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737.00(W)/7-1351

## FOREIGN SERVICE DESPATCH

FROM : HABANA

69

July 13, 1951

DESP. NO.

DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON.

Air Priority

REF :

Action Taken

18

For Dept.

Use Only

SUBJECT: WEEKA NO. 2 FOR STATE, ARMY, NAVY AND AIR DEPARTMENTS  
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Date of Action 8-1-51

Action Office Symbol IAD

SECTION I

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POLITICAL

Although hailing the armistice discussion in Korea as a hopeful sign, and as a victory for the United Nations, the Cuban press and public remained extremely skeptical of Communists' intentions and expressed doubt that the Soviets and their puppets would agree to a program which would truly promote peace. President TRUMAN's message to SHVERNIK was lauded as another sincere attempt by the United States to bring about world unity. It was also seen as a warning to the Soviets that the democracies can be provoked too far, and that they are prepared militarily to defend their ideals. The Communists took exactly the opposite position, claiming for the Soviet Union all credit for initiating the Korean discussions. They also stated that the United States intends to delay the Korean negotiations in order to continue to build its war machine; and that Truman's message was a false effort to try and portray the United States in the role of peacemaker.

On July 12 the Cuban cabinet voted to declare a de facto state of peace with Germany, and to prohibit the shipment of strategic materials and war supplies to the Soviet Union, its satellites and to Communist China. While these decisions were expected and are in line with Cuba's continued stand on the side of the democracies, the fact that they were taken so quickly after similar United States action, probably indicates a particular desire to evidence unity with the United States at a time when the question of the sugar quota is under discussion.

The Habana Urgency Court on July 10 declared without grounds the Government's contention that the Communist newspaper Hoy was seditious and that its publication constituted a violation of article 37 of the Constitution. As a result, its return to the Communists was again ordered by the Court.

HAHoyt:rc

REPORTER(S)

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Evidently having decided not to pursue the matter further, the cabinet in its July 12 session voted to accept the court decision, and it is understood that the premises and equipment will be returned to the Communists today. As yet there has been no reaction by the CTC and the veterans groups which have so strongly fought to keep Hoy banned. While the return of Hoy means little from a journalistic standpoint to the Communists, it is an important moral victory for them, and again places the Administration in a position to be criticized for failure to deal a blow to Communism in Cuba.

No explanation has yet been given concerning the unexploded bomb which allegedly was thrown on the porch of the Soviet Legation on July 11. Legation officials are understood to have refused police intervention in the matter, stating that they would make their own report directly to the Ministry of State.

The general intensity of presidential political campaigning increased significantly during the week. The proclamation of HEVIA's candidacy in Habana on July 8, with the President's brother, Senator Francisco PRIO, as one of the speakers, was almost the final step in giving him the PRC (A) stamp of approval as its candidate. Meanwhile SUAREZ Fernandez continued to draw a great deal of support, and remained as Hevia's most serious threat in the Autentico ranks. Although Antonio VARONA and SANCHEZ Arango continued their campaigning in the hope that a stalemate might bring about their nomination, there seems little chance of such a choice. Reports that the Administration intends to supplant Virgilio PEREZ as President of the PRC (A) Habana provincial organization have prompted unconfirmed rumors that Suarez Fernandez will resign as Minister of State and throw in his lot with BATISTA, CASTELLANOS and ALONSO Pujol. While such rumors have probably been encouraged by Suarez to put pressure on the PRC leaders, the decided increase in Batista's position during the past few weeks may have prompted Suarez, Castellanos, and even GRAU to at least consider a united front against the Administration.

A mass meeting held by followers of ex-President Grau in front of his home on July 10 for the purpose of proclaiming his candidacy as President was cleverly turned into a pro-Pepe SAN MARTIN rally by Grau as he declined the nomination on the grounds that the provisions of the Constitution prevented his acceptance.

The opposition, and particularly CHIBAS, has continued in its efforts to make the sugar negotiations a political issue by accusing the Government of having "again sold the Cuban people down the river". A mass rally was held by the Ortodoxos in the main plaza on July 8 to denounce the Administration's handling of the sugar discussions. Chibas was aided in his tirade by the presence of Guillermo BELT, who embraced Chibas and then spoke against the Government's action.

There is evidence that this concentrated campaign to discredit the Government and create distrust of all its acts has had some effect on the general public. It appears, however, that the public reaction is redounding more in favor of Batista than to the prime instigator, Chibas. (A new popularity poll reportedly now places Batista ahead of Chibas among the presidential aspirants) That the Government is worried concerning these political attacks on the sugar legislation is evidenced by the fact that the Minister of State on July 12 called in Chargé d'Affaires ELBRICK and Economic Counselor CLARK to discuss the matter. The Minister urged that the United States enter into an exchange of notes regarding Cuba's minimum guarantee under the new sugar legislation, in order to indicate at least a semblance of prior consultation.

ARMY - NAVY

Negative.

AIR

The Cuban Army Air Force has requested the Chief of the U.S. Air Force Mission to Cuba to arrange to have four military pilots qualified as C-54 pilots prior to the beginning of the proposed Aviation Workers' strike on Monday, July 16, 1951. The Army Air Force desires to have enough pilots qualified in this airplane (military version of the DC-4 commercial airline) to maintain the international schedules, from Habana to Madrid, of Compania Cubana de Aviacion, in the event the strike is called on schedule. However, today it was announced in the press that the President has appointed a commission to investigate the union demands and the union has agreed to call the strike off. In spite of this the Cuban Army Air Force still desires to have its pilots qualified to fly this type airplane.

