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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY COUNCIL
WASHINGTON

COPY NO. 2

May 4, 1961

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: U. S. Policy Toward Cuba

REFERENCE: NSC Action No. 2413-c

The enclosed papers on the subject, prepared pursuant to NSC Action No. 2413-c, are transmitted herewith for discussion by the National Security Council at its meeting on Friday, May 5, 1961, at 10:00 a.m..

MARION W. BOGGS
Acting Executive Secretary

cc: Secretary of the Treasury
Director, Bureau of the Budget
Chairman, Joint Chiefs of Staff
Director of Central Intelligence

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-276
By lig, NARA, Date 3-31-95

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2 May 1961

FACTS, ESTIMATES, AND PROJECTIONS

(Draft prepared 1 May 1961 by combined INR-ONE working group)

SUMMARY

I. THE PRESENT SITUATION IN CUBA

A. The Armed Forces

The armed forces of the Castro regime number some 250,000, of whom some 200,000 are militia. The regular forces -- army, navy, air, and national police -- have been shaken by purges of officers and men who previously supported Castro against Batista but later became disillusioned by events in Cuba. Castro distrusts the armed forces and has built up the militia, thereby reducing his dependence on the military.

Bloc arms deliveries and intensive training have increased the military capabilities of the army, but its tactical training is still deficient. The militia is composed of people who generally serve only part-time, subject to call in an emergency, but some full-time militia units are now being formed and trained. The latter are, in effect, units of a second, more politically-reliable army. The air force and navy suffer from a lack of professionally trained and technically qualified personnel.

B. Control Mechanisms

In little over two years the Castro regime has established a complex of interlocking mechanisms enabling it to control virtually every phase of life in Cuba. This has been accomplished by imposing leadership loyal to the regime on every local and national organization of any importance, by regimenting the economy, by creating an elaborate internal security apparatus, and by seizing all major newspapers and radio and TV stations.

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C. Attitudes of Key Individuals

Every key national figure in Cuban society, with the notable exception of the Catholic hierarchy, is by now either a dedicated supporter of communism and the Castro regime or a non-Communist so deeply committed to the regime as to be unlikely to turn against it.

D. Class and Regional Attitudes

The upper class has been destroyed as an effective political or economic force in Cuba. The middle class, which has suffered most from deteriorating economic conditions and the increasingly tight controls imposed by the government, provides the principal organized opposition to the Castro regime.

Attitudes of the lower class toward the regime are dependent upon the degree to which Castro has fulfilled his promises, the degree of hope remaining for the future realization of as yet unfulfilled promises, and the extent of psychological identification with the Revolution. It is that part of the newly self-conscious lower class which has already received positive benefits from the Revolution, or still hopes for future improvement in conditions, that now provides the real mass support for the Castro regime. This group of perhaps 25 percent to 30 percent of the total population probably constitutes the poorest segment of the large Cuban lower class.

By no means all of the Cuban lower class can be considered to favor the Castro regime. The failure of the government to carry out many of its earlier promises has led to increasing disappointment and dissatisfaction. This does not mean, however, that there has been an equal increase in willingness to act against the regime.

E. Economy

The Cuban economy continues to deteriorate both in terms of physical output and in living levels. Output in the industrial sector has been adversely affected by parts and raw material shortages, although sugar production may match or exceed last year's

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level and the regime is making strenuous efforts to expand agricultural production. Cuba's trade has been redirected largely to the Soviet Bloc, whose economic support is vital for the Castro regime.

II. PROBABLE TRENDS WITHIN CUBA, ASSUMING NO MAJOR US INTERVENTION

A. Political Prospects

Six Months. The position of the Castro regime has been strengthened by the recent invasion victory. It is probable that there will be no major change in internal political conditions during the next six months. Anti-Castro activity within Cuba will be muted as a result of the defeat of the invasion force. Castro may take advantage of his recent victory to organize a full-scale campaign against anti-Castro forces, or he may use the coming period of relative calm as a means of establishing a reputation for forbearance in the face of armed provocation. Indications are that he will probably follow the latter course. He will, in the immediate future, take advantage of his increased strength within Cuba to seize the Church's educational system, and banish two-thirds of the clergy (the non-Cuban proportion).

One Year. The psychological impact of the recent Castro victory will have worn off and living conditions will not have improved perceptibly. Organized anti-Castro opposition will probably have stepped up its sabotage activities, but morale may be weakened (depending upon the extent of US support) by the apparent hopelessness of the battle against the regime.

Castro will have strengthened his position within the military and extended his control over the Cuban people. Police state methods will have become more effective. The Cuban Communist Party (PSP) will play a more open role in the government, but will not attempt to attain the open exercise of total power.

Five Years. All effective opposition to the regime will probably have been eliminated. Popular attitudes will also have changed. As economic conditions improve, the population will more easily reconcile itself to repugnant political controls. In addition,

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an extended period in which to indoctrinate the populace will almost certainly result in a significant increase in emotional and psychological identification with the regime.

Governmental controls will have become pervasive and effective. Increased efficiency of control agencies plus an extension of these controls into all aspects of Cuban life will make dissidence almost totally ineffective irrespective of any possible rise in popular antipathy for the regime beyond that foreseen.

B. Probable Trends in the Armed Forces

With continuing material and technical assistance from the Bloc and with further military training and political indoctrination, under Bloc tutelage, the combat effectiveness of the Cuban armed forces will substantially increase. The Bloc will probably provide some MIG-17's when Cuban pilots training in Czechoslovakia return home. However, the buildup of a sizable jet air force in Cuba will probably be a slow process as compared with the improvement of the army. Nonnuclear air defense missiles may be supplied to Cuba, but the Bloc will not supply offensive type missiles nor nuclear weapons. The solution of the navy's immediate problem depends on the pace at which politically reliable personnel can be technically trained with Bloc assistance. That will take time, and it appears that nothing much is being done about it now.

C. Economic Prospects

Six Months. The economy will deteriorate further, although not sufficiently to jeopardize the regime's stability. The end of the sugar season will mean a general decline in economic activity. Problems in selling sugar in the world market, other than the Bloc, may cause further foreign exchange problems, although the Bloc will move to supply essential requirements.

One Year. Another sugar season and anticipated expansion of industrial plants with Bloc assistance will bolster the economy, although Cuba will still be heavily dependent upon its foreign sugar sales, as yet unpredictable.

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Some of the major supply and technical problems will have been overcome, and aggregate production may be on the upswing. Consumer austerity will still be in force, although consumption levels of the lower classes especially the rural population may increase slightly.

Five Years. Cuba's natural resources and Bloc economic assistance form the basis to permit Cuba to accomplish much of its five-year plan. This would mean greater economic independence, through increased self-sufficiency, less dependence on sugar, near-full employment, and gradual economic growth.

III. CUBAN VULNERABILITIES

A. Economic

Economic vulnerabilities of the Castro regime include its foreign exchange position, spare parts and raw materials shortages, lack of sufficient technical and managerial personnel, declining per capita income, and consumer shortages and the growing black market. Imposition of the Trading with the Enemy Act against Cuba (which would inter alia reduce Cuba's foreign exchange earnings from the US and would extend the US export embargo to all products) and a campaign of limited sabotage against Cuba's industries and utilities would aggravate these problems, though not sufficiently, by themselves, to jeopardize the regime's stability. The Bloc would act to assist Cuba by providing minimum essentials and possibly supplying some foreign exchange. A program of extensive sabotage or a complete blockade would cause serious economic breakdowns, especially in the urban and industrial sectors. In the case of extensive sabotage the Bloc again could be expected to provide the minimum essentials to maintain the Cuban economy. The possibilities of a direct Soviet-US confrontation in the event of a blockade, and the impact of such action on our international position, are not considered in this paper.

B. Political

If Fidel Castro were to be eliminated from the scene the regime might collapse for lack of this central rallying point. On the other hand, the bureaucracy may now be so firmly entrenched that it could operate without him.

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Popular resentment against the totalitarian controls imposed by the regime has steadily increased. This resentment is open to exploitation through a psychological warfare campaign or a program of reprisals against members of the control apparatus, e.g., informers.

The hold of the regime depends in large part on control of mass communications media. Sabotage of these facilities would deprive the regime of this advantage; sabotage of other communications would impair the effectiveness of police controls.

IV. RELATIONS OF CASTRO WITH LATIN AMERICA

A. Nature and Extent of the Threat Posed by Castro

The threat posed by the Castro regime in Latin America stems from its inherent appeal to the forces of social unrest and anti-Americanism at a time when most of the area is in the throes of a fundamental transformation. Castro and the Communists have made assiduous efforts to capitalize on this situation. Cuba has become the center of a propaganda and subversion campaign of unprecedented proportions in Latin America. Both Castro and the Communists see the Cuban revolution not as an end in itself but as the prototype of a transformation which will eventually sweep over all of Latin America. Given the chaotic stage of Latin American politics pro-Castro elements have a significant capability for stirring up demonstrations and disorders in a number of countries, and in a few an outside chance of gaining power in the next few years.

B. Present Attitudes Toward Castro

In the aftermath of the recent invasion of Cuba, Latin American attitudes toward Castroism have become more fluid. Ruling groups are temporarily more fearful of the Soviet thrust in the hemisphere and less fearful of popular reaction in support of Castro.

The OAS is now less hostile to US intervention in Cuba than before the invasion, but a majority of its members is still not prepared to intervene in Cuba.

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C. Probable Developments in the Absence of US Intervention

The danger is not so much that subversive apparatus centered in Havana will be able to export the revolution directly as that increasing misery and discontent among the mass of the Latin American people will provide opportunities for pro-Castro elements to act. The Cuban-Communist political warfare apparatus can obviously do much to further the process, however.

In the absence of direct Cuban intervention in the internal affairs of neighboring states, the present fears of Castroism among Latin American ruling groups will wane and the traditional nonintervention policies will be reasserted.

The Soviet Union is expected to counsel Castro to avoid overt actions which would provoke US counteraction or which could be interpreted by other Latin American governments as Cuban intervention in their domestic affairs.

D. Effect on the US Position

The continued existence of the Castro regime would fundamentally alter the terms of Latin American relations with the US. US restraint would be interpreted by Latin American ruling groups as evidence of weakness.

Aside from its direct effect on US prestige the survival of Castro would profoundly affect Latin American political life. It would set the stage for political struggle in terms long promoted by Communist propaganda in the hemisphere, with the issue drawn between "popular" anti-US forces and the ruling groups allied with the US.

The US would have to be prepared to underwrite huge welfare and economic development programs and to involve itself directly in their success, always under some threat of withdrawal of cooperation by the Latin American governments.

On the other hand, if Castro were eliminated, the US would be in a much stronger position to insist upon adoption of a program of moderate, evolutionary change by the ruling groups in Latin America.

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The expulsion of Cuba's Soviet-controlled regime would deprive the USSR of its bridgehead in the western hemisphere and would remove the model for action by extremist groups. However, the Soviets would still have a multitude of weaknesses to exploit, and would have achieved real gains over their early 1959 position.

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THE REPORT

I. THE PRESENT SITUATION IN CUBA

A. The Armed Forces

1. General. The armed forces of the Castro regime number some 250,000, of whom some 200,000 are part-time militia. The regular forces -- army, navy, air, and national police -- have been shaken by successive defections and purges of officers and men who supported Castro's revolution against the Batista regime but were disillusioned by the subsequent trend of events in Cuba. The present commanders of these forces are selected for their dedication to the regime rather than for their professional competence; presumably they are reliable. Nevertheless, Castro distrusts the regular forces and has built up the militia at their expense, as a means of organizing armed popular support for the regime and thereby reducing his dependence on the military.

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2. The Army numbers some 32,000 men, of whom about one-fifth are veterans of Castro's guerrilla operations against the Batista regime and the remainder are later adherents. It has been deeply disturbed by the defection of some of its revolutionary leaders and by Castro's evident partiality toward the militia. It is notable that the first formation encountered by the recent anti-Castro invaders proposed to join them. No others had the opportunity to do so.

3. Initially, the army was/^asingularly ill-equipped, untrained, and inexperienced force, except for the special and limited experience of the guerrilla element. Since September 1960 its capabilities have been considerably enhanced by intensive training in the use of arms and equipment received from the Soviet Bloc. These Bloc deliveries have included medium and heavy tanks, self-propelled assault guns, field and antiaircraft artillery, large numbers of military vehicles, and ample quantities of infantry arms and ammunition. Even so, the army's tactical training is still deficient. In the recent action it suffered severe casualties because of its tactical ineptitude.

4. The mobile combat elements of the army have been organized into three combat commands concentrated in or near Havana, Santa

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Clara, and Santiago. Each of these combat groups includes an infantry regiment, a tank battalion, and an artillery battalion, and numbers about 6,500 men. A fourth such group is being formed in a "redoubt" in the Sierra Maestra. In addition, some 10,000 troops are deployed in small posts throughout Cuba as rural police.

5. The National Police number 9,000 men stationed in the principal cities of Cuba (4,000 in the Havana area). They perform normal urban police duties, but also have a considerable paramilitary capability for coping with urban disturbances.

6. The Militia numbers some 200,000 men and women organized into companies and battalions. The original militia units were composed of enthusiasts fanatically loyal to Castro and to his postrevolutionary program. Subsequently, units have been formed on a residential or occupational basis, in circumstances which would make a refusal to "volunteer" prima facie evidence of counterrevolutionary sentiments. Consequently, these latter units may include many unenthusiastic persons. The officers of the militia, however, are selected for revolutionary zeal and are put through rigorous OCS-type training and political indoctrination.

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7. The militia generally serve only part-time, subject to call in an emergency. They are armed with light submachine guns effective for occasional use at short range, but not for sustained combat. However, a number of part-time militia units are composed of guerrilla veterans and could be considered combat-worthy. In addition some full-time militia units are now being formed and intensively trained with heavier weapons, including artillery. They are, in effect, units of a second, more politically reliable army.

8. Perhaps as many as 10,000 militia have been employed full-time in operations against a relatively few anti-Castro guerrillas in the Escambray. Their operations, however, have been essentially passive. By their numbers, they have effectively cordoned off the area, but they have not aggressively gone into the mountains after the guerrillas.

9. The Air Force. Successive defections and purges have left the air force with few qualified pilots or other trained personnel. Most of its aircraft are inoperable for want of maintenance and spare parts. The force has, in effect, no combat organization. Individual sorties are laid on as individual aircraft and pilots are available. In the recent emergency, Castro

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was able to commit to combat only 6 aircraft -- 2 B-26's, 2 Sea Furies, and 2 T-33 jet trainers -- plus a number of helicopters. The effectiveness with which these few aircraft were used suggests that they may have been flown by Bloc military technicians rather than by Cuban pilots.

10. The Navy. Successive defections and purges have left the navy also with few professionally trained and technically qualified personnel. Most of the ships are nominally operational, with reduced crews well guarded by militia, but are relatively inactive. On the other hand, a few small patrol craft and about 20 confiscated pleasure craft are actively engaged in coastal patrol, manned principally by militia.

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B. Control Mechanisms

11. In little over two years the Castro regime has established a complex of interlocking mechanisms enabling it to control virtually every phase of life in Cuba. It has accomplished this by imposing leadership screened by the regime on every local and national organization of any importance, by regimenting the economy in the of the state, and by creating an elaborate internal security apparatus with agents placed throughout Cuban society. While leaving much to be desired in terms of tight organization, the security network, under the direction of local Communists and with guidance from Communist Bloc technicians, has proven its effectiveness in neutralizing or eliminating resistance. The arrest of some 20,000 or more Cubans immediately after the abortive opposition landing in mid-April is indicative of the extent to which the security services kept tab on the population and were prepared to move swiftly.

12. For some time, all major newspapers and radio and TV stations have been instruments of the state. The regime has purged the public education system of dissidents, and reordered this system in support of its objectives; private and Catholic schools are being harassed into shutdown or submission. Leadership considered reliable by the regime has been installed in labor organizations and

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student circles; dissenters have been eliminated or silenced. The regime has intimidated or broken up all political groupings that might have opposed it. Only the Communist Party has complete freedom of action, and its well-organized apparatus in labor, student, and intellectual circles is dedicated to the regime.

13. By means of the Urban Reform Law the state has in effect acquired ownership of all rental property and extended its control over both owner and tenant. State operation of the banking system, large business enterprises, and utilities permits it to control practically all commercial life in the city. The state has also seized most large industrial enterprises. Agents of the Army G-2 (the Secret Police) working alongside the National Police are on duty in every city and town in Cuba. Moreover, informants for the State (from the civil militia) are in nearly every city block, apartment house, or group of residences.

14. Many Cuban farm workers are now under the orders of the National Agrarian Reform Institute (INRA), which controls the vast majority of farm and pasture lands and operates state farms and people's stores. Under army control, mobile rural police units with excellent communications equipment are spread throughout the countryside. Thus, through INRA officials (many of whom are also from the

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army) and the rural police, the regime now effectively dominates all social and economic life in rural areas.

15. To tighten its hold on the Cuban populace, but also to counterbalance the army and the National Police, the Castro regime has over the past year or so brought some 200,000 Cubans into the paramilitary Revolutionary National Militia. Virtually a cross-section of the Cuban population -- including urban laborers of all categories, government employees, professional men, students, and peasants -- the militia is subject to heavy indoctrination and is obviously intended to provide the regime with a reliable source of popular and military support. Although the militia's equipment and overall military effectiveness are generally inferior to those of the army, most if not all militiamen have been issued at least sidearms and training for their employment in events of civil disorder or invasion is progressing, probably at an increased pace since the opposition landings.

C. Attitudes of Key Individuals

16. Nearly every key national figure in Cuban society, with the notable exception of the Catholic hierarchy, is by now either a dedicated support of communism and the Castro regime or a non-Communist

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so deeply committed to the regime as to be unlikely to turn against it. Over the past two years, virtually all the leading personalities who had come to oppose Castro have either defected and fled or have been eliminated by the regime's energetic purges throughout the government and Cuban society; a new purge brought on by the April invasion is in progress. As a result, even those key officials who appeared to be primarily technicians rather than fervent advocates of the regime -- e.g., Foreign Minister Raul Roa and the new chief of the National Bank, Cepero Bonilla -- are probably too deeply committed by now to abandon the regime. Communists holding positions of considerable stature such as Jesus Soto, head man in Cuba's labor confederation, and those supervising the communications media and commanding the army and its intelligence operations are among the most devoted to the cause of the regime. While some additional individual defections are certain to occur -- as exemplified by the sudden flight to Mexico of Cuba's top anti-US radio commentator, José Pardo Llada, early this year -- it seems unlikely that many other key officials will do so.

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D. Class and Regional Attitudes

17. Attitudes toward the Castro regime in postinvasion Cuba are determined (as they were prior to the invasion) primarily on the basis of class or interest rather than upon regional location. Similar classes and interest groups in Cuba have essentially similar points of view, regardless of geography. Regional attitudes in Cuba today are determined principally by the size or influence of the class or interest group in a given locality, rather than by peculiarities.

18. The Upper Class -- During the past two years the Cuban upper class has been virtually destroyed as an important political or economic force. The regime's agrarian reform program, with its destruction of the latifundia, and the nationalization of most foreign and nationally owned business and industry have effectively eliminated this group as an important element in the Cuban class structure. That small portion of the upper class which has seen fit to remain in Cuba is almost totally opposed to Castro, but represents no threat to the stability of his government.

19. The Middle Class -- The attitudes of the Cuban middle class toward the Castro regime have changed significantly in the

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past two years. The middle class as a whole welcomed Castro, hoping for an end to the corruption of the Batista period and a return to stability. However, as the Revolutionary Government undertook its drastic reordering of Cuban economic and political institutions this hope changed first to uncertainty and then to outright opposition. It is the middle class which has suffered most from deteriorating economic conditions and the increasingly tight controls imposed by the government, and which has been most aware of the dangers of the regime's political course. Today, as a consequence, the principal organized opposition to Castro comes from those elements of this class which have suffered most from the "new order."

20. Under Batista the labor union movement, particularly in Havana and other urban centers, grew into a large and well organized force with wide political and economic influence. Cuban organized labor, still a minority of the total work force, benefited from this new position in increased salaries, better working conditions, and assurance of a more secure future. Urban organized labor, in short, achieved middle class status or something close to it.

