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FOREIGN SERVICE DESPATCH

737.00(W)/7-2854

FROM : - AMEMBASSY, HABANA JUL 28 1954 113

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 28, 1954

DATE

REF :

Central Files

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	04-10 7/29	OC/R-2 ARA-2 USIA-8 ARMY-35 NAVY-39 AIR-24 CIA-15 OSD-2

SUBJECT: Joint Weeka No. 30 for State, Army, Navy and Air Departments from SANA.

Part I

Political

(UNCLASSIFIED) REGISTERED ORTODOXO PARTY LIQUIDATED. The National Organizing Committee of the registered Ortodoxo party announced that it had agreed to accept the resignations of Carlos MARQUEZ Sterling as party president (see Weeka No. 29), of the substitute president, and of other leaders and provincial delegates, and to ratify its previous decision to suspend all electoral activities.

(OFFICIAL USE ONLY) Comment. This disbandment of the Ortodoxo Organizing Committee removes the party organ which, on account of the reduced number of affiliations confined to a few localities (see Weeka No. 17), the Supreme Electoral Tribunal had authorized to designate the various municipal assemblies necessary to organize the party. With the Committee out of existence this procedure, which was not completed, cannot be followed and the process of organization cannot be carried out. Barring a miracle, the Committee's action means the death of the registered Ortodoxo party. In Oriente Province the Ortodoxos may carry on as a provincial party or may join Grau's Auténtico party.

(UNCLASSIFIED) ELECTION BATTLE TO BE BETWEEN BATISTA AND GRAU. With the disappearance of the registered Ortodoxos from the election scene, the battle is reduced to BATISTA vs. Grau. There is a widespread belief that public sentiment is heavily behind Grau, more because a vote for him would be a vote against Batista than because of his own popularity or appeal. On the other hand one observer points out that appearances at this time may be deceptive since Grau has been actively campaigning for some time whereas Batista has not yet begun to stump the country as a candidate. In a public statement Ortodoxo José PARDO Llada (who may throw in with Grau) urged the people to vote for "the only candidate to oppose

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FCFornes, Jr., / cv

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the Government" as a "vote against Batista." In their clandestine weekly publication the Communists are advocating "the vote, not for Grau, but against the Government".

(LIMITED OFFICIAL USE) Comment. With present appearances favoring the Grau candidacy, it is becoming more and more of a question in many minds whether Grau would be "permitted" to win. Many also are convinced that the elections will be rigged and that the military will see to it that Batista remains in power. The Embassy continues to believe that the military leaders who, if Grau came to power, would lose their preeminence and possibly be in danger of their lives, may be the deciding factor in determining, if not the outcome of the elections, whether an election decision adverse to Batista will be permitted to stand.

(LIMITED OFFICIAL USE) QUESTION OF BATISTA'S INTERIM SUCCESSOR. Batista has already stated that, in accordance with the Constitutional Statute of 1952, the Council of Ministers will choose his successor when he steps down as chief of State, no later than August 19, to run for election to the presidency. It may be that the Council that makes this decision will be composed of substitute Ministers selected by Batista to replace present incumbents who go on electoral leave to run for office, as the Minister of Finance has already done (see Weeka No. 29). One of the Ministers closest to Batista told a friend of the Embassy that Batista has been so busy that he has had no time to consult with military leaders regarding his interim successor. Significantly Army Chief of Staff, Gen. TABERNILLA, is one of the possibilities mentioned by those who speculate on the identity of Batista's successor. The Minister's remark should be considered in the light of the comment on the preceding item.

(UNCLASSIFIED) PRIO AUTENTICOS JOIN GRAU. Shortly after the National Executive Committee reiterated the refusal of the Prio Auténticos to participate in elections (see Weeka No. 29), 11 members of the Committee resigned on account of disagreement with the majority opinion in the Committee. On July 26, 10 of these dissidents, including Eduardo SUAREZ Rivas and Arturo HERNANDEZ Tellaheche, formally joined Grau. Hernández Tellaheche is being talked of as the possible candidate for Vice President on the Grau Auténtico ticket.

(OFFICIAL USE ONLY) Comment. These defections prove the lack of unanimity in the Prio faction. It is to be expected that other Auténticos dissatisfied with the abstentionist or insurrectionary lines will choose to join Grau, either to advance ambitions or actively work in opposition to Batista.

