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FOREIGN SERVICE DESPATCH

737.00(W)/8-2554

FROM : AMEMBASSY, HABANA AUG 25 1954 211  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 25, 1954

REF :

Action Assigned to

Action Taken

25 For Dept. Use Only	ACTION	DEPT.	I N F O	OTHER	Date	Air - 24
	OL-10	OC/R-2				
	REC'D					
	8-26					

SUBJECT: Joint Weeka No. 34 for State, Army, Navy and Air Departments from SANA.

Action Office Symbol

Part I

Name of Officer

Political

Direction to DC/R

(OFFICIAL USE ONLY) THE AUTÉNTICOS' DIFFICULTIES. Squabbles over nominations continue to plague the Auténticos, even growing and multiplying. What with chairs flying at the Auténticos' Habana Municipal Assembly, the NIBOT kidnapping and subsequent shootings, and a few scattered fistfights among Grausista leaders, the situation inside the Party has become the butt of many jokes.

Whereas at the beginning of the Auténtico's difficulties hard feelings were created by the fact that late arrivals of political standing from the Prío and Ortodoxo camps were threatening to steal the candidacies of faithful old followers of Grau, the latest, and more ominous, troubles arise from the quite contrary complaint that the Auténtico tickets are failing to include the best men available in order that party hacks and friends and relatives of the Auténtico leaders may be sure to get the offices that are bound to fall to the Auténticos as the sole opposition party even in the event of their losing the elections. (For example: in each province the losing party is certain of three senate seats; among the largely undistinguished candidates for these seats in Habana is a nephew of Grau's.) The cry has gone up that Grau is "jugando las minorías" (playing for the minority places). This means that instead of putting up strong tickets in order to win the elections, Grau is merely making sure, in the manner described, that his favorites will come in, even though the Party in the process gets only the minority places.

Grau has answered that what he has done is to organize well-balanced tickets, with representatives from all classes - lawyers, teachers, labor leaders, etc., - rather than run star attractions. In Camaguey and Oriente the party leadership is having difficulty as a result of the senatorial tickets shaping up; and in Habana

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ill-will aroused by the senatorial ticket has led to the airing in the press of the discontent of prominent Auténtico leaders. Worst of all for the Auténticos is the spread of the belief throughout the island that their tickets reflect Grau's conviction that he is not going to win.

Interest attaches to the meeting Grau is to hold in Habana's Central Park next Saturday, the 28th, proclaiming his candidacy. (That is also the last day for filing presidential and vice presidential candidates and to date Grau's running mate has not been announced.) The meeting will be compared by the country with the great meeting that proclaimed BATISTA two weeks before. Up to two months ago Grau had impressed by the way he was outdrawing Batista at meetings throughout the island. While the President's Proclamation meeting will take some beating, if Grau's does not compare favorably with it some degree of confirmation will appear lent to the impression growing among many observers that the tide is turning in Batista's favor.

(OFFICIAL USE ONLY) BATISTA ANTE LA PRENSA. One week after Grau, President Batista appeared on the "Ante la Prensa" radio program, submitting to the questions of three newspapermen and the moderator. He is reported to have had a near capacity audience and the next day the papers gave prominent and extensive coverage to his statements.

Batista's TV style was excellent: televigentic and free from any excess of expression, gesture, or language, he appeared open, sincere, and unassuming, yet undisguisably possessed of a strong character. Beyond doubt he made a favorable impression on that part of the public not too deeply prejudiced against him; but the panel did not, in truth, subject him to quite the degree of invidious questioning that they brought to bear on Grau.

Batista repeated that if he lost he would turn over the presidency, justified the revolution of March 10, and contrasted with it the Moncada uprising. Two charges made by Grau were raised: one that he, Grau, had had to revise the Batista negotiations for the price of zafra when he won the elections in 1944 and had got a better price; the other that the gold reserve of the peso had declined since Batista took power. Batista answered the first question well. The second point Batista did not meet accurately from an economist's point of view, but he demonstrated that the peso is in a very sound position and in the process gave what the general public must have regarded as a very nice display of facility in fiscal matters. The difference between his program and the Auténtico's he said, lay in the accomplishments in his record, which

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demonstrated the seriousness of his program as contrasted with the "demagogic points of Grau's program."

(UNCLASSIFIED) PRIO CONDEMNS TERRORIST ACTIVITIES. In a statement issued in Miami ex-President Prio condemned recent terrorist activity in Habana (i.e. the Nibot kidnapping and the subsequent shooting; the as yet unexplained explosion of two bombs last week in Marianao.) He gave a not unexpected turn to his declarations, by denouncing "the very servants of the dictatorship" as "responsible for the regime of terror initiated in Cuba".

(OFFICIAL USE ONLY) Comment. For some months it has been widely rumored and otherwise reported that the Prio-ARANGO revolutionaries would use terrorist tactics against the person of Batista. Tiempo en Cuba has just reported an alleged revolutionary plot for election day, November 1.

