

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<del>#2a memo</del>	<del>Borg to Devine</del> <i>open 2-7-95 NLS 94-238</i> <del>S 1 p</del>	<del>5/16/60</del>	<del>A</del>
#3a memo	Intelligence Memorandum <i>sanzitized 10-24-97 NLS 94-229</i> S 28 p	10/63	A
<del>#4 memo</del>	<del>Chase to Bundy</del> <i>OPEN 2/26/98</i> <del>TS 1 p</del> <i>JFK 177-10001-10387</i>	<del>11/14/63</del>	<del>A</del>
<del>#5 memo</del>	<del>Duplicate of #4</del> <i>OPEN 2/26/98</i> <i>JFK 177-10001-10387</i>		
<del>#6 memo</del>	<del>Chase to Plank</del> <del>TS 1 p</del> <i>open 4-14-95 NLS 94-232</i>	<del>11/4/63</del>	<del>A</del>
<del>#6a draft</del>	<del>"1960 Cuban Intervention of American..."</del> " <del>TS 4 p</del>	<del>11/4/63</del>	<del>A</del>
#7 memo	Plank to Bundy <i>open 4-22-09</i> S 3 p	7/4/63	A
#8 memo	Chase to Bundy C 2 p " "	4/23/63	A
<i>go</i> #9 letter	Bonsal to Rubottom S 1 p " "	4/22/61	A
<del>#10 cable</del>	<del>To SecState 1797</del> <del>S 3 p</del> <i>open 2-7-95 NLS 94-238</i>	<del>10/18/60</del>	<del>A</del>
<del>#11 cable</del>	<del>Deptel 857 to Habana</del> " <del>S 2 p</del>	<del>10/18/60</del>	<del>A</del>
#12 letter	Bonsal to Mann <i>open 4-22-89</i> S 2 p [Summarized in FRUS 1958-60, Vol. VI, p. 1074]	10/4/60	A
#14 letter	Bonsal to Stevenson " " S 3 p	9/14/60	A
#16 letter	Bonsal to Mallory " " C 2 p	8/19/60	A
#18 letter	Bonsal to Rubottom " " C 1 p	8/5/60	A
#19 letter	Rubottom to Bonsal " " S 1 p	8/5/60	A

FILE LOCATION

NSF, Files of Gordon Chase, "Cuba [Background material on Cuba used in compiling Plank/Chase report]"

Box 5

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<del>#19a letter</del>	Bonsal to Rubottom S <del>1 p</del> <i>open 4-22-09</i>	<del>8/23/60</del>	<del>A</del>
<del>#22 letter</del>	Bonsal to Rubottom C <del>1 p</del> <i>11 11</i>	<del>7/60</del>	<del>A</del>
<del>#22a letter</del>	Rubottom to Bonsal S <del>2 p</del> <i>11 4</i>	<del>8/2/60</del>	<del>A</del>
<del>#22b letter</del>	Bonsal to Rubottom S <del>2 p</del> <i>11 4</i>	<del>8/5/60</del>	<del>A</del>
<del>#22c letter</del>	Mallory to Bonsal S <del>1 p</del> <i>6 4</i>	<del>8/26/60</del>	<del>A</del>
<del>#22d letter</del>	Bonsal to Rubottom S <del>2 p</del> <i>11 4</i>	<del>7/28/60</del>	<del>A</del>
<del>#23 letter</del>	Bonsal to Rubottom S <del>1 p</del> <i>11 11</i>	<del>7/26/60</del>	<del>A</del>
<del>#24 memo</del>	Brown to Ambassador PCI <del>1 p</del> <i>11 7</i>	<del>7/25/60</del>	<del>A</del>
#26 letter	Bonsal to Rubottom S 2 p	7/13/60	A
<del>#27 letter</del>	Bonsal to Rubottom S <del>2 p</del> <i>open 4-22-09</i>	<del>7/12/60</del>	<del>A</del>
#28 letter	Bonsal to Rubottom S 2 p	7/12/60	A
#29 letter	Rubottom to Bonsal S 1 p <i>pani NY 022-0052(3/02)</i>	7/11/60	A
<del>#30 letter</del>	Bonsal to Rubottom S <del>2 p</del> <i>open 4-22-09</i>	<del>7/6/60</del>	<del>A</del>
<del>#31 letter</del>	Bonsal to Rubottom S <del>2 p</del> <i>11 4</i>	<del>7/6/60</del>	<del>A</del>
<del>#31a notes</del>	Attachment to #31 PCI 1 p <i>11 4</i>	<del>undated</del>	<del>A</del>
#33 letter	Bonsal to Rubottom C 2 p	6/28/60	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<del>#34 letter</del>	<del>Bonsal to Rubottom</del> S <del>1 p</del> <i>open 4-22-09</i>	<del>6/28/60</del>	<del>A</del>
<del>#34a cable</del>	<del>Habana 3607</del> C <del>2 p</del> <i>27</i>	<del>6/14/60</del>	<del>A</del>
#35 letter	Bonsal to Rubottom S 2 p	6/20/60	A
<del>#36 letter</del>	<del>Rubottom to Bonsal</del> C <del>1 p</del> <i>open 4-22-09</i>	<del>6/20/60</del>	<del>A</del>
<del>#36a letter</del>	<del>Bonsal to Rubottom</del> C <del>1 p</del> <i>11 7</i>	<del>6/2/60</del>	<del>A</del>
<del>#37 letter</del>	<del>Bonsal to Rubottom</del> S <del>2 p</del> <i>11 4</i>	<del>6/20/60</del>	<del>A</del>
<del>#38 letter</del>	<del>Bonsal to Rubottom</del> S <del>2 p</del> <i>11 4</i>	<del>6/20/60</del>	<del>A</del>
<del>#39 letter</del>	<del>Bonsal to Rubottom</del> S <del>1 p</del> <i>11 7</i>	<del>6/18/60</del>	<del>A</del>
#40 letter	Bonsal to Rubottom S 4 p	6/16/60	A
#40a letter	Bonsal to Rubottom S 2 p	6/22/60	A
<del>#41 letter</del>	<del>Bonsal to Rubottom</del> C <del>1 p</del> <i>open 4-22-09</i>	<del>6/13/60</del>	<del>A</del>
<del>#41a letter</del>	<del>Bonsal to Rubottom</del> C <del>1 p</del> <i>11 7</i>	<del>6/18/60</del>	<del>A</del>
<del>#42 letter</del>	<del>Rubottom to Bonsal</del> S <del>2 p</del> <i>11 4</i> [Sanitized in FRUS 1958-60, Vol. VI, pp. 946-947] <i>11 4</i>	<del>6/13/60</del>	<del>A</del>
<del>#44 letter</del>	<del>Bonsal to Rubottom</del> S <del>1 p</del> <i>11 11</i> [Summarized in FRUS 1958-60, Vol. VI, p. 933]	<del>6/10/60</del>	<del>A</del>
#45 letter	Rubottom to Bonsal S 2 p	6/10/60	A

