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A-116
NO.

Mexico
HANDLING INDICATOR

TO : Department of State

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21

FROM : An Embassy MEXICO, D. F.

DATE: July 30, 1963

SUBJECT : Progress Report on the Presidential Race

REF : Embassy's A-1371, April 26, 1963 and A-1624, June 11, 1963

Although no date has been announced for the holding of the national convention of the Partido Revolucionario Institucional (PRI), it is now generally accepted that it will take place about the middle of October. Earlier reports had indicated that it might be scheduled for November, as in previous nominating years. However, with pressures building up, the dominant party and the President apparently have decided on an earlier official nomination of the man whose designation as the PRI candidate is tantamount to election to the Presidency.

Since the Embassy submitted its list of nine leading presidential possibilities in April, to which three more names were added in June, there have been indications of changes in the chances of those aspiring to the position of Chief Executive. These changes are described below, with the caveat that in the two months still remaining before the identity of the candidate-to-be may first become known to the public, many changes in relative strength are still possible and probable.

Among the early contenders, Alejandro CARRILLO appears to have faded the fastest. On the heels of reports that he had received the blessing not only of his sponsor, ex-President Lazaro Cardenas, but of former President Adolfo Ruiz Cortines as well, leftist Carrillo became the target of a campaign of paid insertions in the press. The advertisements warned that a large sector of Mexicans would never consent to having Carrillo as President. This reaction appears to have ended all talk of Carrillo's possible nomination by the PRI. Two late comers in the undeclared race also seem to have made little headway and are no longer seriously mentioned. They are Roberto Barrios, Chief of the Agrarian Affairs Department, and Roberto Amoros, Manager of COMASUPO, basic foodstuffs control agency.

Enclosure: sketch
Biographic sketch of Raul Salinas Lozano

FORM 4-62 D5-323

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POL:JJMentlzer:sk

7/29/63

Contents and Classification Approved by:
Robert W. Adams

Clearances:

GROUP 3
Downgraded at 12-year intervals,
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A-116
from Mexico

SECRET

-2-

Of the remaining group of contenders, Minister of Gobernacion Gustavo Diaz Casis and Minister of the Treasury Antonio Ortiz Mena remain as the most talked about possibilities. The latter has received much publicity as a result of the recent French loan, the sale of Mexican bonds in the United States financial market and the current visit to Mexico of David Rockefeller of the Chase Manhattan Bank. Although this close identification with United States financial interests might hurt Ortiz Mena by exposing him to charges of being pro-American, he must consider it an asset, since he obviously lent himself willingly to all the attendant publicity. The Mayor of the Federal District (i.e., Mexico City), Ernesto Uruchurtu, continues to be prominently mentioned in commentaries and political cartoons. He is keeping in the limelight by pushing construction of another link of the District's circumferential highway and of the prolongation of the fashionable Paseo de la Reforma, and by revamping the city's lighting system. Uruchurtu's bachelorhood is a political liability, but President Lopez Mateos is reportedly impressed by the Mayor's ability to show a surplus in the District's budget in spite of an unprecedented improvement program.

In its previous listings of possible candidates for the PRI presidential nomination the Embassy did not include Raul SALINAS Lozano, Minister of Industry and Commerce. Although the Embassy continues to believe that Minister Salinas' chances are slim, his name has occasionally cropped up in political commentaries. He has also been portrayed in political cartoons as being an active participant in the undeclared and strictly unofficial "primaries." A brief biographic sketch of Minister Salinas is attached to this airmail.

As of this moment, at least in the opinion of many businessmen here, the odds seem to favor a conservative (within the PRI spectrum) as the next president of Mexico. This assumes that President Lopez Mateos, himself left of center in the PRI, would, if under no great pressures from the outside, select a man who would be more a "consolidator" than an "innovator" like himself. By selecting such a successor, Lopez Mateos might ensure that his record as a "revolutionary" statesman would not be outdone. In the history of Mexico it is the innovators who have been given the brightest pages, and Lopez Mateos is certainly striving for a kind judgment in history.

Lopez Mateos throughout his administration has balanced off the pressures of the so-called right ("Alemanismo") and the extreme left ("Cardenismo") sectors in the PRI. His deft manipulation of politics has apparently succeeded so far, and there are many observers who believe that Lopez Mateos now has sufficient power to select his successor almost at will. The influence of Cardenas remains an enigma. Many of his closest associates in leftist ventures such as the Movimiento de Liberacion Nacional (MLN) are part of the group that has been attempting to create a new party, the Fronte Electoral del Pueblo (FEP), with the hope of running a presidential candidate of Marxist tendencies. It is highly doubtful that the FEP will receive the official approval needed to participate in the elections of July 1964. (Embassy's A-1723, June 26, 1963). If Cardenas

SECRET

A-116
from Mexico

SECRET

-2-

remains free of any commitment to a group other than the PRI, his influence within this party may still be significant. At the same time, Lopez Mateos may judge that he can resist Cardenas' pressure on the PRI and decide to disregard the former President.

At this stage of the succession process there remain many questions which defy simple answers. While persons closest to Gustavo Diaz Ordaz exude optimism and confidence that their man is in, the issue is far from settled. The possibility remains that if faced with a deadlock among the present leading contenders, Lopez Mateos may turn to a "dark horse" unmentioned in the race so far.

For the Ambassador:

Robert W. Adams
Counselor of Embassy

SECRET

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RAUL SALINAS LOZANO
Minister of Industry and Commerce

Raul SALINAS Lozano was born in Monterrey, Nuevo Leon, on April 30, 1917. He attended schools in San Antonio, Texas, during 1929-32, is a graduate of the (Mexican) National School of Economics, and received a fellowship from Harvard University for study at the Graduate School of Public Administration. After serving in several economic agencies and the Ministry of Finance, in 1958 he was appointed Minister of Industry and Commerce. He is a financial expert well qualified for his position.

There are varying views on Salinas Lozano's political orientation. Although a member of the PRI, he has been called a sympathizer of the Partido Popular (PP), was reported to have been a member of the advisory council of the Universidad Obrera, a PP-dominated institution, in which his wife is said to be a professor, and, in the forties, to have been the protégé of Jesus SILVA Herzog, the well known Mexican Marxist historian and economist. On the other hand, by some he is regarded as a sharp opportunist without deep convictions, and by others as a non-doctrinaire economist who has stated views that would make him acceptable to conservative businessmen.

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