

Another way out was being looked for. He (Machado) began to talk about the establishment of a state bank to establish Cuba's right to money issue, but when the question was raised on what would the money be issued. So the question of the state bank was taken off the agenda. I have also heard talk about a divorce law. I could not understand what it is all about, -in the midst of this terror and struggle a sudden discussion about a divorce law. In Cuba it is not so difficult to have a couple of wives, if you want to, so it appears that the government looking for sources of income, knowing that the American millionaires and others ~~many~~ will come to look for divorce in Cuba, and that this is a very expensive thing in the United States, proposed the divorce law as something that could offer a little income to the government. It is ridiculous, but it is a fact. The United States was unfavorable to the proposition, and the thing was dropped.

This indicates that the government, feeling bankrupt is seizing on every pretext to gain some income. The foreign debts amount to \$250 million. I could prove that high rates of interest are being paid on public debt. One of the measures actually adopted for a solution of the crisis was the Emergency Law. I have in one of my letters ~~briefly~~ briefly described the character of this law. This Emergency Law was not worked out from the point of view of regulating conditions in the country to permit the development of one branch of industry, ~~expansion~~ it was not considered from that point of view at all. It was drawn up under the impact of panic. The prices for registering birth, formerly 50 cents was now \$2.00; taxes were placed upon imports, and charges were raised on the issuance of foreign papers. The tax upon imports had to be changed or abolished upon the protest of the various merchant s. Machado was looking for a short cut to increase the income of the treasury and was taking everything he could think of. Naturally, all the merchants, theatre owners, etc., immediately raised the price of their commodities, shifting the burden of the tax upon the consumers. It is impossible to say whether the emergency law has actually improved the financial condition of the government. It is clear that the emergency law was creating a shrinkage of consumption. With the conclusion of the sugar harvest, the buying was reduced considerably, and it is very unlikely that the emergency law would improve the financial situation of the government.

I cannot dwell very long on the political importance of Cuba for the United States. I only want to remark that Machado represents the consolidation of bourgeois power in Cuba. I want to emphasize that the idea of cooperation of the liberals, conservatives and the other parties was not on the basis of agreement on a big economic and political questions. As I was informed Menocal and the other politicians were kept from being in opposition because Machado paid Menocal \$10,000 out of the income of the lottery. Perhaps I am mistaken, but this seems to me to be the reason for the so-called harmony that prevailed among the bourgeois Parties in the beginning. The Lottery in the Latin American countries is also a great source of squeezing large sums of money from the masses who deny themselves food to participate in the lottery in the hopes of getting rich quick. Machado is getting tens of thousands of dollars out of this lottery, which enabled him to buy over these various politicians. It would be wrong to say that the opposition began just because the Lottery decreased and therefore bribery decreased. That would not be a correct analysis of the opposition.

I will not repeat here the program of the nationalists. I will mention some of the points: Restoration of the Constitution of 1902, the enlarging of the suffrage laws, against the big expenses on public works, like the palace, public roads, etc., and the main point, -that Machado must go. I state that in order that we can see how far the Nationalists have gone back on their own demands. They are already going against their main programmatic demands. I believe we must find an opportunity to discuss in detail what were the real forces of the nationalists. It is