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File Designation 737.00(w)/9-1952  
Desp. 427  
 Date 19 Sept 1952  
 From Com Emb, Habana  
 To State

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**FOREIGN SERVICE DESPATCH**

FROM : AMEMBASSY, HABANA

428  
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 19, 1952  
DATE

REF :

action taken noted

18 For Dept. Use Only mi	ACTION OLI	DEPT. I N F O	REP ARA E I IBS IFI - PCA - GMA - RE - IPS
	REC'D SEP 22	OTHER	AG COMM DMPA DPA EPS FRB IN LAB TAR TR XMB ARMY NAVY AIR CIA

SUBJECT: Joint Weeka No. 38 For State, Army, Navy and Air Department  
From SAA

name of office: *Vindits*  
attention to DC/R: *file*

Part II

Economic

(RESTRICTED) Labor leaders expressed great satisfaction over the parade of some 300,000 farm, factory and office workers on September 12. Pictures taken from Batista's balcony indicated that these groups were not backward in displaying their particular demands on large banners. In acknowledging the homage, General BATISTA enumerated the measures which his Government has enacted for benefit of the farm and factory hands, and gave assurances that there would be many more. On the labor demand for rent reductions, Batista did point out that this question is more complex than it might seem and that jobs in the building trades might be placed in jeopardy if builders were to postpone housing projects through worry over breaking even on their expense.

(RESTRICTED) The National Federation of Sugar Workers has ordered all member unions to forbid their members to handle 325-pound sugar bags in the 1953 crop. The Federation is well aware that most of the new bags for the 1953 crop have already been either shipped or contracted for and that no 200-pound bags could be made available. Reportedly the 200-pound bag issue will again be used by the Federation as a club to obtain certain other advantages in labor contracts.

(UNCLASSIFIED) The operators of the Charco Redondo manganese properties expect to be able to maintain a monthly shipment rhythm of 30,000 tons, now that the Consolidated Railways have provided seven new 70-ton steel cars for regular haul of the ore to Santiago de Cuba. Shipments from the mine for the first semester reached 88,473 long dry tons, 44 percent manganese, compared with shipment of 129,000 tons in all of 1951.

(RESTRICTED) The failure of the Cuban Government to advise the press of any foreign bids received for purchase of the United Railways, on the

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invitation which the Government tendered in foreign newspaper advertisements some months ago, is believed widely to mean that no bids were submitted. The Government has now received another proposal from prominent labor leaders, endorsed also by Sr. CHIAPPI, the United Railways interventor. This proposal calls for appointment of a three-man commission to have management powers of force equivalent to those enjoyed by the National Development Commission. This commission would supervise the purchase and nationalizing of the railway company, using proceeds of a new tax of five cents per bag to be levied on sugar.

(RESTRICTED) Newspapers today report another walkout of workers on the fourteen henequen plantations (Political Weeka No. 36). The leaders of the union in Nuevitas were again taken into custody on grounds that this strike was in direct conflict with decisions arrived at in a meeting at the Ministry of Labor the previous night. A statement of the general secretary of the Textile Workers Federation would indicate that the Minister of Labor, who had received from the henequen plantation owners (who include International Harvester and Hershey) a sum representing three weekly pay rolls at the basic pay scale, had not fulfilled his promise to pass these funds on to the henequen workers redescribed as payment of two weeks' wages fully meeting the higher pay scale which had been granted provisionally last year when henequen advanced to export value of 25 cents per pound. The present value of henequen is hardly eight cents, and an audit of production costs conducted by the Ministry of Labor established recently that bare production costs at the elevated wage levels run close to 13 cents per pound.

(UNCLASSIFIED) Enthusiasm has been voiced by the Cuban National Bank president, upon his return from attendance at the Mexico City meetings of the World Bank and International Monetary Fund, over the proposal which has been submitted to those two institutions recommending that they set up a subsidiary so-called International Financing Corporation. This corporation would operate under a charter better adapted to the financing of Latin American projects than is the World Bank, which requires that loans carry Government guarantees. This proposal for a third institution was advocated also in the Mexico City meetings by Dr. Luis MACHADO, who was Cuban Ambassador to Washington prior to the Batista coup d'etat and who has been elected just recently to become the World Bank's Executive Director for Central America, Venezuela and the Caribbean area.

(UNCLASSIFIED) Under auspices of the Minister of Agriculture, a very effective demonstration of kenaf-fiber operations was held at Santiago de las Vegas on September 16. The seven American technicians, who are directing the experimental work in kenaf on a Point IV project, remained in the background and practically all the demonstrating and


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explaining was done by newly-trained Cubans. Noteworthy accomplishments were shown in the development of strains to give better yields and to resist moisture, also in numerous fertilizer tests. The Minister, in expressing great satisfaction over the demonstration, credited the project specifically to American Point IV assistance. The Ambassador, in his response, stated that he was greatly moved in thus witnessing the birth of a new industry which could go far in solving the social and economic problems of Cuba.

For the Chargé d'Affaires ad interim:

  
David S. Green  
Commercial Attaché

Participants:

HMRandall, ETCrain, DSGreen, FCFornes  
REGomez, Elmore (MA), Beckett (AA)

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Cuban Desk

MA (3) for USARCARIB and USARFANT  
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*Amur*