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737.00(W)/12-1952

JAN 1 1952

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA

979

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 19, 1952

DATE

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SUBJECT: **Joint Weeka No. 51 for State, Army, Navy and Air Departments from SANA**

Part I

Political

(RESTRICTED) As a result of suggestions that had been made for the amendment of the Electoral Code to make it acceptable to the opposition parties (see Weeka No. 50), both the Ortodoxos and the Autenticos issued manifestoes during the week.

The Ortodoxo statement blamed the BATISTA Government for all the country's economic difficulties and demanded the restoration of the "political institutions" established by the 1940 Constitution. It defined the party's position as opposed to violence, particularly with inadequate preparation. It called for preliminary action to pave the way for the Ortodoxo party to lead a "popular mobilization" of opposition to the regime.

Comment on the Ortodoxo pronouncement ranged from grouping Ortodoxos, Autenticos and Communists together as willing to adopt any measure of opposition, including civil war at a propitious moment, to characterizing it as completely sterile, leaving the Ortodoxo rank and file without a fixed course or clear objective. Some perceived between the lines a willingness to participate in the electoral process if the party's conditions, less intransigent and more acceptable than those hitherto stipulated, are met by the Government. In any case the manifesto was not unequivocal in its rejection of violence and the action program seemed weak and ineffectual.

The Autentico manifesto marked no change in the party's attitude toward the Electoral Code and participation in the elections. It was significant in that it did not specifically disclaim revolution but rejected responsibility for

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any eventual bloodshed, ominously throwing the blame on the Government for bloodletting that might occur.

Coincidentally, in a speech at a gathering honoring a new general, Batista warned that tolerance had its limitations and that he and the armed forces were prepared for any action that events might require.

(RESTRICTED) Several incidents occurred that indicated that the Government was fully alive to the rumored possibility of revolutionary attempts during December.

An anti-Government manifestation in the streets by members of the Ortodoxo Youth Section was broken up by police after shots had been fired in the air. This manifestation was described by some as part of a program to create public disturbances to undermine confidence.

Tiempo, which is sensational but sometimes well-informed, declared that a shooting fray this week was not police pursuit of bank bandits, as reported, but the suppression of a terroristic attempt by former associates of Eufemio FERNANDEZ. This report was not confirmed by any other source.

During the night of December 15 highways leading to Habana were patrolled by the National Police and cars containing more than two persons were stopped for investigation. At the same time the Maritime Police patrolled the waterfront. There was no official explanation of these unusual activities.

A report was made by one of the radio stations that the Chief of the National Police, Gen. SALAS Cañizares, and the Naval Chief of Staff, Admiral RODRIGUES Calderón, had been ousted from their positions and arrested. It appeared that the report was based on a telephone tip from a person masquerading as one of the station's reporters. The report was denied and Government spokesmen strongly denounced a program of rumors and public disorders designed to create public uneasiness and provoke the Government into violent measures. The station was temporarily suspended and a news program of another station, which carried the same rumor, was banned.

Shortly after this incident, the news program of José PARDO Llada was suspended for 15 days for "comments against the economic stability of the country". Pardo Llada denounced the move as just another attack by the regime on freedom of thought and a further attempt to silence the



voices of the opposition. It is likely that the Government view was that Pardo Llada was contributing his bit to the campaign to sow apprehension.

The strengthened defenses at strategic centers (see Weeka No. 50) were maintained.

(UNCLASSIFIED) Evidence of the continued close relationship between the Batista regime and the Cuban Confederation of Labor (CTC) was seen in the announcement that the CTC will receive \$100,000 from the national lottery. The money is to go toward completion of the CTC headquarters building.

(UNCLASSIFIED) The 15 alternate members of the Consultative Council (see Weeka No. 50) have been named. It appears, however, that they cannot be seated until the regulations of the Council are amended to provide for such members.

(RESTRICTED) It was announced that President Batista had decided that his party would seek only the minimum number of affiliations required by the Electoral Code for the organization of a political party. It will be recalled that this number was set by the Code at six percent of the electorate, a reduction from the higher figures that were previously proposed. These two facts taken together lead to the interesting speculation that the six percent figure was set with the potential strength of Batista's party in mind and that he is not so confident of its strength that he cares to risk publicly proclaiming an effort to obtain all possible affiliations.

Psychological

(RESTRICTED) The Communists are stepping up the campaign on behalf of the ROSENBERGS. This is evidenced by articles and editorials in Hoy, the Red newspaper, and by Communist-inspired letters that the Embassy has just begun to receive. These letters demand that protests against the execution of the Rosenbergs be forwarded to Washington. The line is that the Rosenbergs were condemned solely because of their activities as "partisans of peace".

Hoy headlined the NATO Council meeting and reported that "the United States saw itself obliged to retreat on certain questions of a military nature in view of the reluctance of many satellites to continue along the path of disaster and crisis marked out by the Americans". It

declared that "all the sessions were marked by heated discussions and growing internal dissensions in the camp of imperialism and war".