21. Under Castro the labor movement has lost many of the advantages it previously possessed. Employees now work longer hours

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for less pay; in addition to their normal work they must serve in the militia with no pay; they must contribute a part of their salary to the State for so-called development projects; and control over the national labor confederation and most individual unions has been assumed by the government. The loss of previous economic advantage and control of their unions, exacerbated by the deteriorating economic situation, shortages of consumer items, and the imposition of ever stricter police-state controls, has led to an increasingly strong anti-Castro feeling within organized labor. Control of most unions is now in the hands of government imposed pro-Castro officials, many of whom are Communists. Such domination makes possible an outward show of labor support for the regime, but the continuing sabotage of industrial facilities, much of it carried on by the workers themselves, belies appearances. Because of the damage which many of these workers are in a position to inflict on vital industries (power facilities, etc.) they continue to be a potential threat to the regime.

22. Most Cuban professionals -- doctors, engineers, lawyers, etc./⁻⁻ are also opposed to Castro. They too have felt the effects of changes instituted over the past two years. Consumer shortages, totalitarian controls, the Urban Reform Law (which declared all

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urban property an appurtenance of the State), and other similar measures have resulted in increased dissatisfaction and anti-government sentiment.

23. Regime domination of student organizations and control of the universities have produced wide dissatisfaction among university Cuban students (most of whom belong to the middle class). The destruction of university autonomy -- sacrosanct in Latin America -- was in itself enough to turn many students against Castro. Disaffection may not be as extensive among Cuban students as it is in other sectors of the middle class, but it is nonetheless widespread.

24. The middle class, largely urban centered, is the principal source of active opposition to Castro. This opposition cannot express itself openly, because of the totalitarian nature of the regime, and because most middle class organizations are controlled by progovernment officials. However, there does appear to be a fairly well organized urban underground which is capable of inflicting damage to the regime through sabotage.

25. The extent to which this underground was damaged as a result of the arrests which took place following the invasion attempt

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of 17-19 April is not clear. There is no doubt, however, that it was badly hurt and that it will take at least several months to rebuild it. Unquestionably the anti-Castro forces throughout Cuba (including the underground) were badly demoralized by the failure of the invasion and by the effectiveness of Castro's internal security measures.

26. The Lower Class -- Lower class attitudes toward the present Cuban Government are far more difficult to define than those of either the upper or middle class. To a large extent they are dependent upon the degree to which lower class hopes in Castro and his promises of improved conditions have been realized. They are also dependent upon the degree of hope remaining for the future realization of as yet unfulfilled promises. Finally, there is the element of psychological identification with the Revolution. Previous Cuban governments generally ignored the immediate needs of the lower classes for better housing, better health facilities, land, expanded educational facilities, etc. Consequently, as Castro instituted programs avowedly aimed at providing these basic necessities the lower class came more and more to identify itself and its interests with those of the regime. There is still a widespread feeling that this is a revolution which, if not by the lower

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class, is for that class. This new sense of importance has done much to make up for the fact that their condition has not yet improved as greatly as anticipated, and for the increasingly regimented existence to which the lower class is now subject. In fact, this regimentation -- service in the militia, membership in cooperatives, etc., -- may serve to reinforce identification with the regime by increasing the sense of participation and belonging, rather than to cause a reaction against increased government influence and control.

27. It is that part of the newly self-conscious lower class (principally the urban unemployed and the rural tenant farmer) which has already received positive benefits from the Revolution, or still hopes for future improvement in conditions, that now provides the real mass support for the Castro regime. This group of perhaps 25 percent to 30 percent of the total population probably constitutes the poorest segment of the large Cuban lower class. It is this group which has been least affected by consumer goods shortages, the failure of the regime to make more than token land redistribution, etc. The fact that many of them now work on cooperative farms and have a steady supply of food is, in itself, a positive improvement over previous conditions. The previously

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unemployed (both urban and rural) now have at least some form of employment while serving in the militia.

28. By no means all of the Cuban lower class can be considered to favor the Castro regime, at least with the fervor of a year ago. The very limited land distribution thus far carried out, for example, has undoubtedly given rise to dissatisfaction on the part of many who had hoped to become landowners. It appears that the failure of the government to carry out many of its earlier promises, and decreased wages and income -- particularly over the past year -- have led to increasing disappointment and dissatisfaction among significant segments of the lower class. It does not necessarily follow, however, that there has been an equal increase in willingness to act against the regime. The reaction can probably be best characterized as one of increasing apathy. A slowly but steadily increasing part of the lower class has probably reached a point where it will neither act for nor against the regime. This is much the same kind of reaction which Castro encountered in 1956 when he landed in Oriente Province and began his guerrilla activities against Batista.

29. Lower class disappointment in the regime, with a concomitant increase in either apathy or anti-Castro attitudes is not

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peculiar to any particular region, but may be somewhat stronger in the provinces of Las Villas and Oriente.

29. If Castro can convince the lower class that any government which replaces his will seek to return to the status quo ante he may be able to counteract much of the increasing dissatisfaction and generate increased support for his regime. For their part, the anti-Castro forces, in order to win significant sympathy and support from the lower class, will have to convince this group that most of the basic social and economic reforms of the Castro regime will be retained and that many of the unfulfilled promises he made will be carried out. In seeking to gain such sympathy and support the oppositionists will have to move carefully to avoid losing the sympathy of other elements of the population.

30. The New Class -- A new class, with a vested interest in the continuance of the Castro regime, has grown up in Cuba during the past two years. This group, with many of the attributes normally ascribed to a middle class, is made up of the bureaucrats who control the extensive governmental apparatus, the managers of government owned industries and cooperative farms, the officers of the militia, etc. This group knows that it can expect little from any government

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which replaces Castro, and consequently will do its utmost to prevent the collapse of the regime. Although not significant in terms of numbers, this new bureaucratic -- managerial class is important to the efficient operation of both the government and the economy, and will become even more important and powerful as efficiency improves.

E. The Economic Situation

31. The invasion attempt had relatively little impact upon the Cuban economy although the mobilization of the armed forces caused a drain on fuel and transport resources and manpower.

32. Reliable data to measure the strength of the economy, as measured by levels of national income and physical output, are scarce, and much of the information available is from biased sources. However it seems clear that the economy has deteriorated considerably over the past year. The level of national income, which is greatly affected by the value of export sugar sales, has declined since the cut in the US sugar quota. The levels of physical output have apparently varied considerably by commodity, with sugar production being fairly well maintained but with the output of many other industries and services decreasing or halting under the impact of raw materials and parts shortages, continuing lack of adequate

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coordination and management, and disruption in the normal flow of goods and services. Production is reported to have declined or halted in the tire, paper, steel, beer, container, and rayon factories, and to have been jeopardized in the battery factory and a cement mill. Most of these difficulties reflect lack of raw materials and to a lesser extent unavailability of spare parts and technical or managerial inefficiencies. In some instances it is expected that near-future shipments of raw materials, such as feldspar for the glass factory and carbon black for the tire factories, will enable these plants to resume production, at least temporarily. Proposed imports of tires from the Bloc will also reduce the severity of the tire shortage. Information is lacking on certain important industries, such as food processing and clothing manufacture, although in the case of the former the lack of containers may be causing a curtailment of manufacturing. The petroleum refineries have experienced recurring shutdowns because of lack of spare parts and difficulties arising from processing Soviet crude.

33. The situation in utilities, transport, and communication is more difficult principally because of shortages of necessary spare parts and the greater problem in securing replacements abroad

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for US-made machinery. The main generator in the Havana plant of the electric utility company is reportedly out of commission and will be so for several months, although this loss of generating capacity will not be felt because of the decline in power demand. A great quantity of US-made motor vehicles, aircraft, rail locomotives, and agricultural and construction machinery is in disrepair, although extensive efforts are being made to secure replacement parts. A General Motors bus has reportedly been broken down into its components and shipped to Czechoslovakia as a model for the manufacture there of replacement parts. Breakdowns of communications equipment are also increasing, although imports of replacement parts from non-Bloc sources may provide a solution.

34. Although data on agricultural production are very scarce, the major crop, sugarcane, will apparently be harvested in sufficient quantity for manufacture into perhaps six million Spanish long tons of sugar.* The Cubans have been important livestock and poultry to rebuild their herds and flocks after the losses suffered in these sectors through mismanagement in the first year of INRA. Given the government's emphasis on increased agricultural production and Cuba's

* Estimates of Cuban 1961 sugar production vary between 4.5 and 7.0 million Spanish long tons. It is reasonable to assume a production of between 5.5 and 6.0 million tons, which is close to the 5.7 million ton average of the past two years.

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natural resources, it is quite possible that crop production is being increased.

35. Cuba's foreign trade has suffered from a lack of foreign exchange attendant upon the redirection of its sugar trade and from general mismanagement in the transformation from a private to a state function. This latter problem appears to be in process of solution, aided by Guevara's trip to the Bloc in late 1960. Cuba is now, by its barter agreements, heavily dependent upon imports from the Bloc, and although these imports are not filling all of Cuba's needs, they are increasingly supplying a substantial portion. Cuba's foreign exchange reserves apparently remain seriously low, hindering its capability to secure needed industrial imports from non-Bloc sources. Its convertible foreign exchange position should be gradually improving with receipts from non-Bloc sugar sales, except that such sales have been so far quite limited. Sales of products other than sugar to the US are probably providing in excess of 25 percent of Cuba's foreign exchange from non-Bloc sources.

36. Cuba's economy is still suffering from managerial and technical deficiencies arising from the flight of skilled personnel abroad. It appears, however, that this is being gradually overcome

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with Bloc assistance. Further, with the adoption of the five-year plan, drawn up largely by foreign advisors, and more effective coordination of resources, the waste and inefficiencies of the first two years are diminishing.

37. The most important aspect of the economy, however, over the short run, is how it affects political stability in Cuba. It appears that the government, through a relatively modest effort in economic development to carry out some of Castro's promises, was able to maintain or even enhance Castro's support among the lower classes. During the past two years the government has established a number of economic projects which, although below the level of economic development of the previous years, have been propagandized as designed for the lower-income classes. Progress has been notable in housing, farm cooperatives, public resorts and recreational areas, and roads.

38. From the standpoint of trends in popular support, the most important economic indicators -- employment, availability of consumer goods, wages and prices, and land distribution -- may be summarized as follows:

a. Unemployment is probably comparatively low right now, because of the upswing in seasonal employment from sugar harvesting

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and because of mobilization of manpower for the armed forces. It appears also that the government has forcefully restricted the unemployment that normally would accrue from shut-down factories.

b. Much publicity has been devoted to shortages of consumer goods, and it is true that these shortages have occurred intermittently in basic necessities as well as durable goods and luxury items. However, there is sufficient food, and popular grumbling about these shortages should not be equated with willingness to engage in subversive activity. The low income Cubans have long been used to privation, and, as the base of Castro's popular support, may not be greatly affected by these shortages, especially if they are propagandized with the theme that all Cubans are suffering equally and that the US is to blame.

c. The decline in income of urban and rural workers, after an initial spurt during the first year of the Castro regime, is probably moderate compared to the income drop for the business, professional, and landowning classes. While much of organized labor has reacted strongly to this decline, a substantial portion of unorganized urban workers and the campesinos remain largely unaffected, partly because the Castro regime has managed to keep prices of basic necessities fairly well under control. However, black market practices appear to be becoming more prevalent.

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d. The nondistribution of land to landless campesinos has been seized upon by the anti-Castro forces to indict the regime. However it appears that improvements in the rural areas or promises of such improvements may compensate the campesinos, especially those organized into cooperatives, for their failure to receive individual land titles. These improvements include better housing, community participation, more teachers, improved diet, etc. In some instances it might appear that campesinos organized in cooperatives are enjoying a higher level of living than the independent farmers. This of course can be manipulated by INRA through its monopolistic control of crop purchases and prices.

II. PROBABLE TRENDS WITHIN CUBA, ASSUMING NO MAJOR US INTERVENTION

A. Political Prospects

39. Six Months -- The position of the Castro regime within Cuba has been significantly strengthened by the failure of the mid-April invasion. This is principally the result of two factors: (a) the psychological effects of the Castro victory on the Cuban people as a whole and the security forces in particular; and (b) a marked decrease in the capabilities of the anti-Castro forces, both in exile and within Cuba. It is probable, therefore, that there

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will be no major change in internal political conditions during the next six months. The Castro regime will certainly not fall during this period, nor is there any reason to believe that it will be faced with any major internal political crises.

40. Anti-Castro activity within Cuba will probably be muted, at least for the next several months, as a result of the losses and, perhaps more importantly, the demoralization suffered by the underground in connection with the invasion attempt. The regime may use this lessened internal pressure in either of two ways: (a) to take advantage of the weakened condition of the opposition to begin an attempt to root out all remaining organized anti-Castro forces through arrest of suspected members of the underground and a military campaign against guerrilla units known still to be operational, as in Oriente and Las Villas Provinces; or, (b) to use the period of relative calm as a means of establishing in the eyes of the world in general, and Latin America in particular, a reputation for forbearance in the face of armed provocation. Present indications are that the government, for the time being at least, intends to follow the latter course. Captured members of the invasion force have not yet been brought to trial or executed, as originally threatened by Castro, and there does not appear to be any indication that the regime intends to initiate an intensive

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campaign to crack down on remaining anti-Castro guerrilla and underground forces. In any case Castro does not possess the military or economic capability to completely destroy opposition forces within this six-months period.

41. This more careful pace will probably continue for most of this period (assuming no great increase in opposition activity) for two reasons. First, neither Castro nor the Soviet Union wishes to provide the US with any pretext for intervention. Second, it is probable that executions at this time would have a decidedly adverse effect on the Castro image in Latin America. Since the regime wishes to encourage Latin American pressure on the US against intervention, it is unlikely that any action will be taken which might jeopardize Cuba's already weakened standing in the Hemisphere.

42. There is, however, one possible area in which the regime may seek to expand its already extensive domination of Cuban institutions. Castro may take advantage of his increased strength within Cuba to seize the Church's educational system. It has been evident for some time that parochial schools and universities were high on Castro's list of priority targets, but he evidently has not felt sufficiently strong in the past to offer such a direct

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challenge to the Church. He now believes himself strong enough to make the attempt. He has declared that within a few days he will issue "laws" banishing foreign priests (who make up two-thirds of Cuba's Catholic clergy) and nationalizing all private schools and universities, most of which are operated by the Catholic Church.

43. The next session of the United National General Assembly is scheduled to begin at approximately the end of the six-months period under consideration. During this session it is possible that Cuba may demand that the US withdraw from the Guantánamo Naval Base, arguing that the US has no moral right to retain, and Cuba no moral obligation to permit, a military base on its territory in light of the admitted support given by the US to an armed attack against Cuba. Castro is highly unlikely to take any direct action against the base. However, the Cubans may contrive incidents with the aim of stimulating international pressure against the US presence at Guantánamo.

44. One Year -- Beyond the next six months, the psychological impact of the recent Castro military victory will have worn off and living conditions will not have improved perceptibly. The organized opposition will have recovered from the blow it suffered at the time of the invasion (assuming no effective Castro campaign

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against guerrilla and underground units in the meantime) and will have stepped up its sabotage activities. However, the morale of the opposition may have begun to weaken in the face of the regime's apparent ability to withstand all pressures short of direct US intervention. The morale factor will be largely dependent upon the degree of support provided by outside sources -- particularly the US. If it appears to the anti-Castro rebels that the US is disposed to accept the continued existence of the present Cuban Government many of them will probably decide that they have little or no chance of success and will give up the unequal struggle. Those who do continue to fight will probably do so principally out of desperation. A belief in the hopelessness of the battle will probably not have become widespread among guerrilla and underground units within a year (unless all outside aid has been cut off for some time) but the seeds of doubt will have been sown.

45. If guerrilla units appear to be increasing in strength during this period the regime will probably mount a major operation against them along the lines of the reasonably successful early 1961 campaign in the Escambray Mountains. Army and militia units will probably still not be capable of wiping out internal opposition forces, but the training that they will have received

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during the year will certainly produce a much more effective force than exists today. The loyalty of the armed forces will also have been strengthened as a result of indoctrination and training. Chances of heavy desertions and defections in the event of serious military operations will be greatly reduced.

46. In addition to the government's strengthened position within the armed forces, Castro will also have extended his control over the Cuban people. Police state methods will be more effective as they become more efficient; the economy will be more completely under the domination of the regime; indoctrination and propaganda will have had another full year to shape and direct public opinion; and the Cuban Communist Party (PSP) will have extended nearly total control over the economic and political bureaucracy.

47. The PSP will begin to play a more open role in the regime. Its members, who already occupy important positions within the bureaucracy, the militia, the National Institute of Agrarian Reform (INRA), and other important institutions will be more ready

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to identify themselves as Communists and to acknowledge their role in the government. The PSP has shown increasing dissatisfaction with Moscow's apparent instructions to remain in the background and to seek the substance of power without exercising it openly. However, the party will probably not, during the next year, stray too far from these instructions.

48. Five Years -- If the present Cuban Government, by whomsoever led, is still in power five years from today power relationships will have changed drastically. It is probable that all effective opposition to the regime will have been eliminated. The Cuban armed forces will probably be strong enough to destroy any opposition units considered to be of sufficient importance to attack. More important, the situation will have become so hopeless that most potential opposition, by the end of the five-year period, will have reconciled itself to the regime. In this respect conditions within Cuba will have come to resemble those of the Dominican Republic where the opposition is either in exile, has been killed, or has accepted, until the last two years, the continuance of the dictatorship. Sabotage activities in Cuba might still be carried on on a small scale, but internal opposition would in no way offer a threat to the stability of the regime.

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49. Popular attitudes toward the regime will also probably have undergone significant change over the five-year period. As economic conditions improve that portion of the population which has been most affected by consumer shortages, etc., will more easily reconcile itself to repugnant political controls. Those sectors of the population which have benefited the most from improved conditions -- principally today's lower class and the new managerial class -- will be even more devoted to the regime than they are at present. In addition, an extended period in which to indoctrinate the populace as a whole, and more importantly, particular segments thereof (youth, the armed forces, etc.), will almost certainly result in a significant increase in emotional and psychological identification with the regime.

50. Although there will probably be an increasingly strong popular reaction to the ever more effective totalitarian controls imposed by the regime, this reaction will probably not counterbalance the formation of pro-regime attitudes arising from better economic conditions and increased indoctrination.

51. Governmental controls will have become more pervasive and effective during the period of this estimate. Increased efficiency of control agencies plus an extension of these controls

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into all aspects of Cuban life will make dissidence almost totally ineffective irrespective of any possible rise in popular antipathy for the regime beyond that foreseen.

52. A major change may have taken place in the relationship between the PSP and the regime by the end of this five-year period. Again assuming a relative power balance between the US and the Soviet Union, it will probably remain true that the Bloc, even in five years, will not want to see an openly avowed Communist state in Cuba, nor will they want the PSP to seize power openly. The Soviet Union will probably consider such moves as too openly provocative toward the US and an invitation to intervention. They may also view an open declaration of Communist control in Cuba to be a threat to the Soviet's broader interests in Latin America, Asia, the Middle East, and Africa. However, it is problematical whether the PSP will be content to accept those restrictions -- particularly over the long run. The party may well demand a more clearly Communist state openly controlled by the party. Such demands might be voiced with even less hesitancy if as is quite possible the PSP is supported in this regard by the Chinese Communists. In any event, the Cuban Communist will probably be in effective control of all the important sources of power in Cuba.

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B. Probable Trends in the Armed Forces

General.

53. With continuing internal and technical assistance from the Bloc and with further military training and political indoctrination, under Bloc tutelage, the combat effectiveness of the Cuban armed forces will substantially increase. With the passage of time, any seriously disaffected persons remaining in service are likely to defect individually or to be identified and eliminated. Others will tend to accept the situation and the political indoctrination which justifies it, and to take pride in their service in the most formidable military force ever seen in Cuba, or indeed in Latin America.

54. The army is already well provided with Bloc arms and equipment, and partially trained in their use. Further training under Bloc guidance, to include tactical and combined arms training, will greatly enhance its combat effectiveness. The same considerations would apply to the full-time militia units, which are, in effect, politically elite army units.

