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

156

DESP. NO.

September 12, 1956

DATE

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SUBJECT: Joint Weeka No. 37 for State, Army, Navy and Air Departments from SANA.

(UNCLASSIFIED) ILO CONFERENCE: CUBAN DOMINICAN RELATIONS.

The routine work of the ILO Conference became increasingly overshadowed during the past week by the efforts of the Workers Group, led by the Cuban delegation, to prevent the seating of Julio César BALLESTER Hernández, the Dominican worker delegate. The Workers Group unanimously opposed Ballester's request, addressed to the Selection Committee, to be appointed to the Committee on Employer-Employee Relations. An attempted compromise proposed by the Canadian delegation that Ballester be designated a deputy member resulted in a tie vote in the Selections Committee, and was accordingly debated and voted on in a plenary session on September 11. As expected, the Canadian proposal was approved, 22 to 15, with 14 abstentions.

(OFFICIAL USE ONLY) Comment. The Cuban movement is based on political considerations, and connected with the anti-Dominican campaign in this country. The arguments that Ballester does not represent a free, independent labor movement and is simply a lackey of TRUJILLO were forcibly presented, and the Workers Group maintained a united front in the matter. The Cuban government abstained in the final vote, allegedly to show impartiality but probably because of the criticism it would have received had it voted in favor of seating Ballester.

Eusebio MUJAL, Secretary General of the Cuban Confederation of Labor, has publicly declared that the members of the CTC attending the Conference as advisors to the Cuban worker delegate will boycott any committee meetings in which Ballester takes part. This proposal has wide support among the Latin American workers delegations, but is opposed by, among others, Serafino ROMUALDI, Latin American representative for the AFL-CIO and United States Worker Delegate, who has been in the forefront of the fight to oust Ballester.

(OFFICIAL USE ONLY) PANAMANIAN CRITICISM OF THE UNITED STATES.

The Panamanian Workers delegate to the ILO Conference, José Heriberto RIVERA has been circulating for comment the draft of a

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resolution attacking the United States for discrimination in labor practices in the Canal Zone, alleging that Panamanians are paid lower wages than Americans for identical work. It is probable that lack of time will prevent consideration of the Panamanian resolution.

(OFFICIAL USE ONLY) DOMESTIC POLITICAL FRONT QUIET. There were no developments of significance on the domestic political scene. The government is proceeding quietly with its plans for partial elections in 1957, and the Embassy has been told by a cabinet member that details for these plans will be forthcoming within the next few weeks. The Ortodoxo party has become atomized, and the multiple self-designated leaders devoted the week to squabbling among themselves and attempting to form alliances. Dr. Cosme DE LA TORRIENTE and his Society of Friends of the Republic (SAR) appear to have become disheartened over the collapse of the Ortodoxos, their most vocal supporters, and there are rumors that Dr. de la Torriente will withdraw from political activity. The Auténtico party has been notable recently for its inconspicuous behavior.

(UNCLASSIFIED) FIGHT IN TELEVISION STATION. On the evening of September 10 José SUAREZ Nuñez, director of the weekly magazine Gente, and Salustio TOZO Betancourt, president of the National Association of Public Employees, were attacked and pummeled as they were leaving the studios of the Telemundo television station in Habana at the close of a political program. The assailants appear to have been Fructuoso RODRIGUEZ, acting president of the Federation of University Students (FEU) and a group of followers. At least one gun was fired, and one participant slightly injured by gunfire. Police are still investigating.

(OFFICIAL USE ONLY) Comment. Suarez Nuñez is a strong supporter of BATISTA, and has heavily attacked Fidel CASTRO and the FEU in the columns of his magazine. He uses unrestrained language, and retaliation of some sort is only to be expected. Police have identified one of the assailants as Leonél ALONSO, a student leader who has been identified with Communist causes, including a pre-Communist radio program.

(UNCLASSIFIED) AGREEMENT BETWEEN STUDENTS FEDERATION AND "26 OF JULY" MOVEMENT ATTACKED. The Agreement between the Federation of University Students (FEU) and the "26 of July" movement published last week, in which the FEU aligns itself with Fidel Castro's revolutionary organization, has come in for sharp attack from two quarters. The Rector of the University of Habana, Dr. GUAS Inclán, promptly issued a statement that the FEU had no power to enter into such agreements, and that it was a non-political organization, which should concern itself only with student affairs. Consequently, he concluded, the students of Habana University should

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not consider themselves in any way bound by the terms of the Agreement. The Agreement states among other things that Cuban labor will strike against the Batista regime at the proper time. Eusebio Mujal Barniel, Secretary-General of the Cuban Federation of Labor (CTC) issued a statement on September 4 that the CTC, and not Fidel Castro or anyone else, would decide when and if strikes would be called. Mujal added that Castro and the FEU, after so many years of experience, should by now be accustomed to failure.

(UNCLASSIFIED) BATISTA VISITS ORIENTE. President Batista returned to Habana on September 10, having spent four days in Oriente Province visiting Banf and Banes, his birth place. He stated that the visit was without political significance, but nevertheless took advantage of the trip to emphasize his public works program and to promise in general terms rapid expansion in the Cuban roads system.

(UNCLASSIFIED) "SANTIAGO". An uncut copy of the film "Santiago", flown here by a Warner Brothers vice-president, was screened privately before the Ministers of State and Interior and more than a score of other key Cubans on September 10, and again the following morning for some 250 newspaper, magazine, and radio writers. The picture, criticized here for more than a month for allegedly twisting Cuban history, clearly was considered acceptable although government officials withheld official comment for the moment. The substance of the post-showing conversation and initial press reaction was that the picture, while little more than a blood and thunder adventure story and no remarkable work of art, generally showed Cuba and her heroes in a good light and could not be considered harmful. Small errors in dates and in the Spanish by-play drew chuckles rather than indignance.

