

CURRENT INTELLIGENCE WEEKLY REVIEW

18 February 1960

PART III

PATTERNS AND PERSPECTIVES

THE USSR AND THE CUBAN REVOLUTION

In the nearly 14 months since Castro's seizure of power in Cuba, Moscow's attitude has changed from cautious approval of the new government to optimism regarding the opportunities the situation presents for the advancement of Soviet interests in Latin America.

Prior to First Deputy Premier Mikoyan's visit, the USSR had refrained from any blatant moves to exploit Castro's anti-American posture and had instead relied primarily on the strength of the local Communists to influence the regime toward support for the Soviet bloc's foreign policy objectives. The acceptance by Mikoyan of the Cuban Government's invitation to open the Soviet scientific, technological, and cultural exhibit in Havana and the large Soviet trade and credit offer clearly indicate a Soviet decision to take greater advantage of the Cuban situation by identifying the USSR with Castro's foreign policy aims.

of Guatemala and the "heroic struggle" of the people of Cuba against Batista.

Soviet propaganda media quickly reported the downfall of Batista as an event of "momentous significance" and gave a general evaluation that placed the Cuban revolution "on a par with other recent events of a similar magnitude in Latin America." A further indication of



CASTRO AND MIKOYAN

Political Relations

Moscow's initial caution in commenting on the victory of Castro's 26 of July Movement seems to reflect surprise at the sudden collapse of the Batista regime and uncertainty regarding Castro's intentions. In an interview with a Latin American journalist in October 1958, Khrushchev appeared to discount Castro's chances of success by referring simultaneously to the "tragic fate"

Moscow's failure to anticipate the course of the revolution was the failure of the Cuban Popular Socialist (Communist) party to identify itself with the Castro movement before the final moments of the revolt in the closing months of 1958.

Soviet officials' warnings to Latin American Communist leaders attending the Soviet 21st party congress in early 1959 that the Cuban leadership "may go to the right just like Nasir"

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show their uncertainty as to the new regime's future course. It was not until April, when the character of the revolutionary movement and its tolerant attitude toward the local Communists became clearer, that Moscow adopted a more enthusiastic tone toward the Cuban revolution, although it still refrained from general endorsement of Castro personally.

In August 1959, however, Castro's removal of puppet President Urrutia--after the latter's unexpected speech warning of the Communist influence--was declared by both Moscow and Peking to be a reaffirmation that Castro represented the "true aspirations" of the Cuban people. In November, Izvestia appeared to put an ideological stamp of approval on the Castro regime by describing the revolution as a national liberation movement in which the "overwhelming majority of the Cuban people participated and in which the working class and laboring peasantry took the most active role."

Despite these signs of approval, Moscow in 1959 apparently made no overtures to normalize diplomatic relations with Cuba--broken off in 1952. Last September the Soviet ambassador to Mexico reportedly told three Cuban representatives that the Soviet Government thought it best not to request or press for the establishment of diplomatic relations with Cuba, giving as the reason that Moscow did not wish to create difficulties in Cuba's relations with the United States. He stressed, however, that the USSR was willing to trade with the new government and maintain friendly relations, but that existing indirect political contacts were sufficient.

The Cuban acceptance of Mikoyan's broad offer while in Mexico in November to send the Soviet exposition to any Latin American country was probably interpreted in Moscow as the

occasion for undertaking a more active policy toward Cuba. The decision to send Mikoyan to inaugurate the exposition opened a new phase in Moscow's policy, and his visit reflects the USSR's more active efforts to increase its influence in the area. His primary objective appears to have been to demonstrate in a dramatic fashion the availability of Soviet economic and political support as an alternative to dependence on the United States.

The communiqué issued at the conclusion of Mikoyan's visit suggests that extensive political discussions were held with Cuban leaders. Diplomatic relations will probably be resumed within a short time, and Moscow can be expected to exploit this as a breakthrough in Latin America, pointing to it as an example of the international relaxation of tensions.

In his speech at the opening of the Soviet exhibition on 6 February, Mikoyan was unreserved in his praise of the Cuban revolution. He pointed to "the confiscation--without any compensation--of all means of production and land" as part of the "secret" of Soviet progress and asserted that, as in the case of the Soviet revolution, the Cuban revolution cannot be exported, "but the force of example cannot be overcome." Khrushchev in his address to the Indian Parliament on 11 February went out of his way to express Soviet sympathy for Cuba in its struggle "to safeguard its national and economic independence."