55. The Militia. By definition, the bulk of the militia must remain part-time soldiers, stronger in numbers and political motivation than in military skill. Continued military training and

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political indoctrination, however, will necessarily increase their effectiveness within their limited role.

56. The air force at present, lacks both trained personnel and modern aircraft. To date, the Bloc has supplied only a dozen short-haul utility transports and some 30 helicopters; there are almost certainly no MIG's operational in Cuba. About 100 air force personnel are in training in Czechoslovakia, but they were selected for political reliability, without much prior technical training -- the completion of their training will therefore take some time. Most of them will probably not be ready to return to Cuba until the end of this year, although some may return sooner. Whenever they do return, the Bloc will probably supply some MIG-17's for their use. However, the buildup of a sizable jet air force in Cuba will probably be a slow process as compared with the improvement of the army.

57. The navy lacks, not ships, but technically qualified personnel to man and maintain those which it now has. Eventually the Bloc may supply more modern ships to replace those now available, but the solution of the immediate problem depends on the pace at which politically reliable personnel can be technically trained with Bloc assistance. That will take time, and it appears that nothing much is being done about it now.

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58. Missiles and Nuclear Weapons -- Although the Bloc may eventually supply Cuba with nonnuclear air defense missiles, it is highly unlikely that it would supply offensive type missiles in view of the provocation this would offer to the US and other Latin American states. It is virtually certain that the Bloc would not supply nuclear weapons to Cuba, even for air defense. It is also highly unlikely that the USSR would seek to station Bloc forces in Cuba.

C. Economic Prospects

59. Six Months -- The next six months will probably see some deterioration in the viability of the economy and in living levels, but not enough, by itself, to endanger the stability of the Castro regime. The sugar harvesting and grinding season ends by mid-year, at which time nearly all levels of economic activity, especially employment, decline. The level of investment in economic development projects is apt to be low, with very few of the new industrial plants to be provided by the Bloc scheduled for 1961 delivery. Although the Cubans may receive from the Bloc an increasing percentage of raw material requirements which have been in short supply over the past six months, it is doubtful that they will make much progress in

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securing replacement parts for their industrial plant in this period. Additional breakdowns will occur, especially in the vital power, transport, and communications sectors, which would have a further impact on manufacturing.

60. Cuba's foreign exchange situation will depend upon its ability to market sugar -- above the four million tons destined for the Bloc -- in the world market and to continue selling nonsugar commodities to the US. However, if it appeared that lack of foreign purchasing power because of poor export ability was seriously jeopardizing Cuba's essential imports from non-Bloc sources, it is likely that the Bloc would provide the wherewithal to tide Cuba over the crisis. This additional Bloc support could take the form of accelerated deliveries from Bloc countries or a minimal amount of convertible exchange for Cuba's use in free world markets. It is not likely that there will be much relief in consumer goods austerity through imports, with the precious available foreign exchange being utilized for production goods imports to keep plants and farms running.

61. One Year -- One year from now will see the Castro regime near the end of its second state-directed sugar season and well into

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its five-year plan. Although productive diversification, especially in agriculture will have increased, Cuba will still be vitally dependent upon the sugar industry as the chief livelihood of its citizens and as the main source of foreign exchange earnings. Thus again the most important factor in Cuba's economic health would be its ability to produce and sell at a good price a large quantity of sugar. Even assuming a repetition of the Bloc offer to purchase, on 1961 terms, four million tons of sugar in 1962, Cuba would still need to sell additional sugar to the world market to earn exchange for non-Bloc imports. It is of course quite impossible to predict the world sugar market one year in advance. It is possible, however, that neglect of sugar cultivation during the past year will restrict Cuba's 1962 sugarcane potential. While this would be a depressing factor on the domestic industry, it is possible that carryover stocks from 1961 will be sufficient to meet any likely demand for Cuban sugar, barring a serious drop in world sugar production.

62. Other than the sugar situation, which will still be the governing factor in Cuba's economy, it is likely that an otherwise improved agricultural sector could provide a larger portion of Cuba's food requirements with a margin for slightly increased exports of

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processed foods. With the notable exceptions of fats and oils, flour milling, and milk processing, Cuba's food-processing industry would not require much additional investment to meet these goals. It is probable that construction undertaken on Bloc factories scheduled for late 1961 and especially 1962 delivery would provide a considerable stimulant to the economy, especially in absorbing employment and creating demand for production and consumer goods.

63. It is likely that import priorities will still be allocated for production goods and that consumer austerity will remain in force. It is possible, however, that increased domestic production of lower class consumer goods will provide a slight rise in consumption levels for low-income groups, especially the rural population. At the same time considerable effort will be directed to maintaining the prestige of the "new class," the directors of the state enterprises and of the bureaucracy.

64. This picture presupposes a higher level of Bloc economic participation than presently exists, principally through the delivery of industrial plants and technical assistance in running them. It is likely that direction of the economy, especially the allocation and use of economic resources, will be either controlled or closely supervised by Bloc advisers.

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65. Five Years -- Cuba has many of the economic resources which, together with increased Bloc material and technical assistance, could form the basis for gradual economic growth. Cuba's five-year plan, not yet available in detail, places emphasis on agricultural development and processing of agricultural commodities, expansion of many of the existing factories and establishment of plants for manufacturing components (both final consumption and production goods) needed by these factories, replacement of simple manufactured imports by domestic production, and development of the simple chemical industry. The plan also calls for two ambitious projects, an auto manufacturing plant and a steel plant, both for completion in 1965. The various projects appear to be within Cuban capabilities and, in the industrial sector, a continuation of the progress that was being achieved prior to the Castro regime.

66. Substantial implementation of the plan would probably accomplish many of Cuba's economic goals, including greater self-sufficiency in foodstuffs and minor manufactures, near-full employment, greatly reduced dependence upon sugar and its seasonal and cyclical implications, and a gradually improving standard of living. Although Cuba would presumably be closely tied to the Bloc, in many respects (i.e., trade, foreign technicians, requirements for Bloc-made machinery, foreign indebtedness) in the same

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way it was long tied to the US, greater self-sufficiency in food-stuffs and less dependence upon sugar exports would probably render Cuba economically more independent and less vulnerable to foreign (including Bloc) economic actions.

67. The socio-economic structure would be considerably changed, in keeping with the Castro regime's stated goals. Effective opposition on economic grounds, depending of course on the governments success in achieving the above-described goals, will have been largely eliminated. Those persons who do not capitulate to the regime, either willingly or through some form of self-justification, will be either eliminated or in exile, as has occurred in the Dominican Republic.

68. Finally, Cuba will provide the Bloc with an example of successful defiance of the US and of the possibilities of Bloc-assisted economic development for its propaganda campaign in Latin America. This will be particularly irresistible if measurable improvement is made in the situation of the Cuban rural masses.

III. CUBAN VULNERABILITIES

A. Economic

69. The Castro regime's major vulnerabilities over the short term include the foreign exchange shortage, the spare parts and

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raw materials shortages, the lack of sufficient technical and managerial personnel, declining real per capita income, and consumer shortages and the growing black market. These vulnerabilities are interrelated, and in some instances, as the lack of foreign exchange, may be a causal factor in other vulnerabilities. The regime also suffers from other weaknesses, such as lack of overall economic coordination, the trend toward higher unemployment after the sugar season, etc., but these do not appear susceptible to foreign aggravation and therefore are not discussed here.

Reduction of Foreign Exchange Income

70. The Castro government is scheduled to receive only about \$18 million in convertible foreign exchange from its 1961 sugar sales to the Bloc, the balance being paid for in barter goods and services. Cuba expects to receive the balance of its roughly \$200 million in convertible foreign exchange for 1961 from sales of two million tons of sugar to the "world market" and of tobacco, molasses, and other agricultural products, principally to the US. Imposition of the "Trading with the Enemy Act" against Cuba would cut off the US as a source of foreign exchange earnings (Cuba's exports to the US now are at the level of approximately \$40 million

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per year). This would also eliminate US exports of foodstuffs and medicines to Cuba, which probably could be largely replaced, although perhaps at a higher cost. A discriminatory policy by western European countries against Cuban sugar (which is unlikely) would reduce foreign income from those sources. Cuba also, however, sells considerable quantities of sugar to Japan, North African countries, and the Middle East. It appears that Cuba is already concerned over the low level of its foreign sugar sales income. It is probable, however, that the Bloc would act to provide minimum essentials and possibly supply some foreign exchange for Cuba's use in non-Bloc markets.

Acceleration of Industrial Breakdown by Low-Level Sabotage

71. Replacement parts and raw materials shortages, as well as lack of sufficient managerial and technical personnel, are responsible for the factory shutdowns and dislocations in transport and communications. It is quite difficult for the Bloc to assist Cuba immediately in this type of problem, which in turn aggravates per capita productivity and income, employment, and prices. Some stopgap measures adopted by the Cuban Government for certain sectors of the economy are uneconomic, and over the long run increase the ratio between cost and value of output. For

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example, the large-scale importation of Bloc motor vehicles is probably designed at least partly to fill the gap caused by the unrepairability of many US-made vehicles.

72. A continuation of US export controls and an increase of sabotage would further hurt Cuba's industrial plant. Several reports have alluded, perhaps erroneously, to the vulnerability of certain installations, especially the electric plants, to sabotage, but relatively little damage has been so far accomplished. The destruction of the major department stores in Havana and Santiago, while useful for anti-Castro morale, have comparatively little impact upon the economy's viability.

73. The foregoing steps would also serve to reduce slightly per capita income, as import capacity would be reduced and the cost of running the economy increased. They would also, presumably, reduce worker morale and slightly aggravate consumer shortages, although it is probable that minimum food requirements can be met from domestic production and the Bloc. These conditions would generate greater pressures for the black market, which could become a major source of increasing popular discontent.

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74. It is not believed however that the economic vulnerabilities of the regime are great enough that, with the levels of exploitation described above, they would, by themselves, seriously endanger the stability of the regime. By the end of a year it is likely that the most serious of the weaknesses affecting economic viability will have been largely overcome, while the problems posed by continued consumer austerity, while possibly lessening, could still be controlled by the regime's security measures.

Extensive Sabotage

75. A widespread and effective campaign of sabotage could, if carried out fairly rapidly, cause serious breakdowns, especially in the urban Cuban economy. This could, presumably, be accomplished (although probably at considerable cost in men and money) by a combination of underground action and commando strikes, the latter against the extremely heavily guarded installations such as electric power plants and petroleum refineries, which are located principally near the coast. In many instances the vital installations for operation of the economy, including the power plants, radio stations, civil aircraft, petroleum refineries, tire plants, and many units of motor and rail transport, have already suffered sabotage, breakdowns because of parts or materials unavailabilities, or are

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approaching the breakdown stage. A much larger scale of sabotage operations could be conducted against these facilities and also against docks and telephone and microwave communications. Sabotage action against most factories or sugar mills would not be necessary because most of the factories would be crippled by effective action against the power plants, and because the sugarmills will be idle until next year. If the US were in any way identified with the action, the fact that much of the sabotage was directed against former US investments would help to destroy the myth for Cubans, and Latin Americans generally that the primary US interest in Cuba is its investments.

76. The Bloc could be expected to provide what it could, e.g., finished petroleum products and tires, or even electric power directly from Soviet naval vessels to fill the gap caused by sabotage destruction, but it is not likely that replacement of major power and communications facilities could be readily effected.

Blockade

77. Cuba, as a traditional export-import economy, is highly dependent upon imports for its economic survival. Petroleum and

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petroleum products are especially critical. The cutting off of POL during the "dead season" (the sugar mills generate considerable electric power during the harvest by burning bagasse), would in time cripple virtually the entire industrial sector and motorized military capability. Cuba could probably subsist on existing stocks of food, although at a rapidly declining level of per capita food intake, for several months, although distribution problems could cause major public disorders.

78. This paper does not purport to examine the possibilities of a direct Soviet-US confrontation in the event of a US-supported or a unilateral US total blockade, nor the impact of such action on our international position.

B. Political

79. Castro. A political vulnerability of the regime lies in the person of Castro himself. It is not clear whether the regime could continue to operate for long without him. There is no question that the bureaucracy operates relatively freely, and probably makes many decisions without consulting Castro. However, it is equally certain that the Castro personality and his appeal to the Cuban people is an important element in maintaining popular

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support for the regime. If Castro were removed from the scene the regime might collapse for lack of this central rallying point. On the other hand, the bureaucracy may now be so firmly entrenched that it could function independently -- although admittedly without the degree of popular support now enjoyed. Further, by using Castro as a martyr it might be possible to generate at least a temporary support for his successor.

80. A further possibility attendant upon the death of Castro would be the attitude of the PSP. The party would like to assume a more open and dominant role in the Cuban Government. Castro's death might force or encourage ^{the party} into a precipitate move to seize power. If this happened it would probably have an adverse reaction on Latin American opinion, though principally at the governmental level.

81. Castro's control of Cuba is highly dependent upon mass media communications for propaganda and utilization of his magnetic appeal for much of the voluntary support now accorded the regime. Destruction of radio and television services would do much to remove this powerful and cohesive force.

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82. Resentment Against the Police State. Popular resentment against the totalitarian controls imposed by the Castro regime has steadily increased. These controls include limitations on job transfers; limitations on the right to move freely from one point to another; ^{a widespread informer system;} and, enforced service in the militia. Almost all Cubans are subject to at least one of these controls and therefore susceptible to a psychological warfare campaign. The character of the Castro police state is most clearly exemplified to the average Cuban -- particularly the city dweller -- by the informer system. A program of reprisals against these informers on the part of anti-Castro forces would probably strike a favorable response from even those who are presently passive in their attitudes toward the regime.

83. Political Repercussions of Sabotage. An important political vulnerability of the Castro government arising from sabotage activities would be the increased difficulties faced by the regime in maintaining the effectiveness of its political controls. The destruction of communications facilities, power plants, etc., would be reflected in a reduced ability on the part of Castro to move quickly to meet internal uprising, or even to enforce order, particularly in urban areas. As the effectiveness of control measures decreases overt action against the regime is likely to increase.

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84. In the case of sabotage, either of Cuban owned or US owned industries and facilities, particularly where heavy bloodshed is involved, there is a risk of solidifying support for the regime, however. If the sabotage activities are not planned carefully, so as to avoid injury or death to large numbers of Cubans, the reaction may be adverse to the perpetrators rather than to the regime.

85. Armed Forces-Militia Rivalry. There are indications of rivalry between the regular armed forces and the militia, based to an extent on the regime's apparent greater reliance on the loyalty of the militia. Although this dissension has not been marked, it probably could be increased through the staging of incidents between the two groups, thereby weakening the regime's military capability.

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IV. RELATIONS OF CASTRO WITH LATIN AMERICA

A. Nature and Extent of the Threat Posed by Castro

86. The threat posed by the Castro regime in the rest of Latin America stems ultimately from its inherent appeal to the forces of social unrest and anti-Americanism at a time when most of the area is in the throes of a fundamental economic, social, and political transformation, in which popular grievances and aspirations are rising and impatience with the old order and with the slow pace of progress and reform is growing. As a concrete instance of social revolution, carried out in defiance of the US and with the active support of the Sino-Soviet Bloc, the Castro regime has inevitably been of tremendous inspiration to the leaders of the radical left, furnishing them with powerful new arguments in their efforts to organize popular support among the growing mass of urban slum-dwellers and among the peasants. The widespread popular acclaim which Castro won throughout Latin America for his dramatic triumph over the generally detested Batista dictatorship initially contributed to this appeal.

87. Castro and the Communists have made assiduous efforts to capitalize on these assets. Over the last two years Cuba has

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became the center of a propaganda and subversion campaign of unprecedented proportions in Latin America, aimed at winning Latin American support for the Cuban cause, at undermining the position of the US and the OAS, and at encouraging revolutions on the Cuban model. Both Castro and the Communists see the Cuban revolution not as an end in itself but as the prototype of a transformation which will eventually sweep over all of Latin America.

88. To these ends virtually all of the traditional techniques of the trade have been employed. The Cuban news service Prensa Latina, now joined by a newly completed 100,000-watt radio station, has spearheaded a propaganda effort which has blanketed Latin America with slanted news stories, pamphlets, and the like. Pro-Cuba and other front organizations have been set up, international conferences scheduled, and exchanges of individuals and delegations arranged. Cuban diplomats (like Soviet Ambassadors in the 1920's and like Peron's roving emissaries) have generally subordinated their purely representational responsibilities to the tasks of making contact with local leftist and anti-US elements, organizing popular support for the Cuban cause, and generally spreading the Cuban story.

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89. Cuban representatives of one kind or another have been in touch with the Communists and at least the radical wings of other left-of-center groups throughout the hemisphere. The Cubans have almost certainly provided advice and encouragement for subversive activities in other countries, notably in Central America, Panama, Venezuela, and Peru. Except in the Caribbean area, clear-cut evidence of direct Cuban involvement has been lacking, and in some cases (e.g., Nicaragua) radical elements appear to be motivated by the Cuban example rather than by direct encouragement. There is little firm evidence that Cuba has taken an active hand in financing, equipping, and training revolutionary forces in or for use in other countries since its ill-fated filibustering ventures of mid-1959, though at least some training and indoctrination of individual leaders is certainly going on.

90. Castro and his supporters have thus far fallen short in their efforts to establish their domination over the forces of reform in Latin America and to mould them into powerful and unified movements capable of carrying out Cuban-style revolutions elsewhere. Indeed there is mounting evidence that Castro has dissipated much of the enthusiasm which initially greeted his regime elsewhere in the hemisphere. His actions have not only alienated the more

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moderate and conservative elements in Latin American society but, notably because of his heavy reliance on police state methods reminiscent to old-style Latin American dictatorship, have lost him the sympathy of a high proportion of those elements in the student and labor movements and in reform parties like APRA in Peru which accepted the need for sweeping economic and social reform. Active support for Castro is now largely confined to the far left element which is generally weaker than less extreme rival groups and has yet to develop broad mass support. Given the chaotic stage of Latin American politics, however, pro-Castro elements have a significant capability for stirring up demonstrations and disorders in a number of countries and in a few, largely because of the weakness and disorganization of rival forces, has at least an outside chance of gaining power within the next few years. Despite the opposition of most Latin American governments to Castro, many have been inhibited from expressions of open hostility toward Cuba by fear of stirring up adverse reactions by pro-Castro elements. Most Latin American governments have failed to appreciate the real threat posed by Castro's Cuba and have been unwilling to endorse OAS or direct US action to overthrow the Castro government.

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B. Present Attitudes Toward Castro

91. In the aftermath of the recent invasion of Cuba, Latin American attitudes toward Castroism have become more fluid. The ruling groups temporarily are more fearful of the Soviet thrust in the hemisphere and less fearful of popular reaction in support of Castro. These attitudes could reverse quickly if, for example, the Guatemalan Government were overthrown by a locally-based coup reviving fears for political stability. On the other hand, a Cuban-backed coup would rally even stronger opposition to Castro among the Latin American ruling groups.

92. The OAS is now less hostile to US intervention in Cuba than before the invasion, but a majority of its members is not prepared to intervene actively even to the extent of joining in blockade measures. Nor could the organization be expected to give formal approval to any US intervention, barring direct Castro involvement in an attack on a Latin American government.

93. Even if the US should succeed -- as appears unlikely -- in persuading a majority of the Latin American states to join in a quarantine of Cuba, the attempt would not be fully successful. Mexico would be certain to refuse to cooperate and would serve as a

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channel for travel and other communications between Latin America and Castro's Cuba. In view of this situation, several other states will be unlikely to risk adverse political repercussions domestically to accommodate the US request.

C. Probable Developments in the Absence of US Intervention

94. The magnitude of the threat posed by Castro and the Communists in other parts of Latin America will probably continue to depend fundamentally on the effectiveness of the Castro regime itself in consolidating its position and demonstrating the success of its approach to problems of reform and development and on the effectiveness of non-Communist elements in the countries concerned in providing workable and popularly acceptable alternatives. The danger is not so much that subversive apparatus centered in Havana will be able to export the revolution directly as that increasing misery and discontent among the mass of the Latin American people will provide opportunities for pro-Castro elements to act.

