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FOREIGN SERVICE DESPATCH

FROM

AMEMBASSY, HABANA

840

TO

THE DEPARTMENT OF STATE, WASHINGTON.

REF

REC'D Use Only

for State

and Air-G

Symbol LAD

SUBJECT:

Joint Weeka No. Departments from SANA.

Political

(UNCLASSIFIED) Holiday Season Quiet, Office holiday season was marked by an almost complete lack of solitical activity and by utmost quiet, despite a few rumors of distributions to be formulated. utmost quiet, despite a few rumors of disturbances to be fomented by opposition elements on one or another of the holidays. BATISTA and his wife were very active on the traditional children's holiday of the Three Kings on January 6th, the former distributing gifts to children of the armed forces and the latter assisting in and directing the handing out of thousands of toys to children of the poor. This activity was doubtless motivated in good part by a W)/1-85desire to increase the President's popularity and it certainly added to the First Lady's reputation for good works.

(UNCLASSIFIED) Batista Again Affirms Anti-Communist Policy. The local press of January 5, 1954, carried a report of an interview with President Batista by a correspondent of the International News Service. While the interview covered matters other than communism, Batista was quoted as having said that "the West can count on Cuba helping to the extent of its ability in case of a crisis with the hosts of communist imperialism" and that he "is aware of the fifth-column danger and has taken all possible precautions to keep it at bay". Batista was said to have declared that "Cuba is now prepared to be a strong link in the western defense and not a breeding ground for saboteurs and subversive agents".

(CONFIDENTIAL) Comment. This is the third time in two months that Batista has expressed anti-communist sentiments to American press services: first in an AP interview in November (see Weeka No. 47, 1953); next in an article for INS in December (see Weeka No. 52); and now in this INS interview. The President appears to be overlooking no opportunity to insist on the anti-communist policy of his Government, especially through the medium of American international press agencies. A major purpose of this may be to combat continuing charges against him of pro-communism by his political enemies in the United States. CONFIDENTIAL FCFornes, Jr./cyaction COPY — DEPARTMENT OF STATE

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(UNCLASSIFIED) Sanchez Arango Letter in Miami Herald. The Miami Herald of January 6 and 7, 1954, carried articles said to have been based on a letter received from Aureliano SANCHEZ Arango from "somewhere in Cuba". Various statements regarding his activity in Cuba were attributed to Sanchez Arango: he is organizing the "forces of liberation"; the movement he directs "has been disengaged from Carlos PRIO as an individual"; he is fighting for "the restablishment of constitutional normalcy", meaning the restoration of "all popularly elected officials, from the President down". Sanchez arango, with reference to the 145,000,000 peso bond issue just approved (see below), reportedly warned prospective dealers on credit with the Batista regime that "all obligations of the usurper will be rejected by the government of the revolution and the popularly elected governments that succeed it." This latter statement was seconded by "Tony" VARONA in a declaration issued in his capacity as head of the Prio Autenticos in Cuba to the effect that such indebtedness would be repudiated by an eventual constitutional government.

(UNCLASSIFIED) \$145,000,000 Bond Issue. The President approved a law-decree authorizing a new 145,000,000 peso bond issue to consolidate certain existing or authorized public debt issues and to provide a substantial sum for new public works and institutional endowment (see despatch No. 815, Jan. 4, 1954, and previous). The issue will be in four-per cent, 30-year, fully guaranteed public bonds. It is to be serviced and amortized from revenues previously allocated to the consolidated and incorporated issues.

Army, Navy, Air

Negative.

For the Ambassador:

Carlos C. Hall

Counselor of Embassy

Participants:

CCHall, ETCrain, FCFornes, Jr., EMTerrell, JCanter, Rakow (NA).

Copies to: AmEmbassies Ciudad Trujillo, Port-au-Prince.

MA (4) for USARCARIB and USARFANT

AA (1)

NA (3) for Guantanamo.