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#45a letter	Bonsal to Rubottom S 3 p	5/9/60	A
#45b letter	Bonsal to Rubottom S 2 p	5/12/60	A
#45c letter	Bonsal to Rubottom S 7 p <i>exempt 2-7-95 NLS 94-238</i>	5/12/60	A
#45d letter	Bonsal to Rubottom S 1 p	5/14/60	A
#45e letter	Bonsal to Rubottom S 2 p	5/14/60	A
#45f letter	Bonsal to Rubottom S 3 p	5/23/60	A
<del>#45g letter</del>	<del>Bonsal to Rubottom</del> <del>S 4 p</del> <i>open 4-22-09</i>	<del>5/23/60</del>	<del>A</del>
<del>#45h letter</del>	<del>Bonsal to Rubottom</del> <i>11 1</i> <del>S 2 p</del>	<del>5/24/60</del>	<del>A</del>
<del>#47 letter</del>	<del>Bonsal to Rubottom</del> <i>11 4</i> <del>S 2 p</del>	<del>6/3/60</del>	<del>A</del>
<del>#48 letter</del>	<del>Bonsal to Rubottom</del> <i>11 4</i> <del>S 2 p</del>	<del>5/31/60</del>	<del>A</del>
<del>#49 letter</del>	<del>Bonsal to Rubottom</del> <i>11 11</i> <del>S 1 p</del>	<del>5/31/60</del>	<del>A</del>
<del>#50 report</del>	<del>"Western Hemisphere"</del> <del>S 1 p</del> <i>11 7</i>	<del>5/27/60</del>	<del>A</del>
#51 letter	Rubottom to Bonsal S 2 p [Sanitized in FRUS 1958-60, Vol. VI, pp. 928-930]	5/26/60	A
#51a letter	Bonsal to Rubottom S 2 p	4/12/60	A
#51b letter	Bonsal to Rubottom S 2 p	4/14/60	A

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#51c letter	Bonsal to Rubottom S 1 p	4/14/60	A
#51d letter	Rubottom to Bonsal S 1 p	4/25/60	A
#51e letter	Bonsal to Rubottom S 4 p	4/22/60	A
<del>#51f letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>open 4-22-09</i>	<del>4/25/60</del>	<del>A</del>
#51g letter	Bonsal to Rubottom S 3 p	5/2/60	A
#51h letter	Bonsal to Rubottom S 2 p	5/4/60	A
#52 report	"Western Hemisphere" S 1 p	5/23/60	A
<del>#53 letter</del>	<del>Bonsal to Rubottom S 1 p</del> <i>open 4-22-09</i>	<del>5/19/60</del>	<del>A</del>
<del>#53a letter</del>	<del>Dove to Bonsal PCI 1 p</del> <i>" "</i>	<del>undated</del>	<del>A</del>
#54 report	"Western Hemisphere" S 2 p	5/16/60	A
#55 report	"Western Hemisphere" S 1 p	5/2/60	A
<del>#56 letter</del>	<del>Bonsal to Rubottom S 1 p</del> <i>open 4-22-09</i>	<del>4/27/60</del>	<del>A</del>
<del>#57 letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>" "</i>	<del>4/27/60</del>	<del>A</del>
<del>#57a letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>" "</i>	<del>4/30/60</del>	<del>A</del>
<del>#57b letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>" "</i>	<del>5/26/60</del>	<del>A</del>
<del>#58 letter</del>	<del>Bonsal to Rubottom S 1 p</del> <i>" "</i>	<del>4/25/60</del>	<del>A</del>

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#59 letter	Bonsal to Rubottom S 3 p	4/9/60	A
<del>#60 letter</del>	<del>Bonsal to Rubottom</del> <del>S 2 p</del> <i>open 4-22-89</i>	<del>4/7/60</del>	<del>A</del>
#62 report	"Western Hemisphere" S 1 p	4/4/60	A
<del>#63 letter</del>	<del>Bonsal to Rubottom</del> <del>S 2 p</del> <i>open 4-22-89</i>	<del>4/4/60</del>	<del>A</del>
<del>#64 letter</del>	<del>Rubottom to Bonsal</del> <del>C 1 p</del> <i>u u</i>	<del>4/21/60</del>	<del>A</del>
#64a letter	Bonsal to Rubottom C 1 p <i>u u</i>	4/7/60	A
<del>#65 letter</del>	<del>Bonsal to Rubottom</del> <del>S 1 p</del> <i>OPEN 2/26/98 JFK 177-10001-10388</i>	<del>4/1/60</del>	<del>A</del>
<del>#66 letter</del>	<del>Bonsal to Rubottom</del> <del>C 2 p</del> <i>open 4-22-89</i>	<del>3/30/60</del>	<del>A</del>
<del>#67 letter</del>	<del>Bonsal to Rubottom</del> <del>S 1 p</del> <i>OPEN 2/26/98 JFK 177-10001-10389</i>	<del>3/30/60</del>	<del>A</del>
<del>#67a memo</del>	<del>Hammond to Secretary</del> <del>S 2 p</del> <i>OPEN 2/26/98 JFK 177-10001-10390</i>	<del>3/29/60</del>	<del>A</del>
#68 report	"Near East" S 2 p	3/28/60	A
<del>#69 letter</del>	<del>Bonsal to Rubottom</del> <del>C 1 p</del> <i>open 4-22-89</i>	<del>3/25/60</del>	<del>A</del>
<del>#70 letter</del>	<del>Rubottom to Bonsal</del> <del>C 1 p</del> <i>u u</i>	<del>3/23/60</del>	<del>A</del>
#71 report	"Western Hemisphere" S 2 p	3/21/60	A
#72 letter	Bonsal to Rubottom S 3 p	3/21/60	A
#73 report	"South Asia..." S 1 p	3/14/60	A

