of legality in the new Statutes". The National Executive Committee of the PRC (A) also published a denunciation of the new Statutes on April 10 similar to that of the Ortodoxos, in which it urged the people of Cuba to disregard the Statutes. It stated that the PRC (A) does not recognize the dissolution of political parties and does not consider itself disbanded. Significantly, it did not go as far as the Ortodoxos in announcing refusal to participate in elections.

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The University Students Federation continued its campaign of resistance to the new Government with a symbolic "funeral" for the Constitution on April 6. The demonstration attracted a fairly large group of students, but was not violent, possibly because of a warning from Batista, who had student leaders brought to him before the demonstration. In the meantime there was little prospect that classes would be resumed in the University before the expiration of the 45-day suspension of Constitutional guarantees originally decreed by Batista, due to expire on April 25. A second suspension of guarantees was decreed April 4. It has not been officially announced whether the new period begins April 4, supplanting the first suspension, or whether it will commence April 25 on expiration of the first period, but presumably it is the former.

The movement by Eusebio MUJAL, Secretary-General of the CTC, to form a new party gained some support with the adherence of the National Labor Committee of the PRC (A), which has considerable influence in labor politics. Mujal reportedly has the acquiescence of Batista, who is willing and probably eager to see a large segment of the PRC (A) separated from that party. The provisions of the Constitution against class and other special parties based on race, sex or creed, were carried over into the Statutes, thus requiring a broader base than labor alone for the party, although presumably it will be dominated by labor interests. One name considered for the party was "Nationalist-Labor", but this probably will not be settled until the new Electoral Code is promulgated.

The Soviet Legation has closed down its offices and apparently sold the furniture in its building, following the break in relations with Cuba. The 22 persons, including 9 diplomatic officers, left Habana in two groups on April 8 and 9, for Mexico. The officers reportedly had diplomatic visas and their families transit visas. The real reason for the rupture in relations has not been made clear, but it seems likely the Soviets wanted to take the initiative in view of the probable restrictions the Batista Government would put on their activities as well as the possibility the Cubans themselves might break relations. In the meantime the press reports the beginning of Soviet propaganda against Cuba as a "colony" of the United States, and PRIO and Batista as "puppets" in a change of government decreed from Washington. These statements were greeted with some derision in Cuba, and their local effect, if any, may be to consolidate opinion behind the break in relations and against the USSR.

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In a press conference on April 9, the Minister of State, Dr. Miguel Angel CAMPA, denounced the Moscow Economic Conference as a political maneuver to stimulate imports of strategic materials for the "gigantic rearmament program of the USSR" through a series of commercial agreements. Another of its purposes, he said, is to promote dissension in the democratic world, pointing out that the Agenda includes problems that are handled daily by UN organizations. Nevertheless, the Cuban Government will not prevent any Cuban citizen from attending, he concluded, but this statement is a warning of the true nature of the Conference.

The new Cuban Ambassador to the United States, Dr. Aurelio FERNANDEZ Concheso, was sworn in on April 9, as soon as agrément had been obtained. He reportedly will leave for the United States in the week following Easter.

Recognition of the Cuban Government by Ecuador was announced on April 9 by the Ministry of State. Of the Latin American countries with which Cuba maintained relations before the Batista coup, the only one which has not recognized by now is Uruguay. Peru, with which relations were broken during the Prio Government, has not recognized the new Government.

Reports of the Bolivian uprising were headlined in the Cuban press this morning. There has been no editorial reaction as yet.

ARMY

In an Extraordinary Edition of the Official Gazette dated April 3, 1952 the pay raises promised to the Armed Forces and to the National Police were officially promulgated and made effective as of March 16, 1952. They ranged from an increase in the base pay of a Major General from \$350.00 a month to \$525.00 a month to an increase in the base pay of a Private from \$25.00 a month to \$82.00 a month.

