



DEPARTMENT OF
STATE
INTERNATIONAL TRADE
POLICY

EMBASSY OF THE
UNITED STATES OF AMERICA

American Embassy,
Habana, Cuba, January 15, 1948

No. 35
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Subject: Interview with President Ramon Grau San Martin.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose an account of a routine New Year's conversation with President Grau, reviewing some of our more important outstanding questions. The principal result of our talk was to revive discussion on the proposed Treaty of Friendship, Commerce and Navigation and the unpaid private debts, together with an indication of acquiescence to the suggestion that Ambassador Belt take these matters up with Mr. Armour.

For the convenience of the Department, the substance of the President's remarks are given as follows:

He began with assurances of Cuban solidarity with the United States in the event of a world crisis, and stressed the need for a greater public realization in Cuba of the gravity of the world situation, which would be reflected in a more serious electoral campaign. He said he believed the Auténtico (his own) party would win, and added "I do not know personally who my successor will be." He spoke with gratification of Cuba's financial stability. The President then expressed a desire to make progress in some of the long-standing problems, particularly in view of his expiring tenure of office. He blamed the delay in settling American claims on the legislative bogging down of the Tribunal de Cuentas project; but said he would convey to Ambassador Belt my opinion that a Mixed Claims Commission could be set up. He spoke with a curious vagueness about why the proposed Treaty of Friendship, Commerce and Navigation had not been discussed with him when Ambassador Belt was last here, but made it plain that certain portions of the draft Treaty would be unacceptable to the Cubans. He agreed that it was time to lay all cards on the table. To my representations in the Portland Cement Company and Stowers cases, his reaction was apparently favorable, as it was also in regard to the project for a Maine Park and a new site for an Embassy Chancery. At the end of our conversation he reverted to what is evidently uppermost in his mind: the American elections and their effect on the Cuban. He attempted to get some indication from me of the public temper in the United States and presented his own views on the pros and cons of an administration headed by military elements.

Respectfully yours,

R. Henry Norweb

R. Henry Norweb

Enclosure: *att*

Copy of memorandum of conversation, January 13, 1948.

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dated January 15, 1948, from
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MEMORANDUM OF CONVERSATION

January 13, 1948

Ambassador Norweb with President Grau

I called on President Grau this morning by appointment. He was in a most cordial mood, more affable than I have ever found him before.

(1) He talked to me a bit at first about the statement he authorized Ambassador Belt to make on the question of bases, to counteract the poor impression the Panama situation had created. "I want to let you know," he said, "that I sent a long note on this matter about a year and a half ago. I have repeated that note in substance as an indication of how sincerely we feel. Of course, we are all very much disturbed over the possibility of war. I want you to know where Cuba stands. I realize that much of this talk comes from people who are returning from Europe, probably not the best observers; and some of it undoubtedly stems from the necessity which is felt of persuading the Americas of the importance of the Marshall Plan and the recovery of Europe. My feeling is that you should know right away where we stand. I didn't waste a moment."

I replied that if the Marshall Plan were successful there would be no war; and the ERP had every chance of success. My Government, I said, would appreciate what he had told me and the genuineness of his sentiment. I hoped his statement would have a satisfactory effect throughout the Americas and wherever else it might do good.

President Grau went on to say: "I want the Cuban people to realize more than they do now the uncertainty of world affairs today, because they are so obsessed with the forthcoming elections and so many rivalries are developing that it has become my concern that they see the situation in a more balanced perspective: not only their own problems, but the problems of the world, - and that they should not contribute to a bad situation by going to extremes in their electoral campaign. Frankly, I think the Auténticos will win; they are really the strongest party we have, with a good record for doing a lot for this country. I do not know personally who my successor will be."

He went on to express considerable pride in the financial stability of Cuba. He said he had not realized it until someone made a speech not long ago, but that Cuba is one of the few countries in the world, not just the Americas, where there is uncontrolled exchange. He also mentioned his satisfaction at the signing of the Geneva treaty - not mentioning, however, the possibility that the Congress might withhold final ratification.

