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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, HABANA 118

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

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SUBJECT: Joint Weeks No. 34 for State, Army, Navy and Air Departments from SANA.

(UNCLASSIFIED) MINISTRY OF STATE COMMENTS ON MEETING OF SPECIAL REPRESENTATIVES TO IMPROVE OAS. The Ministry of State has released a statement that the proposed meeting of special representatives of the countries members of the Organization of American States with a view to strengthening the OAS in certain aspects is well advanced, and that, without detracting in any way from the importance of the interest taken by President EISENHOWER, much of the credit is due to Cuba because of the attitude of President BATISTA during the Meeting of Presidents at Panamá, and in particular because of Batista's speech there of July 22. The Ministry points out that Batista's ideas and suggestions parallel those apparently motivating Eisenhower, and form the basis for the proposed meeting of special representatives, from which great things are expected.

(CONFIDENTIAL) Comment. The comment by the Ministry of State is fairly routine horn-blowing, except for one point calling attention, in the specific case of Cuba, to the necessity for achieving a balanced trade, principally through the medium of a new tariff which will permit the development of additional Cuban resources. This means in other words the establishment of a more protective tariff system, operating to limit United States imports and to permit the development of protected industries in Cuba. The idea is being actively pushed by Dr. Gustavo GUTIERREZ Sánchez, Minister without Portfolio and head of the National Economic Council, who has apparently become, at least temporarily, one of Batista's principal economic advisers. Gutiérrez has also been designated the Cuban Special Representative for the proposed meeting. His present position, his views, and his past history indicate that his activities will be more of a hindrance than a help in improving the operations of the OAS, and in particular in improving Cuban-United States relations.

(UNCLASSIFIED) CABINET MINISTER RESIGNS, RECONSIDERS. José PEREZ González, Minister without Portfolio and Secretary-General of the Bloque Obrero Progresista (Progressive Workers' Bloc - the labor division of Batista's PAP - Progressive Action Party), announced to the press on Sunday that he had resigned his cabinet position, as well as all positions he holds in the Cuban Confederation of Workers.

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CTC. Resignations of the other members of the Bloque Obrero from their positions in the CTC were also announced. After reflection, and after consulting with the Prime Minister and the Minister of Labor, Perez withdrew his resignation, and it is understood that he and the other Bloque Obrero leaders will also withdraw their resignations from their CTC positions.

(CONFIDENTIAL) Comment. The incident was due to the resounding defeat suffered by Perez and the Bloque Obrero at the hands of Eusebio MUJAL, Secretary-General of the CTC, in the maneuverings in preparation for the elections of officers of the local unions forming the National Federation of Sugar Workers (FNTA), scheduled for August 26. Perez has been opposing Mujal in that matter, and over the weekend finally realized that Mujal and his followers will probably control at least three quarters of the locals. The wholesale resignations were apparently caused by desperation and disappointment. It was clear from the start that they would not cause the Government to side with him against Mujal, whose relations with the administration are at present particularly close. Perez was probably never really serious about resigning, since while his resignation as Minister was announced, it was never received by the President. Without his Government position, he would be of minor significance in the Cuban labor movement, and he is much too enamored of his position and prestige to jeopardize them because of difficulties with Mujal. Mujal is emerging from the affair with his predominant position in Cuban labor strengthened. However, he has considerable opposition within the ranks of the FNTA, and will not be clearly out of trouble until after the local elections of August 26 and the national congress of FNTA scheduled for the first days of October, at which the Federation's directorate will be elected.

(UNCLASSIFIED) ORTODOXO PARTY CANCELS PLANNED PROCESSION: LEADERSHIP DIVIDED. As reported in Weeka No. 33, the Ortodexo Party planned a procession on August 16, anniversary of the death of its founder and idol Dr. Eduardo CHIBAS, from Habana University to the cemetery. Permission for the procession had been denied by the Government, which found itself in a difficult position as a consequence. The Government's troubles were solved when the President of the Ortodexo Party, Dr. Raúl CHIBAS, brother of the founder, called off the celebrations after having received full authority from the party directorate. Dr. Chibas acted in response to appeals from the Cuban Press Bloc and the Society of Friends of the Republic. Both organizations, in their open letters to the party, roundly condemned the action of the Government and affirmed the right of the Ortodexos to hold the procession, but urged that it be called off in the interests of tranquility and the avoidance of bloodshed. After announcing his decision, Dr. Chibas was vociferously booed and threatened by some persons present, who identified themselves as followers of Fidel CASTRO and his "26 of July" movement, thus lending an element of accuracy to the Government's allegations when denying

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permission for the procession that subversive elements planned to use it to create disturbances. Dr. Chibas has since prepared his resignation as President of the party, saying that he lacks the confidence and loyalty of the members of the directorate, but has not submitted it.

(CONFIDENTIAL) Comment. The abandonment in this case by the Ortodoxo Party of its usual aggressive attitude is something of a surprise. Certainly, it has not strengthened the following of the Party, nor increased the unity of its leadership, already badly divided. The display of "sweet reasonableness" and of a desire to avoid clashes with the Government may appeal to some Cubans, but must have been a severe shock to many party members, accustomed over the years to vehement, aggressive speeches attacking entrenched Cuban parties and politicians almost without exception. The decision was undoubtedly partly caused by the divergences within the party leadership over the questions of registering the party and participating in the partial elections scheduled for November, 1957. There seem to be as many different views as there are party leaders, and it is not impossible that several important figures will withdraw in the near future, seriously weakening the party.