Economic Relations

In the economic field, the agreements announced in the 12 February Soviet-Cuban communiqué also reflect the USSR's reappraisal of its attitude toward the Castro government. As these agreements, which deal with major Cuban

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exports and imports, are fulfilled, the USSR will be able to achieve considerable economic influence in Cuba. The Soviet purchase of nearly 5,000,000 tons of Cuban sugar in the next five years, if carried out, will absorb up to 20 percent of Cuba's sugar exports in that period. Previous Soviet purchases, ranging from 200,000 to 450,000 tons annually, have accounted for only 3 to 8 percent of such exports in any one year.

The USSR has been obtaining about 50 percent of its total sugar imports from Cuba and has paid cash for these purchases. The barter provisions of the new agreement--only 200,000 tons is to be paid for in cash each year--will require Cuba to make substantial purchases in the USSR. Cuban imports from the USSR heretofore have been negligible.

During recent months, the USSR laid the groundwork for its new economic ties by sugar purchases carefully timed to reap considerable propaganda gains by bolstering the sagging Cuban sugar market and at the same time to benefit from low prices on top of which Cuba granted discounts. Purchases under the new agreement are to be made at prevailing world market prices.

The \$100,000,000 economic aid credit, repayable in 12 years at 2.5-percent interest, is similar to that rejected by

Mexico during Mikoyan's visit there in November. It is the usual Soviet offer when no specific development program has yet been prepared. The long-range effect of such a credit would be further to support the growth of Cuba's trade with the bloc. The credit is to be used during the next five years to obtain Soviet agricultural and industrial equipment in addition to that received in barter for sugar. The USSR is also to supply necessary technical assistance.

In view of the Castro government's failure to obtain mil-

SUGAR PURCHASES FROM CUBA  
MILLION DOLLARS

UNCLASSIFIED	1955	1956	1957	1958	1959 (EST)
USSR	36.4	14.2	42.0	14.1	15.0
OTHER BLOC	1.0	3.0	0.6	3.6	NONE
UNITED STATES	293.2	317.3	332.8	382.4	346.3

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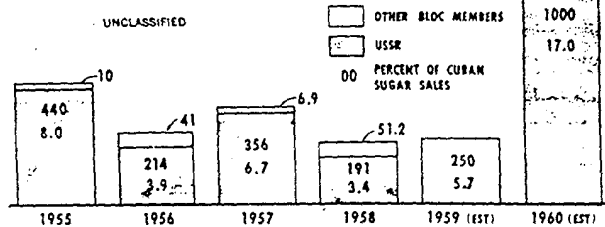
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itary aircraft from Western sources and its expressed interest in obtaining them from the bloc, Cuban officials almost certainly pressed Mikoyan for such equipment. When asked at a reception on 12 February whether the USSR would sell planes to Cuba, Mikoyan replied it would if they were requested.

While the USSR has taken the lead in promoting economic relations with Cuba, both Poland and Communist China have recently purchased 50,000 tons of Cuban sugar. Czechoslovakia and East Germany also have shown interest in increasing their trade with Cuba. A Czechoslovak assistant commercial attaché from the embassy in Mexico City is reported to have been assigned to Cuba for an indefinite period, and an East German trade delegation is in Havana to negotiate a barter agreement.

USSR AND BLOC IMPORTS  
OF CUBAN SUGAR

(THOUSAND TONS)



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Chinese Communist activities in Cuba have been primarily on the ideological and propaganda fronts. Like all of the bloc, Peiping lacks diplomatic relations with Cuba, but especially since early 1959 it has encouraged Cuban and other Latin American Communists to turn to it for ideological guidance, stressing the applicability of Chinese revolutionary experience to the area. Its attempts to foster travel to Communist China and training for Cuban Communists there have met with some success. Along with stepping up the volume of their propaganda broadcasts to the area, the Chinese have opened an office of the official New China News Agency in Havana.

#### Moscow and the Cuban Communists

The highly organized Cuban Popular Socialist (Communist) party (PSP)--17,000 members--has enjoyed considerable success in following the directives laid down by bloc leaders during the 21st party congress in Moscow in early 1959. At meetings between Latin American Communists and Soviet officials, new political strategy was outlined which placed greater stress on the need for increased coordination among Latin American parties and for more flexible adjustment of tactics to local conditions.