The President then got down to business. He said he understood from his Minister of State that I had several problems on my mind, some unfinished business. "As you have expressed it to me on several occasions," he said, "these are problems which you have inherited from your predecessors - just as I have from mine. I agree with you that we must not leave office without at least having made some attempt to push them a little farther along toward solution. Fundamentally, these problems persist because they have some inherent value; something good must come out of this because they have lived so long. It shows they are real

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problems. I therefore agree that we must try to leave them in better condition than we found them, even if we cannot resolve them. We cannot go out of office leaving them in statu quo. What are they?"

(COMMENT: This preamble may have been the result of (1) a desire to be amiable and start off pleasantly, (2) some genuine concern for the world situation, and (3) equally genuine concern for Cuba's role and status therein, sharpened perhaps by the defensive position in which Cuba has on occasion been placed during the ITO discussions now taking place in Habana. The alleged desire to make some progress in pending matters before leaving office, I discount as a variation of the old "stalling".)

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(2) In reply to the President's question "What are they?" I began by saying that the two most important pending problems have been submitted to Ambassador Belt and that I was sorry to say that nothing had been done about them, although one of them, the unpaid claims of American citizens, was formally presented over a year ago; the other, the proposed Treaty of Friendship, Commerce and Navigation, was more recently brought to the Ambassador's attention two months ago.

The President hastened to say that the problem of outstanding debts to American citizens has come up again because the project for a Tribunal de Cuentas fell through, since the bill was so tampered with by the Congress as to be unacceptable. "I hope," he said, "the United States does not blame me for this. No President could have signed the bill as it came back to me. I had to return it to Congress."

To this I replied that while I understood the situation I thought he would see why, and especially in the circumstances, we felt he should take an early opportunity to suggest to Ambassador Belt the establishment of a Mixed Claims Commission.

The President said it was always a problem to any administration to deal with debts to aliens when those owed to its own nationals were still unpaid. This, I said, was true, but it was no excuse for not making some progress towards the solution of debts owed to foreigners who must depend upon diplomacy to get results. The President said he would bring my comments, together with his views, to Ambassador Belt's attention.

I again referred to the Treaty of Friendship, Commerce and Navigation. The President said, "I know all about it. Ambassador Belt said he would speak to me about this, and I don't know why it was, but when he was last here we did not touch upon it. I know he intended to take it up with Washington - I don't know when exactly, but he did speak of it on a previous visit. Your understanding is correct that Ambassador Belt and Mr. Armour were going to have some preliminary discussions to see what features of your proposal were acceptable and what would be unacceptable to us. I think that is the first best step to take, and I will so advise Mr. Belt. It may not be possible to carry on discussions all the way through in Washington at that very high level - there may be many technical aspects which should be studied here. We may have to have a combination of the two."

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Here I interposed to say that it was precisely because we have had no clear indication of what will and what will not be acceptable to the Cubans that we are pressing for concrete discussion of the Treaty, in order to be able to make some sort of progress. I said we were anxious to get their "yes" or "no" to every proposal so that we might know where matters stood.

The President replied that because this problem has been so long outstanding he felt the first step obviously was to see on what points we can agree and on what points we disagree, after which the road to negotiations would be clearer.

(COMMENTS:

With regard to the delay in providing machinery for the settlement of claims, it occurred to me to wonder how much effort was made to prevent the bill for a Tribunal de Cuentas from bogging down in Congress and whether there is not a certain relief that the day of accounting was postponed.

With regard to the Treaty negotiations, to say that he could not think why this matter had not been discussed the last time Mr. Belt was here is the weakest possible evasion.

The President acquitted himself poorly on these two points, and this part of the interview reveals the diplomatic short-circuit which has been established between him and Ambassador Belt, with the correspondingly barren results.)

(3) I left with the President a memorandum on the Portland Cement Company case (see airgram A-27 of January 9, 1948). He read it with a very serious mien. I pointed out that there was danger of the matter's getting out of hand. He then said that perhaps the best thing for him to do would be personally to call in the Mayor of Mariel and find out what is on his mind. The President spoke warily and with apparently real affection of Mr. Scott Thompson and the fine standing he has among all Cubans, and the importance of the cement plant in the national economy. These statements he volunteered entirely on his own initiative.

