(OFFICIAL USE ONLY) BATISTA AND INTERIM APPOINTMENTS. The papers attribute to the Presidential Palace a statement that the President will relinquish office to his interim election successor on August 14. Who that successor will be continues to the present a successfully guarded secret. Minister of State DE LA CAMPA is frequently mentioned as a possibility and would eminently justify BATISTA's recent remark that he would be succeeded by "an illustrious Cuban". In the last few days political circles have increasingly been rumoring Anselmo ALLIEGRO, leader of the Pregresista Party in Oriente, as successor to Batista, but besides hardly meriting the description "illustrious", Alliegro would have the serious drawback of not being regarded by any stretch as a neutral in the campaign. Batista has indicated that as soon as Ministers become candidates their replacements will be decided upon by the Council of Ministers.

coalition presidential and vice presidential candidacies must be

(UNCLASSIFIED) GRAU HAS TROUBLE WITH LAS VILLAS MACHINE. Trouble appeared for a few days to beset the Autenticos when the provincial assembly of the Party for Las Villas proceeded last week under the leadership of Gilberto LEYVA to nominate candidates without clearance from GRAU, who had received from the Party's national assembly a vote of confidence in effect authorizing him to make or approve all nominations. Upon Grau's taking strong public exception, including an allusion to possible resignation as party head unless complete discipline was observed, Leyva termed

JdeZengotita/ cv

presented by August 19.

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the neminations "provisional". A large majority of the Las Villas assembly has now met with Grau and it is expected that in a few days it will meet again and choose slates conforming to his wishes.

(DFFICIAL USE ONLY) Comment. The Las Villas action was apparently taken out of fear that Grau would impose Eduardo SUAREZ Rivas and possibly other very late comers as candidates on the provincial assembly. Grau is riding high as a result of the many recent adhesions to his candidacy by prominent Ortodoxos and Priistas and because of wide-spread reports of great support he enjoys throughout the country. The fact that he is so far the only opposition candidate also adds to the strength of his position. It remains to be seen how many candidacies he will allot to his newly won supporters.

(UNCLASSIFIED) OR TODOXOS MAKE NEW ATTEMPT TO ENTER ELECTIONS. The National Organizing Committee of the registered Ortodoxo Party, as reconstituted after the resignation of MARQUEZ Sterling, is making an unexpected effort before the Supreme Electoral Tribunal to enter the elections in every province except Matanzas. Having qualified for the ballot in Oriente under the electoral code, the Party is now claiming to have qualified in Habana, Camaguey, Pinar del Rio, and Las Villas through the constitution of municipal assemblies as provided for in the law-decree designed especially to enable it to qualify for the elections. The Supreme Electoral Tribunal is expected to rule on the matter very quickly.

think they have some chance to win a few lucrative offices in the election. They also seem to be aware that if the Party is not in the fight during the passions of the electoral period, it runs the risk of disappearing. Marquez Sterling's announced candidacy for the Presidency seemed too raw in a man who had until so shortly before inveighed against the elections, and it was widely suspected that he had been paid by the Government to run and split the opposition. His candidacy aroused much disgust in the public, but in the wake of his abandonment of that candidacy, his resignation as president of the registered Ortodoxos, and his departure from the country, there seems to have followed some public understanding of the attitude new being taken by the Ortodoxos. There are some indications that even though running in only five provinces the Party may be thinking of putting up a presidential candidate.

(UNCLASSIFIED) MINISTER OF INTERIOR AND UNDER-SECRETARY RESIGN IN INTRA-GOVERNMENT QUARREL. Minister of Interior Ramón HERMIDA resigned irrevocably quickly after his Under-Secretary, Rafael DIAZ Balart, hijo, had written a letter to one paper and an article in another, attacking him in the strongest terms for having, on the anniversary of the Moncada Barracks uprising, spent

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an hour talking with its leader, Fidel CASTRO, at the Isle of Pines penitentiary. Diaz Balart besides practically accusing Hermida of treasen to the cause of March 10 and inviting him to say what he had talked about with Fidel Castro, also attacked his supposed treatment of Fidel Castro's wife, who is also Diaz Balart's sister, and who, the papers had announced a few days earlier, Hermida was dismissing from her job in the Ministry of Enterior because she consistently did not come to work. It transpired that upon writing his article Diaz Balart had also resigned from his under-secretary-ship.

Asked to comment on the resignations, President Batista, who has not so far accepted either, praised both men and expressed confidence the matter would be straightened out.

(OFFICIAL USE ONLY) <u>Comment</u>. The incident remains obscure with no explanation coming from the Minister as to what he **discussed** with Castro aside from some statements that he was on a regular tour of inspection at the prison. Mrs. Castro wrote the press that she was not a Ministry employee.

(LIMITED OFFICIAL USE) REVOLUTIONARY ACTIVITIES. Renewed reports, graded B-6, of plans for a well-financed and equipped revolutionary attempt by Prio forces against the Government have reached the Embassy. It would not be made before mid-August.

