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FOREIGN SERVICE DESPATCH

FROM : HABANA

408

DESP. NO.

September 7, 1951

DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

Air Priority

REF :

Action Taken *noted*SUBJECT: WEEKA NO. 10 FOR STATE, ARMY, NAVY AND AIR DEPARTMENTS
FROM SANA

For Dept.

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SECTION I

Action Office Symbol *AD*Action Officer *W. J. L.*POLITICAL

Ambassador Willard L. BEAULAC arrived at Habana by air on September 6. He was met by the Introducer of Ambassadors and Chief of Protocol, Dr. RODRIGUEZ Capote and by Cuba's COAS Ambassador, Gonzalo GUELL, as well as members of the press and the Embassy Staff. All but the communist press gave front page coverage to the Ambassador's arrival, welcoming him and his family to Cuba.

President TRUMAN's opening speech at the Japanese Peace Conference was widely published under headlines stressing the President's warning to Russia not to attempt to block the Treaty. Secretary ACHESON's sure handling of the Communists and the contribution made by the Cuban Minister of State, Dr. GANS, towards bringing the debate on rules of procedure to an early vote have been very favorably commented. Editorial comment has stressed the magnanimity of the victors. Prensa Libre remarked editorially on September 5 that Russia, Red China, Indonesia, India and Burma, the nations that "lacked the courage to fight the Japanese" are the very ones now opposing the Peace Treaty. Today's papers report that Russia may walk out of the Conference.

The communist press adheres closely to the Moscow line that this "imposed, made in U.S.A." Treaty is a breeder of war rather than peace.

While the Cubans continue to express admiration for General RIDGWAY's firm handling of the Korea negotiations, few believe they will result in an effective cease-fire regardless of the site of any resumption of talks.

It was announced on September 1 that the Cuban Government has decided to establish full diplomatic relations with Israel although no one has as yet been appointed to

ETCrain:rc

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that post. This action has given rise to renewed pressure from the Franco-phile Diario de la Marina for the appointment of an Ambassador to Spain.

The first uproar over the Quetzal Case (Weeks 9 August 31) has died down to a certain extent with the Cuban Government apparently making every effort to soft-pedal the affair. Bohemia, on the other hand, attacks TRUJILLO as "one of the worst tyrants in history who now extends his activities to other countries". It states that Cuba's dignity and prestige are at stake and that "the Cuban Government is obliged to proceed energetically against this disturber of the peace". Also, the National Federation of Maritime Workers has called on the Ministry of State for "the repatriation and indemnification of the Cuban crewmen on the Quetzal and guarantees for Cuban ships and seamen". As indicated above, the Government is moving cautiously in this case.

Following publication of an AP report that one of the Cuban seamen, Tomas ROBLEDO, was suffering from a "head ailment" Representative Enrique C. HENRIQUEZ issued a "call for action to save Robledo from being murdered by Trujillo... who fears he may reveal what happened should he be released". Henriquez has also accused the Dominican ex-Chargé d'Affaires To Cuka, BERNARDINO, (now Consul General at New York) of having "instigated the kidnapping and murder of Mauricio BAEZ; of planning the seizure of the Quetzal, and of several attempts on his (Henriquez') life". These accusations were in the nature of a reply to Bernardino who, in an open telegram to President PRIO, published here on August 25, accused Henriquez of sending assassins to kill him. Bernardino said "If I have not proceeded against him as a defense measure it is due to the fact that, through agents of Henriquez himself, I know that you on one occasion opposed my being killed in the streets of Habana".

The special session of Congress originally called for August 20 finally opened September 5 when the House succeeded in achieving a quorum. The session closed after the roll call with the next meeting scheduled for September 10. Since the special session is scheduled to close September 13 (so as not to conflict with the regular session scheduled to convene a few days thereafter) little action on the agenda is expected. However, it is possible that the Government majority may be able to ram through the amendment to the Electoral Code (Weeks 9 August 31) designed to trim the wings of Miguel SUAREZ Fernandez now out of favor, and perhaps one or two other items on the agenda.

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Government sources indicated during the week that the Justice portfolio, vacated through the transfer of Dr. Oscar Gans to the Ministry of State, will probably be taken over by Dr. Armando J. HERNANDEZ, an agrarian leader. There is speculation that other Cabinet changes, along strictly political-electoral lines, are in the offing.