95. Within this context, however, the Cuban-Communist political warfare apparatus can obviously do much to further the process. At least for the present principal emphasis will probably continue to be placed on propaganda and agitation activities of the type

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described above, though the Cubans will almost certainly take advantage of opportunities to provide guidance and encouragement in exploitation of promising situations as they arise and is likely to place increased emphasis on such activity as time goes on. With the progressive equipping of Cuba's own forces, it will acquire an increasing capability for furnishing arms, training, and other support for revolutionary elements in Central America and elsewhere. However, the Cubans will probably act cautiously in this regard for some time to come, in part because of the danger of US or other naval interception of any filibustering or military supply operations emanating from Cuba but even more because of the risk that exposure of any blatant Cuban intervention in the affairs of another Latin American country would result in a further hardening of official Latin American opinion against Cuba and provide possible grounds for OAS sanctions. For these reasons, and because of Castro's preoccupation with defense of his own territory at present, use of Cuba's own military forces to support insurrection elsewhere is extremely unlikely.

96. In the absence of direct Cuban intervention in the internal affairs of neighboring states, the present fears of Castroism among Latin American ruling groups will wane and traditional

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nonintervention policies will be reasserted. With minor exceptions the Latin American governments will tend to resume the posture they held earlier and to resist US efforts for common action to contain the Castro threat.

97. The Soviet Union is expected to counsel Castro to avoid overt actions which would provoke US counteraction or which could be interpreted by the other Latin American governments as Cuban intervention in their domestic affairs. In particular, Moscow almost certainly will not favor, for some time to come, any drastic action by Castro to expel the US from Guantánamo or armed incursions by Castro forces against neighboring Caribbean states. At the same time the Soviets will expand the economic offensive, focussing perhaps / on areas where pro-Castro groups are strong, e.g., Brazil, Bolivia, Ecuador, and when conditions are more favorable, Venezuela and Chile. The Soviets will attempt to build up political deterrents to possible US or US-supported actions against Cuba by stimulating opposition to such actions among other Latin American and Afro-Asian states and by generating fears among US allies that intervention could lead to the spread of hostilities.

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D. Effect on the US Position

98. The survival of the Castro regime would probably not in itself pose a direct threat to the immediate security of the US. The continued existence of the regime would, however, fundamentally alter the terms of Latin American relations with the US. US restraint in allowing the regime to survive would be interpreted generally by Latin American ruling groups as evidence of weakness and a demonstration of US unwillingness to use force against a Soviet-backed government. This would be true despite the frequently asserted opposition of Latin American leaders to US intervention in the affairs of any Latin American country and their refusal to take joint action to quarantine Cuba.

99. Aside from its direct effect upon US prestige in the area, the survival of Castro would have a profound effect on Latin American political life. It would set the stage for political struggle in terms long promoted by Communist propaganda in the hemisphere, with the issue drawn between "popular" anti-US forces and the ruling groups allied with the US. Governments willing to cooperate with the US would be faced by political leaders promising an immediate remedy to social wrongs through seizure of property

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and overturn of the society. Evolutionary reform and improvement over a period of years, even at an accelerated pace, would be discounted as extremist leaders played on mass bitterness and distrust of the ruling groups. In these circumstances, political stability in Latin America would be seriously jeopardized.

100. In the atmosphere produced by Castro's survival, US efforts to promote social progress would encounter new difficulties as political leaders withheld their cooperation for programs involving domestic sacrifices and attendant political risks. In the circumstances the US Government would have to be prepared to underwrite huge welfare and economic development programs and to involve itself directly in their success, always under some threat of withdrawal of cooperation by the Latin American governments. On the other hand, if Castro were eliminated, the US would be in a much stronger position to insist upon adoption of a program of moderate, evolutionary change by the ruling groups in Latin America.

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101. The expulsion of the Soviet-controlled regime from Cuba would deprive the Soviets of their bridgehead in the western hemisphere, and cripple the newly-expanded communications and propaganda network in the area. More important, this action would remove the model for political action by extremist groups and require much more generous Soviet outlays for less gains than can now be anticipated. In the social troubles of the area the Soviets would still have a multitude of weaknesses to exploit through propaganda and intrigue, even with the disappearance of the Castro regime. They would have achieved real gains over their early 1959 position. With the Latin Americans ready to give more credence to Soviet economic offers and leftists promises of overnight action on social reform, the Soviets could still look to expand their influence through an economic offensive and through pro-Communist forces mobilizing the protest vote. Soviet intrigue, economic offers and agitation would be significant in affecting political stability. But their ability to affect government cooperation with the US would be severely reduced. The possibility of social revolution with Soviet aid and the now growing belief that politicians can adopt a "neutralist" policy in government with impunity would be shadowed by Castro's removal. As the direct influence of Soviet-Communist supported groups in

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politics was reduced, the apparatus would have far less appeal to politicians and the rising generation as the vehicle to political power and a bargaining position between East and West.

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ANNEX II

C. Considerations Bearing on Major Intervention

a. World Repercussions

The first and most obvious cost of military intervention is the loss of Cuban and American lives and other military and civilian casualties.

Some quantitative estimates as to expected casualties under various assumptions as to degree of assistance should be obtained from the military.⁷

Reaction to the use of force by the United States to eliminate Castro, except in response to the clearest provocation, would be generally negative. The major themes would include the assertion that such intervention violates fundamental legal and moral norms and threatens to throw the world back into the anarchy of real politique; the charge (likely to be especially intense in Latin America itself) that the intervention reveals colonialist motives and revives Yankee imperialism in Latin America; general nervousness about the possibility of the conflict spreading and the enhanced risk of general war; and a loss of confidence in the United States.

There would, however, be some favorable response to the fact that the United States had taken firm and positive action to protect its own immediate self-interest; had eliminated a nearby center of Communism; and had stood up to the Soviet threat. Governments and foreign groups that had worked with the United States, and supported us, would see this as evidence of strength and the probability that we would come to their support. This reaction would be strongest among those governments, such as Nationalist China, whose very existence is most closely tied to the United States. It would be seen as—and attacked as—generally conservative and right-wing in character. The
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favorable reaction would be centered in those substantial elements that distrust the ineffectiveness of present international systems and see in contrast world peace dependent on power and the willingness to use it.

The Soviets would undoubtedly exploit and intensify reactions adverse to United States intervention by the usual devices of agitation, propaganda and demonstrations. While possible, direct Soviet armed intervention in support of Castro would appear unlikely. The doctrine of power and the rationale by which we justify our action against Cuba would pose risks to our base system, and could weaken the NATO alliance. Intervention by the Soviet Union in Turkey and Iran could not be ruled out.

Intervention would induce a basic and general reevaluation of the likelihood of progress toward peaceful settlement of disputes. Disarmament negotiations would be indefinitely delayed. Traditional points of confrontation between the United States and the USSR, such as Berlin, could become more explosive and dangerous.

B. Regional:

(1) Latin American

In assessing probable Latin American reaction it is necessary to distinguish between governments and peoples. On the whole, adverse reaction to United States armed intervention in Cuba is likely to be less unfavorable on the part of governments and the middle and upper classes in Latin American countries than on the part of such groups as students, industrial workers and campesinos.

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Among governments three types of reaction could be expected. Some, like the present Governments of Guatemala, Nicaragua and Peru, would welcome it. A larger group would feel relieved, but for political reasons might feel called upon to condemn it. Within this latter group would be found most of the Latin American states including Colombia, Venezuela, Argentina. As awareness grows of the "Sovietization" of Cuba, it could be expected that support for intervention would grow. A third group, including Mexico, Ecuador, Bolivia, and possibly Brazil, would probably genuinely resent it and would be vociferous in criticism.

The degree of adverse leadership reaction would be a function of time and local conditions: the stability and character of the government; the then strength of local Communists as compared with anti-Communist groups; and the intensity of indigenous anti-American reaction.

The articulate lower income groups in general would react sharply against what would be propagandized as a renewal of Yankee imperialism. This reaction among students, workers and campesinos would be organized and exploited by local Communists and probably other extremist opposition parties of both the left and the right. Depending on the stability of existing regimes, this exploitation might even result in overthrowing certain vulnerable governments.

2. Free World

From our European allies we could expect a severely censorious reaction--tempered by some restraint in deference to the alliance. The Socialist parties could

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could without exception be expected to condemn our action in violent terms. The Christian Democratic Parties would for the most part be less vigorously critical but we could expect little active support from them. Our action would be viewed against our actions in the case of the Suez and many Europeans would take delight in pointing out the sanctimonious character of our earlier position. The fact that we have opposed certain of our allies with regard to the Congo, Algeria, Angola, and West New Guinea would be the excuse for opposition to our action with regard to Cuba. Almost all Europeans would point out the discrepancies between our attitude towards Cuba and our support of the maintenance of major military forces on Quemoy and Matsu directed against the Chinese communist mainland five miles away. The neutralist portions of press and populations would exploit the event as confirming American recklessness and new doubts would be raised about acceptance of United States leadership. Thus new strains would be imposed on the European Alliance in the sense that allied governments would have greater difficulty in gaining popular support, necessary appropriations and the new sacrifices necessary to make NATO more effective.

Other Allies like the CENTO nations and SEATO nations and Nationalist China, however, would respond with frank applause at the governmental level. The reaction among the peoples, to the extent it is known, is likely to parallel those in Latin America though at a lower degree of intensity.

Among the neutrals, the vocal reaction would be unfavorable. Intervention would be adduced to confirm the identification of the United States with the

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with the colonialist powers. The mitigating factor—America's special concern about Soviet penetration of Latin America—would not significantly affect the generally adverse reaction of the neutrals. They would also see United States intervention as a threat in the sense that it could be a precedent for similar action by the Soviet Union or Communist China against them.

3. Soviet Union

At a minimum the USSR would bring to bear all the devices of propaganda and agitation to intensify anti-American and the adverse reactions. It would no doubt seize the opportunity to make and exploit gains among certain classes in some South American countries to make political and organizational gains. To the extent that the U. S. intervention was fast and successful the Soviet ability to exploit it would be counterbalanced by a loss of Soviet prestige.

On the other hand, firm United States' action could be construed by the Soviet Union as a sign of strength and purpose; an indication of American willingness to use its power to protect its own vital, security interests.

A sharper form of Soviet retaliation cannot be disregarded. This could involve pressure against the free world position near Soviet or Chinese borders. Typical of these is Iran and perhaps Turkey and Southeast Asia. Justification for this pressure could take the form of the same rationale by which the United States defended intervention in Cuba. But the trouble spots would not necessarily be confined to areas on the periphery of the Soviet bloc.

Finally, the possibility of Soviet intervention in a limited war context
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on behalf of Cuba cannot be altogether ruled out. On the other hand, it is unlikely that the USSR would come to Cuba's aid in a situation which would carry high risks of obvious defeat or in a manner which would indicate willingness to accept a generalized war.

4. The United Nations

Against the disruptive tactics of the Soviet bloc, the United States still leads a barely workable majority, which is attempting at a minimum to maintain the present role of the organization in situations that threaten the peace. A resort by the United States to armed intervention without clear justification would materially diminish the influence of the United States in the United Nations and our ability to work through the Organization.

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Annex III

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May 3, 1961

U.S. POLICY TOWARD CUBAN EXILES

THE PROBLEM

To propose a positive U.S. policy toward Cuban exiles, both paramilitary and civilian, in the United States.

COURSES OF ACTION

It appears that the United States has open to it three possible courses of action in its future policy toward Cuba:

1. Intervene militarily based on Cuban provocation, either induced or stemming from Castro's irrational acts.
2. Take all feasible measures short of overt military action to hasten the downfall of the Castro regime.
3. Assume the continued existence of the Castro regime, and seek to isolate and contain it.

In the event that the United States adopts the latter course of action, which while implying a hope for the eventual downfall of Castro would actually be reconciled to his continued existence, our only realistic policy with regard to the Cuban exiles is to scatter them throughout the United States and integrate them within the U.S. society in the shortest possible time so that they do not constitute a refugee problem. This task is a perfectly straightforward one and the Department of Health, Education and Welfare is quite competent to deal with it. It is perfectly clear that there is no requirement for training leaders, for preparing special

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educational measures for the Cuban exiles or for forming a Free Cuban Brigade in the event that this policy is adopted.

This paper, however, is written on the basis that one or the other of the first two choices is adopted. Thus, the conclusions on page 11 are valid only if the United States adopts a positive policy aimed at the early establishment of a free and democratic Cuba.

GENERAL CONSIDERATIONS

Adequate planning for the demise of the Castro regime must include measures to gain the support of the Cuban people. It must also make provision for an initial successor government. In the ordinary course of political change-over these two tasks would be carried out by organized opposition groups operating within the country. But the situation in Cuba is not ordinary. The ruthless efficiency with which Communist states destroy the very roots of domestic resistance suggests that the longer Castro remains in power the less likely is there to be available within Cuba an effective opposition group and especially one ready and able to take over the reins of government.

Under these circumstances the base of any organized resistance to the Castro regime, together with the nucleus of a provisional successor government, must be located outside of Cuba. However, its personnel must be Cuban citizens who are dedicated in their opposition to Castro and who have and can maintain close ties with dissident, even if suppressed and

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inarticulate, elements within Cuba for whom they can speak and act and upon whose cooperation they can count.

A source of such people already exists. There are approximately 116,000 Cuban aliens in the United States. They are for the most part educated, middle class Cubans, 25 percent of whom have had professional training. Deeply patriotic and proud, their greatest desire is to help defeat Castro and return to their native soil. As a group, they represent an asset which the United States can and should use, even though to do so will not be easy or simple.

THE STATUS OF THE EXILES

By far the most difficult problem in utilizing the individual capacities of the Cuban exiles is establishing a sound basis on which to treat with them as a group. The crux of the matter is their relationship to their fellow-citizens who have not escaped from Castro. There are many obstacles in the way of constituting their leaders as a legitimate government-in-exile, since they have not in the recent past wielded authority in Cuba. More importantly, with the passage of time, such right to speak for the people of Cuba as they can now claim may prove to be a wasting asset, unless they act to conserve and even increase it. To do so will require them to maintain the closest possible identification with the dissident elements in Cuba and the aspirations of the Cuban people. It will require them to support an interchange of personnel with guerrilla forces remaining in Cuba. In addition, although their main base will be in the U.S., it will be helpful to establish and maintain a nominal headquarters somewhere on Cuban soil, and to operate from it as

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much as possible. Finally, it will require them to curb their individual political ambitions and be content to act as no more than a provisional government until such time as the whole Cuban people can choose their government and the program they wish it to pursue. In short, while it is important that some way be found for the U.S. to deal with this group as the legitimate voice of free Cuba, it is even more important that they become such in fact, especially in the minds of the Cuban people.

THE PRIMARY TASK

If the status and organization of the exiles as a group can be worked out, there will remain less knotty but still considerable problems. The primary one is the identification, selection, and training of those individuals who can make a constructive contribution the future of Cuba. From this group, we would expect that a fair proportion of the civilian and military leadership of a post-Castro government would emerge.

Judging from the high proportion of professional men among the refugees, it seems likely there will be no particular difficulty in finding competent personnel to staff the civilian agencies of a Cuban government. Considerably more difficulty may be anticipated in finding appropriate personnel for the internal security functions and the highest levels of administration as well as leaders of trade unions and agrarian organizations. With regard to individuals aspiring to major roles in a post-Castro regime, it will be necessary for them to work closely with the freedom fighters in Cuba and at some point to establish their position of leadership through actual performance in the field.

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SECONDARY TASKS

Not all of the refugees can be utilized in this effort. For those who cannot, some provision must be made. Those who do not wish to return to Cuba should be absorbed into U.S. society through a positive resettlement program based on the one now underway through the Department of Health, Education and Welfare. For the remainder who wish to return to Cuba but can play no initial role in a replacement government, some partial integration into American life may be the best solution. This must be accomplished in ways which will enable them to maintain their group identity as well as emotional and political ties with Cuba itself against the day of their return.

THE NEED FOR SECURITY

It is highly probable that the Cuban exiles in America are heavily infiltrated with Castro and Batista agents. One of the most immediate needs, therefore, is for the development of an effective and continuing security program to remove such agents and to safeguard the covert activities of the exile group. Each element of the U.S. government dealing with the exiles must set up appropriate safeguards and security checks to exclude Castro and Batista agents from the program.

THE CONTROL OF EXILE MOVEMENT

Associated with internal security of agencies dealing with exiles is the need to control the flow of Cubans into and out of the United States. A program has been developed by the U.S. Immigration Service and is presented as a recommendation in Annex A hereto. Control is based

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on cancellation of all entry visas after 30 days and insistence upon registration as refugees or their permanent departure from the United States.

RESPONSIBILITY FOR PROGRAM

The military, humanitarian, security and political implications of any program undertaken for the relief and utilization of the Cuban exiles indicate at least five U.S. Governmental Departments as having important interests. It is essential that one of the five be designated as having primary responsibility for the detailed implementation of the program to include major policy decisions, administrative supervision, and provision of funds. This same department should be charged with seeking any needed legislation and with defending the program before Congress. It is suggested that the Secretary of Health, Education and Welfare be placed in charge of the program with full authority for its implementation. The Secretary of Health, Education and Welfare should be assisted as necessary by the Department of State, the Department of Defense, the Attorney General, and the Central Intelligence Agency.

OVERT NATURE OF PROGRAM

It is impossible to implement this program in a covert manner. Even without the current intense interest in Cuba, it would be difficult to conceal because large numbers of Cubans are involved, public hearings

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will be required before Congress to obtain necessary funds and the press will make every effort to learn the details of the program. The entire effort, therefore, should be planned on the basis that we are sponsoring free Cubans to prepare for a return to their country when they can resume their rightful place in a free and democratic society. No extensive publicity program should be planned but rather news stories should evolve naturally based on factual presentations of the program.

TRAINING AND WELFARE PROGRAM

The program to segregate, train and maintain a primary group of refugees with useful skills as well as to facilitate the integration of the bulk of Cuban refugees into American society will be extensive as well as diverse and will necessarily involve careful screening of personnel. The revised program of the Department of Health, Education and Welfare attached as Annex B is considered responsive to the needs of the majority of exiles. It will provide the essential financial aid, health, and welfare services required. Further, it will subsidize the resettlement and job placement of the exiles and will sponsor higher education and on-the-job training for those capable of advanced training.

Since it is essentially an extension and amplification of the present program, it will not assist materially in preparing the leadership element of the exile group to assume important posts in the post-Castro regime. However, it is an important aspect of the program and should be fully supported. See Annex B for details.

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MILITARY PROGRAM FOR REFUGEES

The Department of Defense proposes the following terms of reference for the armed services in developing a program of integration of Cuban refugees into a viable armed force. A "Brigade" of 4,000 will be constituted, consisting of approximately 500 Air Force, 500 Navy and 3,000 Army. All three service elements will be established in the southeastern part of the U.S. with a centrally located headquarters unit. Cuban armed forces will be trained and maintained primarily as units except for temporary assignment to U.S. service schools and units for technical and leadership training.

Development of the plan for such a Cuban Brigade are included in Annexes C, D and E hereto. The Brigade can be organized within the U.S. armed forces. It may be necessary, however, to make special provision for the Air Force component since a particular problem in handling the pilots of such a force might mean that only non-combat units could be effectively integrated into the U.S. Air Force.

Special training could be provided by U.S. Army schools to both individuals and units in the concepts and practice of civil affairs and military government, tailored as necessary to the needs of post-Castro Cuba, if such are needed. Detailed plans are available and would entail the organization of about 500 men into six Civil Affairs units, considered capable of administering the national government in Havana and the other five provinces.

GOVERNMENTAL PERSONNEL REQUIREMENTS

Statistics are not immediately available, but indications are that the Castro regime employs considerably more personnel than that of Batista. A successor government would probably employ a total somewhere

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between the two. Inasmuch as the Revolutionary Council and persons associated therewith include several former Cabinet Ministers, their advice should be sought as to the personnel needs which may be anticipated.

Cuban Government offices may be expected to require staffs which are larger, different in type and possessed of superior levels of skills than those of the pre-Castro era. This would be especially true of such ministries as Education, Agriculture, Industry and Social Welfare. Even though many of the exile groups include persons with technical training and job experience, they will require the maintenance or retraining and upgrading of their skills to fill the foreseeable needs of a post-Castro administration. Throughout the entire government there will be an important need for training in public administration.