(UNCLASSIFIED) PROFESSOR-POLITICIAN HAS ENTRY DIFFICULTIES. On August 7, 1956, Dr. Francisco CARONE, lawyer, Vice-Dean of the Law School of the University of Habana, and member of the Directorate of the Ortodoxo Party, applied for admission into the United States at Miami. Dr. Carone intended to proceed to New York and board an Italian ship for Europe, where he planned to spend some six months. He had no visa. He was held overnight by INS, and returned to Habana. He later departed for Europe from Habana by the Dutch airline, KLM. A distorted account of Dr. Carone's experiences in Miami has appeared in the latest issue of the widely-read Cuban magazine Bohemia, and the Embassy has received letters of protest and recommendation from Dr. Cosmé DE LA TORRIENTE of the Society of Friends of the Republic (SAR) and Dr. Clemente INCLAN, Rector of the University of Habana.

(CONFIDENTIAL) Comment. Dr. Carone, and those who have spoken in his behalf, are well aware of the cause of his difficulties. He has a long and well documented record of extreme leftist, pro-Communist actions and associations. He did not apply for a visa, knowing that he would probably be denied one. However, he did consult the Embassy, saying that the airline on which he planned to enter the United States, Cia. Cubana de Aviación, would furnish him with a guard, for which he had already paid, from the plane to the ship, and told him that he could thus go through New York. He was told that the Embassy could give him no assurances whatever. The Embassy understands that such arrangements are sometimes permitted by INS in the case of people proceeding in direct transit, and had Dr. Carone landed at New York rather than Miami, he might have passed. Bohemia, whose

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editorial policy is basically that of the Ortodoxo Party, alleges that the reason Dr. Carene was refused entry is that he is opposed to Batista, whose Government the United States strongly supports. Courteous and non-committal replies have been made to Drs. De la Torriente and Inelan. Since Dr. Carene will be absent from Cuba for half a year, and interest in the case is largely artificial and based on local politics, interest will probably diminish rapidly.

(OFFICIAL USE ONLY) PROTESTS OVER FILM ALLEGEDLY DEROGATORY TO CUBA INCREASE. The protest originally voiced by Dr. Herminio PORTELL-VILA and reported in Weeka No. 33 over the Warner Brothers film "Santiago" and a related Dell comic book, stating that they are inaccurate, derogatory and somewhat insulting in their portrayal of Cuban history and Cuban heroes, has become highly vociferous with the addition of many more voices, from various sources. Cuban intellectuals and columnists have kept up an almost daily barrage of criticism. Perhaps the most vehement outburst has come, as expected, from Emilio RIG DE LEUCHSENRING, leftwing historian of the City of Habana. Speaking for the "Cuban Society of Historical and International Studies", a minor group in which he is prominent, he told the Cuban press that Warner Brothers will be sued for \$1,000,000 if the film is released. He said that President Batista would be asked to suppress the film in Cuba. Reig de Leuchsenring long has been associated with Communist causes, and is quick to seize upon any peg for an attack on the United States. Other protests have been received from the Knights of Columbus, the dean of the Habana collegium of normal school teachers, and the Habana section of the Youth Movement of PARDO Llada's "Nationalist Revolutionary Party" (PNR). So far as the Embassy can determine, none of the protesters have seen the film, and only a few the comic book.

(OFFICIAL USE ONLY) LABOR RELATIONS OF AMERICAN FIRMS. It is frequently alleged that many American firms experience labor difficulties in Cuba because of the personality and attitude of the Americans sent to manage the business. A notably opposite situation has just been observed by the Embassy, two of whose officers were present at a farewell party offered to John Douglas SINGER, Jr., former manager of the Ward Line in Habana, by the "Union of Ward Line Employees". The party was attended by about 150 union officials and workers. They were obviously fond of Mr. Singer, and their speeches and comments were sincere, emotional, and flattering. The party was a real tribute to one American's ability to foment and maintain good relations with Cuban labor over 15 years. The Ward Line has been purchased by the Garcia Line, a Cuban concern, and it was interesting to hear the note of distrust and suspicion voiced by the workers in discussing their expected relations with the new management.

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Psychological.

(UNCLASSIFIED) Habana dailies focused their attention this week on (1) The Democratic Convention in the United States and (2) The Suez Conference in London.

DEMOCRATIC CONVENTION. El Mundo pointed out that in international policy, the Republicans and the Democrats are generally in agreement, and whatever way the election swings, the United States policy toward Latin America will not change appreciably. The newspaper further stated that the United States was fortunate indeed to have two highly qualified candidates running for the Presidency. Excelsior highlighted the significance of the nomination of Estes KEFAUVER as the Vice Presidential candidate on the Democratic ticket, calling attention to the importance of the Vice Presidential slot on both tickets. Eisenhower's health and the selection of the Republican candidate for Vice President will be, according to Excelsior, the major issues. Avance was very high in its praise of Adlai STEVENSON and expressed the opinion that TRUMAN's endorsement of Averill HARRIMAN helped rather than hindered Stevenson's nomination. Avance predicted a Stevenson victory over Eisenhower, because "the President is a sick man and not the man that he was in 1952". Later in the week, El Mundo repeated its endorsement of Stevenson by stating that Cuba and the rest of Latin America is receiving the news of his nomination with "great joy" and looks for his victory in the November elections.

SUEZ. Prensa Libre sized up the London Conference with optimism stating that while the talks are in progress, war is less likely. The issue of war or peaceful settlement will not depend so much on England and France vis-a-vis Egypt, the newspaper stated, but on the decision of Moscow and Washington. If NASSER gets too much out of line, Prensa Libre points out, pressure can be placed on Egypt by increasing United States aid to Israel. Pueblo expressed the opinion that the Soviets were attending the London conference in order to further their own plans and to exploit the conference to a propaganda advantage. Pueblo predicted that the Suez Canal would be internationalized, but Nasser would be given an opportunity for a rebuttal on the decision.

Army, Navy, Air.

Negative.

Vinton Chapin
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