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FROM **AMEMBASSY, HABANA**
 TO **THE DEPARTMENT OF STATE, WASHINGTON**
 REF **--**

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 DEPT. NO.
 July 12, 1955
 DATE
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SUBJECT: **Joint Weeka No. 28 for State, Army, Navy and Air Departments from SANA.**
 OCB-2 USA-8

(UNCLASSIFIED) BATISTA ON ELECTIONS. With obvious reference to the effort of the "Society of Friends of the Republic" to unify the opposition behind a demand for general elections as soon as possible (see Weeka No. 23 and despatch No. 10, July 6, 1955), President Batista on July 8 told reporters that such an idea "if not ingenuous, is absurd". He thus confirmed previous indications of his determination to serve his full presidential term, with general elections in 1958. In the same interview he again declared he would respect the constitutional prohibition against succeeding himself. He added that again in compliance with provisions of the 1940 Constitution, partial elections should be held first with general to follow in November 1958. He could hardly have meant anything but partial elections in 1956.

(OFFICIAL USE ONLY) Comment. In the light of these statements by Batista, the attempt of the "Friends of the Republic" to mass the opposition in a demand for general elections prior to 1958 loses nothing of the unrealistic aspect it has had from the beginning. The President's declaration regarding partial elections is regarded by many as ending speculation on this subject and probably terminating open opposition to such elections by some of Batista's followers.

(UNCLASSIFIED) RETURN OF EX-PRESIDENT PRIO. The possible return to Cuba from exile of ex-President Carlos PRIO Secarrás continued to hold the limelight. At the end of last week a group of his Auténtico leaders, headed by "Tony" VARONA, visited him in Miami to discuss his announced intention and express their opinions regarding the advisability of the action. The delegation returned to Cuba over the weekend and a meeting of the National Executive Committee will shortly be held to reach a final conclusion on whether to approve Prío's return. Prío continues to affirm that he will come back, perhaps this month, but makes it subject to the wishes of his party, as they will be expressed by the Executive Committee.

Prío was reported from Miami as having given the reasons for his decision to come back, as follows:

FCFernes, Jr. :mbw
 REPORTER

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"First, because lately there has been a recrudescence there of persecution of my followers in Cuba, going so far as the murder of an outstanding member of my party who was also a Commander in the Navy, Jorge AGOSTINI;

"Second, because now there is a group of the most distinguished Cubans (i.e., the "Friends of the Republic") who by pacific means are striving for the solution of Cuba's problems and to whom the government has objected that the trouble is that while they talk of peace, I talk of war, and for this reason I wanted to be personally in Cuba to guarantee that I also want to find a peaceful road; and

"Third, because the situation of insecurity has led the country to an economic state that threatens to create a crisis rapidly submerging millions of Cubans in misery and I will try with my presence to produce a feeling of more security in investors and industrialists."

(OFFICIAL USE ONLY) Comment. Some of Prío's followers doubt the advisability of his return at this time, pointing at such things as the arrest order outstanding in Havana against him (see Weeka No. 27). Hence, it cannot be anticipated with complete confidence that the ex-President actually will end his exile, although the majority of observers believe that chances favor his doing so.

It is reliably reported that, at a meeting last weekend at Camp Columbia, Generals SALAS Cañizares (Chief of Police) and CANTILLO Perras (Army Adjutant General), Col. BLANCO Rico (Chief of the Military Intelligence Service), and Col. TABERNILLA Palmero (head of the palace aides) discussed information available to the Government to the effect that (1) Prío will return to Cuba this month; (2) a revolution is planned to take place two days after his arrival; and (3) regardless of its outcome, Prío will express complete surprise.

(OFFICIAL USE ONLY) UNREST IN ARMY CIRCLES. For the first time since his inauguration, President Batista has resumed residence at Camp Columbia. The Chargé is reliably informed that he took this step at the insistence of the highest Army leaders who felt that, after the insurrectionary activities of some soldiers at Cabaña Fortress (see Weeka No. 27), it was necessary to again lend inspiration to the Armed Forces by living with them, at the same time ensuring Batista's personal safety.

Mrs. Batista's return from the United States yesterday was marked by unusual precautions, all high officers of the investigative

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services having been ordered to the airport for her protection.

(OFFICIAL USE ONLY) Comment. The strengthening of security measures is believed due to the imminence of the return to Cuba of Prío and other plotters. It is possible that the Government may have knowledge of some specific revolutionary plans and that this may have led to the recent visit of Ambassador CAMPA to Assistant Secretary HOLLAND, when Campa expressed President Batista's concern over continued plotting by Prío and arms shipments from the United States to Cuba.

(UNCLASSIFIED) FIDEL CASTRO LEAVES CUBA. By Pan American Airways flight No. 513, Fidel CASTRO Ruz voluntarily left Cuba for Mexico on July 7. Fidel did not seek diplomatic asylum prior to his departure as did his brother, Raúl CASTRO, who left for Mexico on June 24. Both Fidel and his brother had been jailed for participation in the Santiago de Cuba uprising in July 1953, the former as its self-confessed leader, and both had been released in mid-May this year under political amnesty. Fidel Castro told the press that he was leaving Cuba "because they have closed (to him) all doors for civic struggle" and that "the dictatorship has the intention of remaining in power for twenty years, disguised in various forms". He also said that he will live somewhere in the Caribbean area.

