

AIR POUCH JUL 26 1955 OFFICIAL USE ONLY

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FOREIGN SERVICE DESPATCH

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

July 26, 1955
DATE

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24 For Dept. Use Only	ACTION OL-10	DEPT. RM/R-2 ARA 2 S/MSA-1 JO-2
	REC'D 7/27	OTHER Army 35 Navy 39 Air 24 OSD-2

SUBJECT: Joint Weeka No. 30 for State, Army, Navy and Air OCB-2 US/AF
Departments from SANA. CIA-16

(UNCLASSIFIED) RETURN OF EX-PRESIDENT PRIO (CONT'D).

The possible return to Cuba from exile of Carlos PRIO Secarras continued to be the burning political topic, with the ex-President issuing practically daily statements on the subject from Miami and with almost no one with any pretension to political stature in Havana having failed to express an opinion. There are few, if any, after the furor of the past month, who doubt that Prio will actually return. The latest report, said to come from Prio's closest advisers, is that he will arrive in Cuba by air on August 6th at Rancho Boyeros airport.

In a press conference on July 23, President Batista reiterated that Prio would be given all possible guarantees, except to violate the law and conspire against the Government, and would be accorded the consideration due his status. With reference to talk of organizing a monster welcome and cortege to accompany Prio through the city streets, Batista said it was his duty to advise against this. He declared that "Communists, insurrectionary elements, and political enemies of the Government" could not be prevented from mixing in such a demonstration and might make an attempt against Prio for which not he but the Government would be to blame.

Prio's reaction to Batista's remarks to the press was a statement delivered to the local newspapers by that indefatigable intermediary, Juan AMADOR Rodriguez. In this he criticized Batista's attitude as inability or unwillingness to "reestablish a climate of democratic coexistence" and a denial of the right of the people to demonstrate publicly. He asked sarcastically: "When has a responsible government been known to announce the possibility of a crime and at the same time proclaim its inability to prevent it?"

(OFFICIAL USE ONLY) Comment. By now, after the plethora of his own statements and those of others claiming to speak for him, all to the effect that he is unswervingly determined to come back to Cuba, Prio would make himself appear ludicrous in the extreme if he abandoned that determination except for the gravest and

FCFernes, Jr./mgw

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most convincing reasons. Hence, it can be taken as almost certain he will go through with his announced plan except in case of drastic developments that cannot now be foreseen.

On the other hand, it is entirely credible that Batista should be concerned over the possibility that Prío might run some danger in returning to Cuba. An attack on the ex-President could be a real disaster for the regime, possibly leading to conditions bringing about its overthrow.

(OFFICIAL USE ONLY) CONTINUED RUMORS OF CABINET CRISIS.

Rumors of a cabinet crisis (see Weeka No. 26) persist, the latest having it that the entire cabinet will resign but that the majority of the ministers will be reappointed and a half dozen, including the Prime Minister, replaced. Nothing has come to the Embassy's attention to substantiate these rumors in any way and, in fact, the Minister of State disclaimed to the Chargé any knowledge of impending changes.

(UNCLASSIFIED) RESULT OF EFFORT AT CONCILIATION BY "FRIENDS OF REPUBLIC." It will be recalled that early in June the "Society of Friends of the Republic" called on the Government and the Opposition to agree on means to restore full democratic processes to Cuba (see Weeka No. 23 and despatch No. 10 of July 6, 1955). Only opposition groups responded to this call and the effort of the "Friends" became one of coordinating opposition views. The Society has now published a long manifesto which in essence excludes violence as a means of restoring the "democratic order" and stipulates one basic demand: "that the fundamental rights consecrated in Title IV of the 1940 Constitution be respected and that the right of freely electing its governors be restored to the people," i.e., in general elections with full guarantees as soon as possible. The heads of various opposition groups quickly expressed their approval of the manifesto.

(OFFICIAL USE ONLY) Comment. If this is the final result of the attempt of the "Friends of the Republic" to solve the political problem, it can be said that it in no way changes matters as they stood before the effort was undertaken. Then, as now, the opposition demand for constitutional guarantees is answered by the Government's contention that the 1940 Constitution has been in full force since Batista's inauguration. A demand for general elections prior to 1958 still, in Batista's opinion, "is absurd, if not ingenuous" (see Weeka No. 28). The President's attitude is illustrated by his statement in his press conference of July 23 that he "hadn't had time to read the manifesto" of the "Friends". In the document itself there are indications that the authors themselves had little hope that it would be more than an expression of democratic aspirations and a demand for the record but pretty

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hopeless of satisfaction.

