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PRIORITY

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FOREIGN SERVICE DESPATCH

FROM : Amembassy HABANA

1086

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 26, 1959

DATE

REF

MAR 30 1959

125 For Deputy Use Only	ACTION ma-4	DEPT. ma-2 100-4-1-3 11-1-1
	REC'D 3-31	OTHER ma-2-1 100-4-1-3 11-1-1

SUBJECT: Views of an American Businessman on Cuban Situation
air-1

The Embassy encloses herewith as of probable interest to the Department a copy of a letter with enclosure from Mr. Joseph M. Elias, Vice President of Pan American Standard Brands, Inc., Habana, setting forth his views on the present situation in Cuba.

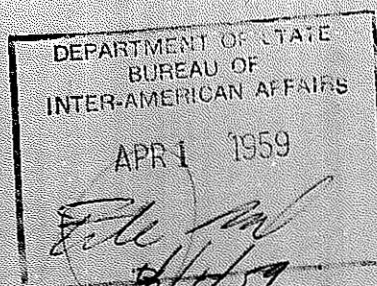
Similar views are held by a great many American businessmen in Cuba at the present time.

For the Ambassador:

Daniel M. Braddock
Daniel M. Braddock
Minister-Counselor

Enclosure:

As stated above



APR 7 - 1959

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Desp. No. 1086
From Habana

PAN AMERICAN STANDARD BRANDS, INC.

Habana, Cuba

March 23, 1959

PERSONAL & CONFIDENTIAL

Hon. Philip Bonsal
Ambassador of the United States of America
American Embassy
Havana, Cuba

Dear Mr. Bonsal:

Although I have had the pleasure and honor of meeting you as a fellow-Rotarian during a recent Rotary Club luncheon, by way of further introduction want to briefly state the following:

I have represented the interests of Standard Brands Incorporated in Cuba during the past 34 years. Our Company conducts manufacturing and selling operations not only in Cuba but also in most of the other Latin American countries. Our most important contribution, however, to the Latin American economy lies in the purchase by Standard Brands Incorporated of substantial quantities of coffee and other products that total many millions of dollars. In other words, Standard Brands exports to Latin America many more dollars than it imports in earnings from its local operations. In Cuba, for instance, last year for every dollar we took out of the country in profits, the Company injected into Cuba's economy more than fifteen dollars in purchases of coffee and molasses. All the coffee purchased is roasted and sold by Standard Brands in the United States and Canada under the Chase and Sanborn brand name. The molasses is used as raw material in the production of Fleischmann's Yeast in our U. S. plants.

The recent upheaval, for better or for worse, of Cuba's national life is cause for deep concern, especially to those of us who have held in our hearts so much love and affection for Cuba and its people, sharing their joys and sorrows through so many years. I must add here that I have the honor of being the only American citizen ever to be elected President of the Asociación Nacional de Industriales de Cuba. I am also a member of the American Chamber of Commerce and of Havana Post No. 1 of the American Legion. My wife is Cuban and my children Cuban-born.

It has, therefore, been very painful for me to report to my home office, copy attached, such an alarming impression of the Cuban picture but I live in the hope that I am completely mistaken.

Respectfully and sincerely yours,

s/ Joseph M. Elías
Vice President

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INTER-OFFICE CORRESPONDENCE

To: Mr. Cecil L. Hudnall - New York

Date: March 9, 1959

From: Cuba

Subject: POLITICAL SITUATION

CONFIDENTIAL

Whereas the revolutionary forces that on January 1st. ended an era of insurrection by completely crushing the past regime and its army, had the almost unanimous support of the entire nation, approval of the revolutionary government's attitude and measures is now not so overwhelming although the masses still seem to be completely hypnotized by Fidel Castro's personality and extraordinary powers of persuasion.

Although it is generally conceded that Fidel Castro is moving toward an increasingly nationalistic leftist social program and that the recently legalized Communist Party is gaining strength within the government's structure, I have a strong suspicion, and in this I do not stand alone, that the revolutionary movement itself is a Russian offensive toward its reported central goal: to separate the continent from the "capitalistic" bloc, e.g., the United States.

Justification for this suspicion - the pattern itself:

The discrediting of the United States and the inciting of anti-American feeling.

The frightening of capital and new U. S. and European investment by fomenting labor unrest.

Control of the University of Havana by the Communist dominated Student Federation.

Sabotage of private schools and universities with the purpose of eventually eliminating them if possible or at least place them under all possible State influence.

Educational projects that would, through "civic studies" indoctrinate the new generation in all schools with principles and doctrines favorable to the revolutionary State through arbitrary revision of history text books, and, as publicly manifested by the Minister of Education, the new project also includes the instruction of students in the handling of arms.

The wooing of intellectuals through stepped-up intensive "cultural activities".

Propaganda through:

a) Communist owned newspapers - "Hoy".

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- b) Revolutionary Government owned newspapers and radio station - "La Revolución" and "Radio Rebelde".
- c) Pro-Communist journalists working on non-Communist papers, radio and television stations.

In all propaganda, the Communists are careful to ally themselves with national interests and traditions and take every opportunity to associate themselves with the memory of the country's beloved liberator. Some typical quotes "Just as Marti fought to free Cuba from the Spanish Conquistadores, so we are fighting to free Cuba from American Imperialism". Bolivar is also frequently mentioned because of Cuba's revolutionary affinity with Venezuela.

Repeated and systematic attacks against religion.

Red infiltration within Catholic groups. The campaign slogan here is: neutralism - "neither with the U. S. nor with Russia in the conflict between East and West". Many non-Communists, most of them unaware of the true nature of the Red's "neutralismo" campaign, are now eager for commercial and political contact with Russia on the grounds that a neutral country must deal with both sides.

Although the Cuban people are basically anti-Communists, they are so blind to these tactics perpetrated in the name of Democracy, that they offer no resistance and, therefore, through this apathy, the movement is progressively gaining strength.

I don't believe that we should be indifferent to this menace and we should be alert to all changing conditions and adopt whatever measures should become necessary under the circumstances.

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