(OFFICIAL USE ONLY) Comment. Right from the time he was released from jail, Fidel Castro played to the limit the role of martyr to democracy and his voluntary exile enhances this. He has been vocal and vehement in his opposition but, while restrained by such measures as having radio broadcasts suppressed and menaced by inclusion in charges before the Urgency Court of participation in subversive and terroristic activities, he had not actually been arrested up to the time of his departure. It can be inferred from his charge that "civic" means of fighting the regime had been denied him that he will adopt from abroad other, i.e., revolutionary, methods of combatting Batista.

(UNCLASSIFIED) POLICE VIOLATE UNIVERSITY AUTONOMY. During the early morning hours of July 9, agents of the National Police entered the University of Havana and, after a search of student organization offices, claimed to have found an M-1 carbine and seven pipe bombs. According to the police report, the search was motivated by talk of subversive activities in the University by a drunken conspirator now under arrest. Various members of the University Student Federation (FEU) were accused of being involved.

The University Council immediately issued a statement denouncing the police raid as a flagrant violation of University autonomy guaranteed by the Constitution. The Council said that "it is absolutely false that war equipment is hidden in the University of Havana or that subversive activities are carried on or sheltered

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there". The FEU also condemned the search as a violation of autonomy designed "to provoke uneasiness and anxiety".

(OFFICIAL USE ONLY) Comment. The Embassy's Legal Attaché heard in the police Bureau of Investigations that the informer was arrested because the raid on the University did not produce the results that his drunken talk had led the authorities to expect. The Embassy considers it quite possible that the police really did find the gun (described by the University Council as "unserviceable") and the bombs which could easily have been introduced into the University by more extreme student elements. In fact it seems likely that, if a "plant" had been involved, a more impressive "find" would have been made. In any case, it appears, even from the police report, that University autonomy was undoubtedly violated.

(UNCLASSIFIED) CONSOLIDATED RAILROADS DISPUTE SETTLED. Discussions have been going on between the Minister of Labor and leaders of the Confederation of Cuban Workers (CTC) and the Railway Brotherhood since the end of the strike that followed the announcement of the government's decision in the case of the Consolidated Railroads. They have now ended with an agreement to modify the decision slightly. Although details are not yet known, the changes relate to Article 12 of the decree embodying the decision, which suspended collective labor contracts and stipulated wages would be paid only for time actually worked.

(OFFICIAL USE ONLY) Comment. Settlement was delayed principally by disagreement on the labor side over the plan for paying various classes of labor. Article 12 did in fact appear unfair to many employees, especially the operating crews, and its modification would appear to render the government's decision as fair to all parties as could be expected. It remains to be seen whether Consolidated can now pay its way.

(UNCLASSIFIED) SPORADIC SLOWDOWNS IN BANK LABOR NEGOTIATIONS. More than two months have passed since new contract negotiations started between the Bank Workers Federation and the Trust Company of Cuba which, as the biggest bank in the country, the Federation intended to convert into a bellwether. Because of the delay, there were sporadic slowdowns last week among bank workers, with some banks falling behind in their business.

(OFFICIAL USE ONLY) Comment. The Federation is asking for a 20 percent pay increase and other substantial benefits. The situation is aggravated by the fact that the Secretary-General of the Federation's Havana Province branch won office through an election held last December and apparently feels he must consolidate his position by making good on the union demands. It is generally recognized that while the demands are drastic, the banks had an excellent year in 1954.

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(UNCLASSIFIED) CTC WARNS COMMUNISTS IT WILL GET TOUGHER.

Six Communists recently removed from union office made a statement, apparently in a clandestine publication, protesting that their personal freedom had been violated. The CTC replied in a declaration ironically referring to their hypocritical concern for personal freedom and affirming that the campaign against the Communists in the unions would be kept up and that action would be taken against some 20 still known to remain in union office.

(UNCLASSIFIED) GENEVA CONFERENCE. Looking toward the Geneva conference, Cuban newspapers variously interpreted the "New Look" in Russian foreign policy. Most dailies pointed to the recently-concluded Austrian peace treaty and the possibility of agreement on German elections and disarmament as indications of the new Russian attitude. For Diario de la Marina, the smiles of Molotov and the diplomatic toasts to the United States by high Soviet officials on July 4 were in line with this new policy. Diario de la Marina did not accept entirely the thesis that the shift in Soviet policy was occasioned by an impending economic collapse in Russia. It believed that profound changes within the Soviet hierarchy were probably the major reason for the "New Look." Nor did Información believe that the West has enough reliable information to sustain this economic collapse thesis. In this newspaper's opinion, Russia has been forced to modify her policy because of the West's marked increase in power vis-a-vis the Soviet Union, the growth of a bourgeoisie in Russia, the possibility of a rearmed Germany lined up with the West, and the outside prospect of a formidable enemy in Red China sometime in the future. Diario Nacional viewed the latest Russian policy shift with extreme caution. As the erstwhile object of a Russian "Hate America" campaign, the United States is advised to "beware of Greeks bearing gifts." For El Mundo, Russia has changed only her strategy, not her long-range intentions. A possible explanation was seen in the increasing power of the Western Alliance in Europe, particularly the commitment of the British Army to the continent to help protect France and Germany against Soviet aggression.

Army, Navy, Air

Negative.



Chargé d'Affaires a.i.

Participants: CCHall, CABoonstra, CFPick, Jr., FCFornes, Jr., JdeZengotita, ACertosimo, WBCaldwell, FJDonahue, CDAnderson, Treadway (Army), Krisel (Navy), Slaton (Air).

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