  
C. Burke Elbrick

Chargé d'Affaires ad interim

Participants:

CBElbrick, DWGClark, RGomez,  
HAHoyt, Schaffer (MA), Ryan (NA),  
Mason (AA)

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SUBJECT: WEEKA No. 2 FOR STATE, ARMY, NAVY, AND AIR DEPARTMENTS  
FROM SANA

INFO

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ECONOMICSECTION II

While the proposed sugar legislation by the U. S. Congress continues to be given prominent press notices, there has been a noticeable decrease in critical comment which may in part reflect a realization that the new law is not as bad as it might have been and that at this rather late date it is difficult for Cuba to make an objective case against the loss of even a small quantity to the full-duty countries. The statement before the Committee by Nelson GAMMONS, President of the Dominican Chamber of Commerce in the United States, has been reported locally in full and under ordinary circumstances would probably be subject to a blistering Cuban rebuttal. As matters stand at the moment, it is apparent that the Cuban Government, which has in large part led the attack against the proposed legislation, is pretty well reconciled to the law as projected. In fact, the temper has cooled to the point that the news stories from Milan, Italy, reporting that the Cuban trade union leaders at the ICFTU Conference attempted to issue a statement critical of the sugar legislation, have caused a flurry of local embarrassment.

The AP service story by David FERNSLER, datelined Washington, July 7, describing a move to retain Section 202-E has also received wide local notice and, as might be expected, the reaction has been firm. It is to be hoped that any such effort will be defeated, if attempted, as its retention would certainly create a most unfortunate impression in Cuba, where the feeling is that more than normal sacrifices already are being made.

At the meeting of the Council of Ministers on July 10, it is understood that approval was granted a proposal prohibiting the exportation of strategic materials and other war goods to the Soviet Union, its satellites and the communist area of China. The Foreign Minister on Wednesday was credited with a statement that the projected trade agreements with Great Britain and Western Germany are in their final phases and will shortly be concluded.

DGClark:eam  
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During the past week there has been a rash of labor problems ranging from full strikes to rather pious threats. Feeling has run quite high regarding the mechanization of the tobacco industry and the production of 20 percent for internal consumption by other than hand labor, with claims by the unions that as many as 5,400 workers are about to be thrown out of employment. In some small settlements workers actually have seized city halls and created other potential serious disturbances. The mechanization agreement was agreed to by so-called responsible representatives of the workers and there are now indications that many of these representatives may be repudiated.

The aviation workers' strike which was scheduled for July 16 (see Weeka No. 1) got off to an early, sudden start on July 10 when the Rancho Boyeros employees adopted the tactics of the tobacco workers and attempted to seize the city hall at Santiago de las Vegas. The field was promptly occupied by military forces and most of the leaders put in jail. During the day all airline services, excepting those of the National Airlines, were paralyzed. As previously reported, the threatened strike calls for increased wages and shorter working hours but in actual fact has as its principal purpose the transfer to Rancho Boyeros, if necessary under compulsion, of the two commercial airlines which are still operating from the Campo Columbia military airport and which have not been unionized and are not, of course, under the control of the labor leaders. By Wednesday, July 11, all services had been resumed but the demand of the workers is under review and study. A special commission embracing representatives of the Ministries of the Treasury, Labor, and Communications, as well as labor, has been appointed to study the problem.

There has been labor trouble at the new bus terminal which was recently inaugurated by President PRIO, the point of issue being workers' dissatisfaction with the taxi concession and the wages to be paid drivers. Match factory workers reportedly have agreed to a one-day strike on July 16 to enable them to protest to President PRIO in regard to the implementation of Decree 1017 which establishes production quotas for factories and which has resulted in practically every installation reducing output and employment. Cuban musicians are also on the march and reportedly will strike on July 18 in protest of military bands playing at private parties. The musicians apparently also are coming out in favor of a regulation which will control the use of phonographs and juke boxes in cabarets and night clubs.

The Cuban press has recently carried reports that the third quarter 1951 allocation of tinsplate for this country has been cut to 3,200 short tons by U. S. control authorities. The

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report has caused much critical comment in the Government and in consuming industries, where it is felt that the essential requirements of the country, especially for the food producing industries, are far heavier than this total.

In the railway field it is reported that Minister of Finance José ALVAREZ Diaz has indicated, in the face of the repeated declarations by President Prfo that the United Railways will shortly be nationalized, the possibility of this actually happening is quite slim. Presumably the basis of the Finance Minister's statement is the acknowledgment of the financial responsibilities involved.

The Cuban Sugar Stabilization Institute has now announced that the total production for the 1950-51 season has aggregated 5,578,998 Spanish long tons or 38,452,131 sacks of sugar in addition to 287,513,014 gallons of molasses.



C. Burke Elbrick  
Chargé d'Affaires ad interim

Participants:

CBElbrick, DGClark  
HAHoyt, REGomez  
Schaffer (MA) Ryan (NA)  
Mason (AA)

Copies to Amembassies: Ciudad Trujillo  
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MA (4) for USARCIB and USARFANT  
AA (1)  
NA (2) for Guantanamo

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