

DEPARTMENT OF STATE

ACTION COPY

INCOMING TELEGRAM
SECRET

Handwritten: LHC, 2080, CFB

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Action: ARA
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Control 2482

Rec'd July 7, 1949
10:31 p.m.

Stamp: DEPARTMENT OF STATE
OFFICE OF
AMERICAN REPUBLICS AFFAIRS
JUL 7 1949
Handwritten: 11:30

FROM: Habana

TO: Secretary of State

NO: 46, DTG012220Z (Army Aigram Message)

FROM US AMILAT HABANA FROM SCHAFER TO CSGID WASHINGTON,
AIR, NAVY, STATE.

Verifying former information and rumors on attitude of
army towards Chief-of-Staff, following information sub-
mitted:

The army, both enlisted and officers, dissatisfied with
Gen. Perez, who is subject of much derogatory discussion
between soldiers and also officers. His salary between
1500 and 2500 monthly, but in recent times has purchased
several farms and houses costing between \$100,000 and
\$250,000. Army realizes he could not have purchased
these from former income or salary, and wonders where
he is getting money, knowing it is stolen from army or
government. Army feels Gen. Perez is bad influence on
President Prio because he is stealing money and Prio
takes no action against him, that probably Perez is
advising Prio on obtaining illegal funds also. Army
wants to get rid of Perez as Chief Staff; every time
he gets into airplane many soldiers cross themselves
say "Would to God the airplane falls". They want an
honest man in job who will properly advise the President.
There are several officers who they feel will be
satisfactory for it and would follow one of these
officers if he would give the word to put Perez out.
Army thinks three people concerned in stealing--General
Perez, Colonel Jose M. Perez y Dominguez, now in Quarter-
master Department with power of procurement and distribu-
tion and supplies, even though Colonel Pablo Cruz is
chief, and Major Luis Trujillo y Castillo, aide to Gen-
eral Perez. Perez has little or no time for army, spend-
ing most of time on political and personal business. Has
several thousand enlisted men working on his farms and
statement made that there are more soldiers working on
his farms

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-2- #46, DTG012220Z (ARMY AIRGRAM MESSAGE), from Habana.

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his farms than are present for duty at Ciudad Militar. Officers who now have much greater grip on their units than was had in 1933 feel they have little to gain and much to lose in a revolution. In 1933 most were noncommissioned officers and had everything to gain and nothing to lose. Now, they want change in orderly fashion. They feel that many of country's ills would be eliminated if Perez were removed from job of Chief-of-Staff. Evaluation B-1.

RSP:WS

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