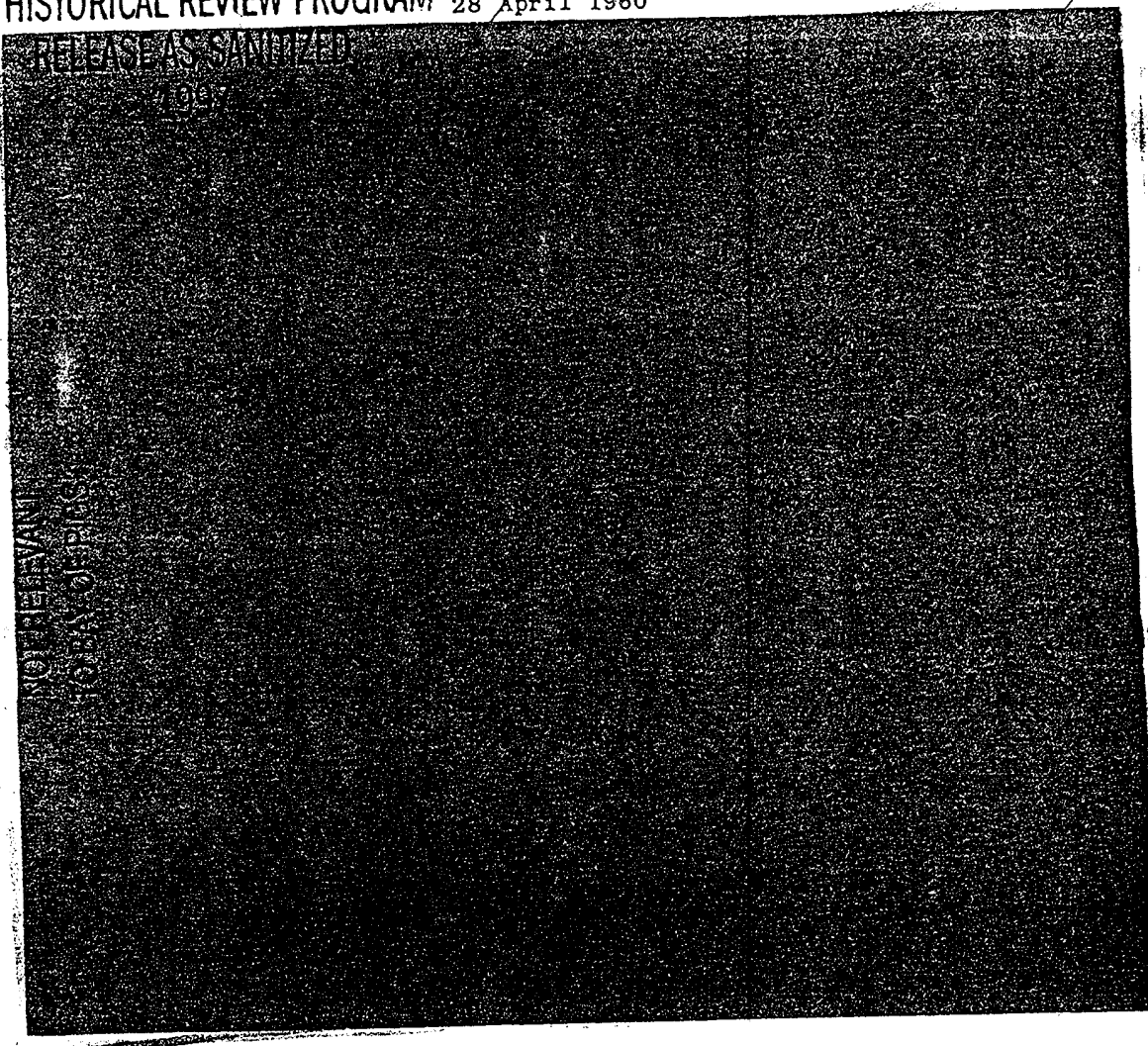


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CUBA

Although Fidel Castro probably still has the support of a majority of Cubans, his popularity continues to decline among all classes. The regime's drastic reforms have spread economic benefits more widely in some spheres, but they have simultaneously caused major dislocations in supply, production, and labor.

A competent American observer in Oriente Province, Castro's early stronghold, reports

that government intervention in business and agriculture has cut off many sources of private income and has led to unemployment, a restriction of money in circulation, and other manifestations of an economic recession. He reports that the economic pressures have contributed to significant losses in Castro's support among elements of the lower as well as the middle and upper classes. This observer notes that all attention is focused on economic problems



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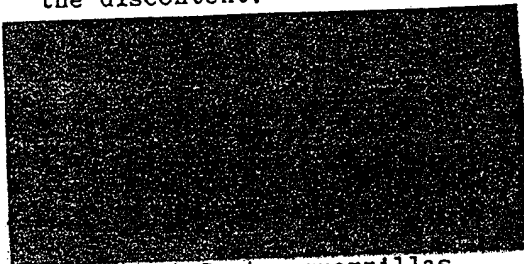
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28 April 1960

and that the Communist issue is not an important factor in the discontent.



Anti-Castro guerrillas are operating in the Sierra Maestra but are believed still to be few in number. Their presence is clearly irritating to the government, however, and they are potentially important as a rallying point for dissidents.

The growing seriousness and complexity of the country's economic and political problems are impelling the Castro regime to use the United States more and more as a scapegoat. In his 22 April television appearance, Castro described US policy toward Cuba as "fascist" and a betrayal of the principles for which thousands of Americans fought in World War II. He accused officials of the US Naval Base at Guantanamo Bay of using the guerrilla groups in Oriente Province "to promote a counterrevolutionary focal point." He added, "We are ready for a real war." Ambassador Bonsal described these attacks on the United States as Castro's strongest, most direct, and most insulting to date.

The three-man Chinese Communist delegation that arrived in Havana on 22 April was the first of many foreign delegations, including other representatives from the Soviet bloc, to come for the May Day

events in Cuba. Greeting the Chinese at the airport, Cuban pro-Communist labor leader Jesus Soto said, "You have had revolutionary experiences from which we must learn, especially regarding questions of labor." Many delegates from the western hemisphere were invited to Cuba for the "Meeting of Democratic Political and Intellectual Personalities" set for 29 April to 1 May.

the expenses for these visitors are being paid by the Cuban Government.

A bitter struggle continues between pro-Communist and non-Communist leaders of the powerful Cuban Workers' Confederation (CTC). CTC Secretary General David Salvador, who has apparently attempted to resist government-endorsed efforts by Soto and other pro-Communists to gain complete control of the CTC, will probably soon be ousted or resign.

Many of the other Latin American governments are becoming increasingly resentful of the propaganda and subversive activity of Cuban embassies and consulates in their countries. Guatemala and Cuba exchanged bitter accusations on 22 and 23 April, each charging subversive activity. The Guatemalan ambassador was recalled from Cuba, and there is speculation that relations will be broken.

Earlier, Guatemalan President Ydigoras had attempted to persuade Honduras and El Salvador as well to withdraw their ambassadors from Havana and to join Guatemala in issuing a public statement condemning Cuban subversion. The Honduran Government, long irritated by the Cuban ambassador's activity, seems likely to break relations.

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