To close the gap, there is a clear and urgent need for a positive program of training Cuban refugees in business and trade schools, in American universities, and in on-the-job training in comparable U. S. and local agencies at a level appropriate to their future responsibilities. Such a program, vigorously administered, should go forward without delay.

PROBABLE REACTION OF CUBAN REFUGEES AND SUPPORT EXPECTED

The overwhelming majority of anti-Castro exiles in this country hope for an early overthrow of the Castro regime. The exiles feel and believe that this is realizable; thus they are prepared, each on his own level, to contribute to and participate in actions necessary to achieve the objective for a free, democratic Cuba which would mean their return to the Island. Most of these Cubans are convinced that U. S. leadership and active participation in this struggle are essential for success.

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Therefore, they can be expected to follow and support the U. S. in any venture promising an early elimination of Castro. Direct contacts with invasion survivors and other returnees indicate that there is disappointment, hurt and uncertainty as to why the U. S. did not come to the aid of the freedom fighters; however, there is no question that these personnel are prepared and anxious to continue the fight in partnership with the U. S. Exile political leaders also are anxious to continue to press the crusade.

The foregoing general statement must be viewed against the actual character of the Cuban exile community here. This community is unified only in one respect, that is to say it wants to get rid of Castro. It is much divided, however, as to political and economic philosophies and as to how Castro's government can best be eliminated. The spectrum of exiles in the U. S. runs from the extreme right, to the moderate, to far left; it covers those who advocate direct U. S. intervention and those who believe that the job must be done by underground work in Cuba alone. These differences have found their expression in a great many splinter groups maneuvering for position not only among themselves but also for exclusive U. S. support. Cuban exile leadership needs overt U. S. official leadership which should be rather specific in terms of the type of Cuban government, military and public services the U. S. would find acceptable. The U. S. should also be specific as to the organizational mechanism through which and with which the U. S. intends to work.

If such U. S. leadership is forthcoming and if under such terms of reference the Cubans, presumably the Revolutionary Council, are given

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the responsibility to shape their own destiny, it can be expected that the majority of Cuban exiles will fall in line and support, both by words and deeds, anti-Castro programs.

BASIS IN INTERNATIONAL LAW

The Office of General Counsel of the Department of Defense has submitted an opinion that preparing Cuban refugees for an eventual return to a free Cuba, after the fall of the Castro regime, by overtly training them to assume control of the government, the armed forces and the public services, can be undertaken within the framework of customary international law, where such training is not for the purpose of an armed attack against Cuba. In their judgment, there are no bilateral or multilateral agreements to which the United States is a signatory which pose a legal bar to the actions outlined above.

These conclusions are unaffected by whether the anti-Castro forces are accorded belligerent status or their leaders are recognized as a Provisional Government.

PROGRAM SUPPORT

To carry out this policy will require new money and perhaps new authority. The support of Congress and the American people must, therefore, be sought actively. This is particularly urgent since the unprecedented nature of the problem may demand modifications or interpretations in both domestic and international law. In this latter regard, efforts to obtain its acceptance by friendly nations should also be undertaken.

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As to its administration within the U.S. Government, the importance and complexity of the program indicate that it is a task for the government as a whole. By the same token, unified, imaginative direction will be required for its successful implementation. With regard to the refugees themselves, if they can develop and maintain a functioning central organization, it would be of tremendous assistance to the overall program.

CONCLUSIONS

1. A significant number of Cuban exiles in the United States can play a major role in the replacement of the Castro regime with a free and democratic government.
2. The United States, through a program especially developed for the purpose, can capitalize on the resource these exiles represent.
3. Ideally this program should have three facets: One would identify and train potential top leadership and key bureaucratic personnel for a post-Castro government; a second would prepare armed services components for such a government; while the third would provide relief and resettlement assistance to those exiles not covered by the two categories above.
4. As long as the United States does not develop the exiles as a fighting force for employment against the Castro regime, a program for their support would not conflict with customary international law or U.S. international agreements.

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5. Effective measures to identify and remove both Castro and Batista agents from the exile group as well as steps to control the movement of Cuban nationals in the United States are required.

6. Although the active cooperation of at least five Departments of the U.S. Government will be involved, the major responsibility for the program should be assigned to one. This responsibility should include seeking any needed legislation and defending the program before Congress.

7. The program must be conducted on an overt basis, but publicity should be minimized so far as possible.

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ANNEX A

CONTROL OF EXILE MOVEMENT

1. As of 1 April 1961 the total Cuban alien population in the United States was 116,700, broken down as follows:

	<u>Nation</u>	<u>Florida</u>
Immigrants (Permanent residents)	65,000	26,000
Visitors, students, etc., in status	29,500	20,000
Refugees	<u>22,200</u> 116,700	<u>13,600</u> 59,600

We continue to inspect and to admit temporary visitors and students from Cuba. These alien Cubans had been issued visas (stamps placed in their Cuban passports) by the United States Consular Service up until the time of the break in relations. Most of these visas were valid for a period of four years from date of issuance and provided for multiple entries into the United States during the period of validity. It is estimated that approximately 100,000 such multiple entry type visas are outstanding.

2. Since no current information can be obtained about given individuals in Cuba, the Service has honored every request for refugee status and no Cuban has been returned to Cuba against his will since January 1959, when the Batista regime fell.

3. Most refugees still live in a hope and expectation that they will return to Cuba when governmental sanity is restored. They represent in large part the professional middle class. To give them permanent residence now is not to their advantage or to the long range interest of this country or to Cuba. As refugees they have the rights and privileges of resident aliens except that their residence cannot be computed for citizenship purposes and they may not leave and re-enter the United States at will.

4. Following the break with Cuba, the Secretary of State published regulations preventing the departure from the United States of any U.S. citizen or permanent resident alien except on the express approval of the Secretary of State. Since January 19, 1961, through April 22, 1961, the following have departed:

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United States citizens (with permission)	192
Cuban resident aliens (with permission)	425
Resident aliens who elected to abandon residence	328

5. In order to restrict the hitherto unrestricted international movement of Cuban nationals with consequent flow of vital information to the Castro government, the attached recommendations are made to strike a balance between our national security interests and our sympathy for the true refugee.

Recommendations

1. Cuban holders of visitors visas who apply for admission to the United States and who seek temporary admission shall be admitted for a maximum period of one month. Those who seek refugee status at time of admission shall be paroled into the United States indefinitely (sec. 212(d) (5) of the Act).

2. At the time of admission all visitors visas shall be cancelled. Those presently in the United States as visitors shall have their visas cancelled at the time of departure.

3. At the expiration of one month Cuban visitors who do not desire to return to Cuba may be given refugee status on application therefor.

4. All applicants for refugee status shall be fingerprinted and biographical data furnished with the prints to the FBI. Biographical data shall be furnished to other selected intelligence and law enforcement agencies.

5. On receipt of information from a reliable source that a Cuban national is engaging in activity in support of the Castro Government formal deportation proceedings shall be immediately instituted under the administrative warrant of arrest.

6. No Cuban national shall be issued an immigrant visa during the existence of the present Castro regime.

7. Legislation shall be sought to confer permanent resident on any Cuban national who shall have resided in the United States for a period of five years subsequent to January 1, 1959 and been physically present in the United States during that period, retroactive to the date of his actual entry.

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8. Permission for United States citizens to depart for Cuba under Department of State Regulations (22 C.F.R.53) and for resident aliens to depart (22 C.F.R.46) shall be authorized only after full interrogation and investigation by Immigration Departure Control Officers, upon Department of Justice recommendation, and solely for reasons deemed strictly in the national interest.

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ANNEX B

Department of Health,
Education and Welfare

REVISED CUBAN REFUGEE PROGRAM

April 29, 1961

I. OBJECTIVE

To facilitate the melding of the Cuban refugees into American life, in a useful and self-supporting role; to preserve or increase their skills and professional attainments to the end that they as individuals may live more satisfying lives and be a source of trained manpower available to meet the needs when opportunity arrives to return to a free Cuba.

II. CONTENT OF PROGRAM

It is proposed to accomplish the objective by federally financed programs as follows:

- A. Basic program of financial aid, health and social services.
- B. A program of aid in education and training.
- C. A program of resettlement and job placement.
- D. An informational program.

III. GEOGRAPHICAL AREAS INCLUDED

Eligibility for this program would extend only to Cuban refugees who register at the Center in Miami except as otherwise indicated herein.

IV. ACTION PROGRAM

- A. It is proposed that the Department of Health, Education and Welfare be designated as the Agency responsible for carrying out this program and that it receive appropriate delegations of authority and allocation of funds.
- B. Implementation would be accomplished by 1. continuation of the Emergency Cuban Refugee program already in operation (see summary description which follows), and 2. by an expansion of this program as subsequently indicated.
 - 1. Continuation of the present program * which consists of:
 - a. Cuban Refugee Emergency Center. A center is operated Miami where refugees may register in order to become eligible for federally supported refugee aid and services.

*This program established in early December 1960 and expanded in late January 1961 has involved the registration of approximately 26,000 refugees. If extended on a current basis through June 30, 1961 it is estimated to cost somewhat in excess of \$4 million dollars. Five million dollars of Mutual Security funds were made available for the program.

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- b. Resettlement--By contract with appropriately qualified voluntary agencies the Federal Government finances resettlement by paying transportation costs to the point of destination plus a service charge of \$60 per person resettled. Resettled refugees are also assured of financial aid in the event that unforeseen difficulties arise and they are assured help in returning to a free Cuba.
- c. Financial Assistance--The Florida State Welfare Department administers, as agents of the Federal Government, a cash assistance program to needy refugees. It is based upon Florida welfare standards in order to assure the equality of treatment between refugees and our own nationals. Payments are made in relation to demonstrated need but may not exceed \$100 per month per family unit.
- d. Health Services--(1) initial screening for contagious diseases and other health problems, (2) hospitalization, short term and long term, (3) emergency dental service, (4) school health clinic, (5) maternal and child health clinic, (6) out-patient hospital service.
- e. Care of unaccompanied children--This is a classified project involving between 600 and 700 refugee children in foster homes and under group care.
- f. Public education--Payments are made to the public school system (elementary and secondary) to defray part of the cost of providing education to refugee children; for construction of temporary classrooms needed in this connection; and for a limited program of adult education.
- g. Surplus commodity distribution--Surplus agricultural commodities, as available, are distributed to needy refugees.
- h. Research project--This is a small project designed to provide employment for refugee scholars in useful research.

2. Extension of Program

- a. Expand Facilities and Operation at the Cuban Refugee Emergency Center in Miami to Include Particularly Additional Counselling and Job Placement Specialists.

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Expand staff of the Miami Center as necessary to add specialists in providing vocational, job placement, and educational counselling and services, plus general advisory and welfare services.

Encourage proposals from outside sources which are designed to make it possible for the Cuban refugees to be effectively occupied and indicate our willingness to provide financial support on a much wider scale than heretofore. This would include such things as organized job placement service.

- b. Financial Assistance--The limitations in the existing program were established consciously in order to avoid public criticism that refugees were being dealt with more generously than our own citizens. In approximately 10 percent of the cases, particularly those with large families, the overall limits established fail to meet the basic needs. Consequently, the voluntary agencies have found it necessary to supplement some of these cases.

Even if we maintain the existing policy, a substantially larger budget will be needed for this item if the intensified resettlement effort is successful. As we get more and more people out into other communities inevitably a certain number will find that their expectations have not been fully realized and it will be necessary, as is now the case, to provide them cash assistance in their new location outside the Florida area.

- c. Resettlement--It may be necessary to increase substantially the \$60 allowance now made for overall resettlement costs in order that the refugee may have a bigger cash stake when he arrives in his new community.

Also the extending of resettlement activities to other areas in the United States seems indicated. If we are to be generous in providing the means for individuals who appear in Miami to go forward with their occupational or educational plans there seems to be no valid reason for not providing them the same resettlement service in other areas where they are living in substantial numbers.

- d. New York City Office--Establish a small central referral in New York City to be a focal point where consultation can be provided and where job placement and resettlement efforts can be supported on behalf of the fairly large number of refugees (second to Miami) who are located there.

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- e. Unaccompanied Children--Adopt an "open-end" budget for this item. In other words, undertake to support any unaccompanied qualified Cuban refugee child who comes to our attention regardless of the locality in which he is found or the auspices under which he was brought into this country. In addition to the maintenance costs, a small allowance to the voluntary agency meeting and making the arrangements for the child could be granted in a flat amount equal to the average out-of-pocket expenditure which needs to be made before these children reach their ultimate homes. This involves such items as money for meals, pocket money, telephone calls, items of clothing and the like.
- f. Public Health Activities--Extend the program to include payments for home visits of doctors, increased dental care and expanded dispensary services and drugs and medicines. Provide reimbursement for essential emergency health services for refugees who have been resettled.
- g. Grants to Public or Non-Profit Institutions or Agencies--Set up a program of grants to public or non-profit institutions or agencies which would keep qualified Cuban refugees busy and would preserve or increase their present skills and knowledge. In addition to the special education programming referred to below these could be projects which provide employment in research, study, or planning activities. Emphasis should be given to projects that are non-competitive and in the public interest.

A program such as this would encourage resettlement and would provide employment otherwise unavailable particularly for refugees with professional or semi-professional training. The projects would be such as to permit the refugees to establish themselves financially, to qualify them for future employment and to adjust to life in their surroundings. Example, the American Bar Association, in conjunction with Columbia University, has suggested that we finance a legal research and translation project which is regarded as having considerable merit but for which no supporting funds can be found.
- h. Summer Day Camps for Children--Funds would be made available for sending refugee children to existing day camps or for establishment of an additional camp or camps during the off-school season.
- i. Surplus Commodities--This program has only recently started but up to now the demand is not as great as was anticipated. Further extension of the program depends on cooperation from public

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agencies since arrangements for distribution of surplus agricultural products are required to be made by the Department of Agriculture and a State public agency. Efforts should be continued to make the commodities available to the local residents as well as to the refugees in order to eliminate criticisms of more favorable treatment for the refugees. Distribution now limited to refugees receiving cash assistance should be extended to those who are in need but who have not yet had to apply for cash assistance.

J. Education--

- (1) Vocational Training for Youth and Adults--Persons identified by the Center as being in need of post high school vocational training would be referred to area vocational schools having residential facilities for periods up to one year. Subsistence payments of perhaps \$200 a month would be made to the individuals, and State Boards of Vocational Education would be reimbursed on a cost basis for the expense of accommodating each. Where apprenticeship is appropriate, only an adjusted subsistence payment would be made available.
- (2) Adult Education--Educational provision should be made for adults who are satisfactorily employed and not adjudged to be in need for retraining or further vocational preparation. Their needs would fall in the general area of citizenship education, to help them adjust to their new environment. English, civics, and similar courses should be available to them without charge and under convenient circumstances. In population centers this would call for the subvention of evening classes, while correspondence courses might better serve those refugees who are dispensed throughout the country.
- (3) Assistance to College Students--It is estimated that approximately 800 Cuban students, including those who graduate from high school this year, will require assistance to attend college. It is recommended that these students be given sufficient assistance to meet fee costs at a typical United States institution of higher education (\$1,700.00) on a basis of half grant and half interest-free loan to be repaid within five years of college graduation. Counseling and referral of students would be handled at the Center, but measurement of financial need, payment of funds and collection of loans would be responsibility of the Office of Education.

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4. Programmed Research and Planning Projects--The Office of Education is now supporting at the University of Miami a project involving the development of plans for economic and social advancement for adoption by a provisional government in Cuba. Similar projects could be expanded to cover other fields and to take advantage of the special competency of other universities. Examples of areas in which research planning projects could be included are education, agriculture, health services, welfare, public utilities, communications, protective services, justice, cultural activities, labor and employment problems, governmental services, etc. The concept of such projects would be to assemble a group of ten or more qualified professional Cubans to study in depth the problems involved in a given area for the purpose of making ready a general (or even detailed) plan to aid a provisional government in assuming control of Cuba. The individuals employed on such projects could be payrolled at a nominal salary and the university taking on such projects could be reimbursed for additional costs they might have to assume in the way of faculty and administrative personnel. Suggested locations for such projects would be institutions which have developed some competencies in Latin American relationships, including the University of Florida, the University of Puerto Rico, the University of New Mexico, the University of Louisiana, the University of Wisconsin, Columbia University, and Harvard University. It would be desirable to achieve some degree of geographical dispersal.
5. Professional Training and Placement--A sizeable number of the Cubans have professional or technical backgrounds that can be used to advantage in economic pursuits in this country. The University of Miami is now training a sizeable number of Cuban doctors and Cuban lawyers to enable them to make adjustments to American standards and practices which they are supporting with private secured funds which may "dry up." This training could be extended to other professional, scientific, and technical fields, such as agronomy, nursing, engineering and architecture. Institutions would be reimbursed for additional faculty and administrative costs and encouraged wherever possible to employ Cubans as faculty members (salaries ranging from \$6,000-\$8,000 have been paid to Cubans at Miami University). In view of the placement problems involved in the accommodation of these professionals in the United States economy, it would be well to supplement such training programs with professional placement services at the Refugee Center. An intensive program of faculty placements should be established at the Miami Refugee Center (and New York) which should be

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augmented by an educational placement specialist. The roster of professional personnel now being prepared at the University of Miami should be transferred to the Center when completed and used to help place individuals and to provide a resource for location of specially needed skills for special projects.

A special problem that exists for the trainees at such institutions is the need to supplement their incomes to provide sufficient time for the training program and to avoid the necessity of employment (usually menial) during the training period which would necessarily limit the time available for professional study. It has been suggested that loan arrangements for trainees at the University of Miami would help.

6. Assistance for Children Attending Public Elementary and Secondary Schools--A program of assistance has been worked out for Fiscal Year 1961 to reimburse the Dade County public school system for providing elementary and secondary education to Cuban refugee children. There are other communities in the Miami area who have indicated an interest in this type of assistance. Extension of the program to other localities in Florida or elsewhere in the United States would provide some community inducement toward the acceptance of Cuban refugee families while not providing any direct assistance of a financial nature to the refugees themselves. If adopted, payments should be limited to communities which had a minimum number of such children, such as 30 or more, where it could be assured that an extra burden was placed on the school system. Per pupil payments can be estimated at about \$200 per year to cover one-half the cost of current expenses and debt service expenditures.
- k. Information Program--An affirmative information program staffed with appropriately qualified personnel would be established. It would engage in constructive information activities that mesh with and facilitate the programs heretofore described. It would be geared to serve the needs of both the refugees and the public generally. There would be no effort to sell programs beyond the natural level of acceptance they deserve on their own merits.
- l. Refugees interested in military service would be so channeled in keeping with instructions to be developed.

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April 29, 1961

ESTIMATED ANNUAL COST (FY 1962) OF PROPOSED
NEW CUBAN REFUGEE PROGRAM

Vocational Training for Youth and Adults	3,000,000	
Adult Education	350,000	
Assistance to College Students	1,370,000	
Programmed Research and Planning Projects	1,100,000	
Professional Training and Placement	500,000	
Special Loans	150,000	
Assistance for Children Attending Public Schools	1,250,000	
Additional Administrative Expense of Center	100,000	
Additional Financial Assistance	200,000	
Additional Resettlement	280,000	
Additional Unaccompanied Children	700,000	
Additional Public Health	150,000	
Establish New York Office	115,000	
Grants to Public or Non-Profit Organizations	500,000	
Summer Day Camps	150,000	
Surplus Commodities	nominal	
Total Annual Cost Additional Program		9,915,000
Annual Cost of Existing Program		14,000,000
Grand Total		23,915,000

NOTE: These are considered outside limits by the Secretary of the
Department of Health, Education and Welfare.

