

**Air Priority**

PRIORITY

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**SECURITY INFORMATION**  
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737.00(W)/10-352 *aw*

**FOREIGN SERVICE DESPATCH**

FROM : AMEMBASSY, HABANA

510

DESP. NO.

Action Taken *noted*

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 3, 1952

DATE

REF :

Date of Action *10-6-52*

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	REC'D OCT 4	OTHER			ARMY	NAVY	AIR	CIA	Name of Officer <i>Vincent</i>	

SUBJECT: Joint Weeka No. 40 for State, Army, Navy and Air Departments  
from SANA

Part I

Political

(RESTRICTED) At week's end the strike of henequen workers (Weeka No. 39) had spread throughout the textile industry, involving an estimated 25,000 workers. Two developments seemed to indicate growing impatience on the part of the Government with continuance of the prolonged dispute: (1) the Minister of Labor refused to continue his mediation efforts until all strikers are back on their jobs, and (2) a show of army force at Cuba's rayon mill in Matanzas after which the plant reportedly resumed operations with all workers at their posts. That CTC Secretary-General MUJAL recognizes this stiffened Government attitude may be indicated in his recommendation to the textile union that it grant a week's truce which had been sought by and refused to the Minister of Labor before his retreat from settlement efforts. The union again turned this down, indicating some disunity within the CTC although that organization is still publicly supporting the textile workers. It is known that LINERA, head of the textile union, has for some time been critical of Mujal's close relationship with the BATISTA regime.

(UNCLASSIFIED) The Cabinet passed a rent control law decree which to a large degree satisfies the demands of labor and small business interests (see Part II for details). This appears to be another effort of the Batista Government for mass political support. In adopting this measure, the Cabinet turned aside a proposal by the Consultative Council which had been bitterly opposed by the CTC, tenant groups and retail business associations. This opposition had sparked the Government-sponsored "protest" meeting of September 12 (see Weeka No. 37) which in itself indicated that a law more satisfactory to tenants would eventually be passed.

FCFornes, Jr.:rc  
REPORTER

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(CONFIDENTIAL) Tiempo carried a story on September 27 that ex-President PRIO is planning and financing an armed uprising to overthrow the BATISTA Government. Aureliano SANCHEZ Arango, Eufemio FERNANDEZ Ortega and Jesús GONZALEZ Cartas were named as his chief lieutenants. It was alleged that quantities of arms had been brought into Cuba. When questioned by the Bureau of Investigations the editor of Tiempo insisted on the accuracy of the report. The Urgency Court ordered further investigation.

The Tiempo story gave further impetus to the rumors circulating regarding revolutionary plotting. Additional stimulus was furnished by the report that about 30 persons belonging to the Autentico party of the Province of Las Villas were arrested in Santa Clara on charges of conspiracy against the Government. The local Urgency Court refused jurisdiction, however, on the ground that the headquarters of the alleged conspiracy is in Habana, the Urgency Court of the capital therefore having competence.

(UNCLASSIFIED) Other detentions of the week included that of Autentico leader Tony VARONA who was arrested and jailed overnight upon order of the Urgency Court (see Weeka No. 39). His co-defendant, Rafael TACORONTE, was not arrested. The orders of arrest against both were eventually voided upon explanation to the court of their failure to appear to answer charges of inciting public disorder last June.

A group of Ortodoxo party members, including Roberto AGRAMONTE, were also taken into custody but were shortly released.

FEU leaders were arrested while they were distributing leaflets inviting the public to the demonstration in memory of Rafael TREJO (see below). They were not held.

(RESTRICTED) The Minister of Government refused to authorize a ceremony at Holguin in the Province of Oriente that had been planned for September 28 in honor of Emilio OCHOA of the Ortodoxo party. The reason given for the refusal was that it is too early to permit disquieting meetings of a political nature, even though they were ostensibly only to honor an individual. It appeared from answers by the Minister of Education to questions on a "Meet the Press" television program that the Government had reason to suppose that the planned Holguin meeting would develop into an inflammatory affair.