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<del>#74 memo</del>	<del>Bonsal to Rubottom S 1 p</del> <i>open 4-22-09</i>	<del>3/11/60</del>	<del>A</del>
<del>#74a draft</del>	<del>"Statement to be made by Secretary of State" S 1 p</del> <i>11 7</i>	<del>3/10/60</del>	<del>A</del>
<del>#75 letter</del>	<del>Bonsal to Rubottom S 1 p</del> <i>11 7</i>	<del>3/11/60</del>	<del>A</del>
<del>#76 report</del>	<del>"Operations Coordinating Board" S 1 p</del>	<del>2/19/60</del>	<del>A</del>
<del>#77 report</del>	<del>"Western Hemisphere" S 2 p</del>	<del>2/15/60</del>	<del>A</del>
<del>#78 report</del>	<del>"Western Hemisphere" S 2 p</del>	<del>2/1/60</del>	<del>A</del>
<del>#79 report</del>	<del>"Western Hemisphere" S 1 p</del>	<del>1/25/60</del>	<del>A</del>
<del>#80 memcon</del>	<del>Conversation between Brewer and Pazos S 2 p</del>	<del>1/20/60</del>	<del>A</del>
<del>#80a letter</del>	<del>Bonsal to Rubottom S 1 p</del> <i>open 4-22-09</i>	<del>1/20/60</del>	<del>A</del>
<del>#81 report</del>	<del>"Western Hemisphere..." S 2 p</del>	<del>1/11/60</del>	<del>A</del>
<del>#82 report</del>	<del>"Europe..." S 1 p</del>	<del>1/4/60</del>	<del>A</del>
<del>#83 letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>open 4-22-09</i>	<del>11/18/59</del>	<del>A</del>
<del>#85 letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>11 7</i>	<del>8/14/59</del>	<del>A</del>
<del>#86 letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>11 7</i>	<del>8/4/59</del>	<del>A</del>
<del>#86a cable</del>	<del>Brussels 106 C 1 p</del> <i>11 7</i>	<del>7/30/59</del>	<del>A</del>
<del>#86b letter</del>	<del>Snow to Bonsal C 1 p</del> <i>11 7</i>	<del>8/31/59</del>	<del>A</del>

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<del>#86c letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>open 4-22-09</i>	<del>7/22/60</del>	<del>A</del>
<del>#86d letter</del>	<del>Rubottom to Bonsal C 2 p</del> <i>" "</i>	<del>8/5/59</del>	<del>A</del>
<del>#86e letter</del>	<del>Stevenson to Bonsal C 1 p</del> <i>" "</i>	<del>6/30/59</del>	<del>A</del>
<del>#86f memcon</del>	<del>"OAS Observer at Cuban Forum on Agrarian Reform" C 2 p</del> <i>open 2-7-95 NLS 94-238</i>	<del>6/26/59</del>	<del>A</del>
#86g letter	Bonsal to Rubottom C 2 p	7/59	A
<del>#86h letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>open 4-22-09</i>	<del>8/7/59</del>	<del>A</del>
<del>#86i letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>" "</i>	<del>8/5/59</del>	<del>A</del>
<del>#86j letter</del>	<del>Rubottom to Bonsal C 1 p</del>	<del>9/9/59</del>	<del>A</del>
<del>#86k letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>Sanitized per RAC 8/05</i>	<del>11/9/59</del>	<del>A</del>
<del>#86m letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>open 4-22-09</i>	<del>11/21/59</del>	<del>A</del>
<del>#86n letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>" "</i>	<del>6/19/59</del>	<del>A</del>
<del>#86r letter</del>	<del>Bonsal to Rubottom C 1 p</del>	<del>11/9/59</del>	<del>A</del>
<del>#86s cable</del>	<del>Santiago 14 C 1 p</del>	<del>10/30/59</del>	<del>A</del>
<del>#86y letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>open per RAC 4-22-09</i>	<del>9/10/59</del>	<del>A</del>
<del>#86z letter</del>	<del>Bonsal to Stevenson C 2 p</del> <i>" "</i>	<del>8/26/59</del>	<del>A</del>
#86aa letter	Stevenson to Bonsall C 2 p	8/24/59	A

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#86bb letter	Rubottom to Bonsal C 2 p <i>Sanitized 11-4-09 NW 09.157</i>	8/4/59	A
#87 letter	Rubottom to Bonsal C 1 p	8/3/59	A
<del>#87a letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>open 4-22-09</i>	<del>7/25/59</del>	<del>A</del>
<del>#87b letter</del>	<del>Bonsal to Rubottom C 1 p</del> " "	<del>7/21/59</del>	<del>A</del>
<del>#87l letter</del>	<del>Bonsal to Rubottom C 1 p</del> " "	<del>11/7/59</del>	<del>A</del>
<del>#87j letter</del>	<del>Bonsal to Rubottom C 1 p</del> " "	<del>8/19/59</del>	<del>A</del>
#88 letter	For Rubottom PCI 2 p	7/15/59	A
#88a draft	Near duplicate of #88		
#88c draft	Near duplicate of #88		
<del>#89 report</del>	<del>"OCB Luncheon Meeting" S 1 p</del> <i>open 1-7-09 NW/RAC 07-37</i>	<del>7/8/59</del>	<del>A</del>
<del>#89a report</del>	<del>"OCB Luncheon Meeting" S 2 p</del>	<del>7/1/59</del>	<del>A</del>
<del>#89b report</del>	<del>"OCB Luncheon Meeting" S 1 p</del> <i>open 1-7-09 NW/RAC 07-37</i>	<del>7/22/59</del>	<del>A</del>
<del>#89c report</del>	<del>"OCB Luncheon Meeting" S 1 p</del>	<del>7/29/59</del>	<del>A</del>
<del>#89d report</del>	<del>"OCB Luncheon Meeting" S 1 p</del>	<del>8/12/59</del>	<del>A</del>
<del>#89e report</del>	<del>"OCB Luncheon Meeting" S 1 p</del>	<del>10/28/59</del>	<del>A</del>
<del>#89f report</del>	<del>"OCB Luncheon Meeting" S 1 p</del>	<del>11/12/59</del>	<del>A</del>
<del>#89g report</del>	<del>"OCB Luncheon Meeting" S 1 p</del>	<del>11/25/59</del>	<del>A</del>

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#89h report	"OCB Luncheon Meeting" S 1 p <i>open 1-7-09 NLW/RAC 07.37</i>	<del>12/9/59</del>	<del>A</del>
#91a report	"Western Hemisphere" S 2 p	4/27/59	A
#91b report	"Africa South of the Sahara..." S 2 p	5/11/59	A
#91c report	"Western Hemisphere" S 1 p	5/18/59	A
#91d report	"Western Hemisphere" S 1 p	5/25/59	A
#91e report	"Western Hemisphere" S 1 p	6/1/59	A
#91f report	"Europe..." S 2 p	6/29/59	A
#91g report	"Africa South of the Sahara..." S 2 p	7/13/59	A
#91h report	"Near East" S 2 p	7/20/59	A
#91i report	"Africa South of the Sahara..." S 1 p	7/27/59	A
#91j report	"Europe..." S 1 p	8/3/59	A
#91k report	"Near East and South Asia" S 1 p	8/10/59	A
#91l report	"The amounts put forward by the various..." S 1 p	8/17/59	A
#91m report	"Near East and South Asia" S 2 p	8/24/59	A
#91n report	"Far East..." S 2 p	9/4/59	A
#91o report	"Western Hemisphere" S 2 p	9/14/59	A

