

FOREIGN SECTIONS OF THE UNITED STATES OF AMERICA

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TO : Department of State

OFFICE OF LIAISON
AND SPECIAL OPERATIONS

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Action Taken *none*

FROM : HABANA 1861 March 9, 1951

REF :

SUBJECT : WEEKA No. 10 FOR STATE, ARMY, NAVY AND AIR DEPARTMENTS
FROM SNA.

Action 3-15-51
Office Symbol 140
Office of Officer *Unclut*

POLITICAL

The series of allied successes in Korea during the week has given rise to a feeling of confidence in Cuba that the United Nations forces are now impregnable and that further Chinese offensives will result solely in mass slaughter of Chinese troops, with catastrophic effects on the communist regime in China. The press also reported daily and in full on the Paris meeting of Deputies of Foreign Ministers, the impression being that the obstructive tactics of the Soviet representative may prevent any meeting of the Foreign Ministers themselves.

Preparations for the March 26 meeting of American Foreign Ministers are being pushed forward in Cuba although the official delegation to accompany the Minister of State has not yet been announced. A report published today stated that a group of nations attending the March 26 meeting would offer a motion to outlaw Communist Parties throughout the Hemisphere. It was added that Cuba would "adhere" to this move and that immediately thereafter the communist P.S.P. in Cuba would be declared illegal and its centers throughout the Island closed. This report, published by Prensa Libre, is not confirmed.

Reports of alleged insubordination in the Cuban Army (Weeka No. 9, March 2, 1951) broke into the headlines March 5 with the publication in the opposition paper Alerta of an article alleging that Cuban troops of the 7th Regiment at Cabañas Fortress had committed acts of insubordination based on their reluctance to serve with the U.N. forces in Korea. President PRIO called in the press that night and asked its cooperation against totalitarianism. PRIO denied Alerta's story of insubordination and asserted that the propagation of false rumors that Cuba's armed forces might prove unworthy of their traditions constituted an act of high treason

ETCrain/elw
March 9, 1951

CONFIDENTIAL

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to the nation. The press in general supports the President fully in his forthright stand. Alerta, while claiming it has always supported the Army, sticks to its original story, citing the dismissal of a junior officer (by decree published in a special issue of the Official Gazette) as proof. La Ultima Hora and other communist publications naturally do not join the free press in supporting the President.

It appears that the whole affair stems from an argument which developed into an attitude of insubordination on the part of the officer, now dismissed, on the question, not of service in Korea, but the emoluments to be received by those engaged in foreign service. The argument may have been inspired by Alerta which has conducted a campaign demanding emoluments for Cubans equal to those granted U. S. forces.

The Government is giving careful thought to this question as indicated by the Embassy's receipt of a request from the Cuban House of Representatives for copies of U. S. legislation on the subject.

Every indication received by the Service Attachés to the Embassy has been that the incident, though exaggerated by the opposition, was of very small proportions and that the Cuban Armed Forces are fully prepared from the point of view of morale to fight with the U.N. forces in Korea or elsewhere. The papers are now full of offers from individuals and groups, including congressmen and retired officers and men, to serve with the Cuban battalion overseas.

On the domestic political scene it was reported that the long-discussed pact between the Government P.R.C.(A) and the Liberal Party had at last been signed and that a Cabinet crisis, involving numerous changes, was imminent. One change, although perhaps not related to the pact, took place yesterday with the resignation of Finance Minister BOSCH, reportedly for reasons of health, and his replacement by Subsecretary ALVAREZ Diaz as Acting Minister. Bosch filled the coffers of the Treasury to their highest levels and his departure has aroused apprehension as to the final destination of this bonanza.

On the basis of the P.R.C.(A)-Liberal Pact, the Liberals will reportedly take over the portfolios of Agriculture and Commerce, with ANDREU, the Demócrata chief, going to Health, a post he has previously held. Today's press hints that the entire Cabinet may resign and, in any event, numerous other changes are expected.

The Special Session of Congress continues committee studies of the President's bills to send troops to Korea and to finance Cuba's retirement funds. It is possible that no

action will be taken on either measure prior to the Regular Session opening March 19, although the Ministers of Defense and State are scheduled to appear before a joint meeting of House and Senate leaders March 12 to discuss both bills.

The Embassy has been informed informally that Cuba, through its Embassy in Washington, expects to pay off its outstanding Lend-Lease balance during the next few days.

By exchange of notes on March 2 Cuba and Great Britain agreed to waive visa requirements for travel of their respective citizens between Cuba and the British Isles and Northern Ireland. Such travelers will continue to require passports however.

The new Dominican Chargé has officially denied a sensational story in Alerta to the effect that President TRUJILLO had turned power over to his brother, General Hector TRUJILLO, due to the fact he had gone insane. The Chargé merely referred to U.S. news service reports that after uninterrupted service of twenty years, President Trujillo planned to take a vacation.

ECONOMIC

Menelao MORA's resignation as president of the Cooperative of Omnibus Aliados has been taken in some quarters to mean nationalization of that organization shortly. Mora claims the company has been losing \$100,000 per month since Government intervention (Weeka No. 7, February 16, 1951).

Round-table discussions between sugar labor and management, called by the Minister of Labor to settle the question of union dues payments, were broken up when labor representatives withdrew due to management's refusal to agree to pay the one percent check-off (Weeka No. 8, February 23, 1951). Labor will reportedly appeal to President Prio for his assistance prior to resuming discussions, tentatively scheduled for March 13.

Press reports state President Prio has promised the maritime workers that the Seatrain will not be granted permission to resume operations, at least in the immediate future. The statement actually came from maritime workers after an interview with Prio and may not be true. It is possible that labor leaders made the statement in the hopes of forcing President Prio to meet their demands.

A Ministry of Commerce resolution was issued during the week requiring the immediate reporting of all stocks of construction iron and steel to the Ministry. The same resolution sets ceiling prices on these materials.

CONFIDENTIAL

Information released by the National Tourist Commission indicates that the number of tourists visiting Cuba, and consequently the amount of money spent by them, continues to increase. The report states 1950 was the best tourist year in Cuban history and the trend continues upward.

Various Congressmen have prepared bills for presentation to Congress designed to increase salaries of government workers. Proposed increases range from 30 to 50 percent, with a minimum of ninety dollars per month.

Minister of State DIHIGO informed reporters on March 7 that a decree naming a commission of production experts to proceed to the United States to discuss industrial cooperation with U. S. officials had been handed to President Prío for signature, after discussing the question with Ambassador MACHADO. The commission will be composed of an officer of the Cuban Embassy in Washington, an official of the National Bank of Industrial and Agricultural Development, the Cuban Manufacturers' Association, and a labor representative.

All 161 sugar mills are now in full operation. The weather in general continues cool with nominal rainfall. As of March 1, sugar production totaled 2,055,537 short tons and the sugar yield from cane equaled 12.23 percent. Production is running slightly ahead of 1950 (33,000 tons). Blackstrap molasses totaled 88,183,000 gallons versus 79,428,000 for the same period last year.

As a result of CAB examiners' favorable report on the application of Compañía Cubana de Aviación to operate flights from Habana to New York, officials of the company feel that the threatened strike by the aeronautical union, scheduled for March 10, may be averted (Weeka No. 6, February 9). Other demands made by the union have not been fulfilled, but union officials are conferring today with the President and the company hopes these additional demands can be satisfied, at least to the point of averting an aviation tie up.


C. Burke Elbrick,
Chargé d'Affaires ad interim.

Participants: CBElbrick, ETCrain,
REGomez, Pitts (AA), Ryan (NA).

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