Army

Negative.

Navy

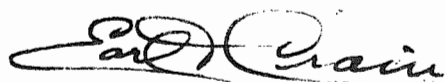
(RESTRICTED) The Naval Attaché has been informally informed by a Cuban Naval officer that Alferez de Fragata (Ensign) Roberto Leonardo ROQUE Nuñez, who was the officer who took refuge at the Guantánamo Naval Base immediately after the March 10 coup, has written to Cuban Navy Headquarters from Miami asking that he be permitted to return to Habana. Roque, who failed to comply with orders of the new Batista navy regime officials, has been residing in Miami since he was given refuge in the U. S.

The informant believes that Roque will be permitted to return, that he will be interned in prison for several weeks, and then pardoned by the President. Since it is believed that he has been in touch with PRIO, he probably will be closely watched when he is freed.

Air

Negative.

For the Ambassador:



Earl T. Crain
Acting Counselor of Embassy

Participants:

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AA (1)

NA (3) for Guantánamo

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DEC 19 1952

FOREIGN SERVICE DESPATCH

FROM AMEMBASSY, Habana

980
DESP. NO.

TO THE DEPARTMENT OF STATE, WASHINGTON.

December 19, 1952

REF :

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SUBJECT: Joint Weeka No. 51 For State, Army, Navy and Air Departments (AD)
From SANA

*Vincent
file*

Part II

Economic

(UNCLASSIFIED) An agreement has been reached that will facilitate travel by private aircraft between the United States and Cuba. It is expected that the new agreement will become effective on January 12, 1953.

(UNCLASSIFIED) Compañía Cubana de Aviación announced that it intends to inaugurate the Habana-Varadero-Miami route early next month when work on the airport at the popular beach resort is completed.

(RESTRICTED) From a reliable trade source it is learned that the Minister of Public Works has just reversed his position of some days ago to give a United States firm a quarter-million dollar order for 24" cast iron pipe for the Santiago waterworks contract. According to the Embassy source, the Minister states that he has received instructions from higher authority to hold up that intended purchase of United States pipe, said instruction having been given as a result of personal intervention on the part of the French Ambassador, who had given assurances, presumably to the Cuban Minister of State, that the bid of a French mill, which had been rated less favorably by the Public Works Minister, could be linked with a barter deal for Cuban sugar.

(RESTRICTED) During the week the question of Christmas bonuses for Government employees was widely discussed, as the Treasury debated whether to pay both bonuses and salaries before Christmas or to pay one now and one after Christmas. The reason advanced by the Government for the dilemma was the need for ensuring adequate purchasing power for the Twelfth Night shopping season in January, although the delay immediately gave rise to charges that the Treasury

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lacked sufficient funds to make both payments simultaneously. On Wednesday it was announced that bonuses would be paid on the twentieth and salaries on the twenty-fourth of December, and meanwhile the President of the Tribunal of Accounts held a press conference at which reporters were shown the Tribunal's books as proof of the Treasury's strong position.

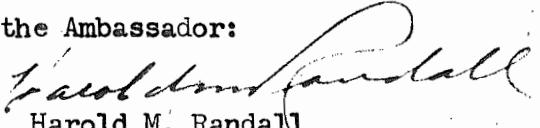
(RESTRICTED) Nevertheless, a plan was developing during the same period which foresees a loan of 6 million dollars, to be advanced to the Central Government by the City of Habana. The money involved was originally loaned to the City by the National Development Commission for the completion of the Albear Aqueduct, but thus far the funds have not been touched.

(RESTRICTED) It would appear that Government revenues have actually improved this month, probably as a result of concessions which were granted in the Christmas Bonus Law. The latter provided for the remission of taxes dating prior to 1950 and of all fines applicable to 1950, 1951, and 1952 incomes, provided payment were made of taxes due for the past three years. Other concessions were offered to small businessmen and stockholders in an attempt to increase the yields from existing taxes.

(UNCLASSIFIED) Two important fiscal measures were given preliminary approval early Thursday morning by the Council of Ministers and sent to the Consultative Council. The first would authorize the President to initiate a new \$60 million public works program, to total a maximum of \$35 million during the first year and to be financed by an issue of 30-year bonds. The bonds would be serviced by the revenues now obtained from two semi-postal stamps which were adopted to finance the construction of a new Palace of Communications and new court buildings.

The second measure proposes to raise a broad range of taxes, including those on business profits, investment income, cigarettes, automobiles, and would also impose a new tax on persons traveling abroad for more than ten days on pleasure trips. The resultant revenues would be used to fulfill a variety of commitments of the Batista Government, including a school lunch and clothing program, labor courts, physical education and sports program, low-cost housing, public works, and retirement fund subsidies.

For the Ambassador:


Harold M. Randall
Counselor of Embassy
for Economic Affairs

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