(UNCLASSIFIED) COMMUNISTS REMOVED FROM LEADERSHIP OF TOBACCO UNION. A meeting of the Executive Committee of the Tobacco Workers Federation, evidently presided over by Eusebio MUJAL, CTC General Secretary, ruled the expulsion of three of its members as Communists. The action began with an objection to the presence of the three Communists at the meeting on the grounds that they were disqualified by the Executive's approval, at an earlier meeting, of the CTC's anti-Communist resolution. The Communists objected, and Mujal thereupon asked the Executive to rule on the matter, which it did by fifty-eight votes to one.

(OFFICIAL USE ONLY) Comment. It had been commented that the CTC was dilatory in putting its anti-Communist resolution into effect, especially in the case of the Tobacco Workers, the election of four Communists to whose executive had attracted considerable attention at the turn of the year. One of the four has since defected.

(UNCLASSIFIED) SUGAR WORKERS UNION AND ELECTORAL LEAVE. Trouble over the CTC rule that union officers running for public office must take electoral leave was averted when both José Luis MARTINEZ, General Secretary, and Conrado BECQUER, Vice General Secretary of the Sugar Workers Union (FNTA) took electoral leave to run for the House of Representatives, the first on the Habana Progresista, the second on the Las Villas Auténtico, ticket. Raúl VALDIVIA is now Acting General Secretary.

(UNCLASSIFIED) Comment. Valdivia was in Washington two months ago on the CTC's sugar delegation and has since been to Guatemala on a short investigation trip for the CTC.

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(LIMITED OFFICIAL USE) ORIT AND GUATEMALA. The members of the ORIT Executive, meeting in Habana, brought with them and received what they considered disturbing news from Guatemala. Rafael OTERO, the CTC's representative in that country, reported confidentially that the Government was closing its doors to the unions and consulting with employers as to what its trade union policy should be. Benedict of the CIO brought word of the possible enactment at any moment of a decree suspending trade union activities for six months. While the Embassy had no chance to go into details with ROMUALDI of the AFL, he conveyed a most pessimistic impression of Guatemalan developments, anticipating the strengthening of Communist influence among the country's workers in a few years as a result of government policy. Nevertheless, it appeared as if the Executive would handle the question of Guatemala gingerly, in order not to prejudice what chance there might be, through the maintenance of good relations with the Castillo de Armas government, to help the anti-Communist unions.

(UNCLASSIFIED) ASIA. Most editorialists pictured Formosa as the new nerve center of international tension and Britain's role vis-a-vis the Chinese Communists a matter of increasing concern to the West. A widely-broadcast and published editorial by CMQ said that the U. S. Seventh Fleet is all that is keeping the forces of Chiang Kai-shek and Chou En-lai from each other's throats and containing the communists from moving against Japan and the Philippines. El Mundo in an editorial said the Chinese Communists are clearly seeking to divide the Western powers by playing charming hosts to the British Laborites, and that Britain's role in any war with the Chinese Reds is at this point highly questionable. The same paper's political commentator said Britain also is doing all she can to abort SEATO, and observed sharply that even conservative Churchill is in tune with ATTLEE and BEVAN in seeking to torpedo the Asian defense alliance. Información said the Chinese Reds, armed with Soviet submarines and 8,000 planes of all types, are ready to invade Formosa, but that they probably will not make the attempt because of the presence of the only big impediment, the U. S. Fleet. Información predicted that the Reds instead will turn on Siam as a more propitious target.

(UNCLASSIFIED) EDC. Editorialists and commentators uniformly termed the Brussels Conference on EDC an utter failure and sharply criticized MENDES-FRANCE for his stalling and quibbling which they said might result in a junking of the Pact. El Mundo editorially underscored the need for Germany in any defensive front against Communism and said France's Germanophobia might work to her downfall if EDC fails. Diario de la Marina said that the Brussels conference was doomed to failure in such an atmosphere of pessimism

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and chastized France for not facing up to the reality that surging Soviet Communism, not German rebirth, is her true enemy. Excelsior sharply criticized Mendes-France as having shown by his quibbling that he is unfit to lead a nation, and termed his counter-proposals "infantile and ridiculous". Alerta's political commentator feared France, ~~refused~~ rebuffed on EDC, might go so far as to make a deal with Russia for the neutralization of Germany. Información bleakly predicted disaster for EDC, saying if France and Germany cannot get together on a simple matter like Europeanizing the Saar, they certainly will never agree on the major issue of a military alliance.

(UNCLASSIFIED) DE GASPERI. Habana newspapers hailed Alcide DE GASPERI as an outstanding statesman who led Italy into the family of democratic nations, and mourned his death as a great loss for the democratic world.

#### Navy

(UNCLASSIFIED) TRANS-ISLAND CANAL. The Ministry of Defense has published in Law-Decree No. 1618 regulations for the bidding construction and operation of a coast to coast canal to be built in Matanzas and Las Villas provinces. The canal will bisect the island of Cuba from Bahia de Cardenas to Bahia de Cochinos. It will run approximately north to south with a total length of 50 miles. The minimum width will be 130 feet and the governing depth will be not less than 49 feet.

(CONFIDENTIAL) Comment. It is understood that the proposed canal will be financed by private capital and, therefore, its construction may materialize.

#### Army, Air

Negative.



Carlos C. Hall

Chargé d'Affaires ad interim

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NA (4) For Guantánamo.

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