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No. 0831/66

**CENTRAL INTELLIGENCE AGENCY**  
**Directorate of Intelligence**  
 28 May 1966

**INTELLIGENCE MEMORANDUM\***

Comments on Castro's Statements of  
27 May 1966

1. Fidel Castro's overreaction to the US statements of 27 May on the recent incidents at Guantánamo may be designed to divert popular attention from Cuba's current economic difficulties. This is not the first time that he has used the specter of imminent "imperialist" aggression as an excuse to demand continued sacrifices on the part of the Cuban people.
2. Primarily due to the poor sugar harvest, the Cuban economy will suffer a setback in 1966.
3. Sugar production in 1966 will total a little more than 4.5 million metric tons compared with a harvest of slightly more than 5.0 million metric tons in 1965. Sugar provides between 85 and 90 percent of Cuba's foreign exchange earnings, so the reduced harvest will compel a cut in the level of total imports including foodstuffs. If past experience is repeated, however, increased aid from the Soviet Union can be expected to compensate in good part for lower foreign exchange income, and the reduction in imports probably will be moderate.
4. The lower level of imports, coinciding with the absence of any increase in domestic food production, accounts for the evident worsening in current food supplies. Rice supplies in particular have been badly hurt and the monthly ration has been cut from six pounds per person to

\* Produced by the Office of Current Intelligence in collaboration with the Office of Research and Reports.

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three. While the reduction in rice supplies probably has been partly compensated for by increased availability of other grains, the sharp cut in consumption of one of Cuba's most basic foods has had a bad psychological effect.

2. The sugar harvest is only one more, possibly the "last straw," in a series of economic and political setbacks suffered recently by the regime. On 2 January, Castro initiated a public polemic with Communist China over Peking's outbreak of agreed rice shipments. The resulting charges and countercharges were in marked contrast to Castro's previous attempts to maintain a facade of "neutrality" in the Sino-Soviet dispute.

3. Later, Castro launched an unprecedented propaganda attack against moderate-leftist President Frei of Chile, one of the few Latin American political leaders toward which he would normally be amicably disposed. In May, Castro resurrected old charges of "softness" against Yugoslav's President Tito, and the official organ of the Cuban Communist Party carried several unusually vitriolic editorials against Tito and the "so-called League of Yugoslav Communists." Castro's May Day speech was notable largely for its thinly-veiled anti-Russian barbs.

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This memorandum, requested by Mr. Boston,  
was seen by DCI and transmitted to the White  
House in facsimile at 12:22 AM EDT 28 May 1966.

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