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9 August 1962

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Comment on a State Department Paper entitled,
"Effects of the Existence of the Castro Government..."
and dated 8 August 1962

REFERENCE: Agenda for the 10 August meeting of the
Special Group, Item B

1. Our participation in the preparation of the subject paper consisted only of providing a contribution to Mr. Hurwitch (ARA), a copy of which is attached hereto.

2. The subject paper is a murky composition. While we have no quarrel with its details, we consider it potentially misleading in that it conveys the impression that, as regards Latin America, the existence of the Castro regime is a diminishing threat. We agree that in Latin America Castro's stock has fallen sharply during the past year, but believe it imperative to note that the continuing existence of the Castro regime poses a continuing threat likely to become more serious in the future.

3. The danger in Latin America is not so much a function of Castro's capabilities and intentions as of the rising indigenous demand for radical social change. If the Alliance for Progress should fail to satisfy this demand, the continued existence of the Castro regime could, two or three years hence, pose a more serious threat than ever before. Please see the third paragraph of our contribution.

4. We consider that State's discussion relating to the USSR may also produce a misleading impression. Cuba does, indeed, confront the USSR with serious problems, but the USSR has good reason to be pleased with the net advantage gained there.

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5. We doubt that the USSR has ever expected to exercise in Cuba the degree of control which it exercises in the European satellite states. In the Escalante affair it lost the prospect of an increased degree of influence, but it lost nothing that had already been established. By its adept adjustment to Castro's assertion of primacy, it has preserved its position in Cuba, which is reinsured by Castro's growing dependence on Bloc aid and support.

6. These comments have been communicated to Mr. Hurwitch, who agrees with them, saying in self-defense only that his consideration was strictly limited to "the past year."

ABBOT SMITH
Acting Chairman,
Board of National Estimates

Attachment

- 2 -

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

7 August 1962

MEMORANDUM FOR MR. HURWITZ

SUBJECT: Effects of the Existence of the Castro Regime on the Situation in Latin America, and on the USSR, during the Past Year.

1. A year ago, disillusionment regarding the Cuban Revolution was already widespread in Latin America. Important elements of public opinion originally sympathetic toward Castro -- intellectuals, organized labor, and the more moderate advocates of social reform -- were repelled by the manifestly dictatorial character of the Castro regime and its regimentation of Cuban life. Since then Latin American opinion has been further alienated by Castro's public avowal of communism, which made possible the actions taken at Punta del Este to ostracize the Cuban regime. The manifest and acknowledged failures of the regime in the field of economic and social development have also diminished the appeal of Castroism.

2. At present, sympathy and support for Castro in Latin America is limited chiefly to the organized Communist parties and such radical revolutionary groups as the MIR in Venezuela. Even the professional

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Communists have been disturbed by developments in Cuba, particularly the Escalante affair and the consequent subordination of "old" Communists to Castro's upstart revolutionary leadership. The Uruguayan Communists were especially shocked by Blas Roca's declaration, at a 26 July observance in Montevideo, that the Cuban experience showed that a non-Communist (i.e., Fidel Castro!) could lead the Revolution.

3. Nevertheless, the existence of a well-organized subversive apparatus centered in Cuba and able to exploit the growing demand for radical social reform in Latin America continues to pose a serious threat. During the past year several hundred Latin American youths have received revolutionary instruction in Cuba for application in their home countries. If the Alliance for Progress should prove ineffectual as a means of obtaining social reform and economic betterment in pace with rising popular demand, the appeal of the revolutionary example of Cuba will increase, particularly among the dispossessed masses, as in the Brazilian Northeast and the Peruvian Sierra. In this connection, the Escalante affair will encourage non-Communist revolutionaries to believe that Soviet support can be obtained without submission to "old" Communist and Soviet control.

4. Cuba's alignment with the USSR provides Moscow with a base for political and subversive operations within the Western Hemisphere such as it has never had before. During the past year, however, the USSR has encountered difficult problems in its relations with the Castro regime.

- 2 -

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5. The USSR has never exercised direct control over Castro and his cohorts, cannot threaten the regime militarily, and, as Castro knows, could ill afford to abandon its commitment to support the Cuban Revolution. Thus, the central problem is, and is likely to remain, the Soviets' inability to impose their will on Cuba, as they have, for example, on the Satellite states of Eastern Europe. Castro has, in effect, elected himself to membership in and leadership over the Cuban Communist Party, and has forced Moscow to acquiesce in his actions. The Soviets have had to accept Castro's claims concerning the building of Cuban "socialism" and to endorse his moves against the "old", Moscow-oriented PSP Communists. Despite considerable dissatisfaction with the regime's management of the economy, the Soviets have also had to liberalize the terms and boost the amounts involved in their aid program to Cuba. Further, Castro's efforts to assert leadership over the "inevitable" revolution in Latin America may also run counter to Soviet designs, since this is a role which Moscow normally seeks to reserve for itself.

6. Finally, the Soviets are concerned lest Castro's policies embroil them in a direct military confrontation with the US. Thus they have carefully avoided a categorical commitment to protect and defend the Castro regime in all contingencies and have not provided military aid to Cuba of a character which would enable the regime to undertake major independent military operations overseas.

FOR THE BOARD OF NATIONAL ESTIMATES:

ABBOT SMITH
Acting Chairman

- 3 -
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