

22 September 1960

IA HISTORICAL REVIEW PROGRAM
 RELEASE AS SANITIZED
 1997

PART II

NOTES AND COMMENTS

CUBA AND THE CARIBBEAN

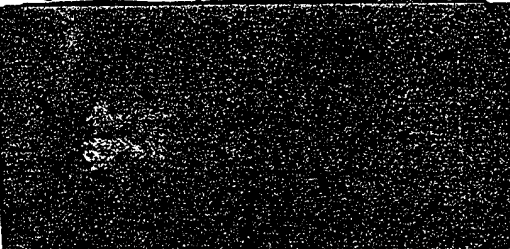
The Castro regime has in the past week seized the Cuban branches of all three US banks in Cuba, and the properties of several American-owned firms were taken over as a result of the nationalization of the tobacco industry on 16 September. With these moves, all but a few of the American companies operating in Cuba--once valued at over a billion dollars--are in the hands of the government. Castro therefore may respond to the next US "provocation" by calling a new "popular assembly of the Cuban people" to annul the Guantanamo base treaty. On 2 September he publicly threatened such action, and on 20 September Raul Castro repeated the threat and also declared, "We will nationalize even the foreign spies, if necessary."

The Cuban Government is giving heavy propaganda play to espionage charges against two US Embassy staff members and to the alleged "indignities" suffered by Fidel Castro in New York. The protest demonstration in Havana on 20 September led observers to comment that the crowd seemed unusually serious and determined and could easily have been incited to violence if the government had so desired. Castro's address to the General Assembly is expected to be a tirade against US policies all over the world.

On 16 September, the Communist-dominated Cuban Workers' Confederation sent cables to 19 labor unions throughout the western hemisphere and to the Communist-front World Federation of Trade Unions and the Confederation of Latin American

Workers appealing for expressions of solidarity with the Cuban UN delegation.

Although the counselor of the Soviet Embassy in Paris told an American official on 14 September that the Soviet premier had no intention of going to Cuba and would talk to Castro in New York, preparations are under way in case Khrushchev decides to visit Havana following his UN appearance.



The Khrushchev visit to Cuba, if it takes place, may prompt anti-Castro elements to stage hostile demonstrations.

According to reliable information, the cargo of the Soviet vessel Ilya Mechnikov, which delivered the first large shipment of bloc arms to Cuba on 8 September, included ten tanks, 100 anti-aircraft guns, machine guns, large quantities of ammunition, and electronics equipment. At least part of the arms were of Czech origin. There is no indication from detailed reports on the unloading that jet aircraft were included. Another Soviet merchant ship, the Nikolay Burdenko, may be en route to Cuba with a new shipment of bloc arms.

On the domestic front, the government is faced with growing popular unrest. As many as 150 persons are reported under

22 September 1960

arrest in Matanzas Province as the outgrowth of clashes between anti-Communist and pro-Castro demonstrators beginning on 11 September. Several anti-Communists were wounded when the police and militia fired into a crowd of demonstrators.

Guerrilla activity continues in the Escambray Mountains of Las Villas Province, and an American engineer working on a hydroelectric project in the area reported on 16 September that the situation was becoming too dangerous to continue the project. He said that prolonged gunfire is heard nightly and that travel even in daytime is becoming hazardous. He reported that one guerrilla band is composed of about 200 well-armed and well-trained soldiers formerly with the Castro movement.

[REDACTED] suggesting that the armed forces chief is personally directing the antiguerrilla operations. Several embassy sources report that large numbers of regular army troops and militia moved into the Escambray area during the week ending 17 September.

The economy is showing the effects of the regime's drastic economic and fiscal policies. The cost of living is rising and consumer goods are becoming more scarce, further alienating the public. The nationalized oil refineries have been forced to restrict their output because of shortages of the catalysts used in the refining process.

Soviet petroleum is lighter than the Venezuelan crude formerly imported and produces less of the heavy fuel oils now in short supply. The relatively high sulfur content of the Soviet

crude is causing corrosion of the refining equipment, and the refineries are having difficulties in obtaining spare parts. Heavy lubricating oils are also in short supply, and the regime is attempting to force private companies that normally purchase these products to front for government purchases..

