CONFIDENTIAL

(Classification)

DO NOT TYPE IN THIS SPACE 737.00(W)/8-351

FOREIGN SERVICE DESPATCH

FROM

HABANA

August 3.

the department of state, washingeroon Assigned to .

Use Only

6

AUG

DCR

ARA E

IE

P S/ISA

ARMY

NAVY

AIR

CIA

mlr

Must

etumed

S S S S S

UNA

USUN

REF

Action Taken -

For Dept.

SUBJECT:

WEEKA NO. 5 FOR STATE, ALMY, NAVY AND AIR DEPARTMENTS FROM SAN

SECTION Production amountain

POLITICAL

The Kaesong cease-fire negotiations continued to be headlined throughout the week, with the Cuban attitude ranging from one of deep suspicion of Red motives to faint expressions of hope that the negotiations might succeed. I This morning's headlines reported it now appeared the Reds N would end up by accepting the UN conditions. However President Truman's Detroit speech of July 20, warning the nation it must be ready for any emergency, and Secretary of the Army FACE's statement that the United States could find itself fighting in a third World War at any moment were also stressed.

One of the group of veterans of World War II sponsoring the local campaign to register Cuban volunteers for service in Korea, was recently in how Mork where he conformed with Dr. Carlos BLANCO, a Cuban UN delegate, informing him of the movement. Dr. Blanco reportedly appeared improssed, and stated he was going to refer to the campaign at the forthcoming meeting of the Generabepartment of STATE Assembly at Teris. Blanco reportedly told the veteran RECEIVED that he wished to be kept informed as to the progress of the campaign. The Ambassy is informed that the veteran AUG ? - 1951 in question was interviewed in wew York by <u>La Prénsa</u> which published an article on the campaign. The veteranges ACE CENTER hope to present the register of volunteers, now numbering This Do DC/R 7 Central over 1,500, to the Monate during the forthcoming special session of Congress.

Yvan MATLAMOV, A Mussian, age 37, accompanied by his wife Anna MATLAMOVA, arrived at Habana august 1, on the Italian SS Andrea Grutti to join the local staff of the Soviet Legation. He gaye his occupation as a "diplomat", but was referred to by the Soviet Legation, in its request for customs privileges, as an "employee".

ETCrain:WJN

REPORTER (S)

CONFIDENTIAL

PREPARATION TIME

ACTION COPY - DEPARTMENT OF STATE

Page 2 of		
Desp. No196	_;	
From Habana		

CONFIDEN	TIAL	`
(Classifi	cation)	

Pageof	
Encl. No	
Desp. No	
From	

El Diario de la Marina in an editorial published July 28. charged that increasinghumbers of Chinese Reds were entering Cuba, some of them under the auspices of the Soviet Legation, and that they were scattering throughout the island, threatening the democratic Chinese in Cuba with reprisals if they did not support the communist regime in China. The editorial stated that the entry of these Chinese and their activities must be stopped, not only for the good of Cuba, but for that of the United States which is defending Cuba's interests. The Embassy has heard unconfirmed reports that some Chinese are entering Cuba at Santiago de Cuba under peculiar circumstances, despite the fact that a decree now awaiting publication excludes prospective Chinese immigrants from Cuba.

Minister of the Interior DIAZ announced on the 29th that the Government was prepared to "completely smash the communist organization in Cuba should need arise for speedy and drastic action." Possibly referring to the Guban police force, Diaz asserted that 10,000 Cuban agents were constatly checking on communist activity. He said that the communists had lost 40% of their strength when they lost control of the Cuban labor unions and estimated present communist strength in Cuba at from 15 to 20 thousand militants. He added that Fabio GROBART, now absent from Cuba, was or had been the intellectual boss of Cuban communists. Diaz' statements regarding Cuba's "comof Suban communists. plete control" of the communists, the numbers assigned to watch communist activities, et cetera, are considered by the Embassy to be exaggerated. His statements were probably issued for their propaganda value in an effort to enhance his personal prestige.

The latest list of communist tasks for the week as published in <u>Carta Semanal</u> of July 25 calls for intensification of the campaign against the lowering of the Cuban sugar quota; protests against the cost of living and the pressing of demands for higher wages; preparations for communist rallys on August 12th, which has been designated as "Communist Youth Day"; denunciation of the "monstrous aid being given by the imperialistic Americans to the bloody Franco dictatorship", and a stepping up of the communist campaign for a democratic front in the forthcoming elections.

