

AIR POUCH

CONFIDENTIAL

DO NOT TYPE IN THIS SPACE

PRIORITY
FOREIGN SERVICE DESPATCH

(Security Classification)

FROM AMEMBASSY, HABANA
TO THE DEPARTMENT OF STATE, WASHINGTON.

304

DESP. NO.

November 21, 1956

DATE

REF

5 For Dept. Use Only	ACTION	DEPT.
	REC'D	IN F OTHER
	11/23	ARMY-2 AIR-4 ICA-10 NAVY-35 AIR-24 CIA-16 OSD-2

SUBJECT: Joint Weeks No. 47 for State, Army, Navy and Air Departments from SANA.

(UNCLASSIFIED) BATISTA COMMENTS ON REVOLUTIONARY PLOTTING.

On November 17, President BATISTA issued a press statement concerning revolutionary activities and the possibilities of insurrection or invasion which have been frequently predicted lately. An atmosphere of unusual importance was achieved, with the Prime Minister, the Minister of State, and the Minister of Interior present as Batista read the statement, basically a reaffirmation of what has become the official position concerning revolutionary activities and the deaths of Lt. Col. BLANCO Rico, assassinated October 28, and Brig. Gen. SALAS Cañizares, mortally wounded October 29, 1956.

Batista reassured his listeners that the Government was fully capable of handling any insurrection or invasion which might be attempted. He maintained that former President Carlos PRIO and Fidel CASTRO, leader of the "26 of July" Movement, were planning such attempts, with the active assistance of the Dominican Republic. He recounted questionable and unfriendly Dominican actions in the past, and said that if that country involved itself in any invasion attempt Cuba would take the case to the OAS, the UN, or possibly take direct unilateral action. Batista said that the shooting affair at the Haitian Embassy in which Salas Cañizares was mortally wounded was an ambush, and part of a larger plan to kill important figures of his regime. He felt that Haitian officials were not involved in the plot, but were badly negligent in granting asylum to armed men, in not informing Cuban authorities of the presence of such men, and in leaving the Embassy unattended. Batista stated in conclusion that the recent killings, and continued revolutionary activity, had not altered the Government's plans for partial elections in November 1957 and general elections a year later.

(CONFIDENTIAL) Comment. The statement contains nothing new but is rather a detailed exposition of the Government's view of the situation, with emphasis throughout on the Government's alertness, competence, and capacity to control the situation. While acknowledging the existence of revolutionary plotting, and

JL Topping:mbw

CONFIDENTIAL

REPORTER

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

This Document Must Be Returned to
R/R
Central
Files

737.00(W)/11-2156 HBS

FILED
N 4 1957

CONFIDENTIAL
(Classification)

Page 2 of
Encl. No.
Desp. No. 304
From HABANA

possibility of insurrection and invasion, the statement is obviously intended to reassure the country. By far the strongest words appear in the allegations concerning Dominican collaboration in revolutionary activities. It appears probable that in reaffirming such charges Batista is endeavoring to further weaken the appeal of revolutionary groups by making it appear that they are conspiring against their homeland with a distrusted and unliked neighbor, and to strengthen the general opposition of the people to revolutionary activities by appealing to their patriotism.

(UNCLASSIFIED) REACTIONS TO BATISTA'S STATEMENT. On November 20 the local press published telephone interviews with former President Carlos Prío in Miami, in which he flatly denies any connection with Trujillo or the Dominican Republic, and states that his activities are aimed at the "restoration of liberty and democracy in Cuba". By coincidence, the Habana paper Alerta for November 19 published an extensive interview with Fidel Castro of the "26 of July" Movement, which apparently took place in the early hours of November 17 on Chetumal Island, off Yucatan, in which Castro, while reaffirming his hostility to Batista and his determination to take action against the regime during 1956, also emphasizes his hatred for Trujillo, which he maintains antedates his opposition to Batista. The strongest reaction to date has come from the Dominican Republic. The press of November 20 carries despatches quoting a release from the "Dominican Information Service", vehemently denying any interference in Cuban internal affairs, characterizing the situation in Cuba as "an atmosphere of collective hysteria", maintaining that the origins of any Cuban revolutionary movement are to be found within the country, not in the exterior and much less in the Dominican Republic, condemning Batista for having abandoned the conduct of foreign relations to Senator Rolando MASFERRER and his gangsters, and finally attacking the Cuban Government for the "horrible slaughter it perpetrated" in the shootings at the Haitian Embassy on October 29. The Dominican statement concludes with a threat to handle any Cuban aggression directly, without prejudice to taking the case to the OAS.

