BRIEFING NOTE

15 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.

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- 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

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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

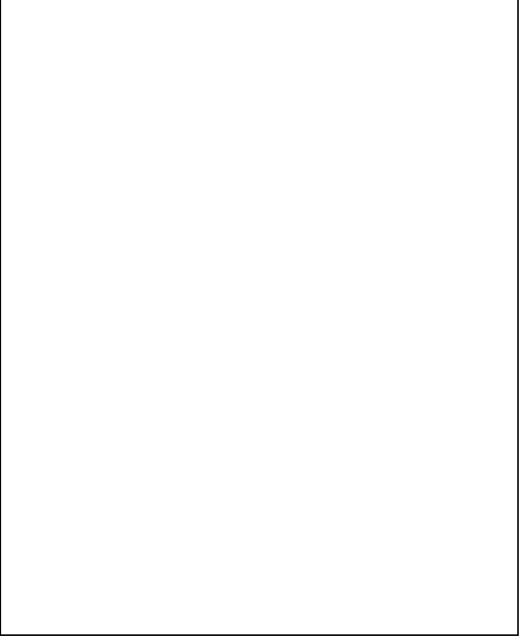
 problems.
- E. One of the most effective Cuban tactics is the training and indoctrination of Latin

 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.
 - 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 even less than last year's poor crop of 4.8 million tons.
 - This compares with an average annual crop in earlier years of close to
 6 million tons.
 - Other crops are doing badly too; on
 February Cuban agricultural chief
 Carlos Rafael Rodriguez was moved to
 blast rice farm managers and workers
 for poor organization and insufficient

spirit for permitting the rice crop to fall below expectations.

- C. Cuba is unlikely to benefit greatly from the very high current prices for sugar on the world market.
 - A good portion of Cuban production is bartered for needed imports from the bloc.
- D. Negotiations underway most of December and January in Moscow on this year's Cuban-Soviet trade finally ended on 7 February with the signing of the 1963 protocol to the Cuban-Soviet trade agreement.
 - 1. The agreement also involved a Soviet credit of unstated size to cover Cuba's deficit in its trade with the USSR.
 - 2. Cuba's commerce with non-bloc countries continues to decline, which makes it even more expensive for the Soviet Union to keep Cuba afloat.