NAVY

Commander Julio SAYAGO Feijoo, formerly liaison officer with foreign embassies at the Cuban Naval Headquarters, has been appointed as Naval Attaché to Washington. Feijoo was promoted to commander last week. He leaves for Washington accompanied by his wife April 11. U. S. agencies in Washington will find Feijoo anxious to render every assistance in furthering Cuban-U.S. relations. It appears that the Cuban Navy

1/ This officer goes by his mother's name (Feijoo) and not his father's name (Sayago)

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high command selected Feijoo for his new post for three reasons. First, he is acquainted with many high ranking U. S. Naval officers now on duty in Washington, by virtue of his previous job as Naval liaison officer. Secondly, he has an excellent professional background which includes wartime service aboard a U. S. destroyer in the Pacific, and lastly, he was not identified with the revolutionary group now in power which is counting on him to place the Cuban Navy in a most favorable light with Washington officials.

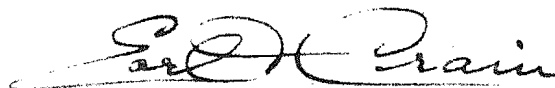
AIR

During the week beginning April 7 the Chief of the Cuban Army Air Corps has been selecting Air Corps Officers for assignment to the key positions in the new Air Corps Organization. Although no official announcement has been made it is understood that the new organization was approved by General Batista about two weeks ago.

COMMENT

As indicated in Weeka No. 11 it appears that the announcement of the approval of the new Air Corps organization will be made when the approval of the new Army organization is announced.

For the Ambassador:



Earl T. Crain
Acting Counselor of Embassy

Participants:

DGClark, ETCrain, ETerrell
Mason (AA), Elmore (MA), Ryan (NA)
WPHouk

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April 10, 1952

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1952

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From SANA

Date of Action 4-15-52

Action Office Symbol 170

Name of Officer

SECTION II

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ECONOMIC

The acceptance and approval of the new Constitutional Statutes on April 4 by the Council of Ministers, the almost immediate installation of General BATISTA as the new Provisional President, and the swearing-in under the new Statutes of the Council of Ministers brought to an end the period of uncertainty which followed the March 10 coup and the question of how far the new administration would go in changing the basic 1940 Constitution. As a matter of fact, the new Statutes include most of the provisions of the 1940 Constitution, although all political parties have been dissolved and the Electoral Tribunal given a period of 60 days to draft a new electoral law. The third Monday of November, 1953 has been set for new presidential elections.

Following the constitution of the new government under the revised Statutes, the Council of Ministers met and made a number of important decisions, such as, for instance, a further extension of 45 days of the suspension of constitutional guarantees; approved a general policy of protection for domestic industry and commerce; also approved the appointment of a so-called Consultative Council; created a Direction of Rural Education; and to replace the disbanded National Transport Commission created the Direction General of Transport consisting of representatives from the railways, ocean transport, air, motor transport, and a general coordinating officer. The new Direction General of Transport will be directly represented in the Council of Ministers.

The projected creation of a Consultative Council to the Government, reportedly to consist of some 60 members representing all interests throughout the country, has continued to excite considerable comment and discussion. Presumably the new Council will be formally inaugurated some time shortly after Easter but it is already rumored that the President of the Council will be Carlos SALADRIGAS, who was Batista's candidate for President in the 1944 elections. The Vice President, reportedly, is to be Jorge GARCIA Montes, well known local lawyer and close friend of Batista's. Other persons mentioned as prospective nominees include Miguel SUAREZ Fernandez, ex-Senate President and a former Foreign Minister; Dr. Raul GARCIA Menocal, former Habana Mayor; Wilfredo ALBANES, lawyer and former Senator; Mario DIAZ Cruz, lawyer and former Minister of Defense; Dr. José Agustin MARTINEZ, lawyer and reportedly one of the

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principal authors of the new Constitutional Statutes (father-in-law of former Cuban Ambassador to Washington, Guillermo BELT); and Colonel Manuel QUEVEDO, Jr., owner and operator of the Cuban airline Aerovias "Q".

An interesting report is that the Minister of Labor, Dr. PORTOCARRERO, has been ordered to study and bring before the Council of Ministers during an early session the project of law covering the labor tribunals which was briefly discussed during the last session of Congress and then dropped when strong labor opposition developed. Apparently the draft law will not be proposed for adoption but will be used rather as a basis for the creation of a procedure which will eliminate labor difficulties and provide for compulsory arbitration in the future. This report, if true, is a further indication of the desire of the new government to regularize labor-management relations and prevent the return of the uncertainty which existed during the Prío regime.