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ANNEX C

U.S. ARMY SEGMENT OF A PROPOSED "FREEDOM BRIGADE"

1. General Concept. Overtly establish a "Freedom Brigade" in the U.S. Army of volunteers from among those Cuban refugees now located in the United States or the general Caribbean area. The volunteers would be inducted, formed into U.S. type units and given a modified program of individual and unit training. (See paragraph 3) U.S. leaders and technicians would be replaced as soon as Cuban leaders are developed and Cuban technicians adequately trained. The establishment of such a force would be in excess of the current Army strength ceiling and would require special funding. (See paragraphs 5 and 6)

a. The general concept could be modified to provide for the assimilation of individuals with previous experience or to envision the use of observers or liaison agents who, because of prestige or physical limitations, would be unable to undergo vigorous training activities.

b. The general concept could be modified to provide basic training for individuals or units which would be withdrawn subsequently for specialized training in military government, guerrilla, unconventional, or psychological operations.

c. The general concept could be modified to provide for intermittent receipt and integration of trainees as they become available.

2. Location. The unit should be located at an installation where adequate facilities can be made available quickly and administrative, and logistical requirements can be satellited on an established operating installation. It appears desirable to locate the "Freedom Brigade" in the southeastern part of the United States at a site which could serve as a location for all elements of the Cuban armed forces as well as any elements being trained in military government or special warfare functions.

a. A survey of installations now under U.S. Army control indicates that the following will meet the general criteria indicated above:

Fort Bragg, North Carolina
Fort Benning, Georgia
Fort Gordon, Georgia
Fort Rucker, Alabama

b. Civil affairs and military government training is now conducted at Fort Gordon, Georgia and it is envisioned that military government training of Cubans would be conducted there. Although Fort Bragg, North Carolina is the location of the Special Warfare Center, it is also

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the location of the XVIII Airborne Corps, the 82d Airborne Division and other STRAC units. Security implications should be considered fully prior to the location of the unit at Fort Bragg.

c. Induction, screening and personnel processing could be conducted at the selected installation. If desired, the armed forces staff could be accommodated at the selected site.

3. Training.

a. Initially members of the "Freedom Brigade" would undergo a modified form of individual training designed to prepare the individual for his part in the over-all unit training program. The initial training phase would also serve as a device to identify and earmark those with leadership potential and technical abilities.

b. In a second phase, the individuals would be given small unit training. In the advanced stages of unit training, infantry, artillery, armored, engineer, signal and other technical and administrative components would be integrated into a composite brigade.

c. In a third or final phase of training, the "Freedom Brigade" would conduct exercises with air and naval components, and would be given advanced leadership, staff and administrative training.

d. Particular emphasis would be placed on training of leaders, to include attendance at appropriate U.S. schools and assignments in an observer status with U.S. units and staffs. Technicians would be trained at appropriate U.S. installations during the last two phases of the training cycle.

e. It is envisioned that the initial or individual training phase would be of 8 to 16 weeks duration, depending upon the urgency. The second or unit training phase also could be conducted in a period of from 8 to 16 weeks. The final phase could be extended as desired.

f. In implementing the training program, initially the U.S. Army would draw a training cadre from among selected U.S. personnel. A substantial proportion of this U.S. cadre should be Spanish speakers.

g. If desired, language training and special indoctrination courses could be provided to meet the particular requirements of the personnel being trained.

4. Employment.

a. The "Freedom Brigade" could provide the cadre for a future Cuban Army and could be turned over to any government which the United States might recognize.

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b. Individuals or units could be withdrawn after the initial training phase for further specialized training in civil affairs/military government functions.

c. Individuals or units could, when desirable, be discharged from the U.S. Army and operate as a purely national force or as an element of any Caribbean Security Force.

5. Additional Uses.

If certain requirements of international law could be met or otherwise disposed of, other uses could be made of these individuals and units.

a. The "Freedom Brigade" could be used as the spearhead of any military invasion involving U.S. or selected OAS forces.

b. Individuals or units could be committed to guerrilla, unconventional, or psychological operations in conjunction with the employment of conventional elements of the "Freedom Brigade" or other U.S. forces.

c. Individuals or small units could be withdrawn after the initial training phase for further specialized training and subsequent commitment to independent guerrilla, unconventional, or psychological operations in Cuba.

6. Problem Areas.

a. Authority for increase of manpower ceiling.

b. Authority for necessary funding.

7. Cost

The following costs are based on order of magnitude estimates utilizing existing facilities at U.S. standards for a "Freedom Brigade" of approximately 3,000 men.

a. Initial investment cost \$6.2 million.

b. Annual operating cost \$23 million (includes personnel costs at U.S. standards).

This cost would be raised proportionately if the size of the force were increased. The cost would also be raised if additional training of civil affairs/military government or special forces personnel were undertaken.

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ANNEX D

AIR FORCE SEGMENT OF A PROPOSED FREEDOM BRIGADE

The Air Force does not consider it desirable to enlist Cuban exiles into the USAF, principally because a better way must be found to absorb, train, and retain the motivation of the substantial leadership potential available. This cannot be achieved solely by formation of a relatively small tactical unit within the Air Force.

Location

One of the former civilian contract flying schools in the south-east U.S. (Bartow, Graham, Bainbridge, Spence); contractor operated similar to former schools.

Organization

500-600 personnel (provided as a basic assumption); Squadron, or perhaps Wing and two squadrons to provide maximum staff training; liberal use of USAF advisors, the numbers to be scaled down as the organization attains self-sufficiency; approximately 25 aircraft; jet and conventional; any shortages in Cuban enlisted-type support personnel (maintenance, etc.) provided by the contractor.

Training

Previous flying experience prerequisite for flying personnel; many non-flying officer personnel with ratio of 1:1 officer to enlisted; enlisted and officer attendance at selected USAF schools; normal unit flying training, except emphasis on classroom-type work devoted to the tasks to be performed in assuming control in a Free Cuba; all air activity refugee personnel to be assigned to this organization. (There are 48 highly experienced pilots available now - for example, one is a former airline vice president.)

Employment

In order of priority:

1. Preparation to assume control of the Cuban Air Force in a Free Cuba.
2. Operational capability for clandestine and overt air operations.

Problem Areas

With the assumption of ready availability of resources, none internal to the AF.

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Cost

Annual cost - \$11,000,000 approximately.

Annual Cost

Contractor Cost	\$3,500,000
Personnel Cost	
Exiles - 600 @ \$7,000 = \$4,200,000	
U. S. Advisory - 100 @ \$7,000 = \$700,000	
	\$4,900,000
Aircraft Operations and Maintenance	
25 aircraft x 360 hrs. @ \$250 per hour	\$2,250,000
Formal Training	
60 students @ \$3,500	<u>\$ 200,000</u>
TOTAL COST	\$10,850,000

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ANNEX E

U.S. NAVY SEGMENT OF A PROPOSED "FREEDOM BRIGADE"

1. The problem is to prepare Cuban refugees by training them to assume control of the Cuban government, the armed services and the public services.

2. The U.S. Navy contribution would be to establish and train a cadre of 500 to 600 men capable of taking over the functioning of a future Cuban Navy. The cadre would also be organized for combat operations.

3. Organization

a. A small naval headquarters organization would be established. 8 U.S. officers, 8 foreign officers, 20 U.S. enlisted men and 20 foreign enlisted men should be sufficient. It would be organized to administer the cadre and would train in the normal naval staff functions.

b. A naval force afloat would be formed. The force would be under U.S. flag and would consist of 2 APD. Logistic support for the ships would be provided from U.S. Navy logistic facilities. Personnel required for initial manning would be 12 U.S. officers, 22 foreign officers, 60 U.S. enlisted men, 360 foreign enlisted men. Additionally as the program developed, an air/ground amphibious support capability would be added.

c. The remainder of the cadre would be rotated to schools and special training, including air training, within the U.S. naval training establishment.

4. Location

The Headquarters unit should be located at the central headquarters for the combined Army/Navy/Air Force cadre organization. This would permit liaison and cross planning between the Services and simplify logistic problems. It would also permit centralized recruiting and screening of personnel. Ships would be based at an East Coast port. A liaison office would be provided ashore for the Division Commander of the ships.

5. Training

Initially, training for Headquarters personnel would be on-the-job training. After the organization became established, headquarters personnel could be rotated through appropriate schools. Enlisted basic training would be provided at one of the established U.S. Naval Training Centers. Basic training would consist of 10-13 weeks of language instruction plus 10 weeks basic enlisted training. Once facilities were readied, groups of fifty would enter training every two weeks.

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Upon completion of basic training, selected personnel would be sent to advanced Navy schools. The remainder would proceed to the ships. Some personnel previously qualified would not require basic training and could be assigned directly to the ship pre-commissioning details.

Experienced Cuban officers would be chosen to commission the ships. Thereafter, other Cuban officers would be trained on board. As sufficient officers became available, they would be rotated through various officer education and training courses within the regular naval establishment.

Once commissioned, the ships would enter into a normal training cycle. Amphibious operations would be stressed, but ships would be trained in all other aspects of naval warfare.

6. Employment

The ships would be employed in a regular training cycle in order to maintain a high degree of readiness. They would operate in the East Coast naval operating areas.

7. Problem Areas

As envisaged, the foreign personnel would be enlisted and commissioned in the U.S. Armed Forces. Enlisted personnel must be enlisted in the Regular Navy. Existing statutes prohibit their enlistment in the Naval Reserve. Aliens may not be commissioned in the Regular Navy but may be appointed as officers in the Naval Reserve. By law, alien U.S. officers cannot serve in a United States ship or vessel. Therefore, legislation would be required to permit the alien officers to serve in the ships as U.S. officers. An alternative would be to retain all aliens in enlisted status. The Cuban officers would be U.S. chief petty officers and it is believed that they would accept this status. They would be treated as officers on board ship.

The U.S. Navy does not have facilities and instructors for basic training of non-English speaking recruits. In order that each U.S. service would not be required to establish separate language facilities, English language instruction could be made the responsibility of one of the services.

Ships, funding, and personnel for this project should be in addition to present ceilings.

8. Estimated Costs (First year)

2 APD, make ready and commission	\$ 2,750,000
Annual upkeep of 2 APD's	600,000
Training	2,110,000
Pay and Support of personnel (724)	<u>4,344,000</u>
Total	\$ 9,804,000

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ANNEX F

LEGAL ASPECTS

- Problem: What are the legal aspects of preparing Cuban refugees for an eventual return to a free Cuba by overtly training them to assume control of the Government, the armed forces and the public services?
- Assumptions:
1. The program will be undertaken without a declaration of war by the United States.
 2. The training is not for the purpose of preparing refugees for an armed attack against Cuba, but for the purpose of taking over the administration of Cuba at such time as the Castro regime falls by force, infiltration, subversion or other means.
- Questions:
1. Does the proposed course of action by the United States violate a legal duty provided by customary international law or treaties and conventions to which the Governments of Cuba and the United States are parties?
 2. Is the answer to question 1 affected by (a) according belligerent status to the Revolutionary Council, or (b) recognition of the Revolutionary Council as the lawful Government of Cuba?
 3. Does the proposed course of action violate any provisions of United States law?

I -- International Legal Responsibility of the United States Toward Cuba

Responsibility for international legal duties is a quality of every State as an International Person, without which the Family of Nations could not peaceably exist. An international delinquency is any injury to another State committed by a Government of a State in violation of an international legal duty. Every neglect of an international legal duty constitutes an international delinquency, and the injured State can, subject to its obligations of pacific settlement, through reprisals or even war compel the delinquent State to fulfill its international duties. "International delinquencies -- a term applying both to wrongs consisting of breaches of treaties and to wrongs independent of treaty -- may be committed in regard to different objects. Thus a State may be injured -- in regard to its independence through an unjustified intervention; in regard to its treaty rights through an act violating a treaty; or in regard to its right of protection over citizens abroad through any act that violates the person or the property of one of its citizens abroad." (Oppenheim's International Law, Lauterpacht, Vol. I, 8th Ed., 1952, p. 343).

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With respect to customary international law, however, it does not appear that preparing Cuban refugees for an eventual return to a free Cuba, after the fall of the Castro Regime, by overtly training them to assume control of the Government, the armed and the public services, would constitute an international delinquency where such training is not for the purpose of an armed attack against Cuba. It is conceded that such a course of action could be considered a discourteous or unfriendly act by the United States toward the Castro Government. An international delinquency, however, must not be confused with discourteous or unfriendly acts. Such acts are not illegal; on the contrary, they are acts that are within the competence of their author.

The question now arises whether the course of action proposed constitutes an international delinquency because of a breach of U.S. treaty obligations with Cuba or of international conventions to which the United States and Cuba are signatories. The former can be quickly disposed of. There are no provisions of bilateral agreements concluded with Cuba which would in any way affect the training of Cuban refugees in the United States.

Several problems arise however, with regard to existing international conventions. Since a declaration of war by the United States and an armed attack by Cuban refugees is not contemplated, there appear to be no difficulties with Articles 1 and 3 of the Inter-American Treaty of Reciprocal Assistance (Rio Pact) and Articles 17, 18 and 24 of the Charter of the Organization of American States which provide as follows:

Article 1

"The High Contracting Parties formally condemn war and undertake in their international relations not to resort to the threat or the use of force in any manner inconsistent with the provisions of the Charter of the United Nations or of this Treaty."

Article 3

"1. The High Contracting Parties agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.

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"2. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the immediate measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph and in accordance with the principle of continental solidarity. The Organ of Consultation shall meet without delay for the purpose of examining those measures and agreeing upon the measures of a collective character that should be taken."

Article 17

"The territory of a State is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another State, directly or indirectly, on any grounds whatever. No territorial acquisitions or special advantages obtained either by force or by other means of coercion shall be recognized."

Article 18

"The American States bind themselves in their international relations not to have recourse to the use of force, except in the case of self-defense in accordance with existing treaties or in fulfillment thereof."

Article 24

"Every act of aggression by a State against the territorial integrity or the inviolability of the territory or against the sovereignty or political independence of an American State shall be considered an act of aggression against the other American States."

However, certain other Articles of the OAS Charter appear at least to touch on the subject problem and, therefore, must be considered. Article 15 provides:

"No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements."

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Although the applicability of the above language is at best dubious, it is possible to argue that the formation of a cadre composed of Cuban refugees, even under the assumptions set out above, in fact poses a threat against the personality of Cuba as proscribed by this Article.

Article 16 provides:

"No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind."

It is unlikely that the mere existence of a Cuban cadre in the United States represents coercive measures of a political character. It would not be altogether unreasonable, however, if such an argument were put forward.

Article 25, which is similar to Article 6 of the Rio Pact, provides:

"If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an armed attack or by an act of aggression that is not an armed attack, or by an extra-continental conflict, or by a conflict between two or more American States, or by any other fact or situation that might endanger the peace of America, the American States, in furtherance of the principles of continental solidarity or collective self-defense, shall apply the measures and procedures established in the special treaties on the subject."

Although doubtful, it is not inconceivable that the words "or by any other fact or situation that might endanger the peace of America" could be seized upon as applicable to the training of Cuban refugees in the United States.

In conclusion, it is not likely that any impartial authority would consider U.S. action in training Cuban refugees for the purposes described above a violation of the Articles quoted above. The line between violation and compliance, however, lies in our intention that such a group would not be used for aggressive action against the Castro regime. This intention, although plainly expressed, could possibly be subject to misinterpretation by the very fact that such training was being conducted in the United States coupled with our past actions and statements with respect to Cuba. It would most likely be seized upon by those nations which would normally seek any pretext to attack the United States. However, so long as our intentions were clearly expressed and overtly demonstrated, there is little possibility that the OAS would consider such charges even if they were raised by others. In any event, there would be little legal basis for such charges even if raised in an appropriate forum.

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II -- Effect of According Belligerent Status or Giving Formal Recognition to the Revolutionary Council

A. Neutrality is an attitude required by international law of impartiality during war toward the belligerent powers. The question arises here as to the necessary attitude of foreign States toward civil war. As civil war becomes real war through the recognition of the insurgents as a belligerent Power, there is no doubt that a foreign State according such recognition commits an international delinquency by assisting insurgents in spite of being at peace with the legitimate Government. Unless war were declared against the legitimate Government, international law would obligate the United States to remain neutral and thereby forego any support or assistance to the anti-Castro forces. It must now be asked, assuming that belligerent status were to be accorded the anti-Castro forces, whether the training of Cuban refugees so that they may assume control of the Government, the armed forces and the public services after the fall of the Castro regime constitutes a violation of international law standards of neutrality. It is clear that such action would not be considered such a violation. As pointed out by Oppenheim --

"In the first instance, neutral States are bound by certain duties of abstention, e.g. in respect of supply of loans and munitions to belligerents, which they are not bound to exact from their nationals. Secondly, Neutral States are under a duty to prevent their territory from becoming a theatre of war as a result of passage of foreign troops or aircraft or of prolonged stay of belligerent men-of-war in their territorial waters. Thirdly, they are bound to control the activities of their nationals insofar as they may tend to transform neutral territory into a basis of war operations or preparations." (Vol. II, 7th Ed., 1952, p. 656).

It is plausible to contend that the training of Cuban refugees to assume control upon the fall of the Castro regime can hardly be considered an impartial attitude toward that regime. However, since the training undertaken is not directly or indirectly related to the conflict between the insurgents and the government in power, it is believed that such an argument would have little weight. The conclusion reached in Part I, therefore, would not be affected even if the United States were to accord belligerent status to the anti-Castro forces.

B. Recognition -- de facto or de jure -- of a Provisional Cuban Government would only affect the legal conclusion reached in Part I above, if that conclusion were questioned in some international forum. In that event, the recognition of the Provisional Government would lend legal credence to the training of Cuban refugees in the manner suggested since there is no prohibition in treaty or customary international law which would prevent the United States from aiding the recognized government

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of another State in accordance with an appropriate request from the latter. In considering recognition of a provisional government, however, international law standards must be borne in mind.

"The bulk of the practice of States, at least that of Great Britain and of the United States, in the matter of recognition of Governments is based on the principle of effectiveness thus conceived. As a rule, that principle has been interpreted in the sense that the new Government must be supported by the 'will of the nation, substantially declared,' and that there must be evidence of popular approval, adequately expressed, of the revolutionary change." (Oppenheim's International Law, Lauterpacht, Vol. I, 7th Ed., 1952, p. 127).

It is the rule of the United States,

"... to defer recognition of another executive in its place until it shall appear that it is in possession of the machinery of that State, administering the government with the assent of the people thereof and without substantial resistance to its authority, and that it is in a position to fulfill all the international obligations and responsibilities incumbent upon a sovereign State under treaties and international law." (Secretary Hull to Representative Tinkham, May 16, 1936, contained in Hackworth, Digest of International Law, 1941, Vol. I, p. 175).

However, even if recognition were not accorded to a Provisional Government there would be no effect on the training of Cuban refugees since this action, as concluded in Part I, is not deemed to be a violation of treaty or customary international law. It would not, therefore, be necessary to accord recognition to a Cuban Provisional Government in order to supply a legal justification for such activities.

III -- Effect of United States Statutory Law

The provisions of the Neutrality Act of 1939 (22 U.S.C. 441 et seq.), which impose certain restrictions on persons within the United States to preserve neutrality and avoid involvement therein, do not apply under the present circumstances since they are operative only when the President has proclaimed that a state of war exists between foreign States.

In addition certain criminal provisions in the U.S. Criminal Code do not appear to present a serious bar to the action proposed; that of preparing Cuban refugees for return to a Free Cuba by overtly training them to assume control of administration and government. This, presumably, does not, or at least should not, involve destruction of property (18 U.S.C. 956) or a military or naval expedition against Cuba (18 U.S.C. 960), nor does it involve enlistment of persons in the military service of Cuba (18 U.S.C. 959) or United States citizens serving in war against Cuba (18 U.S.C. 958).

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Annex IV

STATUS OF WORK ON THE ALLIANCE
FOR PROGRESS

1. The essential elements in the Alliance for Progress are a ten-year cooperative program to accelerate Latin American economic and social progress, planned under the multilateral auspices of the Inter-American Economic and Social Council (IA-ECOSOC) and backed up by a larger flow of public capital and technical assistance from the United States, together with economic policies designed to strengthen the Latin American foreign exchange position and developmental prospects.

2. The President's address of March 13 summarized the program under ten headings as follows:

- (1) A ten-year development plan for the Americas.
- (2) Ministerial meeting of the IA-ECOSOC.
- (3) Request to Congress for \$500 million Bogotá Program appropriation.
- (4) Support for Latin American economic integration.
- (5) Stabilization of commodity markets.
- (6) Expansion of food-for-peace program.

