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FOREIGN ASHINGTON DESPATCH

AMEMBASSY, HABANA

389

FROM

DESP. NO.

January 3, 1957

TO

THE DEPARTMENT OF STATE, WASHINGTON

DATE

REF

FORM-1 8-2-5 P-1 Eur/x-1

25 For Dept. Use Only	ACTION REC'D 1-5	DEPT IN F O	OFFICER RMR-2 Ara-4 90-2 1CA-10 USIA-10 Army-35 Navy-30 Air-24
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SUBJECT: Joint Weeks No. 1 for State, Army, Navy and Air Departments from SANA

Cia-16 OCB-2 OSD-2

(UNCLASSIFIED). President Batista's Message to the People. In a New Year's Eve nationwide message President Batista claimed that the country had ridden out the crisis, economically speaking, and urged that the country resort to the use of the polls in its quest for peace. He said that the "state of bankruptcy of the treasury in 1952 and the "enormous decrease in national income due to well known reasons" gave rise to a pessimistic attitude as far as the economic future of the nation was concerned. "Today, however," he added, "we can say with satisfaction that due to hard work and efficient administration, we have overcome the long, hard journey and have emerged victorious."

(UNCLASSIFIED). Comment: The message was entirely on a domestic note without reference to foreign relations.

(UNCLASSIFIED). Mediation of Cuban Press Bloc. As reported in the press the most important segments of the extensive but divided opposition political sectors went on record on New Year's Eve as accepting or seconding the appeal to the nation made by the Cuban Press Bloc a few days previous, calling for a cessation of violence. At the same time an offer to mediate was made to bring about a settlement of political differences. Those who reportedly participated in the approval given this appeal included Grau San Martin, José Pardo Llada, "Tony" Varona, Pelayo Guervo, Emilio Ochoa, José R. Andreu, Luis Conte Aguerre and others. Up to the present there has been no indication of any reaction from the Government side.

(OFFICIAL USE ONLY). Comment. It will be interesting to see whether the present attempt to close ranks in face of national acts of terrorism will prove effective. The group making the proposals are clearly made up of opposition factions who do not attempt to establish any neutral base for the purpose of mediation.

(CONFIDENTIAL). Communist - Fidelista Activities. On December 22, twenty six persons were killed in the Holguin area by a special squad of soldiers dressed as civilians. Of these four were suspects of revolutionary activity, three were said to be communists and another three were listed as Communist suspects.

VChapin/lnt
REPORTER

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(CONFIDENTIAL). Comment: The Embassy is advised that the Cuban Government has no evidence to support the claim made by Minister of Interior Santiago Rey that Communists are responsible for the recent acts of terrorism. Nevertheless the appropriate agencies of the Cuban Government have been ordered to put the Communist label on any disturbance in order to reduce anti-government feeling and activity by non-Communist revolutionaries.

(CONFIDENTIAL). Report from Santiago. The Consulate at Santiago reports that in the closing days of the year the Province of Oriente was generally normal but that there existed an undercurrent of tension and fear. Businessmen are complaining of a drop in economic activity. The populace of Oriente is reported as fearing further terrorism and violence with more burning of canefields anticipated.

(CONFIDENTIAL). Comment: There is no doubt that the present terroristic activities are having a cumulative effect and that people are becoming more apprehensive over these undercover activities. People were shocked to read in their morning papers yesterday that on the previous evening a girl was so severely wounded by the explosion of a bomb at the "Tropicana" night club that she had to have an arm amputated. There are no signs of panic but, in taking unusual precautions, the populace, in spite of generally prosperous conditions, has created a measurable slowdown economically.

(OFFICIAL USE ONLY). Incidents at Chaparra and Delicias Sugar Mills. The Embassy was informed, in answer to its questions put to the respective managements of the mills concerned that a number of acts of sabotage, both in the mills and the cane fields, took place on or about December 25. Total damage was slight and there have been no significant further acts of sabotage since that time.

The management reports that the Army and local police apparently took matters into their own hands and arbitrarily killed a number of individuals suspected of participation in organizing or carrying out this sabotage.

(OFFICIAL USE ONLY). Comment: The local authorities do not admit this, but it seems clear to local residents that such must have been the case.

(OFFICIAL USE ONLY). SHOOTING INCIDENT AT NICARO. On December 29, at 7:30 pm, a company guard at the GSA-owned Nicaro nickel plant shot and killed one of three occupants of an automobile undergoing a routine exit search at the main gate. The guard claimed that the unfortunate victim appeared to be reaching down to draw a gun; subsequently the local authorities produced an alleged homemade bomb which they claim was in the automobile trunk.

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(OFFICIAL USE ONLY). Comment. Cuban newspapers carried heavily distorted stories of attempted sabotage at Nicare in which a guard, wounded by an attacker, returned fire and killed the saboteur. The facts apparently are that the victim's name had appeared on a list of probable revolutionists, contributing to a probable quick reaction on the part of a nervous guard.

