FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

SECURITY: CONFIDENTIAL

PRIORITY: AIR PRIORITY

For Dept. us APRIL

TO: Department of State

FROM: HABANA

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CEPARIMENT OF STATE O

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FROM SANA

SUBJECT: WEEKA NO. 13 FOR STATE, ARMY, NAVY AND AIR DEPARTMENTS

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The Cuban press'is giving wide daily coverage to the Fourth Meeting of American Foreign Ministers in Washington with special attention to the accomplishments of the Cuban Delegation. Minister DIHIGO's election as Chairman of the Second Committee was a matter of special gratification as has been Cuba's firm support, at the Conference, of the United States position on military matters. In general, press reports have tended, on a factual basis, to stress what appears to be developing into an obstructive attitude on the part of Argentina. Editorially, the press has continued its criticism of the La Prensa closure and especially of a warning made at the Ministry of State by the Argentine Charge that an official protest would be made should the Senate persist in its consideration of a resolution condemning the PERCN Government for its "repression of the free expression of thought." In this connection, Senate President VARONA has announced that the Cuban Senate will discuss "anything it felt like" and that he expected the Senate would approve the resolution in question. Peron's bomb announcement was received with skepticism, the timing thereof having been extensively criticized as an obvious effort to impress the Conference and to divert attention from the La Prensa issue.

Trime Finister Varona has proposed appointment of a special Senate committee to investigate communist activity in Guba with a view to clarifying whether or not the communist (F.S.F.) party has international connections in violation of Article 37 of the Constitution ("...political organizations contrary to the regime of the democratic representative government of the Republic, or which attack the completeness of the national sovereignty, are unlawful.") On the 28th Varona stated that if it were found that the P.S.P. has international connections then "nothing can stop us"

ETCrain/elw March 30, 1951

CONFIDENTIAL

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(presumably in outlawing the party). Representative SURI CASTILLO, head of the sugar workers, has informed the Embassy the Senate is the proper body to investigate communism in Cuba and that he strongly supports Varona's initiative. It will be recalled that anti-communist measures introduced by Suri Castillo in the House (weeka 40, October 6, 1950) were rejected due, in part, to the poor drafting and impractical nature thereof.

The press reported March 27 that "according to Palace spokesmen" President PRIO intends to invite ex-President AREVALO of Guatemala to visit Cuba. The probable time of the visit was not indicated.

Although March 19 is the theoretical date for the convening of Congress in regular session, neither House has as yet achieved a quorum. Very probably, congressional leaders are awaiting the results of government negotiations with other parties and the formation of a new Cabinet before opening the session.

Following the signing of a political pact with the Liberals involving their entry into the Cabinet (Weeka 10, March 9, 1951), the government P.R.C.(A) turned its attention to the Democratas who are already in the Government, but who feel they are being neglected both in cabinet representation and Differences are now reportedly settled. patronage. ing of Autenticos, Liberals and Democratas is announced for noon today at the Presidential Palace allegedly to confirm what has been termed a Tripartite Pact. It is possible that the new Cabinet (Weeka 11, March 16) may be announced as a result of that meeting. During the week P.R.C.(A) leader, Senator SUAREZ Fernandez, prominently mentioned as the possible new Minister of State, announced he did not want the post due to its apolitical nature. Minister of Commerce ANDREU, President of the Democrata Party, announced yesterday he would definitely be the next Minister of Health. Liberals are expected to take over the Agriculture and Commerce portfolios.

A growing distrust of CHIBAS' lack of balance (he recently introduced the guillotine as an emblem of his intentions toward his opponents) and of the government's lack of principle (as evidenced by its purely opportunistic political pacts) appears to be lending impetus to a movement designed to improve ex-Fresident BATISTA's chances for the Presidency. While Batista does not yet appear seriously to threaten the chances of either Chibas or the as yet unannounced government candidate, the electorate is beginning to regard him with increasing interest.

GRAU's indictment in connection with charges of fraud during his administration has resulted in a rush to his defense by government leaders who are themselves deeply involved. P.R.C.(A) leaders, in criticizing the presiding Judge, have prepared a party statement to the effect that Grau cannot be held responsible for the acts of his Ministers.

Grau duly registered his <u>Partido de la Cubanidad Autentica</u> during the week in what may be a move to strengthen his position in an eventual reunion with the P.R.C.(A). Reportedly, one of the chief stumbling blocks to unity is the continued presence of Minister of Education SANCHEZ Arango in the Cabinet. Sanchez is reportedly blamed by Grau as responsible for making available to the Court the documents which led to his indictment.

ECONOMIC

Textile union labor leaders announced that a ten per cent wage increase will be demanded for the entire industry, following management's decision to increase wages of employees of Ariguanabo textile mill by that amount. (Weeka No. 12 Harch 22, 1951)

Senator Eusebio MUJAL, Secretary General of the CTC, has denied ropolts of an alleged movement by a group of labor leaders to eliminate leaders with political connections from the labor unions. The group in question reportedly believes that the workers, if united, are powerful enough to obtain their rights without political influence.

The Executive Committee of the Inter-American Regional Organization of ICFTU (ORIT) met in Habana March 27 to 28. Its first act was to pass a Resolution condemning the seizure of La Prensa by the Argentine government. A declaration was issued supporting the adoption of measures by the Washington IAL to insure internal security by means not constituting any "repudiation of the basic principles of the Charter of the OAS." The declaration recommended an urgent program of social and economic reforms, stating that the development of a stable economy in Latin America is as important, in the opinion of the workers, as the development of military power. A Resolution was also approved, for submission to the ICFTU, recommending that a fund of several million dollars be set up for the purpose of organizing the workers throughout Latin America.

A move is reportedly growing in financial circles to oppose plans of the Government to nationalize Cuba's transportation system.

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The Habana Customs House has reported to the Ministry of the Treasury that customs receipts for 1950 were the largest in the history of Cuba. Total receipts for the year were reported to be \$99,252,595. The report also stated that the last half of 1950 showed the largest receipts (\$53,429,018) of any similar period in Cuba's history.

The latest available statistics on sugar production during the 1951 harvest season indicate that as of March 15, after 48 days of grinding, production equaled 3,010,179 short tons of sugar and 129,150,000 gallons of blackstrap molasses as compared to 2,997,687 short tons of sugar and 119,180,000 gallons of blackstrap for the same period in 1950. Sugar yield to March 15 averaged 12.45% versus 12.71% in 1950.

AKMY:

The Army Attaché has been informed by the Cuban Army that Chief of Staff CABRERA has changed the name of the group known as the CRAS (Groups for the Repression of Subversive Activities)) back to SIM (Military Intelligence Service), due to the fact that the Organic Law of the Army specifically authorizes SIM while the term GRAS is based solely on a Presidential Decree.

NAVY:

Pursuant to instructions received from the Chief of Naval Operations, the Commandant of the Tenth U.S. Naval District at San Juan, F. R., has requested a meeting between two of his staff officers and appropriate Cuban officials with a view toward arranging for the establishment of a permanent Airspace Warning Area with the existing U.S. Fleet Operating Area, south of Guantanamo Bay, Cuba. Accordingly a conference for U.S. representatives from San Juan, the Chief of Habana Air Traffic Control and Flight Information Region, Cuban Armed Forces officials, and U.S. Embassy Attaches has been planned for April 5.

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

Participants: CBElbrick, ETCrain,

REGomez, Schaffer (MA), Ryan (NA), Mason, Pitts (AA).

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AA (1) NA (2) for Guantanamo

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