Particular emphasis was again given to the creation of national fronts which could be exploited to mobilize public opinion against the United States and in support of bloc foreign policies, while at the same time acquiring a respectable facade for infiltrating non-Communist organizations and institutions.

The PSP has openly identified itself with the principal goals of Castro's program. Party members pose as strong supporters of the revolution. Taking advantage of the government's benevolent attitude

toward the party, the Cuban Communists have succeeded in obtaining considerable influence in the government--particularly in the military and economic sectors--and in the labor movement.

They have, however, exercised great caution by refraining from openly pushing Communist ideology and holding their membership recruitment drive to a low key. This is probably considered advisable because of the party's former close identification with the Batista regime, under which it acquired strength by refraining from active opposition to the government in return for guarantees of a favored position, especially in the labor unions. The PSP is clearly anxious to avoid giving the Castro government cause to take any action restricting the party's freedom.

#### Future Prospects

Soviet leaders probably realize that international Communism has little attraction for most Cubans and believe that the Castro government wishes to be independent of Moscow as well as of Washington. Nevertheless, they evidently now view Cuban developments as ripe for exploitation in the advancement of Soviet interests throughout Latin America.

The USSR intends to take advantage of Cuba's economic weaknesses: its dependence on the sale of sugar, its lack of investment capital at a time when the demand for funds is especially high, and its low foreign exchange balance.

The Cuban Government's increasingly leftist orientation, and its apparent eagerness to flaunt its independence of the United States by attempting to increase its contacts with the bloc are probably considered the principal

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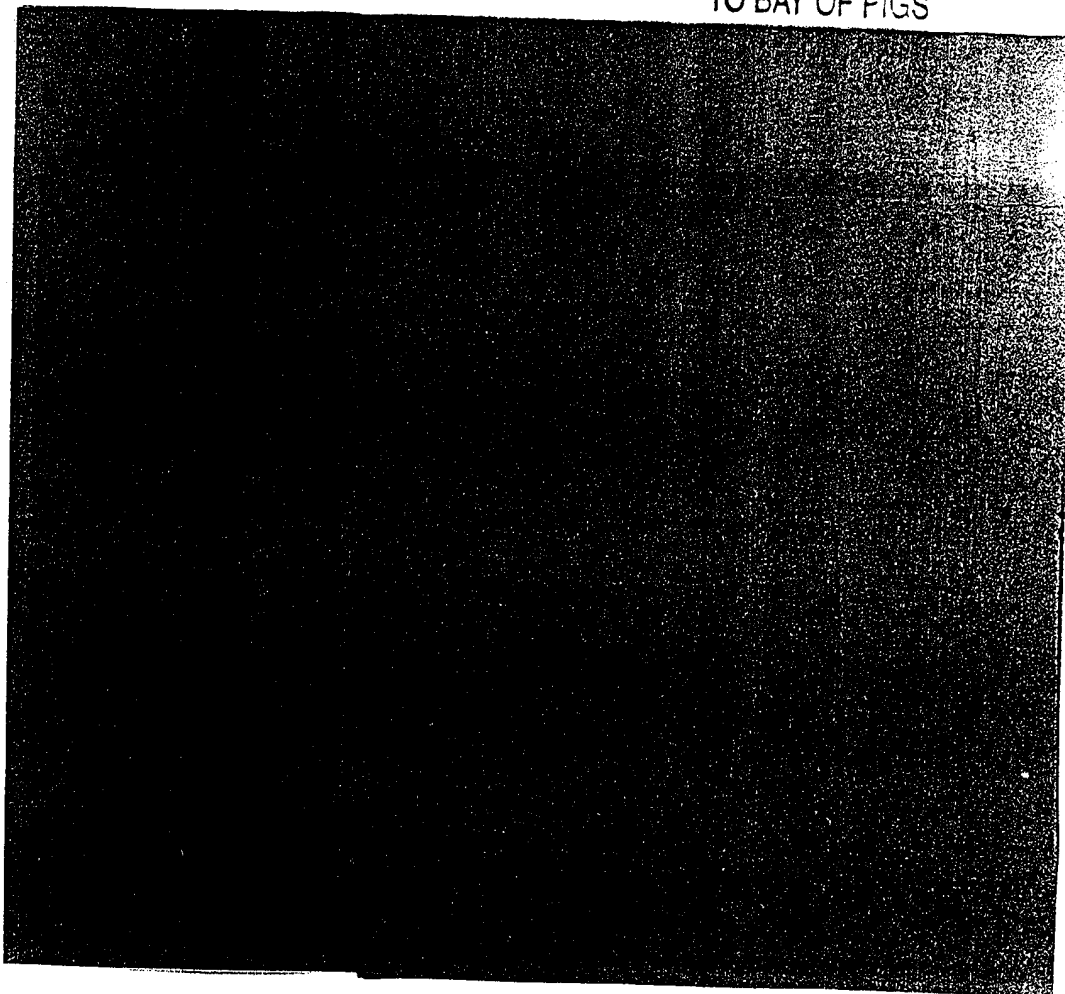
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political factors susceptible to Soviet exploitation.

