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AIR MAIL

CONFIDENTIAL

Habana, Cuba,  
Dec. 11, 1940.

Dear Sumner:

With further reference to my letters of December 10th and 11th with regard to the resignation of Ambassador Martínez Fraga and the loan, I have to give you the following further information which has reached me from what I believe are altogether reliable and inside sources.

After I wrote you this morning I learned that President Batista had had a very difficult and what was described to me as an "acrimonious" conversation with Martínez Fraga on the evening of December 9th. My informant could not give me the actual substance of the conversation. Later today it was confirmed to me by another equally well-informed person that such a conversation had taken place between the President and Martínez Fraga by telephone the evening of December 9th, and that the conversation was the result of an exchange of telegrams between Cortina, as Minister of State, and Martínez Fraga, as Cuban Ambassador and head of the Cuban Delegation.

It seems that the actual resignation of Fraga was effected during this conversation between the President and Fraga. The President clearly made it known to Fraga that he was dissatisfied with the course of the negotiations after the assurances he had received from him, and the Ambassador took this as a definite reflection on himself and a lack of confidence, and offered his resignation which was accepted. My informant could not tell me whether the President had actually requested the resignation of the Ambassador or not, but could only affirm that it was accepted during that conversation.

Later today, still another friend in the Government, who is exceedingly well-informed and in a position to have first-hand knowledge, gave me the following picture which is most interesting. According to him there has been recently an exchange of telegrams between Cortina and the Ambassador with respect to the loan and progress thereon. The Cuban Delegation in accord with its

instructions

The Honorable Sumner Welles,  
Undersecretary of State,  
Department of State,  
Washington, D. C.

instructions was basing its conversations on the Act of Congress authorizing the loan and the definite purposes mentioned therein for which the money was to be used. Dr. Cortina, as Minister of State, took the attitude that under the authorizing act the Cuban Government was not obliged to use the money for the purposes stated in the act and could, according to the provisions of the act, use such monies which might be loaned by us for other purposes on which agreement between our two Governments had been reached. Dr. Cortina is said, by my friend, to have mentioned in these telegrams to the Ambassador that he was having conversations with me here in the broader sense in which the questions could and should be envisaged. My friend said that in these telegrams, Dr. Cortina indicated that he was negotiating with me simultaneously in this broader sense. Martínez Fraga is said to have taken serious objection to the Minister of State doing this and said to Cortina that it was an impossible situation to have the Ambassador and the Commission negotiating in Washington on the loan with our authorities and to have the Minister of State carrying on parallel negotiations with the American Ambassador here in Habana. To this, I understand that Cortina replied that he was not "negotiating" with me, but that he was endeavoring to carry on conversations with me which might be helpful to the progress of the negotiations in Washington which were going so slowly and which did not seem to get on the right basis. Martínez Fraga is said to have taken exception to this also, and this resulted in an impasse between Cortina and the Ambassador. Cortina carried the whole story to the President who was already upset by his feeling that Fraga had let him down by over-optimistic promises and statements which proved to be unfounded, and this resulted in the conversation above-mentioned between the President and Martínez Fraga on the evening of the 9th during which the resignation was accepted.

Of course, I cannot vouch for the correctness of what is said in the above paragraphs, but it seems to me that it may contain the substance of what really happened. Of course it is a little disturbing if the impression should have been given that I was "negotiating" with Cortina here, as I need not tell you there was nothing of the kind. I knew very little of the progress of the negotiations in Washington except what I got in general terms from your letters and of course from the memoranda of conversations which I received which the delegates had with our own people. I had no instructions to negotiate or to engage in any conversations on the loan and - I am sure that I need not tell you - would not either negotiate or engage in any definite conversations without instructions. It is of course obvious. In the contact which I have had with the President and with Cortina more recently there has been mention of the loan from time to time. You will recall that I have discussed it with the President only once when he raised the question, and I reported the conversation in full to the Department. Cortina, since he has assumed charge of the Ministry of State, has several times talked over the loan with me

but

but more in connection with our general relationships and never in the sense of negotiations or even specific conversations affecting the negotiations and conversations in Washington. I have given the substance faithfully of all the conversations which I have had with officials of the Cuban Government from the President down to the Department either in despatches or letters to you. From these you will appreciate that there is no foundation for any statement that may have been made that I was negotiating, etc.

I am telling you about this not because there is any question about my having engaged in such negotiations or conversations but because the whole story I have told you gives, I believe, the real background of the resignation. I think it is now clear that the President and Cortina, as well as others in the Cabinet, as well as friends of the President not in the Government, who are also friends of Martínez Fraga, had lost confidence in him. I have used the phrase that the President felt that Martínez Fraga, his friend, "had let him down" and I think this explains the basic situation. Cortina obviously was not getting on with Fraga. They were seeking a way to force his resignation. The President's sending Acosta as a special representative was done apparently to irritate Fraga. The only part of the foregoing which I am inclined to doubt somewhat is that Cortina told Martínez Fraga that he was "negotiating" with me here, for I would dislike very much to think that in order to arrive at a certain end I should be brought into the picture in this way, and in a way in which I was not in it. There could be no more definite recognition of this than what I said in my letter of this morning that Cortina, in our conversation yesterday, took it for granted that I did not have cognizance of the content of the memorandum handed the Cuban Delegation and said that, therefore, we could not discuss it. He has merely talked with me along the general lines which I have reported faithfully by despatch and letter.

I gather that there is rather general relief within the Government that Martínez Fraga is out, and it is believed that the negotiations will be facilitated now that he is not in the picture.

With all good wishes,

Cordially and faithfully yours,

George S. Messersmith.