DO NOT TYPE IN THIS SPACE (Security Classification) SERVICE DESPATCH FROM AMEMBASSY, THE DEPARTMENT OF STATE. TO REF F OTHER Use Only For State & Arm Joint Weeka Mo. from SANA. (UNCLASSIFIED) ILO CONFERENCE; The VI Conference of American States Members of the International Labor Organization began in Habana on September 3,01956. David A. MORSE, Director General of the ILO, is attending the Conference together with a considerable number of ILO persennel. The United States delegation numbers 20, the second largest at the Conference. Government delegate is J. Ernest WILKINS, Assistant Secretary of Labor, with FSO William SANDERS as his alternate. The United States employers delegate is A. Boyd CAMPBELL, Chairman of the Board of the Mississippi School Supply Company and past President of the United States Chamber of Commerce. Joseph A. KEENAN, Secretary of the International Brotherhood/Electrical Workers is the United States worker delegate. Cuban Minister of Labor José SUAREZ Rivas has been elected President of the Conference. O Subjects listed on the agenda for the discussion are (a) The Role 1 of Employers and Workers in Programs to Raise Productivity, (b) OI Labor-Management Relations, and (c) Cooperatives. The Conference O 0 is expected to adjourn September 15. (OFFICIAL USE ONLY) Comment. There has been some criticism among the delegations of the preparation made by the Cuban government for the Conference. However, the difficulties appear to have been minor, and the Conference is running reasonably smoothly to date. None of the items on the agenda are expected to cause difficulty, or widely divergent views among those attending. (OFFICIAL USE ONLY) CUBAN-DOMINICAN RELATIONS. Shortly after his arrival in Habana two days before the ILO Conference, Director General David A. Morse got in touch with officers of the Embassy to express his concern over rumors which he was receiving that the Cuban worker delegation planned to present resolutions attacking the Dominican Republic and Venezuela, probably by statements calling attention to the alleged lack of freedom of worker association in these countries. It also appeared probable that, in the case of the Dominican Republic, the Cuban worker delegation would attempt to question the credentials of the Dominican Worker delegate. Reports of these projects appeared in the local press CONFIDENTIAL JL Topping:mbw

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over the weekend, and imbassy Ciudad Trujillo reported that the Dominican Foreign Minister called in the chiefs of the diplomatic missions in his country representing nations attending the Conference, expressed his concern at the development and requested their cooperation in defeating the Cuban proposal.

The ILO efficials hoped that any such action could be avoided, and Cuban Governmental delegates and advisors, including the Minister of Labor, have stated that they also oppose it. However, during the afternoon of September 4 the Cuban worker delegation presented a resolution in the meeting of the worker group to the effect that the credentials of the Dominican worker delegate should not be accepted, and that he should be excluded from future meetings of the worker group. The resolution was approved by a majority of the worker delegations present.

(CONFIDENTIAL) Comment. The maneuvers of the Cuban worker delegation have been inspired at least in part by political considerations, particularly the desire to attack the Trujillo regime through whatever channel may be available. However, the Cuban position is shared and supported by the majority of other worker delegations to the Conference. The initial reaction of the Dominican delegation has been to stay at the Conference, but it is distinctly possible that the delegation may receive instructions to withdraw. The action of the workers group will probably come up for consideration in plenary session of the Conference within a few days. It may be defeated at that point, but the outcome is not certain. This action, initiated and led by the Cuban labor movement, can be expected to cause further deterioration in Cuban-Dominican relations.

STATES POLICIES. ILO efficials have informed the Embassy and the United States delegation to the Conference of rumors that the Panamanian worker delegate plans to attack the United States on the grounds of discriminatory practices with respect to employees in the Canal Zone, pointing out that different rates are paid to United States and to Panamanian employees there. Approached on the subject, the Panamanian delegation has disclaimed any such intention, but in a manner that was not entirely convincing. ILO officials state that they will make every effort to avoid such an attack. These efficials have also reported rumors that the Mexican Communist labor leader Vicente LOMBARDO Teledane will attend the Conference as an observer, and participate in the Panamanian attack on the United States. Discreet investigation by the Embassy has not brought forth any information indicating that Lombardo plans to attend the Conference.

(UNCLASSIFIED) UNITED NATIONS SECURITY COUNCIL INVITED TO VISIT CUBA. Dr. Emilie NUNEZ Portugndo, permanent Cuban delegate to

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the United Nations, has extended invitations to all members of the United Nations Security Council, and to the Secretary General of the United Nations, to visit Cuba together with their families during the period September 27 - October 1 of this year, as guests of the Cuban government. It is not known how many of the members of the Security Council have accepted the invitation. Some local press comments have erroneously described the visit as a meeting of the Security Council in Habana.

(OFFICIAL USE ONLY) Comment. There appears to be no particular significance attached to the invitations. The project is understood to be the personal idea of Nuñez Pertuendo, in the nature of a friendly gesture.

(UNCLASSIFIED) AGREEMENT BETWEEN STUDENTS FEDERATION AND "26
OF JULY" MOVEMENT. The local press has new published as received
from UP in Mexico the text of an "Agreement of Mexico" signed by
José Antonio ECHEVERRIA, President of the Cuban Federation of
University Students (FEU) and Fidel CASTRO Ruz, the leader of the
"26 of July" movement. The two young oppositionists unite in a
broad condemnation of the BATISTA regime, adding that they are
prepared to "triumph or die" in their efforts to eventhrow it, by
whatever means possible. They also vehemently attack the TRUJILLO
regime in the Dominican Republic, stating that they are in no way
associated with it. They condemn Batista for his weakness in
handling the present critical situation with the Dominican Republic,
and challenge him to give arms to their two movements, which they
say are prepared to settle matters with Trujillo and "save the
hence of the country".

