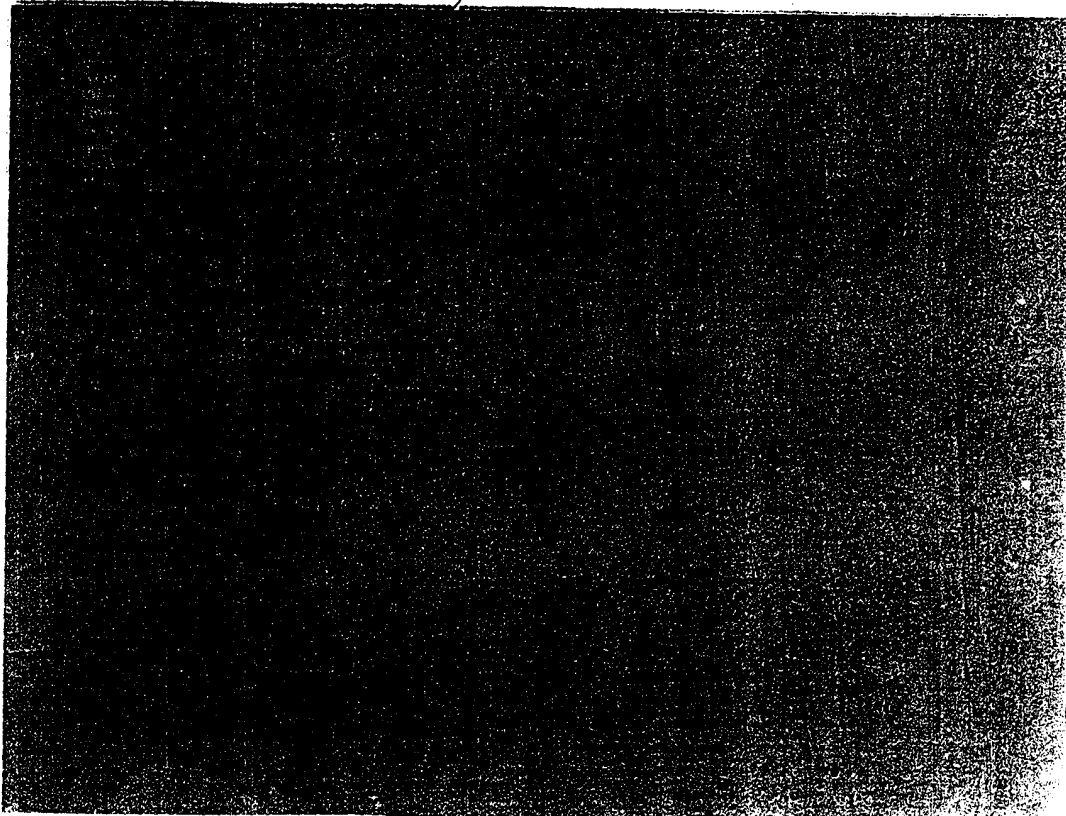


21 January 1960

DELETED TEXT
NOT RELEVANT
TO BAY OF PIGS



THE CUBAN SITUATION

The Castro regime has reacted angrily to the US note of 11 January protesting the illegality of the seizure of American-owned properties in Cuba by the agrarian reform institute (INRA). Castro himself publicly attacked Ambassador Bonsal and called the note "threatening." The seizure of lands has been stepped up, and the government is apparently drafting a drastic urban reform law. The Cuban press is under mounting pressure to conform to the government line, and on 18 January one of Havana's leading independent newspapers was taken over by its employees when its management abandoned efforts to resist government-supported

efforts by the workers to "clarify" anti-Castro stories in the paper.

After eight months of extralegal takeovers of private lands, a Castro government official announced on 17 January that the INRA will start hundreds of court actions to expropriate Cuban as well as foreign-owned properties. The institute is already seizing significant acreages of sugar land, with this year's sugar harvest barely under way. Its executive director, suspected Communist Antonio Nunez Jimenez, declared on 12 January that "all large cattle ranches in Cuba now...belong to INRA, and in a few days all large sugar

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plantations will also come under INRA's control."

The government is planning to establish a National Institute of Urban Reform early next month, according to a fairly reliable Cuban businessman with high government contacts. Although the decree is apparently now only in preliminary draft, the source's description of its basic aspects suggests that it may parallel, in the urban real estate field, the methods and principles of the agrarian reform law.

The tendency of Cubans to invest their savings in highly profitable urban real estate has led in Cuba, as elsewhere in Latin America, to inflated real estate values and chronic housing shortages for lower

income groups. The new institute will probably be used further to curry favor with the masses at the expense of middle- and upper-income groups and will further increase the regime's already extensive controls over the country's economic and political life.

In an effort to focus increased attention to the opening of the Soviet exposition in Havana on 30 January, Moscow evidently is planning to send First Deputy Premier Mikoyan to the inauguration ceremony and is arranging a number of performances by prominent Soviet artists. The American ambassador in Mexico reports close liaison there between the Soviet and Cuban embassies, with renewal of diplomatic relations a possible early objective.

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PART I

OF IMMEDIATE INTEREST

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PART II

NOTES AND COMMENTS

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