There are clear indications that the CTC, Eusebio MUJAL, the Secretary-General, and various other labor leaders are rather frantically maneuvering to keep on the good side of the new administration and at the same time retain as much of their influence as is possible. Shortly following Mujal's announcement that he had abandoned the Autentico Party, similar action was taken by Calixto SANCHEZ White, the leader of the airport workers, Jesus ARTIGAS, the CTC Financial Secretary, and Angel RODRIGUEZ Gonzalez, the Organizing Secretary of the FNTA. Mujal himself reportedly has congratulated President Batista on behalf of the CTC and in the name of the "proletariat" upon the recent rupture of diplomatic relations between Cuba and Russia. It is understood that the CTC administrative organization has been reduced radically, with the general pay roll having been cut to 10,700 pesos per month from 20,800 pesos.

During the past week numerous requests for pay raises and adjustments have been submitted to the new Minister of Labor but in practically no instance has the semblance of a threatened strike appeared. However, it is possible that a mutually agreed upon shutdown may take place at the textile factory La Concordia, which under Presidential Decree 2144 enjoyed a temporary duty-free entry privilege for certain raw materials. Reportedly this privilege was recently cancelled at the instigation of the Hedges interests, who are strong competitors. Apparently La Concordia has large supplies of raw materials in the Habana customs which it is hoped can be withdrawn free of duty so as to enable the plant to reopen.

At the end of March the Cuban industry had produced 3,900,448 long tons of sugar and 217,828,762 gallons of molasses. These totals compare with 3,405,781 tons of sugar and 167,156,760 gallons of molasses for the same date of 1951 and 3,456,343 tons of sugar and 183,912,418 gallons of molasses on March 31 for the record production year of 1948. The local price picture has been somewhat unsettled but on the whole has remained

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reasonably firm and optimistic. A New York report that Puerto Rico's 1952 crop will be lower than last year's production has been encouraging. The Cuban Sugar Stabilization Institute is said to have agreed to recommend to the government that 200,000 tons of the special quota be freed for the world market. Such a move might be considered as an effort to increase sales in the world market at still highly satisfactory prices and reduce the possible carryover at the end of the year.

On April 8 a representative selection of members of the Cuban Sugar Stabilization Institute called upon President Batista and reportedly assured him of their support and congratulated him upon the ease with which he had solved the problem of the Cuban National Bank by the selection of Mr. Joaquin MARTINEZ Saenz as its new President. While not mentioned in the press it is possible that this visit was a prelude to a growing feeling that the sugar industry, which had previously agreed to consult with the Prfo regime as regards the refinancing and rehabilitation of the United Railways (see Weekas Nos. 7 of February 15 and 9 of February 29, 1952) is now about to withdraw from this undertaking. It is known that a large number of the mill owners are opposed to the plan and have called a meeting of the Mill Owners Association in the hope of crystallizing opposition to the proposal. Apparently it is felt that the Batista administration is against the nationalization of public service properties and while the problem of the United Railways continues, the sugar industry seems to feel that now is the time to withdraw from an undertaking which, when accepted, was better than the alternative which called for government ownership and the collection of 6 cents per bag of sugar produced in the country to provide funds for the purchase of the United lines.

The local press has given prominent mention to an announcement that the King Ranch interests in Texas have become identified with the Manati Sugar Company in a plan to establish a large cattle property in the Province of Camaguey. It is reported that some 30,000 acres have been secured and that a shipment of 140 heifers, 100 bulls, 40 horses and a large quantity of equipment will leave Texas this week. Presumably after a reasonable period of time this new enterprise will be able to make a major contribution towards the relief of Cuba's chronic meat shortage.

For the Ambassador:


DuWayne G. Clark
Counselor of Embassy

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Participants:

DGClark, ETCrain, WPHouk, EMTerrell
Mason (AA), Ryan (NA) Elmore (MA)

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Port-au-Prince

Mr. Wellman

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

John

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