(UNCLASSIFIED) BANK WORKERS' STRIKE. On July 22 all bank workers went on sit-down strike to press their claim for a new collective contract embodying a 20 per cent wage increase, revision of a list of confidential employees not in the union, \$5000 group life insurance, double pay on vacations, and other benefits. The previous contract had expired on May 31. The day before, the employees of the National City Bank had struck when the bank brought dismissal charges against a union officer in addition to three other employees against whom it had earlier brought such charges.

About noon the Minister of Labor issued a resolution reinstating the old contract for six months and ordering employees not working because of their employers' actions or owing to "prevailing circumstances" to resume work. After a meeting of officials of the Bank Workers' Federation and leaders of the Confederation of Cuban Workers (CTC), a statement was issued declaring that the employees would resume work, the Federation's claim would remain in force, and an interview would be held with the Prime Minister and the Minister of Labor. On July 25 the banks resumed normal operations.

(OFFICIAL USE ONLY) Comment. Although the government maintained an impartial attitude in public, the Minister of Labor confidentially informs the Embassy that he believes some concessions are in order since the Banks have been doing good business; the confidential employees have received substantial increases, and bank workers outside Habana are poorly paid.

(UNCLASSIFIED) CTC BANS SUGAR SHIPMENTS IN LOUISIANA LABOR DISPUTE. A Confederation of Cuban Workers (CTC) resolution banned the shipment of raw sugar from the Chaparra, Delicias, and Merceditas mills of the Cuban-American Sugar Mills Company and shipments of raw sugar from the ports of Habana, Mariel, Nuevitas and Puerto Padre to that company's mills in the United States. The resolution said this action was taken at the request of the CIO in support of the strike of the Godchaux and Colonial employees of the company in Louisiana. The resolution made glowing reference to the cooperative relations between the CIO and the CTC and recalled assistance similarly given to United States strikers in 1953.

(OFFICIAL USE ONLY) Comment. Cuban-American's local manager says the strike is effective and bothersome and that the authorities have told him it is illegal. He is now waiting to see what they will do. José PEREZ Gonzalez is one of the labor leaders instructed in the CTC resolution to carry it out. He is also Minister without Portfolio in the Batista cabinet.

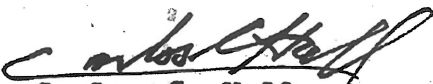
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(UNCLASSIFIED) GENEVA CONFERENCE. Most commentators expressed cautious hope that the Four-Power Conference would produce a change in the world climate, but they agreed generally that major East-West issues would not be solved at Geneva. At best these issues would be clearly outlined, with the possibility that later "below the summit" meetings might work out solutions. Excelsior predicted that the Conference could hope only to maintain the status quo, with Russia continuing its efforts to dislodge Western Germany from the Free World in order to bring about the collapse of NATO. Alerta believed that the Soviets' major objective was to destroy the NATO alliance and to secure evacuation of United States forces from Europe -- all in exchange for a pact "not worth the paper it would be written on." Diario Nacional, also pessimistic, reviewed Soviet machinations over the past ten years and concluded that the "dove of peace in Molotov's hand leaves us cold." President Eisenhower's proposal for the United States and Russia to exchange military blueprints as a means of quieting world fears of a surprise atomic war was viewed by Diario de la Marina as the most effective indication yet of the American desire for peace. It thought Russia's reaction will indicate whether the Soviets really want peace or are, as heretofore, only using the word for its propaganda value. With this proposal and President Eisenhower's eight point program, said Alerta, the conference initiative has definitely passed to the United States. All week long, the Cuban press continued to speculate on the background of the Russian peace campaign leading up to Geneva. Informacion, believing that Russia somehow hopes for Western recognition of her European satellite conquests, offered three reasons for the recent Soviet shift: pressing economic problems at home; the mounting military strength of the West, now capable of crushing Russia; and the struggle for power inside Russia, requiring a more cautious foreign policy. Diario de la Marina felt that since the American economy has not collapsed as the Russians had hoped, the Soviets are shifting policy gears in the Cold War.

Army, Navy, Air

Negative.



Charles C. Hall
Chargé d'Affaires ad interim

Participants: CCHall, CABeenstra, CFPick, Jr., FCFernes, Jr., JdeZengotita, ACertesimo, WBCaldwell, FJDonahue, CDAnderson, Krivel(Navy) and Slaton(Air).

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