(CONFIDENTIAL) Comment. The "agreement" is a legical step for two like-thinking young men, both dedicated to opposition to Batista, and both interested in personal political agrandizement. The Embassy has been informed by Fructuese RODRIGUEZ, Vice President of the FEU (and acting president during the absence from the country of Echeverria) that the agreement was approved by the Directorate of the Federation prior to signature. It was not submitted to the membership of the FEU, does not necessarily reflect the views of the membership, and is not an indication of the views of the majority of the University students of the country. The document should be considered only as reflecting the views, as expressed for public consumption, of the two or three dominant members of the FEU directorate and of Fidel Castro and those of his fellowers who have accompanied him into exile.

(UNCLASSIFIED) ORTODOXOS FURTHER DIVIDED. The Orthodex Party of the Cuban People (PPC(O)), or at least the faction of it which has thus far abstained from participating in elections since 1952, held two conflicting assemblies on Sunday, September 2. One, calling itself the National Assembly of the Party, was under the

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leadership of Emilie L. "Mille" OCHOA. The other, which chose the title "Meeting of the National Directing Council", was presided ever by Pelaye CUERVO Navarre. Both claimed to speak for the same group. They reached diametrically opposed conclusions. The Cuerve group accepted the resignation of Dr. Raul CHIBAS as President of the Party, designated Cuerve as interim leader, and called for a reorganisation of the Party. The Ochoa group rejected the Chibas resignation, called for official registration of the Party in preparation for the partial elections scheduled for Nevember, 1957, but decided not to participate in these elections.

Carles MARQUEZ Sterling, leader of the faction known as the "free" Ortodexes, did not participate in either meeting. The Party new seems hopelessly splintered, especially when it is considered that the Party name has been registered since 1954 by Federico FERNANDEZ Casas, who is apparently prepared to participate in the scheduled elections.

(UNCLASSIFIED) WHO OWNS CAY SAL? The local press has devoted increasing attention for the past two weeks to the question of the ownership of Cay Sal, a small islet located some 65 miles north of Varadero, and unpopulated until leased from the British government last year by an American, Clarence B. MOODY. The campaign alleging that the islet is Cuban was started by Habana city Councilman José Augustin NAVARRO, and has since been participated in by Cuban historians of varied caliber. Dr. Herminio PORTEL-VILA has publicly expressed the opinion that the cay is British, as has Dr. Cosme DE LA TORRIENTE. The opinions of such obviously skilled and patrictic personages has not, however, damaged the arder of those who maintain, with whatever justification, that it is and must remain Cuban territory. The British Chargé d'Affaires has limited himself to a brief statement to the effect that the islet is British property.

(OFFICIAL USE ONLY) <u>Comment</u>. The matter is being given considerable play in the local press, largely for lack of more important stories. The British Charge informally inquired whether the Embassy had any views in the matter, and was told that we did not. There is good deep sea fishing around Cay Sal, and the Embassy understands that it has been coustomary for American fishing vessels going there from Florida to obtain a permit from the British Consul in Miami.

(UNCLASSIFIED) ANNIVERSARY CELEBRATION. The Cuban armed forces celebrated September 4, the twenty-third anniversary of the "Sargents' Revolution" of 1933 in which Batista first seized power, with what has become the traditional day-long round of displays, ceremonies, banquets and dances, centering around Campo Columbia, Military Headquarters in Habana. The festivities began promptly at \$0001 a.m. on the fourth, and continued into the morning hours of the fifth. In his principal speech of the day,

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President Batista reviewed Cuban history and the progress the country has recently made. He stated that the country first became truly independent under him, with the abregation of the Platt Amendment, that he desired to fester democratic ideals in the country, that partial elections would be held in 1957, and that the economy of the country was in excellent shape.

## Psychological.

(UNCLASSIFIED) SUEZ SITUATION. Habana dailies took a more moderate tone in their commentaries on the Suez situation and generally agreed that although the problem is still serious, the crisis is almost past. Información pointed out that NASSER is fellowing instructions directly from the Kremlin. If Seviet Russia wants epperation to Western proposals, <u>Información</u> stated, Nasser will eppese them; en the other hand if the Soviets counsel Nasser to be flexible in handling the problem, Nasser will take the same stand. It is quite obvious, concluded <u>Información</u>, that Egypt has a free hand in her decision, either way, providing of course that she sides with the wishes of her Kremlin counselors. Excelsion felt that Nasser is stalling for time. Nasser, according to this newspaper, must weigh his decision well in order to accomplish his true aim - to become head of the Arab world. There is more to the nationalization of the Suez question than the rights of Egypt, stated <u>Excelsior</u>, concluding that Nasser is playing for extremely high stakes - the building of a new empire. El Mundo strongly stressed the peace theme, stating that no matter what the value of the Suez eperations is in dellars in cents, to fight ever it and embroil the world in another conflict, is not worth it. Internationalization of the Canal, with due respects to Egypt's rights as a nation, El Mundo stated, is the hope of the world.

(UNCLASSIFIED) "SANTIAGO" FILM. For the fourth straight week the Warner Brothers motion picture "Santiago" met with sharp criticism. Newspaper columnists and individuals writing to the Embassy kept up a plea for suppression of the film unless changes are made to preserve historical accuracy. Warner Brothers screened the film for the Cuban Consul in Los Angeles, and plans to fly the picture to Habana for presate showings as soon as certain alterations are made. Some rebuttal to the criticism came from Dr. Alan GOR DON, a BAC grantee from Harvard, who said in a press statement given wide play that he, a Martí student, felt the film was not seriously harmful to Cuba and could be made entirely acceptable with a few minor changes.

Army, Navy, Air.

Negative.

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