As I suspected, the Minister of State had not spoken to him about the Stowers case, and had evidently hoped that I would not. I believe that González Muñoz may have something of a guilty conscience and did not want the President to know that all this time has elapsed and still no payment made. The President said he would speak to the Minister about it and find out what has happened. "Frankly," he told me, "I have not heard of any of these complications."

We then discussed the building up of the Maine Park and the making available to the United States Government of a plot of land on which to build a new Chancery. The President said this was in the hands of his Minister of Public Works, adding, "That means it is in good hands." He is obviously very much pleased with the young man, and took occasion to extol his virtues: his honesty and his energy. He said he was one of the few members of his Cabinet on whom he could depend to be up at dawn and still working at ten at night, personally inspecting the work.

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(COMMENT: on preceding paragraph:

Although he had previously said "I do not know who my successor will be", I gathered from the "build-up" he gave to his nephew San Martin that Grau would like to see him a candidate in the forthcoming elections.)

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(4) As I was preparing to leave, the President asked about elections in the United States and attempted to get my own impressions - because, he said, "You know in many ways it is a fortunate coincidence that presidential elections occur in our two countries within a few weeks of each other. The relationship between the two countries is so close that the trend of a presidential campaign in the United States can very definitely be felt down here in our own elections."

He assumed from all indications that President Truman would be the Democratic candidate, and that the main campaign event would take place among the Republicans themselves. He realized that it was going to be difficult for the Republicans to choose a candidate and that we would see a good deal of our national energies in the coming six months turned away from the vital problem of foreign affairs to those of nominating and electing our President. How that campaign goes, he said, will have a decisive effect on the trend of political thinking for the next six months in Cuba.

"I hear," he continued, "that General Eisenhower, who I understand is now retired, may very likely become a compromise Republican candidate - in which event it will create an impression here that the United States is fearful of war and wants a strong military man at the helm during the years ahead." And then he went on to say: "I have prided myself on one thing: that I have eliminated the military from control of the Government of Cuba, after many years of a reverse situation. We have a strictly civilian administration here now. I understand the American people feel the same way. Your Secretaries of War and Navy have always been civilians, and this reflects the feeling of your people. Therefore, if a military man should be nominated, I honestly think it would have a stabilizing effect on this country in the sense that it would make the Cubans aware of the danger ahead, and they might be less inclined themselves to let go and have a tumultuous (sic) campaign. They would be very much impressed, and it might mean a quiet election in Cuba. If the American people are offered a military man for President, this is because they are agreed that the world situation is very grave indeed."

(COMMENTS: This part of the interview struck me as very curious. His attempt to draw me out was ingenious, and he reverted to the preoccupations shown in his opening remarks: domestic politics, the world situation, and Cuba's position vis-a-vis ourselves (the latter described in the beginning as "solidarity" and here at the end as a sort of electoral affinity). I thought his remarks about civilian administrations might be a slanting blow at the local military; but he immediately reversed himself in a way by his opinion on what the effect would be of a military Chief of State in our own country. I doubt that he had any definite trend of thought in mind, but rather was talking along as he has a reputation for doing, with ideas of all kinds winging through his head and finding

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no perch. Such talk, at least, was useful as a distraction from more concrete discussion of the agenda.)

(5) To the preceding remarks I made no comment. Before departing with the usual amenities, I brought the conversation back more to the point by saying that we expected to have here within the next few weeks an officer from the State Department who would during his brief stay go over all problems with us. This officer directly handled Cuban affairs in the Department. I should very much like, if it were possible, for the President to take some preliminary step on the basis of our conversation prior to Mr. Walker's arrival, so that if anything should crystallize in Washington as a result of talks between Mr. Armour and Ambassador Belt, Mr. Walker could bring with him the reactions of the State Department.

I rather played this up in the hope that action might be speeded by the injection of a time element somewhat sooner than "before we leave office".

R. HENRY NORMAN