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- (7) Cooperation in scientific training and development.
- (8) Expanded technical education and training, including assistance from the Peace Corps
- (9) Arms limitation and use of military forces for constructive purposes.
- (10) Enhanced cultural exchanges between Latin America and the United States.

3. The long-run plan (Items 1 and 2 above).

The cornerstone of the ten-year program is to be a long-range plan of economic and social development for each country, worked out by its national authorities under guidance from the Inter-American Economic and Social Council and then used as the basis for the furnishing of outside resources by both international financing agencies (World Bank, I D A., and Inter-American Development Bank) and the U S aid agencies (Export-Import Bank and new aid agency). Governments desiring technical help in the planning work will be provided with such help under a three-party agreement among the staffs of the O.A.S., the UN Economic Commission for Latin America (ECOSOC) and the Inter-American Development Bank. At the first ministerial meeting of the IA-ECOSOC, tentatively scheduled for July 10-18, governments will be expected to undertake commitments to the broad lines of policy required for the success of their national programs and to agree to the working procedures and timetables. The draft agenda for that meeting, reproduced as

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Appendix A to this Annex, was worked out by U.S. Government representatives with the heads of the three regional secretariats during the recent I D B. meeting in Rio. The preparatory work for the July meeting is being directed by Dr. Jorge Sol, the chief of staff for the IA-ECOSOC, in close collaboration with the U.S., the I D. B., and ECLA. Four working groups are now being selected in the respective fields of planning and annual review, economic integration, commodity markets, and information and public relations. Each working group will have both U.S. and Latin American working members on it, and the U.S. Government will be represented in all cases. A small steering group will give over-all supervision to the preparations. The three principal results which should flow from the July meeting are as follows: (1) firm commitments to the development planning process, including common understanding of the content of short and long-term plans and of the necessary national procedures to make planning effective; (2) commitments to the inclusion of social development goals in the national programs, extending beyond the general undertaking in the Act of Bogotá, and agreement on multi-lateral procedures to stimulate intensified work to meet these goals; and (3) agreement on priorities for the immediate application on Bogotá Program funds and other resources available for urgent projects pending the development of more systematic plans.

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4. The Bogotá Program (item 3 above).

The President formally requested the appropriation of \$500 million for the Inter-American Program for Social Progress on March 14. The full appropriation was passed by the House of Representatives on April 25. The Senate Appropriations Committee is expected to report favorably on May 2 and Senate action should follow in the very near future. The funds are being voted to the President, who is then committed to redivide them in the following proportions: \$394 million to the I.D. B., for use in the fields of agriculture and improved rural living conditions, low-cost housing, and water and sanitation; \$100 million to the I. C. A. for use in the fields of education and training and public health; and \$6 million to the O. A. S. for technical assistance in national development programming, expert conferences on studies directed toward more active social reform measures, and preparations for the annual reviews and confrontations of progress and problems. The legislative history of this appropriation, as well as the Bogotá conference itself, emphasize strongly the requirement of maximum self-help and institutional reforms as conditions for the use of these funds. The immediate administrative problem is to combine a strict adherence to these criteria with rapid negotiation of specific projects in order to move promptly from words to deeds. Since certain Latin American governments (including, but not limited to, Venezuela, Colombia and northeastern Brazil) are showing every disposition to move ahead on

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self-help and social reform measures, they could be made dramatic examples of the way in which Bogotá Program assistance will be provided when the right kind of action is being undertaken in Latin America. The action recommendations for the I C.A. and the I.D.B. are designed to move ahead on this basis.

5. Economic Integration and Commodity Market Problems (items 4 and 5 above)

Apart from the supply of capital and technical assistance, these are the two fields of general foreign economic policy of greatest significance for Latin American development. They both figure formally on the agenda for the July IA-ECOSOC meeting. The U.S. has indicated qualified support for the Latin American free trade area (treaty of Montevideo) and strong support for the Central American common market. To be genuinely meaningful, the free trade area will have to be reinforced by further commitments for trade liberalization in new industries and for tariff reductions by groups of commodities. The U.S. should work actively with the ECLA staff in developing specific recommendations in this field for the July meeting. With respect to commodity markets, we should be prepared by the time of the July meeting to indicate which specific commodities of interest to Latin America should be subject to international market stabilization plans which the U.S. will support, and also to indicate our support for or opposition to the proposals for reducing foreign exchange income fluctuations arising

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from market fluctuations in miscellaneous commodities for which individual stabilization programs would be too complex or inappropriate. Coordinating responsibilities for development of these policies rests with the Under Secretary of State for Economic Affairs.

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6. Food for peace (item 6 above).

(Note: Mr. George McGovern can supply details).

7. Scientific Cooperation (item 7 above).

The Office of the Scientific Adviser to the President is preparing specific proposals under this heading which should be available for consideration by the end of the first week of May.

8. Education and training and the Peace Corps (item 8 above)

A working group has been formed in this field representing the Assistant Secretary of State (educational and cultural relations), the Deputy Assistant Secretary for American Republic Affairs concerned with these matters, and other interested agencies. Implementation will have for the most part to be financed by the Bogota program funds assigned to the I.C.A.

9. Military aid and arms limitation policies (item 9 above)

A joint State-Defense paper has been prepared on the above subject for consideration by the Latin American task force under Mr. Berle. Further action depends on a review of that paper.

10. Cultural exchanges (item 10 above).

(Note: Mr. Arturo Morales in ARA can provide details.)

11. Amounts of resources for U.S. assistance to Latin America

Outside resources available to support accelerated economic and social development in Latin America include the following: (a) hard loans (from the World Bank, the regular operations of the I.D.B., and the Export-Import Bank); (b) soft loans (from the I.D.A. the special operations of the I.D.B., and the new U.S. aid agency); (c) social development funds (from the Bogota program appropriation); (d) other technical assistance (from the UN Special Fund, other UN agencies, the O.A.S., and the new aid agency in fields not covered by the Bogota program); (e) surplus agricultural products (food for peace); and

(f) special or transitional assistance funds. The preliminary estimates of Latin American capital needs and absorptive capacities for economic development, prepared as background for the President's address of March 13, indicated an annual average of about \$1.2 billion, apart from social funds and agricultural surpluses. Of this amount, about half could be in hard loans, while the other half -- \$600 to \$650 million per year -- should be in soft loans. The program currently being prepared for FY 1962, however, contains only \$250 to \$350 million for soft loans for economic development in Latin America, and of this as much as \$160 million may have to be earmarked in advance for Brazil and Venezuela. There is a strong presumption that a further \$300 to \$350 million will be required.

With respect to the social development needs, the Congressional presentation on the Bogota program left the pace of commitment indefinite, but indicated the probability that the funds would last for about two years, with a second installment to be requested during FY 1963 for commitments beginning in FY 1964. In view of the even more critical situation now developing, it would be highly desirable to make the commitment of these funds dependent only on the development of specific projects clearly meeting the criteria of the Bogota program rather than stretching them out to meet the two-year time period foreshadowed in the Congressional testimony. If more rapid obligation proves feasible under the criteria, it would be necessary to return to Congress for a second installment in FY 1962 or early in FY 1963.

Definite decisions on these two points cannot be made, however, until there has been some advance in the over-all program development following the July meeting of the IA-ECOSOC.

12. Personnel and Organization needs

Successful strengthening of the alliance for progress will require the early naming of an Assistant Secretary of State for American Republic Affairs and a Latin American Regional Director for the new aid agency. It will also require a strengthening of the economic personnel in the country missions in Latin America. With few exceptions, the present missions are competent only in the fields of technical assistance. While help to national governments in economic development programming will be the responsibility of the multi-lateral agencies, it is essential that the resident American personnel also be qualified to deal with broad economic and social development problems.

13. Information and publicity

The philosophy, purposes, and actions under the alliance for progress should clearly figure as a cardinal element in the enhanced program of information and publicity discussed elsewhere in this report.

Appendix A to Annex III

Revision of April 28, 19

DRAFT AGENDA FOR IA-ECOSOC

- I. Planning for Economic and Social Development.
 - A. Short-Term Plans
 - B. Long-Term Plans
 - C. Guiding Policies
 - 1. Investment Programming
 - 2. Mobilization of Domestic Resources
 - 3. Economic Stabilization
 - 4. Agricultural Improvement and Land Use
 - 5. Housing, Urban Problems, and Community Facilities
 - 6. Education and Training
 - 7. Public Health
 - 8. Public Administration
 - D. Organization and Procedures
- II. Latin American Economic Integration.
 - 1. Substantive Problems
 - 2. Procedures for Future Action
- III. Commodity Market Problems.
 - 1. Substantive Problems
 - 2. Procedures for Further Action
- IV. Annual Review.
 - 1. Outline of Content
 - 2. Procedures for examination and confrontation of problems policies.
- V. Information and Public Relations.

CUBA AND COMMUNISM IN THE HEMISPHERE

Before deciding on a Cuba policy, it is essential to evaluate the nature of Cuba's threat to the national interests of the United States and the basic strength and vulnerability of the Cuban communist regime.

I. The Nature of the Threat

A. The Military Threat

Continuing bloc arms shipments to Cuba -- while strengthening Castro's own ability to withstand attack -- will probably not be an important threat to U.S. interests. There is no danger of effective direct attack against the U.S. It is highly unlikely that Castro will avertly attack other nations in the Americas. If he did so, we would be able to intervene pursuant to our Treaty obligations and use the occasion to crush Castro. There is some possibility that Castro would use Cuba as a base for monitoring and harassing U.S. operations, e.g. interfering with communications, etc.

There is the remote possibility of an attempt to convert Cuba into a Russian base for strategic attack on the United States. If this happens, we would have to consider military intervention. (See Sec. B. infra.)

B. As an exporter of physical aids to revolution -- there is no doubt that Cuba is being used as a base for export of the communist-fidelista revolution. This is done through the supply of funds, counsel to subversive activities,

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activities, and propaganda, -- mainly through the embassies. It is done through widespread propaganda apparatus of varying effectiveness, including a news service (carried by 24 newspapers) and a radio network. It is done, too, by making a supply of Spanish-speaking agents available for communist subversion and propaganda. At the present time, there is no hard evidence of an actual supply of arms or armed men going from Cuba to other countries to assist indigenous revolutionary movements. There have been allegations of such support being given in Colombia and other countries. There has been some movement of individual armed agents into other countries and some Cuban effort to train the revolutionaries of other countries. The export of physical aid to revolutionary movements, while important, is much less significant than the threat posed by Castro's example and general stimulus to these movements. (See C infra.)

C. As an example and stimulus to communist revolution -- Castro's basic aim (supported by the Chinese and principally the Soviets) has been to capture indigenous social revolutionary movements for the communists, strengthen existing communist movements, and, by supporting these movements, weaken the fabric of constitutional government throughout the hemisphere.

To some extent he has been successful in identifying his regime with the cause of economic and social progress. And as he moves forward economically

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economically his example may become more attractive. He has provided a rallying point and a source of ideological support for communist movements everywhere; and often for left-wing nationalist movements. One of his principal objectives is to identify and unify the nationalist left and the communists. He has provided a working example of a communist state in the Americas, successfully defying the United States. Thus he has appealed to widespread anti-American feeling, a feeling often shared by non-communists. His survival, in the face of persistent U. S. efforts to unseat him, has unquestionably lowered the prestige of the United States and the presence of Castroist. extremists elements are often an important obstacle to orderly social and economic reform.

This picture is not all dark however. As Castro's Soviet-communist identification has become more apparent the communist-fidelista elements have suffered an increasing isolation from the democratic left. Several leaders of the Democratic left has already condemned him publicly. Castro's erratic and often extreme personal behavior has helped to increase this isolation.

There is no doubt that Castro's regime adds significant support to communist efforts to take over the hemisphere, and is a source of strength to communist efforts in every country. However, Castro could not hope to

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hope to succeed without the conditions of social unrest, widespread poverty and general economic discontent on which the Communist revolution prospers. If the island of Cuba should sink beneath the waves tomorrow, we still would have to face a significant and steadily growing communist threat in the hemisphere. The fall of Castro would be a severe defeat for the Sino-Soviet bloc, but it would not be, by any means, the end of the battle.

II. THE PRESENT SITUATION IN CUBA

A. The Armed Forces

The armed forces of the Castro regime number approximately 250,000, of whom some 200,000 are militia. The regular forces have been shaken by purges of officers and men who previously supported Castro against Batista but later became disillusioned.

Bloc arms deliveries and intensive training have increased the military capabilities of the army, but its tactical training is still deficient. The militia is composed of people who generally serve only part-time, but some full-time units are now being trained. The Air Force and Navy suffer from a lack of trained and qualified personnel.

B. Control Mechanisms

The Castro regime has established a complex of interlocking mechanisms

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mechanisms enabling it to control virtually every phase of life in Cuba.

C. Class and Regional Attitudes

The upper class has been destroyed as an effective political or economic force in Cuba. The middle class provides the principal organized opposition to the Castro regime. It is that part of the newly self-conscious lower class -- perhaps 25-30% of the total population -- which has already received positive benefits from the Revolution, or still hopes for future improvement in conditions, that now provides the real mass support for the Castro regime.

Not all of the Cuban lower class can be considered to favor the Castro regime. His major strength is with rural workers, whereas there has been considerable disaffection among the labor unions. The failure of the government to carry out many of its earlier promises has led to increasing disappointment and dissatisfaction. This does not mean, however, an equal increase in willingness to act against the regime.

D. Economy

The Cuban economy continues to decline both in terms of physical output and in living levels: although basic needs for food and textiles are being met. Output in the industrial sector has been adversely affected by parts and raw material shortages, although sugar production may match
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or exceed last year's level and the regime is making strenuous efforts to expand agricultural production. Cuba's trade has been redirected largely to the Soviet Bloc, whose economic support is vital for the Castro regime.

III. PROBABLE TRENDS WITHIN CUBA, ASSUMING NO MAJOR U.S. INTERVENTION

A. Political Prospects

Over the short term there will be no major change in internal political conditions. However, by the end of one year organized anti-Castro opposition will probably have increased its activities, but with Castro's intensified controls this will not offer a threat to the stability of the regime. Over the long term (5 years) all effective opposition to the regime will probably have been eliminated. However, such a long-term estimate is based on many variables and is highly contingent. It may be the most probable outcome but many other outcomes -- including growing resistance -- cannot be discounted.

B. Probable Trends in the Armed Forces

With Bloc assistance the combat effectiveness of the Cuban armed forces will substantially increase.

C. Economic Prospects

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The economy will deteriorate further over the short term, but it will not jeopardize the regime's stability. Within a year the economic situation will have improved slightly, and within five (5) years Cuba's natural resources and Bloc economic assistance will permit greater self-sufficiency and gradual economic growth. There is a possibility that the Communists -- through an extensive program of aid -- might try and make Cuba a show case of economic progress.

IV. CUBAN VULNERABILITIES

A. Economic

Economic vulnerabilities of the Castro regime include its foreign exchange position, spare parts and raw materials shortages, lack of sufficient technical and managerial personnel, declining per capita income, and consumer shortages and the growing black market. Imposition of the Trading with the Enemy Act against Cuba (which would inter alia reduce Cuba's foreign exchange earnings from the United States and would extend the U.S. export embargo to all products) and a campaign of limited sabotage against Cuba's industries and utilities would aggravate these problems, though not sufficiently, by themselves, to jeopardize the regime's stability.

B. Political

Castro's elimination from the scene would cause serious problems, but the bureaucracy and apparatus are so firmly entrenched that

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continue to operate without him.

Popular resentment against the totalitarian controls imposed by the regime has steadily increased. This resentment is open to exploitation. The hold of the regime depends in large part on control of mass communications media. Sabotage of these facilities would deprive the regime of this advantage; sabotage of other communications would impair the effectiveness of police controls.

We recommend a study of possible weaknesses and vulnerabilities in the elements which exert control in Cuba (e. g. military, key political figures, labor leaders, etc.) and weaknesses in their relations to each other, assessing discontent, possible disaffection, etc. This would be an anatomy of the Castro regime.

Increased guerilla operations, effectively supported by the U. S., would disrupt normal activities in Cuba and serve to keep resistance alive against heavier controls and repression.

(For complete Intelligence appraisal see Annex I.)

CONCLUSION:

There is no sure way of overthrowing Castro short of U. S. military intervention. There is a possibility, although a slight possibility that lesser measures -- covert and overt -- might result in the overthrow of the Castro regime from within. As long as Castro thrives, his major threat -- the example and stimulus of a working communist revolution -- will persist.

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V. The Decision to Intervene with U. S. Forces:

A. The Consequences of Intervention at this time and under present conditions:

(1) The Castro regime would be destroyed, but the possibility of protracted guerrilla conflict cannot be discounted.

(2) There would be a direct and perhaps substantial loss of life—Cuban and American.

(3) General World Reaction to Intervention — Reaction to the use of U.S. force to eliminate Castro would be clearly negative. It would severely impair the general international image of a non-aggressive, non-imperialist nation which we have tried to build over the past fifteen years. It would severely weaken our ideological position by blurring differences with the Soviet Union — differences based on their aggressive nature, imperialistic system etc. It would revive fears, especially in Latin America, about our intention to dominate and direct the affairs of all American States. There would be a general nervousness about the possibility of the conflict spreading — and a loss of confidence in the United States.

However, there would be some favorable response to our firmness in eliminating a nearby communist center. This would come from those governments most closely tied to the United States and which believe that their continued existence depends on the U.S. coming to their support, e.g. Nationalist China. The favorable reaction would be centered in those elements who see security from the communists dependent almost solely on power and the willingness to use it.

The Soviet Union

The Soviet Union—through propaganda, agitation etc.—would exploit the situation to the fullest. Direct armed support of Castro is unlikely. Acting against Castro on the grounds that we cannot tolerate a communist base 90 miles away would give the Soviet Union a counter-rationale for acting against our own base system, and the possibility of Soviet intervention in Iran could not be ruled out.

There would be at least a temporary setback to the likelihood of progress toward peaceful settlement of important international issues. Traditional points of confrontation—such as Berlin or Quemoy and Matsu—might become more explosive and dangerous.

Latin American reaction would range from support (e.g. Guatemala and Nicaragua) to outright resentment and opposition (e.g. Mexico, Ecuador and Bolivia). Another group might feel relieved, but political conditions would require them to oppose or remain silent. Reactions within the Latin countries would vary from support by the oligarchy, to sharp reaction against yankee imperialism among students, workers, campesinos, and much of the articulate middle class. This reaction would be exploited by the communists, and might endanger vulnerable democratic government (e.g. Venezuela). (A more extended discussion of world reaction is found in Annex II).

From the people, parties and press of Europe we could expect a severely censorious reaction—tempered by some restraint in deference to the Alliance. The Kennedy image and prestige in Europe would be severely weakened, perhaps to the extent of weakening U.S. leadership in the Alliance, and the

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and the Alliance itself. European governments would generally be neutral or support us. The CENTO and SEATO allies would react more favorably.

Perhaps the most serious reaction would come from the neutral states in Africa, the Near East and Asia. It would intensify our identification with the colonialist powers and tend to increase the tendency to see the U.S. and Russia as having similar ambitions and goals. An intervention would seriously impair and complicate our ability to work through the U.N. on the entire range of problems confronting that body.

B. Considerations Bearing on a Future Decision to Intervene:

A judgment whether to intervene will depend on many factors.

