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FOREIGN SERVICE DESPATCH

FROM **AMEMBASSY, HABANA**

1955
DESP. NO.

MAY 18 1952
May 16 1952
DATE

TO : **THE DEPARTMENT OF STATE, WASHINGTON.**

REF :

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	REC'D MAY 19	OTHER ARMY NAVY AIR CIA

SUBJECT: **Weeka No. 20 for State, Army, Navy and Air Departments From SANA**

SECTION I

POLITICAL

Reports of counter-revolutionary activity continue, centering around Aureliano SANCHEZ Arango (Weeka 19, May 7). The Minister of Defense reported confidentially this week that Sanchez Arango had succeeded in reaching Habana and was believed to have returned to the United States. The clandestine landing of two men in eastern Cuba, presumably Sanchez Arango and his aide, former National Police Captain Raul RODRIGUEZ Santos, had been "verified", the Minister said. A separate source reported Sanchez Arango still in Habana organizing a "Civil Resistance Movement" in secret meetings with Ortodoxo and Autentico leaders.

The press continued to report similar stories. The most prominent was that of Alerta of May 14, in which Ramon VASCONCELOS said he had information that Sanchez Arango was the real leader of the conspirators headed by Carlos PRIO. He said the exiles have invested \$2,000,000 in armaments, including planes and a ship acquired in Baltimore to be used to pick up arms stored in Belize and Mexico. Prio denied this immediately, according to a press report from Miami published May 15. He called the story an "excuse to keep Constitutional guarantees suspended". Vasconcelos' rebuttal in Alerta the same afternoon said "in his position Prio could say nothing else" and added that the Government has "other information about similar activities by supporters of the former regime within Cuba". The newspaper Acción Unitaria, under a headline referring to "Accomplices of Aureliano", on May 15 said "the Government is alerting its security forces to investigate counter-revolutionary activities by a group of voluntary exiles".

Another source reported that General BATISTA has sent an emissary to Prio in Miami to warn him that strong repressive

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measures would be taken against his followers if he did not hold them in check.

The official celebration of Cuba's Fiftieth Anniversary of its independence began May 14, overshadowing most other political events during the week. The festivities began with the presentation of credentials of 39 special missions to President Batista on the 14th. So far the ceremonies have been mostly official acts. Some public events are scheduled for this week-end and Monday and Tuesday. These include a military parade on Tuesday, May 20, in which reportedly only a small part of the military forces stationed in Habana are to participate.

There were some discordant notes in connection with the celebrations. The FEU is publicizing a meeting it is calling for May 20 at the University. This will be a ceremony wherein participants are to swear allegiance to the 1940 Constitution. The students are urging a large attendance. The Communist Hoy on May 16 calls on PSP Youth to attend the meeting, and a confidential report states that the Communists are trying to infiltrate it and get one of their members, Alfredo GUEVARA, on the speakers' platform with FEU leaders and Dr. Jorge MAÑACH, Ortodoxo professor, who is also scheduled to speak.

The procession that is to bring the image of Cuba's patron saint, the Virgen del Cobre, from the airport to central Habana was alleged by the newspaper Tiempo to have been ordered re-routed by the Government to keep it away from Police and Naval headquarters because of the discovery of a "Communist plot" to use the occasion for an armed uprising. In the official version, the re-routing was attributed to "traffic considerations", according to Tiempo.

There are numerous reports and rumors now circulating that some counter-revolutionary outbreak or assassination attempt may take place during the Anniversary celebrations, mentioning May 19 or 20 as the most likely days. Presumably the Government is aware of this and will take appropriate preventive measures.

A limited amnesty for those now serving prison sentences for specified crimes and delinquencies committed before March 10 was decreed by the Government as an "act of clemency" on the occasion of the Fiftieth Anniversary celebration. Veterans of the War of Independence were pardoned all such sentences. The decree expressly excluded "acts of gangsterism".

The problem of the requirement of swearing to uphold the "Constitutional Law" came to a head in the Habana Municipal Council during the week (Week 17, April 25). So far 10 of the 27 Aldermen have refused to sign (the 2 Communists, 3 Ortodoxos, 2 Autenticos and 3 PNC members). With the deadline for the oath 6:00 p.m. this afternoon, 13 have taken the oath and 4 were still reported undecided. The Council will be made up only of those who take the oath.