FILE LOCATION

**NSF, Files of Gordon Chase, "Cuba [Background material on Cuba used in compiling Plank/Chase report]"**

**Box 5**

RESTRICTION CODES

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#91p report	"Western Hemisphere" S 2 p	9/28/59	A
#92 letter	Stevenson to Bonsal C 4 p	4/22/59	A
<del>#95 cable</del>	<del>Habana 1127 S 1 p [Summarized in FRUS 1958-60, Vol. VI, p. 446, last paragraph]</del>	<del>4/1/59</del>	<del>A</del>
<del>#96 letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>11 4</i>	<del>4/1/59</del>	<del>A</del>
<del>#98 letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>11 4</i>	<del>3/19/59</del>	<del>A</del>
<del>#98a letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>11 4</i>	<del>4/4/59</del>	<del>A</del>
<del>#98b letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>11 4</i>	<del>4/15/59</del>	<del>A</del>
<del>#99 letter</del>	<del>Bonsal to Rubottom S 2 p</del> <i>11 4</i>	<del>3/11/59</del>	<del>A</del>
<del>#99a letter</del>	<del>Rubottom to Bonsal S 1 p</del> <i>11 4</i>	<del>3/25/59</del>	<del>A</del>
#100 letter	Rubottom to Bonsal C 3 p	3/6/59	A
<del>#100a letter</del>	<del>Bonsal to Rubottom C 3 p</del> <i>open 4-22-09</i>	<del>3/12/59</del>	<del>A</del>
<del>#100b letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>11 4</i>	<del>3/27/59</del>	<del>A</del>
<del>#101 letter</del>	<del>Rubottom to Bonsal C 1 p</del> <i>11 4</i>	<del>3/4/59</del>	<del>A</del>
<del>#101a letter</del>	<del>Bonsal to Rubottom C 1 p</del> <i>11 4</i>	<del>3/7/59</del>	<del>A</del>
<del>#102 letter</del>	<del>Bonsal to Rubottom C 2 p</del> <i>11 4</i>	<del>2/23/59</del>	<del>A</del>
<del>#103 memcon</del>	<del>"Bolivian Petroleum Prospects..." C 4 p</del> <i>11 4</i>	<del>2/11/59</del>	<del>A</del>

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<del>#104 memcon</del>	<del>"Management of Bolivian Aid Program"</del> <i>open 4-22-09</i> C <del>5 p</del>	<del>2/11/59</del>	A
<del>#105 report</del>	<del>"OCB Luncheon Meeting"</del> S 1 p <i>open 1-7-09 NW/RAC 07-37</i>	<del>1/7/59</del>	A

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Chronology of Important Events in  
United States-Cuban Relations

1957 - 1962

Summary

The attached chronology for the period 1957-1962 records, on the one hand, United States Government attempts to get along with the Castro regime in Cuba, and on the other, that regime's hostility toward the United States and betrayal of the Cuban revolution to international communism.

As early as 1957 the United States Government expressed its concern over political unrest in Cuba. In 1958 we suspended arms shipments to the Batista government, which, in disregard of an agreement with the United States, had used them to combat the revolutionary movement headed by Fidel Castro. When the Castro regime came to power in 1959, the United States looked upon it with sympathy, recognized it almost immediately, and welcomed its promises of political freedom and social justice for the Cuban people. We made clear our willingness to discuss Cuba's economic needs. Despite our concern at the Cuban regime's mounting hostility toward the United States and its growing communist tendencies, we attempted patiently and consistently from early 1959 until late 1960 to negotiate differences with the regime.

Elements in the Castro movement engaged in anti-American activities during the revolution against Batista. Soon after it came to power in 1959, the Castro government turned away from its previous promises, permitted communist influence to grow, attacked and persecuted its own supporters in Cuba who expressed opposition to communism, arbitrarily seized United States properties, and made a series of baseless charges against the United States. It ignored, rejected or imposed impossible conditions on repeated United States overtures to cooperate and negotiate. In 1960 Cuba established close political, economic and military relationships with the Sino-Soviet bloc, while increasing the pace and vehemence of measures and attacks against the United States. We did not take defensive measures until the last half of 1960.

The United States terminated relations with the Cuban Government in January 1961 because of Cuban demands which placed crippling limitations on our ability to carry out diplomatic and consular functions in Cuba. The adoption by the present Cuban government of a totalitarian communist system and its alignment with the international communist movement, which were already clear at that time have become more complete since then. These developments culminated in December 1961, when Castro openly espoused Marxism-Leninism.

*Chapter 6 - what goes on*

*Why decision taken:  
Was this good decision?*

Chronology of Important Events In  
United States-Cuban Relations

1957 - 1962

1957

July 25 U. S. Ambassador Earl T. Smith, upon presentation of credentials, states that the American people are saddened and concerned over the political unrest which has led to bloodshed in Cuba.

1958

March 14 U. S. suspends arms deliveries to Cuba.

June 22 Raul Castro, rebel commander in northern Oriente province, issues a military order for the detention, effective June 27, of all U. S. male citizens for the purpose of "stopping U. S. military shipments to the Batista government". Pursuant to this order, starting June 26 Cuban rebels kidnap 43 U. S. citizens, including 30 sailors and Marines, from the U. S. Naval Base at Guantanamo Bay, Cuba. The last of those kidnapped are released July 18.

*Why? How? the stopped? or had it? Castro pattern the word?*

September-October Cuban rebels set up a system for levying taxes on both Cuban and U. S. enterprises operating in rebel-occupied territory in eastern Cuba, and harass several U. S. companies in an attempt to collect funds and acquire supplies and equipment.

October 20 Cuban rebels kidnap two Americans employed by the Texas Oil Company, and release them three days later.

1959

January 1 President Batista flees Cuba.

January 2 Fidel Castro proclaims provisional government headed by Manuel Urrutia as President.

January 5 President Urrutia appoints Jose Miró Cardona as Prime Minister.

January 7 The U. S. recognizes the Cuban Government, noting with satisfaction the assurances given of the Cuban intention to comply with international obligations and agreements, and expresses the sincere good will of the Government and people of the U. S. towards the new Government and the people of Cuba.