(OFFICIAL USE ONLY) Comment. Attention has certainly been shifted, momentarily at least, from revolutionary activities as such to the allegations of unfriendly activities by the Dominican Republic. The weekly magazine Bohemia even devoted its lead editorial in the latest issue to an appeal to Castro to abandon his revolutionary activities for the time being to enable Cuba to unite against the Dominican threat. Cuban - Dominican relations will be seriously strained for the near future at least.

(OFFICIAL USE ONLY) OPPOSITION DISORGANIZED. The political opposition to the Government continues to be badly disorganized, and to display strong tendencies to splinter further. Former

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page 3 of

Encl. No. _____

Desp. No. 304

From HABANA

President Ramón GRAU, with perhaps the most prestige and greatest following among the Auténtico Party, has been conspicuously, and unusually, silent for the past few weeks, as has Antonio (Tony) VARONA, his present principal opponent for control of the party. The Ortodoxo party appears to be little more than a name, with various leaders squabbling for control. Perhaps significantly, a tendency is appearing among these leaders to imply that they would be willing to participate in the elections planned for 1957 and 1958. Even radio commentator and press columnist José PARDO Llada, leader of the Nationalist Revolutionary Party (PNR), has had few comments on the political scene. These developments have coincided with the increasingly serious illness of elder statesman Cosmé DE LA TORRIENTE, leader of the Society of Friends of the Republic (SAR), who has been bed-ridden for the past month with a heart condition and other deficiencies due principally to his advanced years - he is 84. He appears to be steadily slipping, and his family says that his mind is no longer clear.

(OFFICIAL USE ONLY) CONGRESS INACTIVE. Congress is still in session, but very little has been accomplished. Most sessions are adjourned for lack of a quorum. The Senate has gotten deeply involved in a proposed general amnesty law, in connection with which over 150 amendments had been introduced at last count. It now appears that the Congress will close about December 15, and that it will accomplish little if any work of value.

(UNCLASSIFIED) FOUR UNITED STATES JETS DELIVERED TO CUBA. Havana dailies gave very extensive press coverage to the delivery of four T-33's to the Cuban Air Force. (See below under Air). In a ceremony Monday morning (November 19) at General Batista airfield, the Ambassador turned over to President Fulgencio Batista the official documents transferring the aircraft to the Republic of Cuba. The news releases pointed out that the jets were given to Cuba in accordance with a mutual military aid agreement under which the United States government helps to equip units of the Cuban Air Force which are designed to take part in hemispheric defense. In accepting the jets in the name of the Republic of Cuba, President Batista expressed his thanks to the United States, adding that he well knows what the United States is doing in order to preserve world peace. President Batista was accompanied by several members of his Cabinet, including the Minister of Defense, Dr. Santiago VERDEJA, Jorge GARCIA Montes, Prime Minister, Nicolás ARROYO, Minister of Public Works, and Amadeo LOPEZ Castro, Minister without Portfolio and President of the National Development Commission. Top officials of the Army and Air Force were also present.

(UNCLASSIFIED) DIFFICULTIES OF AMERICAN COMPANIES. An allegedly illegal boycott by retail pharmacies of the widely used products "Phillips Milk of Magnesia" and "Mejoral", threatens to

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page **x5** 4 of
Encl. No. _____
Desp. No. **304**
From **HABANA**

close down the 200-man Cuban plant of Sterling Products International, Inc. The company, joined by its own labor force and salesmen, has placed full page advertisements in local newspapers, bringing its case before the public. The national pharmaceutical association likewise has used newspaper advertising to deny the calling of a boycott and to accuse Sterling Products of excessive prices and failure to comply with the Cuban laws which govern the sale of pharmaceuticals.

A second subsidiary of an American firm, The Precter & Gamble Products of Cuba, also is presenting its operating problems to public view, through newspaper advertising. Salesmen and other workers reportedly are engaging in an illegal slow-down, in an effort to force the meeting of labor demands which the company considers excessive.

(OFFICIAL USE ONLY) Comment. Government authorities are reported to be sympathetic to the companies in these two widely-publicized disputes. The boycott by pharmacies and labor slow-down are both considered to be illegal. No immediate solution is in sight, although this harassment is resulting in losses which the companies indicate that they cannot withstand for long. The illegal measures and pressures may have serious adverse effects upon Cuba's program to encourage foreign investment.