The Government's vote-seeking policy of appeasement of labor, amounting almost to complete surrender, is in some respects producing results opposite to those intended. Instead of attracting support, labor's apparently unrestricted power is giving rise to abuses that are alienating public opinion. The action of the CTC in cutting off electricity without warning - even from hospitals, of closing theaters, cabarets and radio stations and of stopping all transportation in an enforced commemoration of labor leader SURI Castillo, killed last week in an automobile accident, has been deeply resented. The press has without exception condemned this irresponsible action as a symptom of chaos. One representative editorial said, "Just how much Cuba has become a dictatorship of the proletariat was evidenced when the sugar workers union enforced a command observance of the death of their leader. Let's hope this show of force drives home to the people just what kind of Frankenstein is growing in their midst".

The situation was not helped when labor leader Marcos HIRIGOYEN, arrested on an illegal weapons charge under the Anti-Gangster Law, was able to secure his release by threatening a transportation strike. That the lowering of public morale is recognized in official quarters is indicated by the fact that Minister Without Portfolio Mariblanca SABAS Alomá announced September 6 that she had felt compelled to inform the Cabinet that "there exists a state of public disquiet due to the continual strikes and labor troubles, particularly in transportation, which is tending to create a state within a state". Ernesto de la Fe warned today in Prensa Libre (which is not an opposition but an independent

1/ Suri was a restraining influence on MUJAL, Secretary General of the CTC, who now has a much freer hand. It is generally known that Mujal has presidential ambitions and many are speculating as to the possibility that he will seek to impose his candidacy on a PRC (A) - Labor ticket.

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paper) that Prio's policy of giving in to labor on every count is leading the country towards a "dictatorship of the proletariat such as Marx recommended" despite the anti-communism of the CTC leadership. He foresaw violence and advised Prio to "change his disastrous policies if Cuba is not to wake up one day under a military dictatorship". While there are no signs that the latter prophecy will be fulfilled, the foregoing reactions are indicative of increasing dissatisfaction with present conditions.

A proposal to increase bus fares by two cents has been seized by the opposition as a vehicle for bitter attacks against the Government. A meeting to protest the proposed increases was held on the night of September 5 at the University of Habana. Sponsored by the FEU (student's federation) the meeting was supported by the Ortodoxos and Communists. The nature of the blasts against the Government and of the insults leveled against the President ("thief") personally and his brothers ("the three little pigs") left no doubt that the meeting was entirely political in nature; that the FEU is essentially an Ortodoxo organization; that, though not allied, the Ortodoxos and the Communists have a strong common bond in their mutual opposition to the Government and, finally, that the right of free speech is completely unrestricted in Cuba.

ARMY

Negative.

NAVY

In terminating the summer course for naval lieutenants at the Line School at Mariel, forty officer-students boarded the frigates "José Martí", "Antonio Maceo" and "Maximo Gomez" for a three day cruise for exercising at division tactics and underway drills. This period of 8-10 September will also be devoted to a rehearsal of the annual gun firing exercises scheduled for 12-15 September, with the officer-students actually manning and firing the guns.

Comment: The Cuban Navy, in order to conserve its critically low ammunition supply, schedules only one firing practice annually for its three frigates.

1/ Antonio PRIO has reportedly challenged the Ortodoxo leader MARQUEZ Sterling to a duel for this particular insult.

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AIR

The appointment of Second Lieutenant Jorge PERRAMON y Spencer as Assistant Air Attaché to the Cuban Embassy in Washington, D.C. appeared in the Official Gazette of August 25, 1951. Lt. Perramon is considered pro-American. The appointment indicates increasing Cuban interest in military aviation.

For the Ambassador


DuWayne G. Clark
Counselor of Embassy

Participants:

DWGClark, ETCrain, RGomez,
Schaffer (MA), Ryan (NA), Mason (AA),
Pitts (AA)

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September 7, 1951

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SUBJECT: *36* WEEKA No. 10 FOR STATE, ARMY, NAVY, AND AIR DEPARTMENTS
FROM SANADate of Action *12-3-51*

SECTION II

Action Office Symbol *1A0*ECONOMIC

While the special session of the Cuban Congress was formally called on August 20, it was *only on the after-* noon of September 5 that the House of Representatives managed to obtain a quorum. Unfortunately, the Lower House, almost immediately adjourned until Monday, September 10. It would appear doubtful whether anything approaching the projected agenda can be accomplished even though in the economic field it is known that the Government is particularly concerned about the labor bill and also the bill proposing the nationalization of the United Railways.