*What did we do for this?*

January 7 The Communist Party daily Hoy appears in Habana for the first time since 1953. (a)

January 9 Ernesto Guevara, Commander of La Cabaña fortress in Habana, says that many members of the Communist Party lost their lives fighting Batista while the Batista government was receiving weapons from the U. S. Government, and that the Communists have earned the right to be just another party in Cuba. (a)

*Did we help all this?*

January 13

- January 13 By this date, almost 200 persons have been "tried" by revolutionary tribunals, found guilty and summarily shot. By the end of 1959, the count is over 600.
- January 27 *wh?* Nine U. S. companies operating in Cuba have made advance payments of \$2,560,000 on taxes which are not due until March 30.
- February 16 Fidel Castro succeeds Miró Cardona as Prime Minister.
- March 2 U. S. Ambassador Philip W. Bonsal presents credentials. He brings cordial greetings and heartfelt good wishes from President Eisenhower for the happiness, prosperity and progress of Cuba. He states to President Urrutia: "We wish you every success in your announced objective of raising the standard of living of your country. I shall devote particular attention to all opportunities of increased cooperation in the economic field which may present themselves"
- March 4 The Cuban Government intervenes the Cuban Telephone Company, the first intervention of a U. S.-owned firm.
- March 16 Cuban Ambassador Ernesto Dihigo presents credentials. President Eisenhower expresses hope and desire for ever closer relationship between Cuba and the United States.
- March 22 Prime Minister Castro charges that U. S. authorities were lax in keeping track of arms purchases and other activities in the U. S. directed against Cuba. U. S. denies charge on March 23.
- April 13 Ambassador Bonsal tells Prime Minister Castro that the U. S. considers Castro's forthcoming visit to the U. S. very important, and offers to help in any way required.
- April 16 During lunch given by Secretary of State Christian Herter for Prime Minister Castro in Washington, Assistant Secretary of State Roy R. Rubottom, Jr., in conversation with the President of the Cuban National Bank, Felipe Pazos, arranges further conversations for the following day with Cuban officials.
- April 17 *It came, when?* Assistant Secretary Rubottom gives Minister of Economy Regino Boti, Minister of Treasury Rufo Lopez Fresquet, and Pazos friendly welcome and invites them to indicate Cuba's needs. He says the U. S. Government desires to be helpful. The Cubans rebuff offer.
- Later the same day Prime Minister Castro, in a speech to the American Society of Newspaper Editors, says he has not come to the U. S. to ask for money.

*Why did he come?*

May 17

- May 17 Cuban Government approves agrarian reform law, providing for taking of agricultural properties, payment to be in 20-year bonds, at 4-1/2% interest.
- May 27 Assistant Secretary Rubottom tells Ambassador Dihigo that the U. S. understands that the Cuban revolution is deep and meaningful for the Cuban people, that its eventual course is a matter for their decision, and that we understand the desire and need for land reform.
- June 1 Ambassador Bonsal, in informal conversation with Minister of State Roberto Agramonte, states that the U. S. supports sound land reform, and recognizes Cuba's right to expropriate private property, provided just and prompt compensation is made. He states that it is in the interest of both Cuba and the U. S. to work together, to get along amicably, and to afford each other a full hearing before taking actions materially affecting the other.
- June 11 Commenting on Cuban agrarian reform law, U. S. expresses sympathy for the objectives of agrarian reform; recognizes the right of a state to take property for public purposes, coupled with an obligation to pay prompt, adequate and effective compensation; expresses concern as to the adequacy of the law's provisions for compensation to U. S. citizens whose property may be expropriated; and expresses hope for further exchanges of views.
- June 12 Ambassador Bonsal urges on Prime Minister Castro the importance of close relations between Cuba and the U. S. because of the inter-related economies and the proximity of the two countries.
- June 20 In Washington, Assistant Secretary Rubottom offers Cuban Minister of State Raul Roa full cooperation in returning problems of U.S.-Cuban relations to normal, non-public diplomatic channels, as advocated by Roa.
- June 22 In Washington, Under Secretary of State C. Douglas Dillon tells Minister of State Roa of the sincere desire of the U. S. that Cuba grow and prosper, and expresses the hope that the mutually beneficial traditional relationship between the U. S. and Cuba continue.
- June 25 Cuban Government seizes three U. S.-owned cattle ranches in Camaguey province, first such seizures subsequent to the agrarian reform law.
- June 27 Cuban Government seizes U. S.-owned cattle ranch in Oriente province.

July 1

- July 1 | Major Pedro Luis Diaz Lanza resigns as head of the Cuban Air Force, charging Communist infiltration of the armed forces and government. (a)
- July 12 Prime Minister Castro describes reported appearance of Major Diaz Lanza before the Senate Internal Security Subcommittee in executive session as an unfriendly act and as U. S. interference in the internal affairs of Cuba. (a)
- July 13 President Urrutia, appearing on television, states that communism is not really concerned with the welfare of the people, and that it constitutes a danger for the Cuban revolution. (a)
- July 14 Major Diaz Lanza testifies publicly before the Senate Internal Security Subcommittee on communism in Cuba.
- July 14 Acting Minister of State Armando Hart denounces Diaz Lanza appearance before Senate Internal Security Subcommittee as blatant intervention in Cuban internal affairs. (a) not as within
- July 17 In television appearance, Fidel Castro resigns as Prime Minister and accuses President Urrutia of treason because of July 13 speech. Urrutia resigns. (a)
- July 23 Ambassador Bonsal expresses to Minister of State Roa the general sympathy of the U. S. for the objectives of the Cuban revolution and our support for agrarian reform programs of a sound nature. States that in connection with the Diaz Lanza case, U. S. policy has been correct and faithful to our highest principles. Expresses concern over the deterioration in Cuba-U. S. relations as a result of anti-American statements of principal Cuban Government leaders. Expresses wish of U. S. Government to cooperate in any way in obtaining information on various incidents. US
- July 26 Fidel Castro announces that he will resume position of Prime Minister.
- July 31 On at least 6 occasions during the month, Cuban Government officials seize or place cattle on land owned by U. S. citizens. C
- August 15 Prime Minister Castro charges complicity of U. S. officials in permitting planes participating in counter-revolutionary activities against Cuba to take off from the U. S. C
- August 21 Assistant Secretary Rubottom emphasizes to Ambassador Dihigo that he believes that the U. S. and Cuba urgently need to sit down together and talk over various problems to arrive at an understanding. US