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(UNCLASSIFIED) GOVERNMENT COALITION RATIFIED; SENATORIAL CANDIDACIES ALLOTTED. During the course of the week the national assemblies of the four government parties went through the formality of ratifying the coalition between them. At the same time a decision was reached regarding the distribution among the parties of the coalition candidacies for the Senate. Out of 54 candidates for the Senate (nine in each of the six provinces), 29 will be members of the Partido Acción Progresista (Batista's party), 10 will be members of the Partido Liberal, eight of the Partido Democrata, and seven of the Partido Unión Radical. This distribution is indicative of the relative importance of the parties within the coalition.

(UNCLASSIFIED) GOVERNMENT COALITION PLATFORM. The coalition of government parties published its platform for the coming elections. It argued that the government to rule for the next four years should continue the Batista programs of public works and social and economic improvements, which it heavily underscored. It adopted as its "cornerstone" the "Economic and Social Development Plan" proposed by the Batista government which contemplates expenditures of 350,000,000 pesos.

(OFFICIAL USE ONLY) Comment. The head of the National Bank recently expressed the opinion that nothing would be done under the "Plan" for six months. It may be that the "Plan" was drafted in part at least as election propaganda and may be overly ambitious or impractical of complete fulfillment. With regard to labor-management problems the coalition platform confined itself to generalities so as not to weaken the government's proclaimed policy of encouraging investment nor alienate the labor vote by threatening any of labor's privileges. (See despatch No. 109, July 27, 1954.)

(UNCLASSIFIED) DE LA FE vs. MUJAL. Ernesto DE LA FE, Minister Without Portfolio, suggested recently in one of his radio programs devoted to combatting Communism, that government intervenors be appointed in labor unions for 60 days during which to clean out Communists. Eusebio MUJAL, Secretary General of the Cuban Confederation of Workers (CTC), strongly rejected this suggestion. Whereupon de la Fe challenged Mujal to say what he had done in a practical way to end red infiltration of labor unions and accused him of failing to carry out CTC decisions aimed at ridding the unions of Communists. Later de la Fe urged the CTC to go over the heads of leaders like Mujal "who seem too tired for the not easy job of combatting the Moscow fanatics."

(OFFICIAL USE ONLY) Comment. To the extent that Mujal and the CTC have thus far made haste slowly in cleaning house of Communists, de la Fe may be justified in his attack but his proposed remedy seems extreme and dictatorial.

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(UNCLASSIFIED) COMMUNIST LEADER AGAIN ARRESTED. For the third time since the middle of June, Juan MARINELLO, president of the Cuban Communist party, was arrested on July 22. He, together with Salvador GARCIA Aguero who was arrested with him, are being held in prison for trial on sedition charges.

(UNCLASSIFIED) CUBAN INTERESTS BUY STOCK HELD BY PAA IN CUBAN AVIATION COMPANY. It was announced on July 26, 1954 that Cuban interests have purchased the balance (20 per cent) of the stock held by Pan American World Airways in the Cia. Cubana de Aviación. The transaction was actually completed on July 23 between PAA and Cia. Unión Inmobiliaria de Construcciones, S.A., the same organization, headed by José López Villaboy, publisher of the newspaper Mañana, which last year acquired a 22 per cent stock interest in Cubana from Pan American.

(LIMITED OFFICIAL USE) Comment. Pan American is reported to have sold the balance of its Cubana stock holdings for \$100,000 in cash.

(UNCLASSIFIED) INDOCHINA SETTLEMENT. Cuban editorialists and commentators viewed the Indochina settlement with grave misgivings. They variously termed the settlement "a new Munich", "an outright handover", a "new episode" in Communist aggression, and pointed out that, far from ensuring peace, the armistice is only the "augury of worse things to come". For Pueblo, an independent Indochina recognized in time would have prevented its partition, and the Diario de la Marina warned that if Guatemala has been a lesson for the American continent, Indochina should be a similar lesson for the free world.

Army, Navy, Air

Negative.



Carlos C. Hall

Chargé d'Affaires ad interim

Participants: CCHall, FCFornes, Jr., CDavis, ACertosimo, WBCaldwell, CSpears, RGCushing, Elmore (MA), Slaten, Mason (AA).

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NA (4) For Guantánamo.  
AA (2)

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