(LIMITED OFFICIAL USE) <u>Comment</u>. While details of the present information seem exaggerated, it is clear that Prio, SANCHEZ Arango, and their lieutenants have long been planning, acquiring materiel, and enlisting supporters for a serious revolutionary attempt. The Gountry Club arrests, their psychological effect, and the information they furnished were a bad blow to revolutionary preparations then under way.

(UNCLASSIFIED) MARINELLO ACQUITTED. After eleven days' arrest Juan MARINELLO and Salvader GARCIA Aguero, Communist leaders, were acquitted on a charge of activities against the State.

(OFFICIAL USE ONLY) Comment. Marinelle has been arrested a number of times recently, but the prosecution seems unable to muster the evidence requisite for conviction. In the latest trial it relied on a general presentation of anti-democratic Communist activity in Cuba. To judge from the papers, the defense used with apparent effectiveness the argument that far from conspiring against the State the Communist are at present urging citizens to vote at the elections, albeit against the Government.

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(UNCLASSIFIED) CTC AND GUATEMALA. Upon returning from his visit to Guatemala with ROMUALDI and BENEDIC of the AFL and CIO, respectively, Raul VALDIVIA gave the Bureau of Direction of the Confederation of Cuban Workers (CTC) an optimistic report on his trip and the prospects for the development of a democratic labor movement in Guatemala under the new Government. His report received wide coverage in the press. The CTC then decided to send Rafael OTERO Borlaff, a railway worker and Latin American representative of the International Transportworkers Federation, to Guatemala for three months to help in the organization of the Guatemalan unions.

(OFFICIAL USE ONLY) <u>Comment</u>. Otero has done similar work in Chile for the CTC, whose leaders think him well qualified for the Guatemalan job. He has an official passport and will leave just as soon as the significance of the August 2 fighting in Guatemala becomes clear.

(UNCLASSIFIED) HAINAN. Excelsior in two page one editorials by its director, Victor BILBAO, just back from Europe, called President EISENHOWER's warning to Red China forceful and timely but sadly lacking support from America's European allies. accused these allies of being more interested in trade with the Communists than in the vital question of their own security, more inclined to pacify the Kremlin than to maintain solidarity with The U. S. thus may find itself heading toward an Washington. isolationism forced upon her by the nearsighted attitudes of her own friends, said Excelsior - attitudes which are destroying all hope of Old World defense against the Reds. Alerta viewed the Hainan Island incident as regrettable but no Sarajevo, lacking the political and military dimensions to spark a new war. Alerta recalled that a similar incident in the Balkans two years ago is now forgotten after the standard exchange of diplomatic notes. El Mundo columnist Juan Luis MARTIN, however, attacked Britain's moderate tone and warned that the China Reds have their eyes on Hong Kong. And José María CAPO in Información felt Britain's acceptance of the Peiping explanation tended to soften the effect of Washington's sharp attitude toward the Chinese Reds.

(UNCLASSIFIED) NICARAGUA-COSTA RICA. Editorials and commentators pressed for early consideration of the Nicaragua-Costa Rica tension by the Organization of American States. El Mundo in a lead editorial, sharply anti-Semeza, said the Nicaraguan President probably would avoid the OAS fearing he would be declared the aggressor. Democratic Costa Rica, whose only sin apparently is to be located next door to Nicaragua, said El Mundo, has the sympathy of all the American republics. Excelsior said editorially the OAS should step in before armed conflict starts and thus avoid bloodshed, raise the prestige of the OAS and justify its existence.

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Excelsior pictured Costa Rica as threatened by the Communists in the Kremlin's second attempt to establish a beachhead in the New World, although different in character from Guatemala. Those seeking to overthrow FIGUERES are led by political rivals who are using the Communists for their own ends and may find the Communists on top when the shooting is over, Excelsior warned.

(UNCLASSIFIED) SUEZ. Francisco PARES in Infermación deplored the British agreement to evacuate Suez as another show of weakness and observed that British departure from that strategic zone will leave the West no strong base between Libya and Hong Kong. Similarly, L. R. VELARDE in Alerta considered the Suez deal as another indication of Britain's political decline, as bolstering the position of Egypt's Prime Minister NASSER, and as inspiring further nationalistic tendencies throughout the world. Juan Luis MARTIN in El Mundo, however, felt Britain could better employ her Suez troops in Asia.

(UNCLASSIFIED) TUNIS. Información and El Mundo commentators foresaw powerful opposition for MENDES-FRANCE from the Big Tunisian landowners over the deal on Tunis sovereignty, which they said provided: Tunis with an unsatisfactory hybrid kind of protection.

Army, Navy, Air

Negative.

Carles C. Hall

Charge d'Affaires ad interim

Participants:

CCHall, JdeZengotita, HMRandall, RGCushing, WB WECKELOWELL, ACertosimo, CAnderson, Elmore (MA), Rakow (NA), Slaton (AA), Krisel (AA), REWhedbee.

Copies to Amembassies Ciudad Trujillo, Port-au-Prince,

MA (4) For USARCARIB and USARFANT.

NA (4) For Guantanamo.

AA (2)