August 31

- August 31 On at least 3 occasions during the month, Cuban Government officials seize or harvest land owned by U. S. citizens. e
- September 2 Deputy Assistant Secretary of State William P. Snow, in conversation with Ambassador Dihigo, expresses regret at the continuing attacks on the U. S. by Cuban Government officials, concern at the failure of the Cuban Government to hear the views of U. S. business interests before the passage of laws affecting them, and the hope that the Cuban Government might arrive at a better understanding of the U. S. position in defense of democracy against the world communist conspiracy. US
- September 3 In first interview since June 12, Ambassador Bonsal expresses to Prime Minister Castro our general sympathy with the objectives of the revolution, concern at anti-American statements made by Cuban officials and at insinuations by Cuban officials that our relations have not been straightforward and correct, at the treatment received by American interests in Cuba, and at the failure of the Cuban Government to see the implications of international communism. US  
(a)
- September 10 Assistant Secretary Rubottom tells Cuban Representative on Inter-American Economic and Social Council, Enrique Perez Cisneros, that the U. S. is still disposed to carry out a policy of friendship and fairness toward Cuba despite considerable provocation during the past nine months. US
- September 21 Ambassador Dihigo informs Assistant Secretary Rubottom that President Osvaldo Dorticos and Minister of State Roa are completely receptive to the idea that Cuba and the U. S. begin immediately to discuss their problems and endeavor to arrive at mutually acceptable solutions. He requests that the U. S. compile a list of the general and specific problems now troubling the U. S. in its relations with Cuba, and present the list to the Cuban Government. Rubottom indicates his pleasure at this request and says that we will immediately give consideration as how best to meet it. e
- September 30 On at least 8 occasions during the month, Cuban Government officials seize water system, forest and other lands, and place cattle on land owned by U. S. citizens. e
- October 6 Ambassador Bonsal tells Minister of State Roa that the U. S. is generally in sympathy with the stated democratic social objectives of the Cuban revolution, but also is perplexed and in doubt about Cuban attitudes toward the U. S. and the free world. US
- October 12 U. S. presents note to Cuban Government reaffirming our understanding and sympathy for the goals which the Cuban Government has declared to be the purpose of its agrarian reform. US
- October 19 Major Huber Matos, a Rebel Army leader during the revolution, resigns as military chief of Camaguey province, charging Communist penetration of the government. Matos is arrested and on December 15 is sentenced to 20 years in prison for conspiracy, sedition and treason. (a)

October 21

- October 21 Major Diaz Lanz makes an illegal flight from the U. S. over Habana. Prime Minister Castro charges that the plane bombed and strafed Habana resulting in deaths and injuries.
- October 26 Prime Minister Castro accuses the U. S. of tolerating air incursions against Cuba and of threatening Cuba with economic strangulation.
- October 26 Cuban Government passes law imposing confiscatory taxes upon the Nicaro nickel facility, owned by the U. S. Government, in violation of a binding international agreement. Subsequently the Cuban Government intermittently embargoes the export of the product and continually harasses the operation by delaying or failing to approve the exportation of the product and the importation of critically needed supplies and replacement parts.
- October 27 Referring to October 21 incident, U. S. states that the plane distributed leaflets over Habana, that it was impossible for the plane to bomb or strafe, that the Cuban police reported no bombing or strafing, and that deaths and injuries from the incident must have resulted from Cuban anti-aircraft fire or bombs thrown by terrorists. Rejects implication that the U. S. approved the flight or was in any way responsible.
- October 27 Ambassador Bonsal tells Cuban President Osvaldo Dorticos and Minister of State Roa that the "U. S. awaits a resolution by the Cuban Government of the issues involved on a basis of friendship and observance of international law which have traditionally characterized negotiations between Cuba and the U. S.". Bonsal also expresses the hope that normal negotiations will not be distorted to obscure the deep sympathy with which the entire U. S. views the efforts of the Cuban people to achieve their social, economic and political aspirations.
- October 31 On at least 12 occasions during the month, Cuban Government officials seize lands, cattle and equipment, order cattle moved, deny access to pastures, order cutting of timber, open fences and plow up land, and place cattle on land owned by U. S. citizens.
- November 6 Cuban Ministry of State distributes brochure entitled "Cuba Denounces Before the World". Brochure repeats allegations about October 21 plane incident and charges that the U. S. is providing political asylum to Cuban fugitives from justice.
- November 9 U. S. protests November 6 brochure as disregarding facts on plane incident. Also states that Cuban Government has never requested extradition of alleged fugitives from justice under extradition treaty with U. S.

November 24

November 24 Daniel M. Braddock, Minister-Counselor of American Embassy, Habana, states to Minister of Economy Boti that although various individual matters have been discussed between Cuba and the U. S., little or no progress has been made on them. Braddock says that some American companies in Cuba fear that the ultimate intention of the Cuban Government is to take them over. US

November 30 On at least 9 occasions during the month, Cuban Government officials seize land, cattle and equipment and place cattle on land owned by U. S. citizens. e

December 4 *on follow up?* Ambassador Donsal reviews for Minister of Economy Boti the principal events in U. S.-Cuban relations since October 12, noting the deterioration that has occurred in the meantime. He refers to the Cuban offer of November 13 to continue negotiations on pending questions, and asks if Boti is disposed to resume these discussions. Boti indicates assent. US

December 31 Cuba and Communist China sign trade agreement under which Cuba is to sell Peiping 50,000 tons of sugar. e (2)

December 31 On at least 7 occasions during the month, Cuban Government officials seize land, equipment, property, remove timber, borrow equipment (most of which is not returned) and use repair shops owned by U. S. citizens. US e

1960

January 11 U. S. protests seizure of U. S. property in recent weeks by Cuban officials in violation of Agrarian Reform Law. States that without court order or any written authorization, lands and buildings have been seized and occupied; equipment has been confiscated and removed; cattle have been taken; wood has been cut and sold; productive pastures have been plowed under without the consent of their owners; and fences and boundaries have been arbitrarily moved. US

✓ January 21 Prime Minister Castro says that notes from the U. S. State Department and statements by U. S. officials encourage counterrevolutionary activities against Cuba and indicate that a policy of hostility against Cuba is more evident every day. He implies that the U. S. exploited Cuba for 50 years. e

January 26 President Eisenhower reaffirms the adherence of the U. S. to the policy of non-intervention in the domestic affairs of other countries, including Cuba; explicitly recognizes the right of the Cuban Government and people to undertake social, economic and political reforms which, with due regard for their obligations under international law, they may think desirable; and expresses the sympathy of the American people for the aspirations of the Cuban people. US

+ January 27 Answering President Eisenhower's statement of January 26, President Dorticos states that the Cuban Government is fully disposed to discuss differences between Cuba and the U. S. through diplomatic negotiations, and will hear and consider complaints and claims regarding individual cases raised by U. S. citizens, in accordance with Cuban and international law. e

January 31

✓ January 31

On at least 11 occasions during the month, Cuban Government officials seize a marine dredge, land, stores, cattle and horses, and brand cattle owned by U. S. citizens.

