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Date of Action 4-25-51

SUBJECT : WEEKA NO. 15 FOR STATE, ACTION OF AMB AND IAD DEPARTMENTS FROM SAA.

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POLITICAL

Every phase of the MACARTHUR story, in many instances taking entire first pages of Habana's largest newspapers, was covered by the Cuban press. Extensive reports of press reaction in the United States and abroad were also published. Editorial comment, equally extensive, has, in general, supported the President's action. The most frequent reasons advanced for this support were those of the principle of command and of civil authority over the military. The communist La Ultima Hora, as expected, seized the issue as illustrating the failure of United States policy in Asia which, according to it, can be corrected only by acceptance of NERU's peace terms involving delivery of Formosa to the communists, et cetera.

Gaston BAQUERO stated, in today's Marina, that the United States reaction to MacArthur's dismissal is of tremendous significance in that it clearly indicates to the world the "solid anti-communist conscience of the United States people" who no longer believe in compromising with the Kremlin. He pointed out that these are also the sentiments of President TRUMAN who, in translating them into action, recognized that Korea is not "The war" and that over-all policies for the defense of the free world must not be jeopardized by so concluding.

Prominent Cuban officials in numerous public statements have expressed themselves as highly gratified with the results of the Fourth IAM. Minister of State DINIHO, considered here to have brilliantly carried out his assignment as head of Cuba's delegation and as Chairman of the Second Committee, has, since his return, taken steps to improve Cuba's international relations. These steps have consisted in 1) refusing to comment on Dominican Republic attacks against Cuba and himself personally at the Conference, 2) announcing that Cuba planned to send a Charge to Nicaragua in the near

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future, and 3) expressing a friendly interest in resuming diplomatic relations with Peru.

Dihigo's efforts as regards the Dominican Republic received a setback, however, when the opposition newspaper Alerta published a sensational report that Eufonio FERNANDEZ and other gangsters and TRUJILLO-haters planned to assassinate the Dominican Chargé, Sr. Danilo BRUGAL. Immediately on publication of this canard (made by Ramon VASCONCELOS, a known bitter enemy of President PRIO), the President sent his brother Antonio to call on Brugal and inform him there was not the slightest truth to the story and that the President had the highest regard for Brugal personally and officially. Minister Dihigo announced that Brugal was "a man of tact who knew how to handle his job." However, Senator DIAZ, who is also Minister of Interior, stated in the Senate on April 9 that Vasconcelos was subsidized by Trujillo to attempt to impair Cuba's international prestige. Diaz requested that a Senate Committee be appointed to investigate this charge.

Senate President VARONA in a press interview published today expressed regret that the Senate had not yet appointed a committee to investigate the international connections of the communist PSI, with a view to outlawing the party on constitutional grounds (Week 13, March 30, 1951). He stated that, unfortunately, some legislators were seeking the Communist vote, but expressed assurance that unity in defense of Cuban institutions would prevail. Varona thought that the mere announcement of his plan had already resulted in the departure of a number of international communists from Cuba, mentioning specifically Fabio GROBART. In this connection the SIM (Military Intelligence Service) has informed the Embassy confidentially that Grobart was smuggled on board the Soviet freighter DIMITRI POLNARSK in July 1950 by the Soviet Chargé FOMIN in abuse of his diplomatic privileges and that the SIM had recommended he be declared persona non grata. While SIM's recommendation will be held by the Government for possible future use, no action thereon is expected at this time.

The Ministry of State is today forwarding a check (\$214,938.04) for presentation by Ambassador MACHADO to the Department of State which, with Cuba's O.F.L.C. credit (\$120,341.42), will completely liquidate Cuba's Lend-Lease balance (\$335,329.46).

ARMY

On April 9, 1951, Brigadier General Quirino URLA y Lopez was released from his additional assignment as Chief of National Police and reverted to his Army status as Inspector

General of the Army. President Prío immediately appointed Colonel Cecilio PEREZ Alfonso, Commanding Officer of Regiment No. 5, as Chief of Police. In a conversation with the Army Attaché on April 10, General Uria claimed that his release had no political significance; that he had asked the President to be released over three months ago because he never got enough rest and that he was desirous of getting back to the Army. He said he felt that the post of Inspector General of the Army was much more important than the job of Chief of Police.

On April 5 Colonel Emmett B. CASSADY, USAF, Lt. Colonel Stuart F. JILLSON, GSC, and Lt. Colonel Vernon P. MARTIN, USAF, arrived in Habana for the purpose of coordinating Army and Air intelligence activities pertaining to the respective Service Attaché offices. They departed Habana on April 7.

During the past week Alerta printed a rumor that (1) Chief of Staff CABALLERA would either resign or be retired; (2) the training of the company of Army soldiers selected for eventual shipment to Korea had been stopped. The Cuban Army Liaison Officer denied both of these rumors.

NAVY:

Negotiations between U. S. Naval representatives from 10th Naval District San Juan, Puerto Rico, and the Cuban Government (Weeks No. 14, April 6, 1951) on the extension of the Airspace Warning Area south of Guantanamo Bay came to a happy conclusion when the Cuban Naval Commander-in-Chief signed the complete agreement on behalf of the Cuban Government. All discussions were informal and friendly and the desire of the Cubans to cooperate now assures the U. S. Atlantic Fleet of a sorely needed increase in its gunnery training area.

AIR:

On April 9 Colonel Robert J. RASON departed to Port-au-Prince, Haiti, and Ciudad Trujillo, Dominican Republic, to make official calls on those other governments to which he is accredited. Colonel Rason is expected to return April 13.

Weeka No. 13, April 13, 1951

SECTION IIECONOMIC

The Embassy has been informed today that the President has signed the Decree granting to the Nickel Processing Corporation, new operators of the Nicaro Nickel Plant, the various exemptions and benefits enjoyed by the former operators, together with certain new benefits which the present company considers essential for the efficient operation of its plant. It is expected that rehabilitation of the plant will be completed by the end of the calendar year, at which time production of nickel oxide will begin.

President Prío signed three separate decrees during the week directly affecting the sugar workers. The decrees provide that: (1) the mill owners and cane growers shall deposit an amount equal to one percent of their total pay rolls into the union funds; (2) all sugar mills will pay a minimum of six days' pay to employees as a "super-production" bonus; and (3) maternity benefits, heretofore applied only to industrial workers, shall be extended to include all agricultural workers. It is estimated that some five hundred thousand workers will receive maternity benefits under the new decree.

The Cuban Cabinet has now approved the proposed annual budget for 1952. The Minister of Finance had previously announced that the 1952 budget would probably reach three hundred million pesos, an increase of sixty-eight million pesos over 1951. The Minister stated that the increased budget would permit the construction of low-cost housing, increased public works and would be used to provide land and homes to poor rural families. The Minister stated that he expected the present fiscal year to end with a surplus of approximately thirty million pesos.

The National Brotherhood of Railway Workers made a strong appeal to President Prío and the Cuban Cabinet to take early action on the beatrain question, pointing out that the railroads and the general Cuban economy were being adversely affected by the failure of the Government to take steps to permit the resumption of the service. The Brotherhood claimed that during the present harvest season the railroads had lost one hundred twenty-six thousand pesos in revenue.

C. Burke Elbrick
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Chargé d'Affaires ad interim.

Participants: CDElbrick, ETCrain,
REGomez, Schaffer (MA), Harick (AA).

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