FROM: MEXICO CITY

TO: Secretary of State

NO: 1853, JANUARY 1, * 4 PM

PRIORITY

EMBTEL 1844

NSC

CCl MEETINGS CONTINUED INTO SECOND DAY ON JANUARY 7. IMPLICATIONS OF NEW ORGANIZATION BECOMING CLEARER, AND REACTION DEVELOPING.

INR

SPEECHES BEFORE CCl MEETING CONTINUED CONTAIN IMPLICIT THREAT.

CIA

DIRECT ACTION SHOULD GOVERNMENT FAIL MEET CCl DEMANDS NEAR FUTURE. ONE SPEAKER SET MAY 1 DEADLINE GENERAL CELESTINO GASCA.

NSA

IN VIGOROUS ANTI-GOVERNMENT SPEECH, STATED PEASANTS COULD AND

OSD

SHOULD TAKE BY FORCE WHAT RIGHTFULLY BELONGS TO THEM IF GOVERN-

ARMY

MENT FAILS SATISFY THEIR DEMANDS.

NAVY

RMR

SPEAKERS ALSO VIOLENTLY ATTACKED VICENTE LOMBARDO TOLEDANO AND

JACINTO LOPEZ. NEITHER HAS JOINED CCl. ALSO SHARP ATTACKS LAUNCHED AGAINST BOTH CNC (JAVIER ROJO GOMEZ) AND CTM (FIDEL VELASQUEZ) THUS DIRECT SLAP AT PRI AND IMPPLICITLY AT LOPEZ MATEOS ADMINI-

NIC

STRATION.

MESSAGES IN SUPPORT CCl READ FROM DEMETRIO VALIEJO, DAVID ALFARO

SIQUEIROS, FILOMENO MATA, AND VALENTIN CAMPA, ALL CURRENTLY SERVING JAIL SENTENCES FOR "SOCIAL DISSOLUTION". ALL MESSAGES AND SPEECHES HAVE STRONG PRO-CASTRO FLAVOR WITH STRAIGHT MLN-

COMMUNIST LINE ATTACKING "U.S. IMPERIALISM".

MOST IMPORTANT DEVELOPMENT IS FIRM IDENTIFICATION LAZARO CARDENAS WITH CCl. UNDER HIS LEADERSHIP, WIDE RANGE OF COMMUNISTS AND LEFTISTS OF PCM AND MLN COMING TOGETHER IN CCl WITH INTENTION FORM COMMUNIST "ACTION GROUP" AND POLITICAL PARTY. CARDENAS
CONFIDENTIAL

-2- 1853, JANUARY 1, 4 PM FROM MEXICO CITY

HENCHMAN BRAULIO MALDONADO PROBABLY TO BE ELECTED SECRETARY GENERAL OF CCI JANUARY 8 FINAL MEETING.

EXCEPT FOR ADVERSE COMMENTS ON CCI BY JAVIER ROJO GOMEZ AND SECOND-LEVEL CONGRESSMEN, LOPEZ MATEOS ADMINISTRATION STILL SILENT ON CCI. PRI REPORTEDLY HAS SCHEDULED MEETINGS BEGINNING JANUARY 14 TO DETERMINE COURSE OF ACTION. STRONGEST ATTACKS ON CCI COME FROM PRESS WHICH MUST HAVE RECEIVED SOME SORT OFFICIAL LINE THROUGH MINISTRY OF GOBERNACION, AS OPEN CRITICISM OF CARDENAS APPEARING PRESS STORIES AND EDITORIALS FOR HIS LEADING ROLE IN DIVISIVE CCI MANEUVER.

COMMUNISTS AND LEFTISTS NOT TOTALLY UNITED IN SUPPORT CARDENAS AND CCI. HERIBERTO JARA, HERETOFORE FAITHFUL CARDENAS LACKEY, ISSUED STATEMENT JANUARY 7 OPPOSING CCI BUT REASONS MAY BE PERSONAL. JAIME DE LA CERDA, LEADER OF IXTLEROS HUNGER MARCHES AND FREQUENT CRITIC ADMINISTRATION'S AGRARIAN POLICY, ANNOUNCED HE REMAINS LOYAL TO PRI. LOMBARDO TOLEDANO REPORTEDLY DRAFTING ANTI-CCI STATEMENT.

FOUNDING FO CCI MOST DANGEROUS THREAT RECENT YEARS TO PRI STRUCTURE, "NATIONAL UNITY" CONCEPT, AND LOPEZ MATEOS PROGRAMS. GOM CONCERNED FOR SOME TIME OVER AGRARIAN SECTOR AND COMMUNIST PLANS TO EXPLOIT SITUATION BY CREATING NEW CAMPESINO ORGANIZATION. ROJO GOMEZ HAS SPENT MUCH TIME TRYING PREVENT ORGANIZATION CCI, BUT HAS FAILED. LOPEZ MATEOS ADMINISTRATION NOW CONFRONTED WITH GOING ORGANIZATION WHOSE MEMBERS KNOWN COMMUNISTS, INCLUDING JAILED SUBVERSIVES, GENERALLY BELIEVED THAT GOM WILL HAVE TO MAKE RESOLUTE AND TOUGH RESPONSE TO CCI CHALLENGE.

GOM RESPONSE HAMPERED BY TWO MAJOR FACTORS. FIRST, INVOLVEMENT OF CARDENAS IN VERY FRONT RANKS CCI CAUSES PROBLEMS FOR LOPEZ MATEOS WHO MIGHT ACT MORE FREELY AGAINST SECOND-LEVEL COMMUNISTS LIKE MALDONADO. SECOND, CCI PROBABLY ENJOYS REAL POLITICAL STRENGTH (SPEECHES IMPLY 3 MILLION MEMBERS COULD BE PRODUCED) OR.

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OR, IN ANY EVENT, HAS FIRM BELIEF IN OWN STRENGTH, WHICH MAKES IT FORMIDABLE OPPONENT FOR PRI. LOPEZ MATEOS MUST ALSO WEIGH DANGER OF ACTION AGAINST CARDENAS IN LIGHT POSSIBLE EFFECT OF CCI STRENGTH IN FORTHCOMING PRESIDENTIAL ELECTION.

SOME MEXICANS BELIEVE LOPEZ MATEOS CAN NOT ADDORD IGNORE IMPLICATIONS IN SPEECHES AT CCI MEETINGS THAT CCI WILL CONTEMPLATE OR THREATEN USE CASTRO TACTICS IN ACHIEVING GOALS. FACT THAT SPEAKERS, INCLUDING GASCA WITH HISTORY OF INSURRECTION, ARE HOLDING POSSIBILITY ARMED ACTION AGAINST GOM MAY EVOKE UNEQUIVOCAL RESPONSE FROM LOPEZ MATEOS DESPITE POLITICAL PROBLEMS IN MOVING OPENLY AGAINST CARDENAS.

COWLES

KEA:22

* AS RECEIVED.