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## FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA

TO : THE DEPARTMENT OF STATE, WASHINGTON

REF : September 8, 1954

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SUBJECT: Joint Weeka No. 36 for State, Army, Navy and Air OCB-1 USA-8  
Departments from SANA

Political

(UNCLASSIFIED) FOURTH OF SEPTEMBER CELEBRATIONS. September 4, twenty-first anniversary of BATISTA's 1933 coup, was observed by the armed forces throughout the island. The principal ceremonies took place at Camp Columbia, where Batista spoke.

(OFFICIAL USE ONLY) Comment. Batista's speech, widely covered in the press, was primarily political. The entire Camp Columbia program was given a political coloring, with all speakers making laudatory references to Batista and cheers for him stimulated at every opportunity. MORALES DEL CASTILLO attended some of the Columbia events, and it was very plain that his occupation of the presidency is purely titular.

(OFFICIAL USE ONLY) POLITICAL NOTES. A Sunday meeting in Matanzas addressed by Batista was attended by a huge crowd, reported by some papers as reaching 80,000. Whether this report is exaggerated or not, photographs of the meeting carried in the papers are impressive. Both at Camp Columbia and Matanzas Batista alluded to the Communist danger, and it would appear that he intends to maintain himself in the public eye as an enemy of Communism.

Sunday night GRAU spoke at a proclamation meeting in Guines. Although one paper reports that the meeting was large and enthusiastic, some did not report the meeting at all and none gave it very much coverage or published photographs. One begins to suspect that the papers are under instructions to give Grau the silent treatment.

Trouble over the Auténtico senatorial tickets continues. The past weekend saw General PEREZ Dámara, Party leader in Camaguey, announce his resignation from the senatorial slate in that province. In a short while he was back on the ticket again, but feeling was still running high among Camaguey's Auténtico leaders. In the

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meantime the conviction is fast becoming general that Grau is running only "minority" senatorial slates and that consequently he cannot be in the campaign seriously or is sure he himself cannot win. All this helps Batista's cause and leads to increasing feeling that he will win even if the elections are fairly conducted. Naturally, the greater currency this belief is given, the more likely it is to prove correct.

(UNCLASSIFIED) COMMUNIST PARTY. Three reports appeared in the press this week regarding the Communist Partido Socialista del Pueblo. The first is of a Miami Herald story attributing the recent expulsion of ex-senator and veteran Communist Cesar VILAR from the Party to internal struggles and rivalries for leadership. The Herald's correspondent thought the Party was definitely on the downgrade in Cuba.

The second report appeared in the new Diario Nacional and was intended to be taken as an account coming from inside the Party. It alleged that the Communists were upset by a statement of Grau's, at his Habana proclamation meeting, that a Communist had had to admit to him that during his term in office there had been social justice with liberty in Cuba and that Autenticismo was more advanced than Communism. The Diario Nacional alleged that the PSP was preparing a pamphlet attacking Grau's record in office and was weighing the advisability of changing its policy of "the negative vote."

The third report, in Tiempo en Cuba was exactly the opposite of Diario Nacional's. It said the PSP had decided to back Grau fully and to have a meeting with him to offer economic and other help. Allegedly Grau had come to an agreement with the Communists for a campaign of sabotage, labor trouble, etc.

(OFFICIAL USE ONLY) Comment. What the basis for these reports is the Embassy does not know; but regarding the third report it must observe that Tiempo en Cuba is notoriously sensationalist and pro-Batista, that the Communists against the background of their expressed views on Grau would have a hard time putting forward a case for him, and that Grau would stand to lose rather than gain through an open understanding with the Communists at this time.

(LIMITED OFFICIAL USE) CTC IN FINANCIAL DIFFICULTIES. The CTC seems to be having at least temporary financial difficulties. The staff's paychecks for the month of August, due the 28th, were not delivered till September 6 and were dated September 15. Out of \$86,000 pledged to the ICFTU for the plantation and sugar offices, the Embassy is confidentially informed, only \$66,000 has been deposited; however, OLDENBROEK, ICFTU General Secretary, has asked to open the offices anyway, since their first year, or fiscal year, of operations will not be a full one. The dispatch

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of a CTC "activist" to Honduras in pursuance of the resolution recently taken by the ORIT secretariat is also being delayed because of the financial situation.