(1) The degree of provocation offered by Cuba or the Soviet Union, and/or the growing intensity of the Cuba threat. Below are listed, in roughly ascending order of seriousness of provocation, a number of conceivable fact situations:

(a) Present conditions, following the unsuccessful attempt of Cuban exiles to overthrow Castro, without any essentially new action on the part of Cuba;

(b) Upon a unilateral finding by the United States that its own self-defense requires armed intervention in Cuba to terminate the hemispheric threat of Castro-Communism;

(c) Direct Castro regime involvement in an attempt at subversive overthrow in another Latin American Republic, the government of which requests United States assistance against Cuba;

(d) Establishment of a Soviet military base on Cuban soil;

(e) Indiscriminate

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(e) Indiscriminate and mass execution by the Castro regime of American citizens in Cuba, without regard to any prohibited activities or claimed offenses on their part;

(f) Conditions of widespread unrest against the Castro regime produced not by United States covert operations but by popular Cuban hostility, with a general breakdown of law and order in Cuba, in which at least some local authorities requested United States intervention;

(g) The event of the United States being asked for support by an anti-Castro provisional Cuban government which had succeeded on its own (without United States Government assistance) in establishing itself in control of a substantial part of Cuba, had maintained that control for a period of time, and had been recognized by the United States;

(h) Systematic or large-scale attacks by the Cuban military establishment on shipping and aircraft of the American Republics on and over the high seas;

(i) A decision by the members of the OAS under the Rio treaty, to intervene, once that decision had received the United Nations endorsement or authorization required by the United Nations Charter;

(j) A major and serious Cuban military effort to force the United States out of the Guantanamo base;

(k) An armed attack by Cuba on the United States or another of the American Republics;

(l) Retaliation against the Soviet Union for a Soviet action against the free world serious enough to warrant such retaliation.

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Under existing international law and our treaty obligations armed intervention would be justified only under (h), (i), (j), and (k).

(2) The swiftness and cleanness of an effective, completed intervention in Cuba. An armed intervention executed quickly and without large casualties on either side would have smaller costs than a prolonged conflict. It is estimated that at the present time United States armed forces might have to engage in long and difficult military operations to bring under control the whole of Cuba — rural and mountain districts as well as the centers of population and lines of communication. The best estimate is that the passage of time will tighten Castro's political grip and increase his actual military strength in Cuba. On the other hand, we should not rule out the possibility that the passage of time might see increased popular hostility and resistance toward his regime, and the development of local conditions in which an American armed intervention would be generally welcomed throughout the island.

(3) The success obtained by the United States in its over-all Latin American program by the time of U.S. armed intervention. The costs of intervention, at least in Latin America, would be reduced to some extent in proportion as various elements in the United States Latin American program are successful:

(a) Economic development and social progress through the Alianza para Progreso:

(b) Achievement of a wider understanding in Latin America of the Castro-Communist threat, and the undertaking of measures to defeat
internal

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internal subversion.

(4) The development of a new theory or doctrine of international law justifying U.S. armed intervention in cases of Castro-inspired takeover.

Such a doctrine would materially improve the basis for our intervention only if it were generally accepted by the countries of Latin America and elsewhere throughout the free world, and if those countries generally were convinced that the doctrine was applicable to the facts of the Cuban situation.

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C. Conclusion: The Choice of a Policy

The cost of eliminating Castro by military intervention would be substantial at the present time and under present circumstances. These costs might include significant loss of life and other military and civilian casualties, and would severely endanger the U.S. position of leadership in the Free World. It is our judgment that these costs outweigh the advantages of intervention.

In view of these considerations, it is the recommendation of the Task Force that:

- 1) We should not undertake military intervention now.
- 2) We should make no statements or take no action that would foreclose the possibility of military intervention in the future.
- 3) We should work to reduce the Castro threat through measures discussed in the balance of this paper--thus seeking to avoid the need for more drastic and costly action at some time in the future.
- 4) We should attempt to reduce the costs of intervention should it become necessary. There is not a great deal the United States by itself can do along these lines as a matter of deliberate policy. We can, however, plan for various contingencies so that intervention will be sufficient and more effective. We should strive to develop a creditable doctrine

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doctrine based on self-defense against indirect aggression which would justify more drastic action, and we should seek to have that doctrine generally accepted by world opinion. At the same time, we should seek to continue our efforts to establish a multilateral base for action.

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MEASURES SHORT OF ARMED INTERVENTION

VI. U.S. POLICY TOWARD CUBAN EXILES

There are approximately 116,000 Cuban aliens, largely middle class and educated with 23% professionally and semi-professionally trained, who could be an asset, but a diminishing asset to a liberated Cuba. Annex III outlines a detailed plan under which their training could be undertaken. It includes a program for the training of approximately 4,000 military.

Approval of the plan, with the exception of its military component, is recommended by the entire task force.

The following arguments have been advanced for and against the military component.

1. Arguments for:

a. Such a contingent would be helpful should an invasion become necessary. It would give Cuban participation and military assistance to the invasion.

b. In the event of an overthrow of the Castro regime, whether by invasion or by internal overthrow, it would furnish leadership cadres, counter-guerilla teams and civil affairs units.

c. The military potential of these Cubans will be a rapidly wasting asset if their training is not promptly organized.

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organized.

d. Not to train these men would be taken throughout Latin America as a decision not to intervene in Cuba.

2. Arguments against:

a. The United States would be faced with continuing questions in the U.N. and by world opinion as to the purpose of such military training. It would be asserted that such a program implies an intention to intervene in Cuba.

b. Should an invasion become necessary, such a contingent would be a useful, but not an essential, element.

c. It would be difficult to disband the contingent once organized without a serious morale impact on the Cuban exiles.

VII. STEPS TO QUARANTINE AND WEAKEN THE CASTRO COMMUNIST REGIME.

A. Steps Designed to Isolate Cuba morally and diplomatically in the hemisphere.

1. Endeavor to persuade other Latin American governments to take steps aimed at completing Castro's isolation—such as withdrawal of Ambassadors, diplomatic breaks, appeals to Cuba to free itself of Sino-Soviet ties, etc.) The greatest prospect for success with these measures—among those nations which have not already broken ties—as Venezuela and Colombia, and possibly Argentina.

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2. We can apply the Trading with the Enemy Act. There is a difference of task force opinion on this point. This cut-off of trade will not appreciably harm the Cuban economy; although it will intensify their foreign exchange difficulties. It is, however, a political step aimed at increasing isolation and an expression of our intention not to finance, to any extent, the communist revolution in Cuba. It will make more difficult -- by emphasizing his isolation from the Western Hemisphere -- Castro's effort to persuade his people that he can solve his long-run economic problems. This could be a prelude to a blacklist of Cuban commercial activities in Latin America. A large part of the trade is in foodstuffs and medicines.

3. The plan for OAS action, discussed below, would also contribute to the effort to isolate Castro.

B. Steps to Weaken Castro.

1. Make public statement setting forth our liberal aspirations for a post-Castro Cuba in the political, economic and social fields--our general agreement with the original objectives of the revolution.

2. Formulate and announce concrete measures whereby we intend to assist the Cuban people and economy after Cuba is free.

3. Continue to give open support to the Cuban

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liberation movement and to the Revolutionary Council. Conduct relations with that body on a more overt basis.

4. Continue understanding with allies that no arms will be shipped to Cuba.

5. See measures discussed below in the plan for OAS action which will make some, although minor, contribution to weakening Castro.

C. Steps Designed to Quarantine the Castro Communist Regime.

1. Plan to provide assistance to any Latin American country requesting help against Castro inspired subversion or attack. Wherever possible this understanding between us and other governments should be formally incorporated into a bilateral defense treaty. This would be an effective way, within the existing framework of international law, to provide a basis for U.S. action in coming to the defense of any nation threatened by the techniques of subversion, infiltration and/or guerilla activity. Although a broader doctrinal basis for such action might be thought desirable, and is discussed further on in this paper -- such a series of arrangements would provide a basis for action and would, in themselves, signal a new doctrine.

2. Obtain the necessary legislative authorization
and budgetary

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and budgetary support to enable us to help other countries build up their internal security forces.

3. Offer intelligence liaison and assistance to other Latin American countries to enable them to identify Castro and other communist inspired subversive efforts, discover shipments of arms and funds, cope with subversive political organizations, etc. This means aiding and building-up local intelligence efforts and making our own information available.

4. Encourage Latin governments to bring pressure to stop use of Castro press service in their country.

5. Attempt to build a Caribbean force within the framework of the OAS. This would be a series of bilateral arrangements within a multilateral framework among the Caribbean nations and the United States.

We would enter into formal bilateral commitments with all Caribbean nations willing to participate to do those things outlined in the first three paragraphs of this section, i.e. provide assistance against subversion and threatened attack. We would pledge armed forces to a Caribbean Security Force in which other member nations would participate. As a step in accomplishing this we would renegotiate the MAF agreements which we now have with five of the proposed member states (Guatemala,

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Honduras, Haiti, Nicaragua and Colombia) to incorporate these commitments and permit MAF trained forces to be deployed against internal as well as external threats, and we would seek to negotiate similar agreements with non-MAF states.

In return the Central American countries would bilaterally (a) accept our assistance in internal security field, (b) earmark forces for a Caribbean security force, and (c) pledge themselves to orderly economic and social development within the framework of country development plans.

This would be coupled with a multilateral agreement which (a) recognized the common threat, (b) set up the Caribbean Security Force, (c) provided for an exchange of information and intelligence on the Castro threat, and (d) contain a commitment on the part of each member to deny its territory to Castro activities aimed at another member.

The agreement, although based on the Caribbean nations, would be open to all OAS members who wished to join.

Aside from its potential effectiveness in dealing with the Castro threat, such an organization could provide an effective

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effective legal and international basis for U. S. action where necessary.

6. Either within a Caribbean arrangement or outside it conduct a navy patrol and other feasible surveillance of possible movements of arms and men from Cuba to other nations. Halt these shipments when discovered; even if unilateral action is necessary. It is possible that such a surveillance operation might be approved by the OAS. See below.

7. OAS Action: To the extent that OAS action can substitute or reinforce the goals of a Caribbean Force it should be used. Therefore the possibilities of OAS should be explored.

The following program to propose for OAS action is deemed feasible, in the sense that all of the measures could be adopted without undue physical strain upon the Latin American governments, and probably would be supported by them once they have made the decision to take a stand in the OAS against Castro. There would be reluctance on the part of certain of them to contribute to a Caribbean surveillance operation, but token assistance for this purpose would be forthcoming from several. The big question now is the extent to which any program will be supported by certain

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by certain of the major governments, particularly Brazil. We do not have an estimate of likely support on this or any program because we have not had an agreed program to propose, but present indications are that Guatemala, El Salvador, Honduras, Nicaragua, Panama, Peru and Paraguay would support action against Castro. Argentina, Colombia, Venezuela, Costa Rica, Uruguay and Haiti might go along. (It is almost certain that Chile, Bolivia and Brazil would oppose forthright OAS action and the position of Mexico and Ecuador is certain to be opposed.)

Adoption of such a program would contribute immeasurably to the moral isolation of Castro. Physically, it would contribute to weakening him, but not greatly in addition to steps we might take unilaterally, since Cuba has little trade and direct communication with Latin America. It would eliminate Castro diplomatic and other missions as focal points of propaganda and subversion, and the Committee on Defense of American Principles could contribute to ferreting out Castro-Communist activities, depending on our leadership. It would also provide an important OAS umbrella for actions which we have taken or desire to take. It would put the United States in a stronger position

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for more forcible measures which might at some time be required.

We should consult individually on the following program for action under the Rio Treaty.

- (a) A finding that the Castro regime is in violation of basic OAS principles and specifically that its actions are contrary to concepts set forth in the Declaration of Caracas (against Communist domination or control); The Declaration of Santiago (calling for respect for human rights); and the Declaration of San José (denouncing extra-continental intervention by Sino-Soviet powers and acceptance of such intervention.)
- (b) Decisions to apply with respect to Cuba the following measures specified in Rio Treaty Article 8:
 - 1. breaking of diplomatic and consular relations;
 - 2. suspension of trade in all items except medical supplies, and interruption of all other economic relations.
- (c) Establish a joint naval-aerial patrol of the Caribbean area for surveillance purposes designed to help identify shipment of arms and personnel from Cuba and to other countries for the support of subversive activities and insurrectionary

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insurrectionary movements, and to assist affected states to prevent such intervention. (Plan to be developed by COAS with the advice of the Inter-American Defense Board.)

(d) Recreate the Committee for the Political Defense of the Continent for the purpose of identifying Castrista or Sino-Soviet infiltration into American States, devising and recommending techniques and methods to prevent or counteract such infiltration, and recommending parallel action by American governments in dealing with such infiltration.

(e) Establish a continuing committee of the OAS to observe compliance with the actions agreed upon and to assist governments to carry them out. (Should consultations reveal that required 2/3 or more of the governments are agreed, proceed with OAS action required to formalize that agreement and put steps into effect. If majority not in agreement, press for adoption by individual governments unilaterally of as much of program as they are in a position to carry out. This would include possible establishment of Caribbean surveillance force as discussed above.

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(f) Should Castro initiate, direct or indirect aggression against any other American State, encourage the affected government to invoke the Rio Treaty, support it with military force if armed attack is involved, and to support maximum feasible application of Rio Treaty if aggression has been indirect.

RECOMMENDATION:

That quiet negotiation be begun immediately to explore where practicable the willingness of other American nations to join in bilateral, multilateral and OAS-wide arrangements of the type discussed throughout this section. Such consultation should accompany or follow the necessary discussions which will precede the IA-ECOSOC meeting in July. A special team should be appointed for this purpose.

8. The Dominican Republic and Haiti are two of the countries most vulnerable to a Castro takeover. In both countries democratic alternatives to the present regimes are not developed; and there is little doubt that Castro hopes for a communist takeover when Trujillo and/or Duvalier go. We recommend the following:

(a) That we immediately develop emergency plans for both these nations in case of a blow-up in the next several weeks.

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weeks. These plans should include preparations to send in U.S. troops to maintain order, coupled with an emergency meeting of the OAS to authorize intervention as a preventative to civil strife and bloodshed. We should immediately consult with other nations, especially Venezuela, in an effort to get an advance commitment for joint action. If time allows the meeting should proceed the troops. If there is no time troops should land immediately. This would be followed by a provisional government, free elections, etc.

(b) We must immediately develop a longer-range program for these nations. This includes the organization of a Democratic alternative to Trujillo and Duvalier. Such a group can be formed basically out of exiles since there is little opportunity for opposition or potential opposition to exist within the framework of the Haitian and Dominican regimes, though possibilities appear to exist in the Dominican Republic. When the formation of Democratic alternatives is well under way, we should develop and begin to put into effect a plan for accelerating a transition from the regimes of Trujillo and Duvalier. In this way the timing and initiative on replacement will be ours, and we will gain the tremendous propaganda advantage which will accrue to us as a result of participation, however, indirect, in an effort to eliminate these dictatorships.

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The methods whereby this can be accomplished have not yet been explored.

(c) In this connection, we should step up our campaign against tyranny in the hemisphere and, wherever possible, couple Trujillo and Castro.

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9. Clarification of Juridical and Political Basis
for the Protection of Free Nations against
Communist Aggression.

The present basis of international law is grounded on the nation state system as it evolved largely in Europe, from the 15th to 19th centuries. The present situation involving the duality between a nation state system and loyalties to a political and organizational system that transcends nations and has worldwide pretensions (the communist system) presents wholly new problems which require the development and exposition of an entirely new juridical basis. Existing international law concepts, be they the rights of belligerents, interference in the internal affairs of another state, the legitimacy and recognition of governments or the definition of armed aggression, play into the hands of the communists while they tie the hands, or lead to confusion in the ranks, of those proposing to assist nations attempting to preserve their freedom.

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RECOMMENDED COURSES OF ACTION

(a) Secretary of State to assemble a group of knowledgeable people in this field to propose a new political rationale and new set of legal principles appropriate to today's realities. (Possible names: Dean Acheson, Herman Phleger, Eric Heger, Arthur Dean, Mike Forrestal, C. B. Marshall.)

(b) After U.S. approval of these principles, the State Department to negotiate their acceptance by as wide a group of our NATO allies as possible.

(c) Then inform the members of OAS bilaterally that we propose to accept these principles and expect their concurrence; after having obtained concurrence from OAS states bilaterally submit the principles to OAS for ratification.

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VIII. Measures Designed to Defeat Communist Subversion and Infiltration Generally - as well as to Quarantine the Castro Communist Regime.

A. Strengthening of the Alliance for Progress:

The present status of work on the Alliance for Progress is summarized in Annex III. Favorable Senate action on the \$500 million appropriation for the Inter-American Program for Social Progress (Bogota Program), passed by the House of Representatives on April 25, is expected by May 5, so that implementation can begin at once. Planning for the Ministerial meeting of the Inter-American Economic and Social Council in July - the next major formal step - is proceeding smoothly.

Action requirements for strengthening the Alliance for Progress are as follows:

1. Rapid implementation of selected social development projects.

a. Direct the ICA to negotiate forthwith a number of projects in the fields of education and training and public health assigned to it under the Bogota Program, selecting cases where recipient governments are making the greatest efforts at self-help and institutional reform, and covering a number of countries and a number of types of educational projects. The target for obligation of funds by June 30, 1961, should be a minimum of \$25 million and an optimum of \$35 to \$50 million.

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b. Direct the U.S. Executive Director of the Inter-American Development Bank (IDB) to encourage the Bank to take similarly prompt action in its assigned fields, giving priority to aid in the realization of agricultural settlement and land reform measures and to low-cost housing in areas of serious unemployment and social unrest, and emphasizing the readiness to assist governments undertaking the most far-reaching self-help measures for social improvement.

c. Direct the USIA to arrange for the maximum informational coverage of the actions in Latin America.

2. Acceleration of other Latin American aid implementation.

Inter Direct the DLF and the Export-Import Bank to accelerate implementation of projects already funded, avoiding "policy" obstacles not required by law (e.g., DLF financing of aided self-help housing in Colombia).

3. Ensure prompt development of affirmative U.S. positions for Inter-American Economic and Social Council.

Inter Direct the UnderSecretary of State for Economic Affairs to arrange for the prompt development of clear U.S. positions on Latin American economic integration and on commodity market and foreign exchange income stabilization which will be as responsive as possible to legitimate Latin American aspirations in these fields. These positions should be incorporated into the planning documents for the July meeting of the IA-ECOSOC.

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4. Provision of additional resources for Latin American economic and social development.

a. Direct the Foreign Aid Task Force, after completion of its current work in preparing the foreign aid bill for FY 1962, to review the data on Latin American needs and capital absorption capacity with a view to requesting a supplemental appropriation for development loans later in FY 1962 of approximately \$300 million, in addition to the \$250-\$350 million now contemplated.

b. Direct the ICA and the U.S. Executive Director of the IDB to proceed with the obligation of Bogota Program funds as rapidly as projects can be negotiated which are genuinely consistent with the criteria governing that program, with a view to asking Congress for a second installment of social development funds for FY 1963, rather than waiting for the FY 1964 program as hitherto contemplated.

B. Organization

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B. Organization of a Political Counterforce

A number of liberal, democratic Latin American political parties have organized themselves into an informal League of Democratic Parties. Moreover, an Institute for Political Education in Costa Rica to train young men in the techniques of Democratic leadership has recently been established. We should support, in every way possible, this very hopeful effort. The Director of the appropriate U.S. agency should be instructed to give financial assistance in all amounts which can be usefully absorbed, to aid this organization in establishing a permanent headquarters, and independent information and propaganda apparatus, expand a training institute, call international conferences of democratic parties in the underdeveloped world, etc. We should also assist with counsel and technical assistance where desired.

Given a firm ideological base and efficient organization this group could become a highly effective political counterforce to Castro.

C. Psychological and Propaganda Warfare

We must develop a firm propaganda line on Cuba and on communism and provide effective means for disseminating that line.

Annex IV describes the general rationale and suggests several themes for propaganda.

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We recommend the establishment of radio broadcasting into Cuba on a 24-hour a day basis independent of the now compromised Radio Swan.

Additional methods of dissemination are discussed in Annex IV. The key decision is the decision to engage in propaganda activities on a greatly enlarged scale, and making the means of propaganda (e.g. radio transmitters) available to non-US groups. (e.g. League of Democratic Parties, Cuban Revolutionary Council, etc.) If this decision is made then the USIA Director and CIA should be asked to prepare an estimate of costs.

IX. Organization of Effort

A. The key to conduct of Latin American affairs is the immediate appointment of a top-flight Assistant Secretary for Latin American Affairs -- and a Latin America regional director for the new aid agency. If these jobs are to be done effectively it means the centralization of greater authority than that normally afforded to regional Assistant Secretaries vis-a-vis the aid operation and other government agencies.

In the interim the Cuban task force should be continued to keep a watch over those elements of the above plan aimed specifically at Cuba.

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