On Wednesday evening the mass public protest against the proposal to increase bus fares was held under the auspices of the Students Federation of Havana University (see Weeka No. 9). It is reported that a huge crowd of people assembled, so much so that traffic had to be diverted from that area. Fortunately the crowd was orderly but its size is indicative of the interest of the public in this proposed measure and its unanimous disapproval of any fare increase, which will amount to a further cost of living item.

In the labor field the record has approached the extreme in variety and intensity. The bakers' strike, which began in protest of the unwillingness of the employers to pay a wage increase of some 15 percent ordered by the Minister of Labor, lasted for four days and caused great inconvenience and hardship to the population of Habana at large. An alleged compromise was finally arranged: the workers to return to the bake shops and the 15 percent increase to be paid for two weeks, not as a wage but in the form of a bonus, its continuance to depend upon the ability of the owners to carry these extra charges without an increase in the price of bread to the public. The problem got beyond the restrictions of the labor field when Commerce Minister ZAYDIN took a strong stand against any increase in the cost of bread to consumers and indicated that in his opinion the owners could probably carry this increased expense. However, the owners are determined to the contrary and it is likely that this dispute will break out again within the near future.

DGClark:eam

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The unfortunate and untimely death of the Secretary of the National Federation of Sugar Workers, SURI CASTILLO, as a result of an automobile accident, set off a series of disputes. In their desire to mark respect for Suri Castillo, many labor unions took unusual measures, such as a five minute blackout sponsored by the electrical workers. The motion picture workers' union unfortunately decided to close all cinemas at 8 p.m. on Saturday, a move which met with resistance on the part of the owners, who were counting on their usual heavy Saturday night patronage. Several owners apparently attempted to keep open and were "persuaded" by traveling goon gangs. On Monday all theatres and cinemas were closed by the owners in protest of the arbitrary action by the motion picture workers' union, representations were made by the owners to President PRIO, and it is reported that the Minister of Labor has promised that there will be no repetition of these irresponsible stoppages of work and that the persons guilty of the assault on the theatre owners will be punished.

Further fuel was added to the fire by the unfortunate action of police authorities in arresting Marco A. HIRIGOYEN and Manuel PACIN Guerra, leaders of the transport labor groups. Apparently Hirigoyen had been guilty of breaking the "law against gangsterism" by carrying a concealed weapon, had been ordered to appear in court, and had run afoul of legal procedures. The moment it became known that Hirigoyen and Pacin had been arrested and put in jail, a flare of indignation swept the whole transport industry and a city-wide strike of buses and street cars was called for at 12 noon September 5 if these two men had not been released by then by the authorities. It is understood that MUJAL, the Secretary-General of labor, made aggressive representations to President Prió.

Hirigoyen and Pacin were released on Wednesday morning and the threatened strike did not materialize. However, the attitude assumed by the transport laborers has had a widespread adverse reaction throughout the city, among the public and also in the press. The conservative El Mundo on the morning of September 5 published a front-page editorial in which it inquired whether men like Hirigoyen are to be considered above and beyond the laws and the courts of the country and distinct from ordinary citizens. El Mundo declared the attitude of the labor union members to be absurd and inadmissible and by implication called upon the Government to take steps to put an end to this sort of irresponsible action.

After having been a dead issue for more than a year, the rumor is again current that a group of American financial houses is interested in the purchase of the British-owned United Railways. The firm is identified as the Darien Corporation of New York City, allegedly represented in Habana by an attorney known

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as Tomas R. CABRERA. This rumor is particularly interesting at this time in face of the insistence of labor that the Railways be nationalized by the Government and the promise by President Prío that this action will be taken in the public interest when suitable arrangements can be made (see Weeka No. 9).

The local press has carried a story to the effect that the Public Service Council has ruled that the Cuban Telephone Company over a period of years has been collecting rates and tariffs in excess of those established by law and is being ordered by the Council to return to its subscribers a total amounting to approximately 13 million pesos. It is expected that the Telephone Company will appeal this decision, which, if implemented, would undoubtedly mean that the Company's financial structure would be seriously jeopardized and would prevent any continuation of its current improvement program. In some quarters it is felt that this judgment against the Company is a preliminary step pointing up a campaign which it is hoped will result in the Government taking over the telephone organization as an essential public service.

The National Bank of Cuba has prepared a survey covering the year 1950 which indicates that the Cuban national income for that year was approximately 1,683,000,000 pesos. This aggregate does not include 39 million pesos which represented the yield on capital remitted from the country as well as payments made by immigrants to their home countries.

For the Ambassador:


DuWayne G. Clark
Counselor of Embassy

Participants:

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

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Mr. Wellman (MID)

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