(CONFIDENTIAL) COMMENT: Apparent objectives were to show the country, and particularly Santiago, that the Government is in firm control, and to reprimand Santiago for insubordination. Many Santiago residents previously asked that the meeting not be held because of the unsettled political situation. Contrary to newspaper reports, our Consul in Santiago reports the attendance at approximately 5,000, with about half brought in from outside the city. Security patrols -- which for some time past have been armed with submachine guns and rifles -- were supplemented for few days before rally by squads of civilian strong-arm men (reportedly in the employ of Senator Rolando MASFERRER), heavily armed and wearing baseball cap to distinguish them. From June 25, onward there were increasing reports of rebel terrorism and police brutality. Many Santiago residents stayed indoors during weekend or left town altogether.

(UNCLASSIFIED) REBEL AND TERRORISTIC ACTIVITY. The Cuban Army announced that on June 30, near Palma Soriano, Province of Oriente, Government forces surprised a group of rebels, took 15 prisoners and seized their camp containing large stocks of arms and equipment.

POL: HALagasse: hs

CONFIDENTIAL

REPORTER

Allen of Associated Press.

ACTION COPY — DEPARTMENT OF STAT

The action office must return this permanent record copy to RM/R files with an endorsthent of action taken.

W

(1)

Page of Encl. No. 12
Desp: Notabasa
From

There was a definite step-up of terroristic activity during the past week with reports of bembings and sabetage from all parts of the island. A bemb factory was discovered in Habana and there were bemb explosions throughout the week, climaxed by some 12 or more explosions and arsen attempts on June 30 (including some in law movie nodes). It was activity continued in Santiage de Cuba, Matanzas, and Bayame, and in Camaguey armed men read their way into a radio station and broadcast complimentary statements about the "20th of July" Movement and Fidel CASTRO.

(CONFIDENTIAL) COMMENT. The Army Attaché has been informed that 7 rebels were killed, in addition to the 15 taken prisener, during the June 30 encounter near Palma Seriano. He was told that this news is not being publicized because It is counter to the "Peace" theme of the June 30 Santiago de Cuba mass rally.

There are rumers that Raul CHIBAS, former Ortodoxo leader, and Felipe PAZOS Reque, leading intellectual oppositionist -- as well as PAZOS! son -- have joined CASTRO in the Sierra Maestra mountains. This information, if true, would be quite significant as both men have large follows

(UNCLASSIFIED) CONGRESS AND 1958 ELECTIONS. Congress adjourned June 28 but will reconvene in special session, reportedly on July 15, to consider the Electoral Code and "other urgent matters". The Code follows the general pattern of the 1943 Code and its main points propose elections on June 1, 1958, direct vote, cancellation of voters! identity cards (Carnets) and issuance of new ones, an increase in the number of Senators from 54 to 72, making 20 the legal voting age, certain controls over the organization of parties and political groups, and a supervised ballot count.

The Government Coalition Parties have begun their 1958 presidential campaign but the opposition remains divided. Emilio (Millo) OCHOA has repeated that his Ortodoxo (Cuban People's Party) faction will not participate in elections until there is an appropriate guarantee of personal liberties.

(CONFIDENTIAL) COMMENT. The picture is a strange one: the Government Parties seem to be busily preparing for the elections which may end their tenure while the oppositionists who have asked for early elections and who accuse the Government of not wanting to held elections are practically at a standstill. There still are no developments indicating that the various oppositionist groups will develop an effective united front or that they will stand behind a single anti-Batista candidate.

COMPIDENTIAL

(Classification)

	Page_	3	C	d.	đ
-	Encl.		2000 100 100 100 100 100 100 100 100 100 100 100 100	gen	
	Desp.	No.	75		
	From		Ha	ban	

LABOR

(UNCLASSIFIED) SAMALEA NEW SECRETARY GENERAL OF THE FEDERATION OF ELECTRIC PLANT WORKERS. Oscar Samalea Valdes was elected secretary-general of the Labor Federation of Electric, Gas and Water Flants at the National Congress of the Federation, called into extraordinary session in Habana on Jun. Although Sama election was a foregone conclusion, a surprise element was injected into the Congress when delegates from five of the six provincial unions affiliated with the Federation abstained from attending the Congress. The 102 delegates from the Habana Province Union, however, would be sufficient to out-vote the combined delegate vote (42) of the other five provincial unions.

