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NOT RELEVANT
TO BAY OF PIGS

LATIN AMERICA

14.

Cuba May Restore Shell Refinery to British-Dutch Ownership: An American executive of a major oil company who has an intimate knowledge of the petroleum industry in Cuba places considerable credence in rumors that the Castro regime intends to return the Shell refinery to its owners and request that they resume normal operations, importing crude oil from Venezuela. The British-Dutch - owned Shell refinery was "intervened," together with the American-owned Esso and Texaco refineries, early this summer after all three had refused to process Soviet crude. In early August the two American-owned refineries were formally expropriated and nationalized, along with the storage and distributing facilities in Cuba of the American-owned Sinclair Oil Company.

The source believes the return at this time of the Shell refinery to its former operators would have both economic and political advantages for the Castro regime and would create a difficult situation for the United States. By returning to private ownership the most important non-American business seized by the regime, Castro would emphasize his contention that "the Cuban problem" is primarily a US-Cuban dispute-- an allegation that has appeal in other Latin American countries. Shell would be expected to resume its traditional imports of crude oil from Venezuela, thus ameliorating Venezuelan dissatisfaction with the effects of Castro's policies. Shell could also produce some of the petroleum products, such as fuel oil, which now are of unsatisfactory quality or

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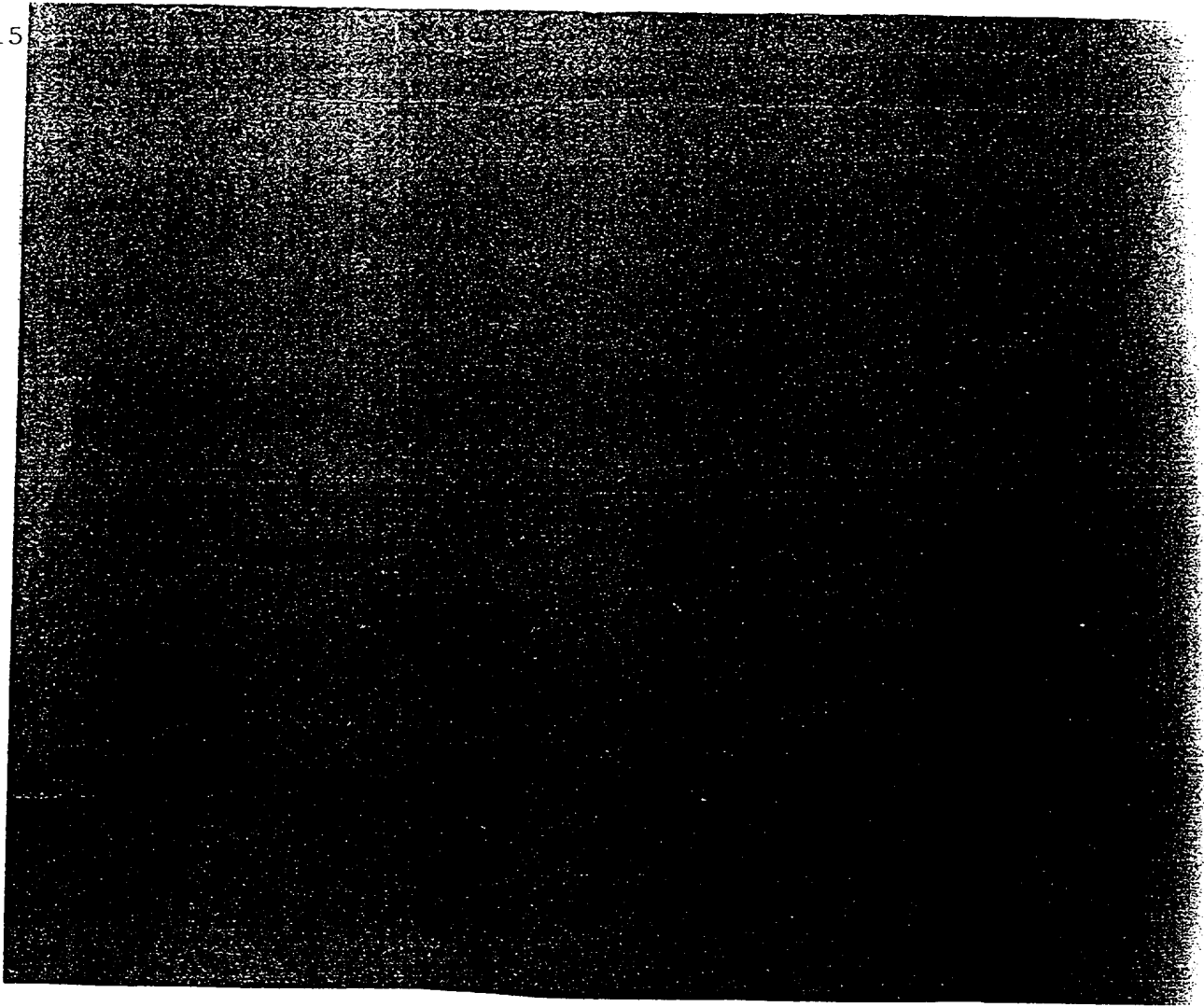
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inadequate supply in Cuba; moreover, Shell could import from its parent company or foreign subsidiaries some of the products, such as lubricants, that are in short supply. [REDACTED]

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