The Finnish Minister-designate to Cuba, Johan NYKOPP, denied, to an Embassy officer, the press report that he had been unable to present his credentials because of sudden recall to Finland (Week 18, May 7). Nykopp, who is also Minister to the U. S. and Mexico, said the ceremony had been merely postponed until after the Fiftieth Anniversary celebrations. He is now in Cuba as chief of the Special Mission from Finland for the Anniversary celebrations.

The Cuban press headlined news from Korea during the week, including the capture of General DODD and its aftermath. There was some editorial comment that the outlook for a settlement has become nearly hopeless. Meanwhile, the Communists kept up their bacteriological warfare propaganda campaign in their publications, with more photographs of alleged bacteria and "insect carriers" and more "eyewitness" reports of germ warfare. The campaign also included charges that UN forces had used poison gas in Korea "five times" in April.

ARMY

Negative.

NAVY

Negative.

AIR

Five of the 25 F-47 fighter aircraft which the Cuban Army Air Force is purchasing from the U.S.A.F. will arrive at Campo Columbia airport Sunday, May 18, 1952. The Cuban Air Force requested rush delivery of these 5 planes in order to have them here for participation in the military review celebrating the Fiftieth Anniversary of Cuba's independence on May 20, 1952. The U.S.A.F. has sent 3 airmen from a fighter-bomber wing down to Campo Columbia to instruct and

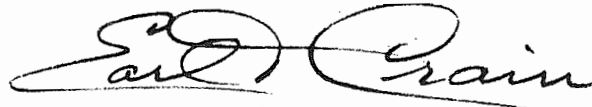
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assist Cuban mechanics in maintaining these F-47's.

For the Ambassador:



Earl T. Crain
Acting Counselor of Embassy

Participants:

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

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FROM AMEMBASSY, HABANA

1956

TO THE DEPARTMENT OF STATE, WASHINGTON.

MAY 19 1952
May 16, 1952

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Action Assigned to *Unclerks*

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SUBJECT: Weeka No. 20 For State, Army, Navy, and Air Departments *5-10-52*
From SANA *Date of Action*

Action Office Symbol *IAH*

Name of Officer *Vincent*

Direction to Office *76*

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SECTION II

ECONOMIC

Cuba's fiftieth independence anniversary celebrations have been conspicuously present in the events of the past week and are expected to continue until after May 20. So far there seems to have been a minimum of commercial and industrial dislocation but at least one, and possibly two, full holidays will be declared before the celebrations have come to an end. A meeting of the Council of Ministers on May 9 and a subsequent special meeting on May 13 considered a number of pressing administrative problems, including the steps to be taken in regard to any adjustments necessary for the sugar industry. No further meetings of the Consultative Council are planned, according to reports, until the regulations governing the functions of this group have been promulgated. It is understood that one of its first tasks will be consideration of the proposed creation of labor courts.

Heavy rains throughout the country during the past few days have generally resulted in the cessation of cane cutting and milling and these rains may accomplish the end desired by many interests, that is, a reduction in the heavy 1952 crop which will, in turn, ease the threatened accumulation of a serious surplus at the end of the season. Nonetheless, the Government has promulgated two decrees extending regulations to the industry, the first, numbered 1251, creating a committee to act with the Cuban Sugar Stabilization Institute as the "single seller" for the 1952 "Special Retained Quota", which currently is estimated at slightly more than 1,600,000 Spanish long tons, of which about half now appears to be potential surplus. As mentioned in previous Weekas, this "single seller" scheme was adopted against the wishes of the majority of the sugar mill owners and sugar brokers. The second decree, numbered 1252, approved the appointment of a Sugar Advisory Commission, representing mill owners, cane growers, sugar workers, and the Stabilization Institute, which will advise

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the President on sugar matters as regards both the 1952 and 1953 sugar crops. The Commission's first act was to decide that, contrary to reports, there would be no cutoff of the 1952 milling (see Weeka No. 19), due to the lateness of the season and to the possibility of inequities between mills which have already finished grinding and those that are still in operation.