(OFFICIAL USE ONLY) COMMENT: Pursuant to the election of Samalea, who replaces Angel COFINO as Secretary General of the Federation, it was officially announced that (a) the previsional governing beard appointed on April 12 by the Government to intervene the Federation has been dissolved and (b) the military supervisor, Lt. Colonel José Figarolo Enfante, appointed on May 21, to restore normal operations within the electric plants, has been withdrawn.

On the surface, conditions now appear normal in the electric industry but there still exists considerable unrest and resentment among the workers. This stems from the fact that several electric workers have been in jail (on July 2 most of these workers were released) and that many followers of Cofino resent the forced elections imposed by the provisional governing board at the behest of the CTC.

PSYCHOLOGICAL

(UNCLASSIFIED) The Cuban press singled out for major attention this week the Seviet naval movement in the Mediterranean -- the sale of three submagines to Egypt and the passing of several Seviet warships through the Dardanelles. Most papers considered the latter move not only a Soviet attempt to belster Egypt and Syria, but a good chance to get a look at the NATO naval maneuvers now starting in the Mediterranean. Both Diario de la Marina and Información felt that the naval power of the West was still far toe superior to the Seviet's for this move to be of any serious military threat, and therefore may be a political one -- an attempt to weaken or breach the Baghdad Pact. On the other hand, Excelsior thought there was a real military danger to the West and noted the growing power of the Soviet submarine force and the report that the Soviets are building up Albania into a major submarine base. This paper, admitted, however, that the presence of Soviet warships in the Mediterranean was probably also a political move to prove to Egypt and Syria that the Soviets too could display naval force in that area. Informacion added that the sale of the three submarines to Egypt will greatly strengthen Egypt's threat to Israel, for along CONFIDENTIAL

GONT TO SEPTIME

Encl. No.

(Classification) with centrel of the Suez Canal these will enable hermto blockade the Israel coast almost completely. Alerta interpreted the Seviet navalmeve to mean that the USSR considers the Near East to be definitely within her sphere of interests. Avance said that it was mainly to spy en NATO naval maneuvers. This paper attacked the Communist claim that this action was no different than the decision to reinferce South Kerea with modern arms.

(UNCLASSIFIE SELSON SUPERINTENDENT COLONEL UGALDE CARRILLO INDICTED. Colonel Manuel UGALDE Carrillo, Superintendent of the penitentiary in the Isle of Pines, was indicted on 28 June 1957 by Judge Antonie BARRERAS Martines Male on charges of mistreatment of pelitical priseners. The charges were brought about by lawyers representing priseners. The indictment also included Major Pedro RODRIGUEZ Cote and Lieutenant Luis M. Mentesine.

(CONFIDENTIAL) COMMENT: Fear has been expressed many times both publicly and privately for the life of Colonel Ramon BARQUIN Lopez and his associates new serving time on the gIsle of Pines. This court action against UGALDE Carrillo may be one method of BATISTA's to spike rumors about BARQUIN's safety and at the same time keep strongman UGALDE Carrille in charge of the prison. (See WEEKA No. 38, 1956).

(UNCLASSIFIED) GENERAL PEDRO RODRIGUEZ AVILA RETURNS AS ADJUTANT GENERAL OD THE ARMY. The following changes of assignments have taken place within the Cuban Army effected by Presidential Decree, July 1, 1957:

- 1. Brig. Gen. Pedre RODRIGUEZ Avila was relieved as commander of Bural Guard Regt. No.1 "MACEO", Santiago de Cuba and reappointed Adjutant General of the Army, his previous assignment.
- Brig. Gen. Luís ROBAINA y Piedra was relieved as Acting Adjutant General, reverting to his permanent assignment as Inspector General of the Army.
- 3. Colonel Ramon CRUZ Vidal was officially appointed Commander of Rural Guard Regiment No. 1 "MACEO", Santiago de Cuba. He had been acting as Chief of the Regiment since 10 J no 1957 when Brig. Gen. RODRIGEEZ Avila was taken ill and had returned to Habana. (See WEEKA No. 24 dated 12 June 1957 and R-51-57).

(CONFIDENTIAL) COMMENTS, The assignments from which RODRIGUEZ and ROBAINA were relieved were temperary and they have simply reverted to their permanent posts. The selection of CRUZ Vidal to command the key Rural Guard Regiment is semething of a mystery. He is a weak, incapable commander of very doubtful merals.

NAVY - AIR: Negative.

C.A. Beenstra

1 Bonston

Chargé d'Affaires ad interim

Centributers:

Pel: HAlagasse Laber: JFCerrell

Psych: RSBryan Army: Lt.Cel. Treadway

CONFIDENTIAL