

NSC BRIEFING NOTE

5 February 1963

CUBA -- POLITICAL AND ECONOMIC

- I. The most significant discernible change in Cuban policy since the missile crisis is the greatly increased attention being given to subversion in other Latin American countries.
  - A. While this has always been an element in Castro's program, indications are multiplying that it is now a high priority Cuban objective.
  - B. Castro himself stressed, in his two speeches in January, the importance of guerrilla warfare in the "people's struggle for liberation" and ridiculed all thought that "liberation from imperialism" can be accomplished except through violence.
    1. This was his strongest statement on this theme in at least two years.
    2. Castro's speeches were followed by similar public expressions on the subject by leading veteran Cuban Communists.
  - C. In all these speeches, it was made abundantly clear that Cuba's leading target in Latin America is Venezuela.

1. Leading veteran Cuban Communist Blas Roca stated this most explicitly in his 23 January speech honoring the anniversary of the ouster of Venezuelan dictator Perez Jimenez in 1958.
2. Roca stated flatly that "we shall continue to give our support, each day in greater proportions, to the Venezuelan people" in their struggle for "liberation from imperialism."
3. He praised the Venezuelans for the acts of sabotage in the Venezuelan oil fields during the crisis and called this an example of "proletarian internationalism."
4. Roca closed his speech with the prediction that "when the Venezuelan revolution takes place, then all Latin America will be ablaze" and this will be "a tremendous boost for Cuba...we will have a nation on the continent to back us."
  - a. Roca may have been thinking of the fact that until mid-1960 Cuba

got the bulk of its oil from Venezuela; now it is wholly dependent on the USSR.

D. Reasons for the increased Cuban aggressiveness on this issue are probably several.

1. It could be a reaction against Soviet "betrayal" last fall. The Cuban statements appear much closer to the Chinese than to the Soviets on this issue and there may be an element of competition between Castro and Khrushchev for control of Latin American revolutionaries.
2. Castro needs the kind of "boost" which a successful pro-Castro revolution in another country would give him and his prestige.
3. The issue is one of the few left to Castro to give his people a sense of mission and distract them from domestic problems.

E. One of the most effective Cuban tactics is the training and indoctrination of Latin American "students."

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1. We estimate that between 1,000 and 1,500

people from other countries received guerrilla warfare training and ideological indoctrination in Cuba last year.

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Cuban Economy

III. The Cuban economy continues to deteriorate and there are no signs of significant improvement in the foreseeable future.

A. Inadequate supplies and poor distribution of food and other consumer goods are major irritants among the public.

1. Food rationing, begun last March, has not solved these problems.

2. While there is much grumbling among the public, shortages at this point do not appear to be an inducement to open revolt.

B. Present indications are that this year's sugar crop--the mainstay of the economy--will be less than last year's poor crop of 4.8 million tons--it may, depending on weather and labor factors, be under 4 million tons.

1. This compares with an average annual crop in earlier years of close to 6 million tons.

2. Other crops are doing badly too; on 2 February Cuban agricultural chief Carlos Rafael Rodriguez was moved to blast rice farm managers and workers for poor organization and insufficient

fall below expectations.

C. Cuba is unlikely to benefit greatly from the very high current prices for sugar on the world market.

1. The price is now 5.9¢ per pound--the highest in 40 years--compared with 2.43¢ in January of last year.
2. In 1961, the USSR and Communist China agreed to pay Cuba a price--4¢ per pound--then substantially higher than the world market price, though not as high as the then premium US price of about 5¢.
3. We have no information as to what extent the Soviets have adjusted the 4¢ price for Cuban sugar to reflect the current high world prices.
4. While most Cuban sugar sold to the bloc is bartered for needed imports

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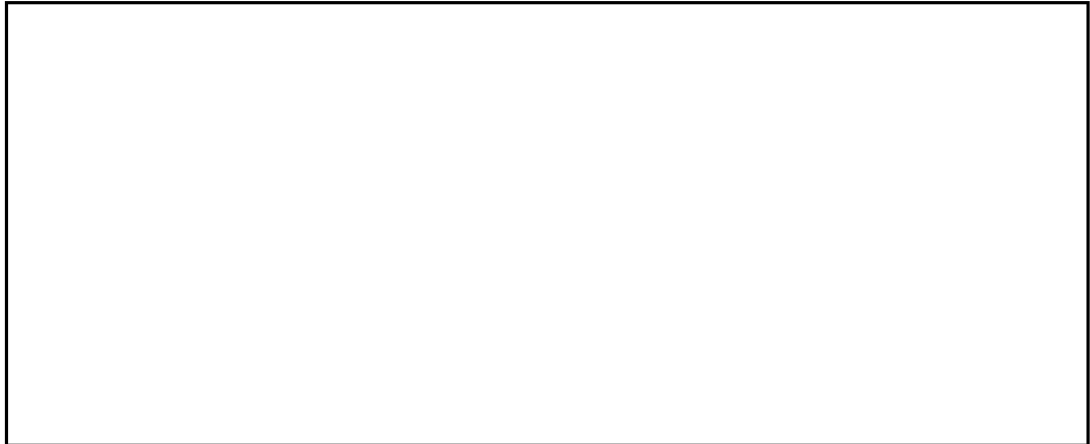
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D. Negotiations underway most of December and January in Moscow on this year's Cuban-Soviet trade have not been followed by public announcements.

1. Only vague statements that the level of trade will increase have come forth.
2. If trade does in fact increase, it will mean that the Soviets have decided to increase

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commodity credits; Cuban ability to pay for increased imports is probably now lower than at any time since Castro came to power.



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E. Cuba's commerce with non-bloc countries continues to decline, which makes it even more expensive for the Soviet Union to keep Cuba afloat.