

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE  
10 August 1962

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CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The Soviet Stake in Cuba

1. Moscow sees in Cuba a symbol of great importance in the struggle for Latin America and has demonstrated its intention to provide the necessary economic and military assistance to insure the survival and strengthening of the Castro regime. Moscow almost certainly looks upon developments in Cuba as the forerunner of further revolutionary successes in Latin America and is deeply committed to the preservation and advancement of the regime in Cuba.

2. There are signs of Soviet concern that the regime's self-identification with the Communist Bloc and its belligerent and provocative attitude toward the US and the rest of Latin America will weaken the appeal of the Cuban revolution and limit the prospects for expanding the Communist movement and Soviet influence in other countries in the hemisphere. There are also indications that the USSR was both surprised and concerned at the depth and effectiveness of Castro's attacks upon their minions, the orthodox "old" Communists in Cuba.

3. Nevertheless, Moscow has made a number of significant concessions to Castro and his regime. It has reaffirmed its willingness to pay the increasing costs of keeping Cuba afloat, despite the Cubans' failures in the field of economic reorganization and development. It has publicly supported Castro against the "old" Communists and yielded to his desire to have Cuba brought into a closer relationship with the Bloc.

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That it should have done so, despite the fact that it would prefer a better disciplined and more orthodox Communist than Castro and may hope some day to replace him, is a measure not only of the importance it attaches to Cuba, but also of the narrow field of choice open to it.

4. Although other countries have received more economic and military aid from the bloc, the speed with which Moscow has moved to support Cuba and the extensive adjustments required of the bloc to accommodate Cuba's integration into long-range plans are unprecedented. About \$457 million in bloc economic development credits have been extended to Cuba since early 1960, but, except for some of the smaller projects designed to reduce Cuba's dependence on imported consumer goods, most of the plans envisaged under bloc aid agreements are still in the early stages of implementation. All evidence, however, indicates work is being pressed forward as rapidly as possible while stopgap measures are employed to help check the present deterioration of the economy.

5. Bloc military aid to Cuba--probably amounting to at least \$150 million--has greatly strengthened Havana's defensive and internal security capabilities. The current influx of new equipment--apparently accompanied by large number of technical personnel--indicates that a major effort is now getting under way to further enhance the regime's military position.

6. The bloc's response to Cuba's growing economic troubles during the first half of 1962 strongly suggests that Moscow has decided a sustained drive to overcome the deficiencies in the Cuban economy is necessary to avert a crisis for the Castro regime. Supplementary agreements with the Soviet Union signed in May increase Soviet exports to Cuba this year by about \$50 million, raising the level of trade to some \$750 million and making Cuba the USSR's fifth ranking world trading partner.

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7. Despite the formidable problems of distance, an unfamiliar Latin American environment, and heavy Cuban requirements, Moscow shows no sign of retreating from its decision to grant Cuba special economic treatment. On the contrary, developments in the past three months suggest that even greater efforts are to be made to shore up the Cuban economy.

8. Other innovations or concessions granted to Cuba by the bloc--such as payments of hard currency for part of Soviet sugar imports, limited multilateral trade and payments arrangements, banking credits to finance Cuban imports from nonbloc areas, and Soviet willingness to accept the heavy transportation burden involved in providing support to Cuba--all testify to Moscow's conviction that its efforts to produce an economically viable Cuba are worthwhile. Although there obviously are limits to this support, the USSR is unlikely to be deterred in its efforts by deficiencies which it believes can be corrected as Cuba is brought further along the path of Communist development.

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