(UNCLASSIFIED). Mayer Wagner's visit. Arriving on December 28, Mayer Wagner and party, including Mrs. Wagner, former Ambassador Richard Patterson and wife, Commissioner James O'Brien, Cuban Consul General in New York Alfredo Hernandez, and others, found themselves confronted with a heavy schedule of ceremonies and entertainment. The Mayor of Habana officially welcomed Mayer Wagner as a Guest of Honor of the City of Habana and, at another function, President Batista conferred on him Cuba's highest decoration, the order of "Carlos Manuel de Cespedes."

(UNCLASSIFIED). Comment: The visit of the Mayor was in happy vein throughout and received extensive coverage in the press. The Mayor and party expect to leave Cuba on January 5, the days intervening being spent at Varadero Beach.

(OFFICIAL USE ONLY). Cuban Dominican Relations. The Cuban cattle industry proposes to send 200 head of cattle to the Dominican Fair. The Cuban Brahman-King ranch are not going to participate, however, in view of fact that the Cuban Cattle Fair follows shortly after the Dominican Fair and the proprietors desire to have their cattle in best possible shape for the local show. Minister of Agriculture Barreto, accompanied by his wife, is proceeding to Ciudad Trujillo on January 10.

(OFFICIAL USE ONLY). Comment: With the turn for the better in Cuban Dominican relations, there is evident relief and satisfaction in local Government circles. It remains to be seen whether such elements as Masferrer and Bohemia will be satisfied to accept the budding new order. President Batista for his part has exerted about the limit of his influence and authority in trying to keep these anti-Trujillo factions within the bonds of moderation.

(OFFICIAL USE ONLY). Cuban-Haitian Relations. There have been no new developments in the past few days in respect to official relations between Cuba and Haiti. Without advising of the nature of the proposed approach, Minister of State Guell has indicated that the Cuban Government intended shortly to make a fresh attempt at reconciliation.

(OFFICIAL USE ONLY). Cabinet Changes. Rumors of impending changes in the Government keep recurring. Among the offices most frequently mentioned as involved in such changes are the Ministries of Education, Agriculture and Commerce.

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(UNCLASSIFIED). DR. NUNEZ PORTUONDO'S STATEMENTS ON HUNGARY. Dr. Emilio Nunez Portuondo, chief Cuban delegate to the United Nations, spoke out forcefully in support of the Hungarian people during his vacation in Habana. Appearing on a nationwide "Meet the Press" television show December 27, he said Soviet Communism suffered a "fatal blow" in Hungary in that the entire world now can see the result of Soviet oppression and terrorism. He said Cuba is contributing \$45,000 toward Hungarian refugee relief. In reply to a question as to whether Cuba would accept a portion of these refugees, he commented only that "Cuba is a small country". Four days later at a widely publicized testimonial luncheon given him by the Committee for the Aid of the Hungarian People, Dr. Nunez Portuondo declared that "Russia has shown the world the tactics which she has prepared for a future war... and all people who prize their freedom should be on the alert."

(OFFICIAL USE ONLY). Comment: USIS took advantage of Dr. Nunez Portuondo's return by giving wide distribution to a pamphlet "Cuba Condemns" based on his sharply-worded anti-Soviet U.N. resolution. The Embassy ascribes Cuba's reluctance to open its doors to the refugees themselves as due to considerations arising out of the local labor situation.

(UNCLASSIFIED) SWISS-CUBAN TRADE AGREEMENT EXTENDED. Announcement has been made of the extension of the Swiss-Cuban trade agreement, due to expire on December 31, 1956, for another three years. Provisions are not changed significantly from the previous draft.

PSYCHOLOGICAL

(UNCLASSIFIED). Criticism of the United Nations and the visit of Shepilov and Zhukov to Poland were two of the major subjects discussed editorially in Havana dailies. Información took issue with the optimistic pronouncements of Henry Cabot Lodge concerning the progress made by the UN. This newspaper was of the opinion that the UN is still nothing more than an idealistic concept and that in handling the Suez situation, Nasser came out the winner. Withdrawal of British and French troops from Egypt, the newspaper contended, was actually a victory for Nasser, and the Suez question remained unsolved. In Hungary, Información pointed out, glowing words of condemnation had little effect against Soviet tanks and the use of force. Excelsior felt the UN has been unsuccessful in (1) solving the Suez Canal problem, (2) in arriving at a peaceful solution to the conflict between Egypt and Israel, and (3) in stopping the rise of Nasser. The newspaper was of the opinion that Ambassador Lodge's claim that the UN scored a victory in handling the Hungarian situation was over-optimistic and unrealistic. Turning to the recent visit of Shepilov and Zhukov to Poland, Avance and other newspapers stated that the peaceful overtures accompanied by Soviet smiles and gestures of goodwill would not deceive the very wary Polish people, who have learned from bitter centuries of experience the true menace of Communism.

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