*(b)*

February 4

Soviet First Deputy Premier Anastas I. Mikoyan arrives to open a Soviet exhibition.

February 4

Charge d'Affaires Braddock states to Minister of State Roa that the U. S. is disposed to take President Dorticos' statement at face value and is prepared to return to diplomatic norms. Braddock mentions the desirability of leading officials of both Cuba and the U. S. working within the traditional spirit of U. S.-Cuban friendship, maintaining an atmosphere free of public recriminations, and observing standards of international and domestic laws applicable to each other's nationals.

*US*

February 10

U. S. states that it considers the January 27 statement of President Dorticos consistent with a desire for a return to normal diplomatic channels and welcomes the readiness of the Cuban Government to negotiate pending problems.

*US*

February 13

Prime Minister Castro and Deputy Premier Mikoyan sign joint Soviet-Cuban communique describing their conversations as "carried out in an atmosphere of frank cordiality".

*(b)*

February 13

Cuba and Soviet Union sign trade and economic aid agreements. Soviet Union to buy 1 million tons of Cuban sugar in each of ensuing 5 years. Soviet Union extends \$100 million credit for purchase of equipment.

*(b)*

February 15

Replying to U. S. protest of January 11, Cuban Government states that no property has been confiscated under the agrarian reform law; that where agrarian reform officials have occupied property, steps are being taken for their fair appraisal; and that if the U. S. considers that Cuban laws have been violated, U. S. nationals have the right to appeal through appropriate channels.

*C*

February 15

Commerce Minister Cepero Bonilla states that the U. S. pays a premium price for sugar in order to bolster "inefficient and expensive" domestic sugar producers who cannot compete with "efficient and cheap producers, such as Cuba".

*(b)*

February 20

Cuba signs trade and payments agreement with East Germany.

*(b)*

February 22

Cuban Government announces that it has decided to name a commission to begin negotiations in Washington, under the condition that the legislative and executive branches of the U. S. Government will adopt no measure considered prejudicial to the Cuban economy and people while the negotiations are in progress.

*(b)*

February 24

*What did we do about this?*

*first 6 months of 1960, trade connection with Bloc became firm. Did we do anything to try to break it? Did we make a decision not to?*

X February 24

Armed Forces Minister Raul Castro blames the U. S. for exploitation of Cuba since the beginning of the century.

February 29

U. S. tells Cuban Government that it wishes to seek a solution of outstanding problems through negotiations, but cannot accept the condition proposed by the Cuban Government that no measure of a unilateral character be adopted by the legislative or executive branch of the U. S. Government, and wishes to explore the subjects to be discussed before initiating negotiations.

US

X March 2

National Bank President Ernesto Guevara states that the 3 million tons of sugar which Cuba sells annually to the U. S. "at supposedly preferential prices" have meant and mean slavery for the people of Cuba.

X March 4

French Munitions ship La Coubre explodes in Habana harbor. On March 5 Prime Minister Castro identifies the U. S. as the responsible agent of the explosion.

e

March 7

The U. S. categorically and emphatically denies the charge by Prime Minister Castro implying involvement of the U. S. Government in the La Coubre disaster.

US

March 9

Secretary of State Herter states at press conference that "we have been hopeful throughout that the atmosphere of our relationship with Cuba would allow us to settle through diplomatic means such differences as we may have with Cuba".

US

March 15

*cutting us up for Soviet can do it?*

U. S. expresses shock and dismay at Prime Minister Castro's attributing responsibility for La Coubre disaster to U. S.; rejects Castro's suggestion that the U. S. wants to keep Cuba defenseless in order to oppress Cuba; states that it is prepared to discuss various other matters, on which Castro has been critical of the U. S. through normal channels of communication; and continues to hope that the U. S. and Cuba can settle their differences through diplomatic means.

US

March 20

National Bank President Guevara states "Our war...is against the great power of the north".

March 20

Plane from the U. S. leaves Fort Lauderdale, and is damaged by Cuban gunfire as it lands on a highway in Cuba the next day. U. S. Grand Jury later indicts William J. Shergalis, a U. S. citizen, and Hector Garcia Soto, both of whom arranged for the flight, for acting as agents of the Cuban Government without filing the registration statement required by law.

c

March 31

Cuba signs trade and payments agreement with Poland.

(b)

April 11

X April 11 U. S. asks Cuban Government if the March 2 views of National Bank President Guevara on sugar represent the official Cuban position. No reply ever received from Cuban Government. c

X April 19 Prime Minister Castro states that the U. S. Government takes advantage of every opportunity to create confusion with respect to U. S.-Cuban relations. He states that the U. S. Government seems to have adopted the policy used in the past to encourage fascism. c

April 19 The first shipment of Soviet crude oil arrives in Cuba on the Soviet tanker Vishinsky. c (b)

X May 6 Cuban Coast Guard patrol vessel fires without warning upon U. S. submarine Sea Poacher on the high seas 11 miles from the Cuban coast. c

May 8 Cuba and the Soviet Union establish diplomatic relations. c (b)

May 13 Prime Minister Castro, referring to Sea Poacher incident of May 6, states that the Cuban Coast Guard cutter Oriente sighted a U. S. submarine 5 miles off the Cuban Coast. In the same speech Castro states that 3 miles is the limit of Cuban territorial waters.