(LIMITED OFFICIAL USE) Comment. A CTC source attributes the situation to the Government's failure to support the CTC with money. Asked what could have happened to the Funds collected through the sugar cane compulsory dues and the \$2.00 voluntary quota, the source could give no satisfactory answer. He alleged the Sugar Workers Federation (FNTA) was itself broke and that CTC money was badly and loosely spent.

(UNCLASSIFIED) EDC. Editorials and columnists almost uniformly considered the defeat of EDC a triumph for the Soviet Union. El Mundo said editorially that Russia has sought for years to block the unification of Europe and was handed an easy victory by the French National Assembly vote on EDC. "This means nothing less than another step toward war," said El Mundo. Alerta said the Soviets won the round not by their own strength but through the Weakness of others, and credited 99 Communists votes in the Assembly for EDC's downfall. Juan Luis MARTIN in El Mundo blamed MENDES-FRANCE personally, saying the French premier now has left no solid link in his relationship with his Western allies, and that with heavy fifth column infiltration France most surely will fall victim of the Soviets. Herminio PORTELL Vilá in Diario Nacional termed France's "defection" a mortal blow to any defense agreement for western Europe and cast doubts as to Mendes-France's wisdom in bowing to Communist internal pressures. Excelsior felt that Russia has come close to attaining two objectives: destruction of all Western hopes for a European army as a bulwark against Communism, and a weakening of the ADENAUER government. Less pessimistic, Francisco PARES in Información said the defeat of EDC was no death blow to European anti-Communism and that a strengthened NATO might provide almost as good a bulwark.

(UNCLASSIFIED) MANILA CONFERENCE. Reaction was divided on the prospect of success at Manila. Excelsior felt that Secretary DULLES' pre-conference optimism was justified in view of the fact that Australia and New Zealand, at least, are interested in a defense agreement against Communist aggression, and added that the presence of Mr. Dulles in Manila demonstrates to the world that the United States is continuing its pressure on the Reds despite the attitudes of London and Paris. Excelsior considered the Red bombardment of Quemoy and the shooting down of a United States patrol plane in the Sea of Japan by a Soviet MIG as premeditated incidents designed to lower United States prestige at Manila, but predicted the talks would result in a flexible amplification of the ANZUS pact. Alerta on the other hand predicted another disastrous conference, saying the Southeast Asia powers

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Page 4 of  
Desp. No. 243  
From Habana

LIMITED OFFICIAL USE  
(Classification)

Page \_\_\_\_\_ of  
Encl. No. \_\_\_\_\_  
Desp. No. \_\_\_\_\_  
From \_\_\_\_\_

are apathetic to the Manila meeting, have no common culture or moral or economic interests and no feeling of continental continuity nor geographic cohesion necessary to put up a solid front to an eventual adversary. Herminio PORTELL Vilá in Diario Nacional felt that the Manila conference must succeed lest the West, already defeated on EDC, fall into irreparable "loss of face" in the Orient. El Mundo termed the conference timely in view of Communist designs on Ferosa, Laos, and Siam, and recalled that it was not Mr. Dulles but rather CHURCHILL who first proposed a NATO-type defense setup for the Pacific. Información saw the Manila conference as off to a dubious start because not all nations directly affected are participating, but conceded that Manila offers some optimism to a free world depressed over the turn of events in Europe.

(UNCLASSIFIED) INTER-AMERICAN ECONOMIC POLICY. Several newspapers commented elatedly that the United States may bring to the economic conference in Rio de Janeiro next November a type of "Marshall Plan" for Latin America, complete with economic aid and technical advice in large quantities. El Mundo commented editorially that the Latin American nations should not depend on handouts but should work out closer economic ties among themselves and thus increase both their production and consumption. The Rio Conference, said El Mundo, should try to lay the groundwork for a program of nationalized production for all the Americas, and thus establish a New World unity. Diario Nacional suggested that the United States, if it has a new economic plan in mind for Latin America, should make it known early, and in clear detail, so Latin America will have new faith and hope.

Army, Navy, Air

Negative.

  
Carlos C. Hall  
Chargé d'Affaires ad interim

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