(UNCLASSIFIED) Comment. Criticism of "Santiago", initially by Dr. Herminio PORTEL-VILA, has been fomented by persons who had not seen the picture. Warner Brothers neatly cleared the air by bringing the film to Cuba for private screenings. The film may be harmful to Spain, and to a degree, the United States (by showing aviricious American gun runners), but it contains nothing but praise for Cuba and her struggle against Spanish oppression. The film will no doubt be cleared for showings in Cuba.

(CONFIDENTIAL) BROADER AGENDA FOR SPECIAL PRESIDENTIAL OAS REPRESENTATIVES. The Cuban Ministry of State in a note to the Embassy this week suggested that the special presidential representatives meeting in Washington on September 17-19 consider any subjects (presumably of economic and social character) of interest to the American states, and proposed specifically that ECLA prepare a report for the second meeting of the group. In reply, the Embassy outlined United States thinking to effect that agenda items could

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best be developed within the framework of Organization of American States, and that meeting of September 17-19 is designed to provide opportunity for all participants to make their suggestions.

(CONFIDENTIAL) Comment. Indications are that Cuban effort to broaden agenda stems principally from Minister GUTIERREZ, special representative of President Batista to the Washington meeting, and that it has only lukewarm support from the Ministry of State. Several other Latin American countries apparently contemplate similar efforts and reportedly have approached Cuba for support.

(UNCLASSIFIED) MINISTERS TO ATTEND NEW ORLEANS EXHIBIT. According to the Cia. Cubana de Electricidad, a subsidiary of American and Foreign Power, four cabinet ministers have accepted its invitation to attend the inauguration of the company's goodwill exhibit of Cuban export products, to be held in the New Orleans International Trade Mart beginning September 24. The four are: Minister of State Gonzalo GUELL, Minister of Commerce Raúl G. MENOCA, Minister of Agriculture Fidel BARRETO, and Minister without Portfolio Amadeo LOPEZ Castro. It is possible that, in addition, Minister without Portfolio Gustavo Gutiérrez may visit the exhibition on his return from other business in Washington.

(UNCLASSIFIED) SUGAR SALES. On September 10 and 11 Cuba, to all intents and purposes, completed the sale of all of the remaining sugar from its obligatory world reserve of 218,000 Spanish long tons. 90,000 tons were sold to Tate & Lyle of London at 3.20 cents per pound, f.o.b., Cuba. The delivery of 70,000 tons is obligatory in 1956. If the remaining 20,000 tons are lifted in early 1957, Tate & Lyle must pay a premium price of 3.27 cents per pound, f.o.b., Cuba. 18,000 tons were sold to refiners against refined sales to Pakistan, etc. 20,000 tons were sold to Lamborn & Company at 3.25 cents per pound, f.o.b., Cuba. This sugar has not yet been resold but will probably be sold to French Morocco or Europe. 30,000 tons were being negotiated September 11 with Galbán LOBO taking 10,000 and Lamborn & Company 20,000 tons; final destination and price unknown.

With these sales Cuba's balance of sugars unsold against its international sugar quota equaled only 100,000 Spanish long tons. Should a sale be made for any portion of this quantity, Cuba will be obliged to borrow sugar from one of three sources; the 1957 Special Reserve Quota of 350,000 tons, the 1958 Special Finance Quota of 350,000 tons, or from the approximate 200,000 tons still remaining in the United States Retained Quota.

On the basis of a United States quota of 2,557,583 Spanish long tons, a World Quota of 2,511,710 Spanish long tons, and a local-consumption quota of 300,000 Spanish long tons, or a total of 5,369,293 Spanish-long-ton potential disappearance in 1956, it appears that Cuban sugar stocks at the end of 1956 will be about one-half of the 1,572,480 Spanish long tons officially declared to

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be in stock on December 31, 1955, since Cuba's 1956 effective quotas, local and foreign, exceed its 1956 production of 4,599,887 Spanish long tons by 769,406 Spanish long tons.

Psychological.

(UNCLASSIFIED SUEZ. While there were several critical commentaries last week over the racial strife in Tennessee and Kentucky, the Cuban press again concentrated on the Suez situation, particularly on the failure of the MENZIES Commission. Generally the Cuban press seemed well aware of the gravity of the situation, but held out hope that the influence of the United States and taking the case to the United Nations would prevent hostilities from breaking out. Prensa Libre, admitted that the Suez crisis had reached a point of climax, but believed the United States would not allow armed force against Egypt because this was an election year. The other Arabic nations also fear NASSER might lead them into a war, said this paper and have urged him to conciliate. Nasser is well aware, stated Alerta that without the backing of the United States, Britain and France would not dare to attack the canal zone as this would start a war which would be hard to localize. Información felt that two decisive factors strongly favored a peaceful settlement: (1) the parliamentary debate in London and the desire of the Labor Party to take the matter to the United Nations, (2) the fact that Washington has not accepted the possibility of war. Pueblo also brought out the seriousness of the failure of the Menzies mission but was encouraged by Egypt's effort to leave the door open to further negotiation, and by the efforts of other nations - including Arabic - to avoid an armed conflict. In an editorial Excelsior showed how the only two apparent alternatives for Britain and France were to allow Nasser to get away with the seizure or war, both of which were dangerous. But there was a third alternative, concluded Excelsior long-range diplomatic action, with the construction of another canal, perhaps through Israel.

Army, Navy, Air

Negative.

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

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