On the other hand, the Government permitted a demonstration in Habana on September 30 by university students to commemorate the 22nd anniversary of the death of Rafael Trejo, a student victim of the MACHADO regime. The oratory during the demonstration was not complimentary to the Batista Government and reaffirmed the FEU opposition stand. There was not the slightest incident and police supervision was reported to be competent and restrained.

It is reasonable to suspect that the refusal to sanction the Holguin meeting was motivated not only by the stated reasons but also by a desire to deny to Ochoa opportunity to capitalize on his recent detention and conviction (see Weeka No. 37).

(UNCLASSIFIED) The outstanding CMQ "Meet the Press" program may disappear from Sunday night television because of a decision by the Minister of Communications that radio and television stations must comply strictly with certain laws of 1934 and 1935 prohibiting newspapermen from working between 11 a.m. Sunday and 11 a.m. Monday. There is general public resentment against the summary elimination of this popular program and CMQ has lodged a formal protest.

(RESTRICTED) Ex-Senator Eusebio MUJAL, secretary-general of the CTC, was reported to have stated that he was not thinking of rejoining the PRC (A) and that he was continuing to work for the formation of a labor party. He was also quoted as denying all connections with GRAU.

(UNCLASSIFIED) The amnesty law (see Weeka No. 39) has been subjected to considerable criticism, including that of the National Council of Lawyers. During the week the application of the law was suspended pending a decision by the Constitutional and Social Guarantees Court in response to a question presented to it regarding the constitutionality of the amnesty law under the Constitutional Statutes of 1952.

Psychological

Negative.

Army, Air

Negative.

Navy

(RESTRICTED) On September 28 the first of two PBY5A's,

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recently purchased in the United States by the Cuban Navy, arrived at the Cuban Naval Air Station, Mariel. Delivery was effected by Cuban Naval aviators, including a non-stop flight from California to Miami. The second PBY5A is being overhauled in Atlanta, Georgia, with delivery expected in early November. The other four naval planes (Widgeons) which had been authorized have not been found available for sale in the United States. President Batista and the Minister of National Defense visited the Mariel Naval Air Station on September 29; they inspected the station and the newly acquired plane. The President made a brief speech in which he attacked the previous regimes for neglectful actions in providing for the Mariel and other military bases.

COMMENT

In addition to the Catalina, Cuban Navy now has five (5) Stearman trainers in operating condition. The acquisition of the Catalinas has promoted some needed enthusiasm in the Cuban Naval Air Arm.

For the Ambassador:



Earl T. Crain  
Acting Counselor of Embassy

Participants:

HMRandall, ETCrain, FCFornes, Jr.,  
DSGreen, ISLippe, RGomez, Elmore (MA),  
Rakow (NA), Mason (AA)

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MA (3) for USARCARIB and USARFANT  
AA (1)  
NA (3) for Guantánamo

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OCT 3 1952

**FOREIGN SERVICE DESPATCH**

FROM : AMEMBASSY, HABANA

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TO : THE DEPARTMENT OF STATE, WASHINGTON *noted* **October 3, 1952**  
DATE

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5 For Dept. Use Only mi	ACTION OLI	DEPT. I N F O	REP	ARAB	IRI	TCA	IIAA	RE	IPS					
	REC'D OCT 4	OTHER	AG	COMM	DPA	FRB	PSA	NSA	NSR	TR	XMB	ARMY	NAVY	AIR

SUBJECT: **Joint Weeka No. 40 For State, Army, Navy and Air Departments**  
**From SANA** *file*

Part II

Economic

(RESTRICTED) The Cuban Sugar Stabilization Institute has confirmed sales of the final 148,300 tons of sugar to a French syndicate under the recent agreement covering 200,000 tons, at prices of 4.12 cents per pound for 50,000 tons, 4.17 cents for 61,500 tons and 4.20 cents for 36,800 tons F.O.B. Cuba. Reportedly, these three purchases by a French syndicate are for ultimate delivery to Japan. Cuban trade sources report that the French purchases at from 10 to 20 points over the prevailing spot price of 4.00 cents per pound F.O.B. were made possible by the fact that, although the conversion rate mentioned in the Cuban-French Agreement was 350 francs per dollar, the syndicate had been able to obtain its francs in the open market for around 450 per dollar.

