(CONFIDENTIAL) Comment. The Embassy has reservations concerning Prio's compliance for any protracted period with the terms under which he has been admitted. Certainly, the Cuban Government can be expected to allege that he is involved in such conspiratorial and insurrectional activities as may be publicized. Yet Prio has stoutly maintained his innocence of such charges during recent months, and certain of his confidents have reiterated to the Embassy their conviction that he is free from any involvement. It has been speculated that Prio may be sincere in his desire to disassociate himself from revolutionary activities, and prevented from doing so by pressure and threats from certain of the more adventurous and "gangsterish" associates surrounding him. The speculation fits both That being so, he may even Prio's character and his recent behavior. have welcomed the requirements concerning good behavior surrounding his stay in the United States, as giving him a valid and incontrovertible reason for disassociating himself from revolutionary activities. Finally, from the point of view of tranquility throughout the Caribbean area, the Embassy agrees completely with the recent comment from Embassy San José that it is preferable to have Prio in the United States than in Mexico or some Central American country.

(UNCLASSIFIED) PRESS CENSORSHIP LIFTED: LITTLE REACTION TO DATE.

The press censorship which had been imposed on April 30, following the

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

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unsuccessful assault on the garrison at Matanzas, was removed on Saturday, June 2.

(OFFICIAL USE ONLY) Comment. The move had been predicted for some time, and Minister of the Interior Santiago REY had no hesitation in informing officers of the Embassy of the decision and the date four days previously, on May 29. There has been little reaction to date in the press, most of which is controlled by the Government in varying degrees. Obviously, none of the commentators or editorialists were prepared to go to press immediately with articles previously unacceptable. It is generally expected that the strongest reaction will appear in the forthcoming issue of the weekly Bohemia, independent magazine with a consistently anti-Administration slant.

(OFFICIAL USE ONLY) LABOR LEADER PLANS SOUTH AMERICAN TRIP.

Eusebio MUJAL, Secretary-General of the Cuban Labor Confederation
(CTC), has informed officers of the Embassy that he plans a trip to
Brazil, Argentina and Chile in connection with a proposed campaign
of free-world labor organizations to combat Communism in labor circles
in those countries. He has been in touch with Serafino ROMUALDI of
the AFL-CIO, who suggested that Mujal visit Washington after his
trip. Mujal would prefer to visit Washington in advance, and has
requested the Embassy to inquire whether he could be received by
Assistant Secretary HOLLAND while there. Mujal's principal interest
in visiting Washington at this time is to obtain support and financial
backing for the proposed campaign, and to increase the awareness of
certain officials of the United States and regional labor movements
to the danger of the Communist threat in the three South American
countries involved.

(UNCLASSIFIED) GOVERNMENT LEADERS DISCUSS ELECTION FORMULAS. The Political Commission of the Government, including representatives of all parties forming the National Progressive Coalition (CPN), held a meeting on June 5 in connection with what appears to be a serious attempt by the Government to reach a formula for elections which would serve as the basis for an agreement with the principal elements of the opposition. The meeting, and the previously expressed views of the members of the Political Commission, have been extensively covered in the press. The meeting was largely fruitless, and the statement issued afterwards limited itself to stating that "various points of view concerning elections were put forward and discussed during the meeting which lasted (for seven hours). The Commission has adopted no agreement as yet, and will meet again to continue the discussion, probably during this week".

(OFFICIAL USE ONLY) <u>CUBAN-DOMINICAN RELATIONS</u>. Cuba has appointed Mario <u>DE ARCE</u> Araus first secretary at Ciudad Trujillo and to be Chargé d'Affaires in the Dominican Republic. According to Minister of State GUELL, De Arce has been in the Cuban foreign service since

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1939 and served in the Dominican Republic before, making a good impression there. Dr. Guell has told the Ambassador that De Arce was picked for reassignment to Giudad Trujillo in line with President BaTISTA's specific intention to name an official agreeable to the Dominican Republic.

(OFFICIAL USE ONLY) ADDITIONAL PERSONS SEEK ASYLUM. A total of eight people are now acknowledged to have sought asylum in Latin American diplomatic missions here - five in the Mexican Embassy, three in the Costa Rican Embassy, and one in the Guatemalan Embassy. The only one of any prominence is Candido DE LA TORRE, former Habana councilman frequently linked with revolutionary activities. There are charges of participation in arms smuggling against some of the others, and no reason known to the Embassy which would have compelled at least two to seek asylum.

(OFFICIAL USE ONLY) LITTLE REACTION TO SIGNING OF SUGAR ACT.
Other than the usual party-line comments by the local Communists, the signing of the Sugar Act of 1956 by President Eisenhower caused virtually no comment. Actually, the signing was rather an anticlimax, as the terms and conditions had previously had such wide coverage. Also, the less well-known and daily-changing situation at the International Sugar Conference in New York may have somewhat diminished the final phase of the Sugar Act of 1956 story.

Psychological.

(UNCLASSIFIED) MOLOTOV RESIGNATION. Cuban newspapers reacted slowly to the Molotov resignation, but those which did comment took the news in stride. Excelsior said Molotov's ouster might have been expected, in line with the Soviet high command's efforts to eliminate all traces of Stalinism, and predicted that SHEPILOV will serve the Kremlin admirably as foreign minister because of his Pravda-trained ability to steer the "right" course. Tiempo pointed out that Molotov, a Stalin faithful, had to go, and that he may be only the first in a new high-level Soviet purge. Alerta made pointed reference to the timing of Molotov's resignation with the arrival of Tito in Moscow, commenting that the aging prime minister was sacrificed in order to appease the Yugoslav visitor. foresaw warm diplomatic relations between Russia and Yugoslavia as the result. Pueblo viewed the mjettisoning of Molotov as not so much the result of his Stalinist background as from the fears held by top men in the Kremlin that Molotov, by virtue of his known capacity for intrigue, might have aspired to more power.

TOGLIATTI-TI TO MEETING. The visit to Belgrade of Italian Communist leader TOGLIATTI, and his three-day secret conference with Tito before the latter's trip to Moscow, interested the Cuban press. Several papers tried to interpret the purpose of the meeting and all tied it in with the continuing anti-Stalin campaign initiated this

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year by the new Kremlin leaders. Avance noted that Togliatti must have considered this meeting with Tito more important than the Italian elections since he left for Belgrade just before the elections were held. This paper gave much credit to Togliatti for the rehabilitation of Tito to the Moscow camp and pointed out that the Yugaslav dictator, who had been called a traitor and a renegade by Stalin and his henchmen, including Togliatti, was now returning to the Communist fold with more influence than every El Pueblo emphasized the incongruity in the reconciliation of such old bitter enemies as Togliatti and Tito, saying the Italian leader, a favorite of Stalin, was set back by the anti-Stalin campaign and has been unpopular among the militants of the Italian Communist party — witness their losses in the recent elections.

Army, Navy, Air.

Negative.

Arthur Gardner

cc: AmEmbassies, Ciudad Trujillo and Port-au-Prince.

Contributors: Political: J&Topping

Cuban-Dominican: JdeZengotita

Sugar: CEDavis

Psychological: RGCushing and RSBryan

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