Baron Paul KRONACKER of the International Sugar Council, who reached Cuba on May 9 at the invitation of the Cuban Sugar Stabilization Institute, has been widely entertained since his arrival. Kronacker's visit presumably is unofficial and personal but it is abundantly clear that he has been made well aware of the desire of the Cuban Government and the sugar industry that a meeting of the International Sugar Council be called in the immediate future to make plans for 1953. It is reported that if the International Council does not meet and agree to a curtailment program (a program under which Cuba reportedly would be willing to restrict production to 5,500,000 Spanish long tons in 1953), Cuba will make no curtailment of its 1953 production, which at this early date promises to be as high if not higher than the current season's record output.

The Government's concern regarding the future stability of the sugar industry may be seen in a decision taken by the Council of Ministers on May 6 when it referred to the Consultative Council a draft decree-law, submitted by the Minister of Agriculture, which would compel all sugar cane plantations and other rural estates to extend their cultivation and production of rice, corn, peanuts, beans, potatoes and other basic products. Such a law undoubtedly would be stoutly resisted by all Cuban agriculturists but its proposal at least reflects the desire and the determination of the new Government to get away from a one-crop economy.

Public hearings regarding the summer working schedule for labor have continued throughout the week but as yet no decision has been made as to whether or not the plan will become effective on June 1. On the whole, labor relations have been peaceful and quiet but in anticipation of future possibilities it is understood that the leaders of the Railroad Brotherhood of Cuba have issued a statement that any solution to the problem of the United Railways of Havana which might include wage cuts or layoffs would be unacceptable to labor and would be strongly opposed.

The Government, in Decree-Law 61 of May 9, has cancelled the allotment of 4,250,000 pesos in the 1951-52 budget which was set up for the payment of claims incurred since 1940. This action reportedly has been taken on the basis of the large number of claims presented - some 7,000 - and the short period of time available for their investigation and confirmation. Decree-Law 61 provides that a similar credit will be set up in the next budget but this year's item is now transferred to a special fund known as "The Surplus of the 1950-51 Budget".

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It is understood that the Minister of Finance has proposed to the Cabinet a decree-law completely reorganizing Cuban regulations covering air traffic. Presumably, the proposed legislation would meet most of the basic points of the International Civil Aviation Convention but it is significant that it would also supersede Decree-Law 751 which heretofore has governed air freight and parcel post traffic and reportedly has been, as a consequence of its administrative provisions, one of the principal reasons why large amounts of contraband trade have entered Cuba from the United States by air. In this connection it might be mentioned that on May 12 the new Director General of Aerial Transportation, Captain MARTUL, ordered Expreso Aero Interamericano to cease operations due to alleged irregularities in freight transportation. This decision was immediately protested by the Labor Department and by the Cuban Confederation of Labor and while the order has now been withdrawn and Expreso is again back in business, this rather drastic step may indicate that the new Government is determined to put an end to the admittedly heavy contraband trade which has been entering Cuba via the airlines, principally through the airport at Campo Columbia.

One of Habana's recent visitors has been Mr. Otto STINNES, President of the Ocean Stinnes Steamship Line, which recently has resumed a cargo schedule to Cuba and Mexico which was interrupted in 1939. Mr. Stinnes presumably has visited Cuba in an effort to improve Cuban-German trade under last year's trade agreement. Interest is being shown in the possibility of producing newsprint from sugar cane bagasse, the latest proponent of this idea being Mr. Alejandro SUERO, a well known sugar mill owner who discussed the subject with General BATISTA recently and who reportedly offered his full support. One of Habana's oldest hotels, the Sevilla-Biltmore, reportedly has been taken over on a long-term lease basis by a group of North Americans. The newly formed Sevilla Management Company includes Mr. William R. HOGAN as President, Mr. Nathan SCHWARTZ, Vice President, and Mr. Morris R. DE WOSKIN, Treasurer.

For the Ambassador:


Wayne G. Clark
Counselor of Embassy

Participants:

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

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