Ambassador MACHADO returned to Habana on July 30. He immediately called on President PRIO, accompanied by Minister of
State SUAREZ Fernandez who is believed to disapprove of any
direct, unsupervised communication between Machado and the
President. Although the question of the proposal to lower Cuba's
U.S. sugar quota must have been discussed, the Minister of
State later told the press that the discussion had dealt with

Page 3 of	٠.
Desp. No. 196	
From Haban	a ·

CONFIDENTIAL (Classification)

Page	- 1	of
Encl. No	0	
Desp. N		
From		

the proposed peace treaty with Japan and the Italian peace treaty which Cuba has not yet signed. The Embassy has been informed confidentially that Cuba will support an Italian request for a softening of its treaty terms. It has requested the views of the United States Government in this matter.

In a Prensa Libre article published August 3, Eusebio MUJAL, Secretary General of the Guban Labor Confederation (CTC), referred to recent charges made by Julio Cesar BALLESTER in the name of the "so-called" Central Sindical Dominicana. Mujal stated that Ballester cannot represent Dominican labor since Trujillo does not tolerate any real labor movement; that the CTC had defended Cuba on the sugar issue even in the Milan ICFTU and had been supported by Lewis' miners and the CTO, and that it was against United States' interests to sacrifice high-salaried Cubans and the United States' "historic responsibility" in favor of "criminals like Trujillo".

In another statement on the same day Mujal threatened a general strike against the high cost of living. Adding to the possibility of further labor untest was the announcement published this morning that the railway workers plan a general railway strike starting at 10:30 p.m. August 5. (See Economic Section Weeka 5)

At a student FEU meeting July 27 to protest the proposed reduction in Cuba's sugar quota, ex-Ambassador BELT, who shared speaking honors with the communist leader MARINELLO, attacked PRIO for his failure to defend Cuba's interests. He said that "among the U.S. Senators of bad faith, the clean policy of Senator ANDERSON, true friend of Cuba, stood out." Marinello called for nation-wide mass meetings August 17 to protest the proposed U.S. "economic aggression against Cuba". The communists are successfully taking over the FEU campaign and turning it to their own ends despite warnings to the students by the responsible press that the menace to Cuba comes from the communists and not the U.S. The Embassy has heard reports that the communists are attempting to organize a demonstration against this Embassy to take place possibly next week.

President PRIO announced yesterday he plans to ask the congress to meet this month in special session to consider, among other things, legislation granting amnesty to certain classes of common criminals. He said this action would be taken in connection with the celebration of Guba's 50th independence anniversary this year and in deference to last year's request for such amnesty, which he said had been repeated this year by His Holiness the Pope. Prio mentioned specifically those involved in gang warfare who, in view of the current "truce" among gangster elements, can now be rehabilitated. The wisdom of unleashing

Page_	4	of		٠.	
Desn.	No.	196			
From		Habana	, ,,	,	

COM	FIDENTIAL	
	(Classification)	

Pageof		
Encl. No		,
Desp. No		
From	•	

these gummen on the Cuban people during a pre-electoral period is questionable.

President Prio has again re-iterated his "equidistant position" as regards the PRC(A) aspirants for the party's presidential nomination. His statement was made during a conference with Minister of State SUAREZ Fernandez who praised it as a guarantee of success (presumably for himself).

Shortly after his return to Cuba this week from a U.S. vacation, Vice President ALONGO Pujol told the press that a current movement to nominate Prime Limister LANGIS and Minister of Public Jorks CASERO as the PRC(A) candidates for the Presidency and Vice Presidency, respectively, would damage the party's chances for victory in the elections and alienate the Liberals who have been promised the vice-presidential nomination.

The Ortodoxo leader CHIBAS continues to lose prestige following his failure to prove charges of graft against government officials. Reportedly, other Ortodoxo leaders are considering steps to force Chibás to confer with and obtain the approval of his colleagues before issuing any further unsubstantiated charges. Should his collaborators succeed in their efforts, Chibás' chances for the presidency would probably be enhanced.

Miguel QUINTERO Ruano, Cuban communist and Secretary General of the Union of Jorkers and Employees of Beach and Recreation Clubs left Habana July 25 via KLM to Amsterdam together with 20 other Cubans, eight of whom are known or suspected communists. Trobably the entire 20 are communists. Nicolas GUILLEN, prominent Cuban communist departed via KLM for Amsterdam August 1. Jose DIEGUEZ a Spaniard, probably identical with the Jose Dieguez who represented the Unified Socialist Youth of Spain at the Latin American Youth Congress held at Lexico City in April, 1948 was also on the plane. It is assumed that at least some of these will attend the Berlin Youth Festival.

ARMY

Negative.

NAVY

Negative.

ATR:

Negative.

Dulayne G. Clark

Chargé d'Affaires ad interim

Page 5	of
Desp. No.	196
From	Habana

(Classification)

Page _____ Encl. No.__ Desp. No.

Participants: DWGClark, ETCrain, RGOMez, Schaffer (MA), Ryan (NA)

Copies to Amembassies: Ciudad Trujillo, Port-au-Prince

MA (4) for USARCARIB and USARFANT AA (1)

NA (2) for Guantanamo