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CIA HISTORICAL REVIEW PROGRAM
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2. Poland Continues Long-Term Credits to Cuba

[REDACTED] Poland continues to provide long-term credits to Cuba for basic industrial equipment, despite the fact that previous Polish credits to Cuba had caused the US to suspend a \$5,000,000 loan to Poland. In an effort to overcome US objections, Polish Deputy Foreign Trade Minister Modrzewski recently argued that only "commercial" credits --extended by Polish state trading enterprises--were being used, not "state" credits which would mean government-to-government aid.

During a visit to Washington on 22 March, Modrzewski said he considered the Polish explanation sufficient to meet US requirements and attempted to persuade American officials to resume talks on the implementation of the suspended credit. Other negotiations are due to begin soon between Warsaw and Washington on utilization of Polish currency held by the US, on a new PL-480 agreement for delivery to Poland of US grains, fodder, and fibres, and on additional credits--pending Congressional amendment of the Battle Act in favor of Poland.

Modrzewski cited a recent Polish loan to India as an example of a "state" credit. He said "commercial" credits of up to eight years at 2.5-percent

interest had been extended to Cuba by state trading enterprises from their allocated operating budgets and on an individual contractual basis. Although Poland claims these agreements are normal commercial transactions, the terms offered constitute economic aid by US standards.

Modrzewski estimated that these contracts would not amount to more than \$5,000,000 during 1961. However, during the first quarter of this year Poland concluded such agreements with Cuba worth \$5,500,000. One of the contracts, for a cast iron foundry, allows a ten-year repayment period. This figure does not include the prices and terms for 2,150 vehicles of various types which the Poles agreed to supply on 7 March or for two glass factories which apparently had been contracted for earlier. In addition, negotiations are under way for delivery of grain elevators, meat-packing plants, copper- and iron-ore processing plants, a shipyard, and television and radio factories.

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LATIN AMERICA

6. Cuba's Complaint Against the US in the UN General Assembly

Ecuadorean Foreign Minister Chiriboga, in a note to Cuba, in effect rejected the Cuban view that the Organization of American States is an ineffective body for dealing with Cuba's current complaint against the United States in the UN General Assembly. In his note, Chiriboga said that, while "recognizing that the OAS is not perfect," Ecuador continues to adhere to the principles of the inter-American system. He added that the OAS was established to resolve hemisphere problems. This formal diplomatic note of Chiriboga, a leader of the anti-Castro faction in the Ecuadorean Government, may not, however, reflect the present views of President Velasco, who has followed an equivocal policy toward the Castro regime.

The US delegation in New York reported on 5 April that it seemed likely that the Latin American states are prepared to vote against any Afro-Asian resolution on Cuba "which goes too far" and that these states in any event would consult with the United States before co-sponsoring or attempting to amend any milder resolution that may be introduced.

It seems unlikely that any major Latin American country would co-sponsor such a resolution at this time. However, Brazilian President Quadros, in a memorandum to his acting foreign minister, stated that Brazil would consider on its own merits any proposal presented in the UN on the US-Cuban problem.

Ecuadorean President Velasco has vacillated on policy toward Cuba, which is openly backing Ecuador in its boundary dispute with Peru. The Cuban issue has led to sharp division between pro- and anti-Castro political groups in Ecuador and provoked Chiriboga's threat to resign in early March.

Cuba's efforts to induce one of the more radical African states to sponsor a draft resolution on its complaint against the US in the UN General Assembly have met with opposition from the UAR.

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between the United States and
Cuba to settle their differences.

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[REDACTED] However, the UAR
and other members of the Afro-
Asian bloc would probably sup-
port the draft resolution being
circulated by Indonesia which
calls for bilateral discussions

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