The Soviet Union will seek to encourage Cuban support for its foreign policy objectives. The 12 February communiqué stated that it was "the clearly recorded interest of both governments to collaborate actively in the United Nations in favor of coexistence...." Cuban representatives in the United Nations last year abstained on the moratorium on Chinese UN representation and have already been reported planning to support Peiping this year.

The extent of Moscow's efforts in the immediate future on the political and economic fronts, including military aid, will depend, on the one hand, on the increased opportunities it sees in the Cuban situation to enhance its drive to decrease US influence and raise Soviet prestige throughout Latin America and, on the other, by the need it feels to refrain from actions which would alienate other Latin American governments or unnecessarily antagonize the United States in this period of "peaceful coexistence" diplomacy.

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NOT RELEVANT  
TO BAY OF PIGS

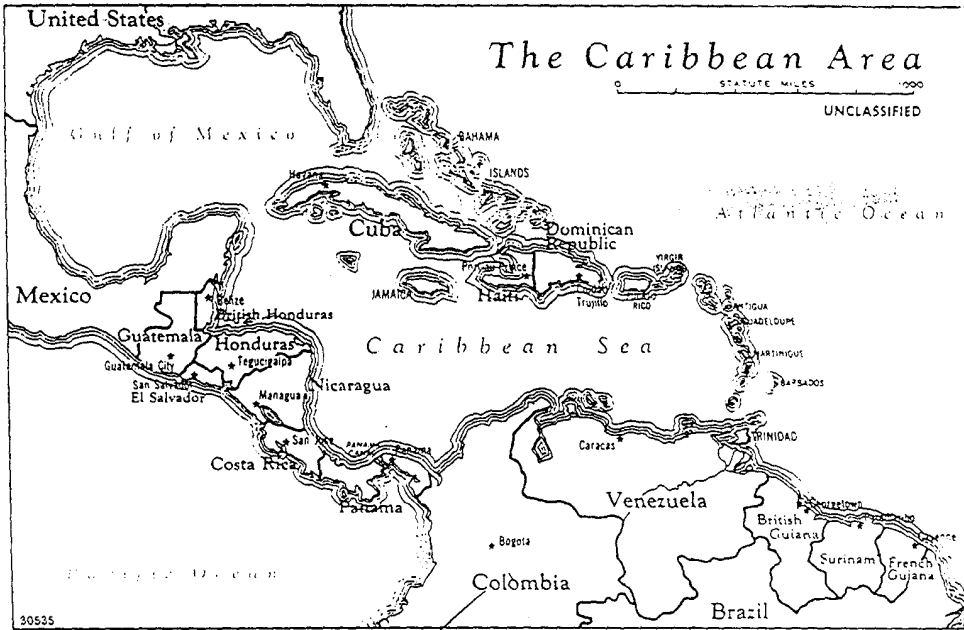


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CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

Cuba 1997

The rapidity with which the Castro regime is moving toward close ties with the Soviet bloc and intensifying its controls over business, finance, labor, and news media is creating a sense of desperation among middle- and upper-class Cubans. Some of them indicate that they may turn to armed opposition. They lack effective organization



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TO BAY OF PIGS

and leadership, however, and have no means of influencing the masses, most of whom still favor Castro.

On the other hand, some progovernment elements, while declaring their continued support for Castro, have boldly proclaimed their opposition to Communism and to Soviet influence in Cuba. The anti-Communist students who rioted after Mikoyan had placed a wreath at a Cuban hero's statue on 5 February also proclaimed their loyalty to Castro. The influential

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NOT RELEVANT  
TO BAY OF PIGS

Cuban weekly Bohemia, a fervent Castro backer, carried a hard-hitting article on 14 February attacking the Soviet exposition in Havana for presenting a one-sided picture of life in the Soviet Union.