(UNCLASSIFIED) After a 20-hour session, Batista's Council of Ministers yesterday reached agreement finally upon terms of rent control, and President BATISTA is expected to sign the new law-decree either today or tomorrow, the provisions being retroactive to August 1. According to the official press release, reductions of rentals is decreed as follows: (1) On houses built before 1945, no reduction; (2) on those made available for occupancy on dates from 1945 through March 23, 1949, and provided rentals do not exceed \$120 per month, 10 percent reduction; (3) on residential quarters first occupied after March 23, 1949, reductions of 25 percent for quarters renting at not over \$50, reduction of 20 percent on those renting at over \$50 up to include \$100; reduction of 15 percent on those renting above \$100 and not exceeding \$120; no reduction on quarters renting over \$120. The new law-decree will not affect dwellings constructed in the future in the event they carry rentals in excess of \$120 a month or rentals below \$60 a month. As an incentive to private construction of low-cost housing, the law-decree is said to grant several concessions, including exemption from municipal taxes and 25 percent reduction in water rates. The right of permanence of merchants in their business premises is granted for 3 years, with provision for renewed grant for another 3 years.

DSGreen:ecv:eam  
REPORTER

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(UNCLASSIFIED) After approving a draft decree-law which would authorize grocery stores and meat vendors to sell fish as well, the Consultative Council's consideration of other measures was interrupted by heated expressions of protest by members of the Council over what they described as an organized campaign on the part of several Ministries of the Government to deny them access to Ministry records. The Council passed a resolution calling upon General Batista to confirm their right of access to all Government records.

(UNCLASSIFIED) The Minister of State has made public announcement that the Cuban Government is exploring possibilities of building up the current level of trade exchange with neighboring countries in the Caribbean area. As an early step, studies are being made of suitable framework for trade agreements to be negotiated with these neighboring countries.

(RESTRICTED) For some years, the Guantanamo Sugar Company has been victim of harassing tactics on the part of a Dr. GUERRA Sanchez, who left the company's employment to engage in politics and eventually to become mayor of the Guantanamo municipality. The latest incident was a demand made by the mayor for full details concerning the company's operation accounts, presumably in order to levy additional forms of tax. The company reported to the Embassy this morning, with evidences of great relief, that it had received authoritative word from the Deputy Minister of Interior that Dr. Guerra Sanchez has been removed from office, presumably as the result of his recent clashes with the local military authorities.

(RESTRICTED) After having made public announcement of what he considered to represent the proper solution of the henequen problem (see Weeka No. 39), the Minister of Labor demonstrated extreme annoyance on October 1 over the refusal of the henequen labor leaders to call off their strike and return to work. He announced that, while the Government is very sympathetic to labor problems, it cannot be coerced and it will suspend consideration of any solution until the laborers go back to work. Now that other segments of the textile industry have joined the strike movement, the Labor Ministry finds itself confronted with additional demands, one of which is for elevation of rates on the tax which is earmarked for the Textile Subsidy Fund.

(RESTRICTED) Labor at the Matanzas plant of the Rayonera Company walked out on Monday, ostensibly in sympathy with the henequen workers but with the presentation also of numerous stiff demands for improved wages and benefits. Work was resumed this morning under surveillance of Army Rural Guards. In quelling a demonstration yesterday, said guards injured several strikers and made twenty arrests. One employee was fired for sabotage.

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From Habana

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Desp. No. \_\_\_\_\_  
From \_\_\_\_\_

(RESTRICTED) The Ministry of Commerce closed the registration of rice sales on October 1. Some 600,000 bags in excess of the United States allocation had been registered as of that date. A decree reportedly is being prepared for immediate application, whereby all shipments from the United States will have to be cleared through Cuban consulates. This system, in essence, is the same as that now employed for wheat flour sales.

For the Ambassador:

  
David S. Green  
Commercial Attaché

Participants:

HMRandall, ETCrain, DSGreen, FCFornes, Jr.  
ISLippe, Mason (AA), Elmore (MA), Rakow (NA)  
REGomez

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AA (1)

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