(UNCLASSIFIED) SUGAR. With the average price for the 1956 sugar crop having been set at approximately 4.03 cents per Spanish pound, it is estimated the 1956 crop totaled about \$421,000,000. By-products, that is blackstrap and hi-test molasses, had an estimated value of approximately \$43,000,000. Thus the 1956 sugar crop has an over all value of approximately \$464,000,000.

During the week, the Cuban Sugar Stabilization Institute recommended a 1957 sugar crop of 5,000,000 Spanish long tons. Of this amount, the Institute urged the release of 1,300,000 Spanish long tons for free sale in the World Market against the basic world quota of 2,415,000 metric tons established by the International Sugar Agreement.

RICE. Because of the capacity of the local rice mills is far in excess of the current or prospective production of rice, the millers are advocating a government regulation to the effect that only rough rice can be imported into Cuba. Currently, all rice imported for consumption is milled or semi-milled. Insofar as the Embassy is aware, the proposed regulation would be a violation of GATT. Since more than 75% of the current low-duty quota of 3,298,500 bags of milled rice for entry prior to June 30, 1957, has been contracted for, it is believed any new regulation for the moment would attempt to justify and confine itself to rice entering in excess of the basic low-duty quota.

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page 5 of
Encl. No. _____
Desp. No. 304
From HABANA

TOBACCO. A group of 18 private banks in Habana and the official Cuban Foreign Trade Bank joined in granting a loan of 7 million pesos to the Cuban Tobacco Stabilization Fund. The Stabilization Fund, which is a Government-created and controlled organization, will use the money to buy surplus tobacco from the 1955-56 crop at fixed minimum prices and thus stabilize the market. The Trust Company of Cuba put up the largest part of the loan, amounting to \$1,300,000 while the Foreign Trade Bank furnished the second largest part with \$1,255,000. Other banks which subscribed to more than a half million pesos each were the Royal Bank of Canada and Banco Gedeon-Sayon.

Psychological.

(UNCLASSIFIED) The four main issues covered by editorialists in Havana papers this week were: (1) The landing of the UN troops in Egypt; (2) United States position in Suez; (3) Soviet action in Hungary; and (4) General Gruenther's declarations. The newspaper Información was of the opinion that the UN troops in Egypt were there only because of the invitation of NASSER who was merely looking for a way to get rid of French and British troops, and that Nasser was still taking orders from the Kremlin. The crushing of the Hungarian rebellion, Información pointed out, will prove to be historical evidence of Soviet ruthless imperialism. The newspaper felt that although the United States was not taking a definite stand in the Suez crisis, Washington's policy of working through the UN was a prime factor in holding off Soviet intervention in the Middle East. Pueblo observed that the UN force in Egypt was being put to a severe test and that UN members should work out a system to bolster these forces so that they could act in strength as required. The newspaper labeled the Soviet action in Hungary as a case of jitters and predicted more intensive dissatisfaction behind the Iron Curtain. Excelsior likened the Soviet offer to send "volunteers" to Egypt to the actions of the Chinese Communists in Korea, and Hitler and Mussolini actions prior to World War II. Prensa Libre lauded the statement of General GRUENTHER on the strength of the NATO forces and added that if World War III broke out, both the Soviet Union and the United States would be committing national suicide. The hope of world peace, concluded Prensa Libre, lies in the United Nations.

Air.

(UNCLASSIFIED) JET PLANES PRESENTED TO CUBAN AIR FORCE. On 19 November four (4) combat equipped T-33 jet aircraft were delivered to the Cuban Air Force under provisions of the MAP program. Documents covering the aircraft were handed to President Batista by Ambassador Gardner in a ceremony at "Batista Field" at Santiago de los Baños, where the aircraft will be based. With these aircraft, the CAF fighter squadron now includes eight (8)

CONFIDENTIAL

CONFIDENTIAL

(Classification)

Page 6 of

Encl. No. _____

Desp. No. 304

From HABANA

T-33's. The others were purchased by Cuba as reimbursable military aid.

Army, Navy.

Negative.

For the Ambassador:

Vinton Chapin
Vinton Chapin
Counselor of Embassy

Participants:

Political: JLTopping
American firms: EJBash
Agricultural Products: CEDavis
Jet Plane Ceremonies: FJDonahue
Psychological: SPHelms
Air: LtColMWSlaton

cc: AmEmbassien, Ciudad Trujillo and Port-au-Prince.

MA(7)
NA(5)
AA(2)

CONFIDENTIAL