May 14 U. S. expresses astonishment and protest to Cuban Government over Sea Poacher incident and requests explanation. On June 11 Prime Minister Castro says that no explanation will be given. c

May 16 Cuba and Czechoslovakia establish diplomatic relations. c (b)

May 17 National Bank of Cuba informs U. S. oil companies in Cuba that each of them will be required to purchase 300,000 tons of Russian petroleum during the balance of 1960. c (b)

May 17 Minister-Counselor Braddock reminds Cuban Under Secretary of State Fernandez Font that Minister of State Roa told Ambassador Bonsal that Roa would be soon getting in touch with Bonsal to resume discussions on the possibility of negotiations on pending problems. US

June 4 U. S. reviews the record of the Cuban Government's campaign of slander against the U. S., and the efforts of the U. S. to maintain its traditionally friendly relations with the people of Cuba. The record includes Cuban confiscation and expropriation of U. S. property, failure of the Cuban Government to compensate U. S. property owners, payments due to American exporters, Cuban attacks on U. S. sugar premium, air incursions, and the La Coubre and Sea Poacher incidents. US

June 7

- June 7 U. S. objects to "fallacious" and "offensive" Cuban Government pamphlet containing thinly veiled charges implying U. S. Government involvement in La Coubre disaster.
- June 8 Antonio Nuñez Jimenez, Director of the Agrarian Reform Institute, says in Moscow that of all the Latin American countries, Cuba is "the Soviet Union's greatest and most loyal friend". (b)
- June 9 Prime Minister Castro, referring to the U. S., says that powerful interests which wanted to destroy the revolution provoked the La Coubre incident. He calls this type of disaster "criminally conceived and executed".
- June 10 Cuban Government seizes 4 U. S.-owned hotels in Habana.
- June 10 Cuba signs five-year trade and payment agreements with Czechoslovakia. (b)
- June 10 Prime Minister Castro states that U. S. officials participated in a plot to mount an invasion attempt in Cuba against Nicaragua under the leadership of a Nicaraguan exile, for the purpose of embarrassing the Cuban Government. U. S. states allegations are false.
- June 10 Cuban Minister of State Rea says in Montevideo that Cuba decided "to break the structure of its commercial relations with the U. S.". (b)
- June 15 Cuba and Poland establish diplomatic relations. (b)
- June 18 Joint Cuban-Soviet communique in Moscow notes the fruitful development of trade, economic and cultural ties between the Soviet Union and Cuba. (b)
- June 18 Agrarian Reform Director Nuñez Jimenez states "The Communist Party of Cuba is...the Party whose members are receiving the benefits of the revolution". (a)
- June 27 U. S. explains the unusual precautions it has taken against illegal air incursions from U. S. territory affecting Cuba. States that the Cuban Government has shown no recognition of these efforts, has continued to picture the U. S. as permitting and encouraging those incursions, and has never provided the U. S. with data which would aid in investigating the incursions.
- June 27 U. S. submits memorandum to the Inter-American Peace Committee on provocative actions of the Cuban Government. Memorandum mentions La Coubre incident, Sea Poacher incident, air incursions, and false Cuban allegations of U. S. complicity in plot to invade Nicaragua.
- June 29 Cuban Government seizes Texaco and Esso refineries, on grounds that they had violated Cuban law in refusing to refine Soviet crude oil. As of this date, the oil companies had voluntarily financed over \$50 million worth of crude oil imports for which the Cuban Government had refused to release dollars.

July 3

July 3 Agrarian Reform Director Muñoz Jimenez states in East Berlin that Cuba desires relations not only with the Soviet Union but with all Socialist countries. (A)

July 3 U. S. Congress gives President authority to reduce import quota on Cuban sugar.

July 3 Jose Miró Cardona, Ambassador-designate to the U. S., resigns, stating that "the ideological differences between the plans of the government...and my conscience were impossible to resolve". He takes asylum in the Argentine Embassy. (a)

July 5 U. S. protests seizure of U. S.-owned oil refineries as arbitrary, inequitable and contrary to Cuban law, and expresses the hope that the Cuban Government will rescind these actions.

July 6 Cuban Government passes "Nationalization Law", authorizing nationalization of U. S.-owned property through expropriation. Authorizes payment to be made from fund to be derived from receipts from annual purchases of Cuban sugar over 3 million tons, at price of at least 5.75 cents a pound. Payment to be in 30-year bonds at 2% interest.

July 6 President Eisenhower, "with the most genuine regret", orders a cut of 700,000 tons in Cuba's 1960 sugar quota, on grounds that Cuban commitments to pay for Soviet goods with Cuban sugar have raised serious doubts as to whether the U. S. can depend on Cuba as a source of sugar.

July 7 Prime Minister Castro says that the U. S. acted in a "frenzy of impotence and hatred...in a fit of rage" in cutting the sugar quota, but defies the U. S. and says that his revolution will triumph.

July 9 Soviet Premier Khrushchev states that the USSR is "...raising its voice and extending a helpful hand to the people of Cuba...Speaking figuratively, in case of necessity, Soviet artillerymen can support the Cuban people with rocket fire..." (A)

July 9 President Eisenhower says that Khrushchev's statement underscores the close ties that have developed between the Soviet and Cuban Governments. (A)

July 10 Prime Minister Castro devotes an entire speech to expressing satisfaction at the support offered Cuba by the Soviet Union and to attaching what he describes as the aggressive policies of the U. S. (A)

July 10 National Bank President Guevara states that Cuba is defended by the Soviet Union, "the greatest military power in history". (A)

July 10

*Via via USSR + Cuba - are we any worse off than we were in summer of 1960?*

*Interest of  
USSR + Cuba  
from 5/1/54*

- July 10 President Dorticos hails "the message of solidarity spoken by the Prime Minister of the Soviet Union and coming to us in our most difficult hour". (A)
- July 16 U. S. protests Nationalization Law of July 6 as discriminatory, arbitrary and confiscatory.
- July 21 Cuban press reports Armed Forces Minister Raul Castro stating in Moscow that Cuba "is grateful for political and moral support from the Soviet Union". (A)
- July 23 Cuba signs a five-year trade and payment agreements with Communist China, calling for Chinese Communist purchase of 500,000 tons of Cuban sugar in each of the next five years. (B)
- July 30 National Bank President Guevara states that the USSR, Communist China, and other socialist countries are Cuba's friends. (A)
- August 1 U. S. submits document to the Inter-American Peace Committee entitled "Responsibility of Cuban Government for Increased International Tensions in the Hemisphere". Document deals principally with the relations between Cuba and the Sino-Soviet bloc, and the emergence of a dictatorial pattern of political control in Cuba. Document states that the Cuban Government has taken discriminatory actions against the property of U. S. citizens in Cuba valued at over \$850 million, and that no effort has been made by the Cuban Government to assure them anything approaching adequate compensation. (B)
- August 6 Under authority of the Nationalization Law, Cuba nationalizes through forced expropriation the properties of 26 companies wholly or partially owned by U. S. citizens. The U. S. protests this action on August 8.
- August 6 Armed Forces Minister Raul Castro says Cuba is grateful for Soviet support, and that U. S. aid always has strings attached, while aid from the Soviet Union is disinterested. (A)
- August 7 Prime Minister Castro justifies the confiscation of the investments of U. S. citizens in Cuba by accusing the U. S. of "economic aggression" in reducing Cuba's sugar quota.
- August 10 U. S. issues 23-page document containing evidence of the aggressive intent of the Cuban Government in its discriminatory trade and financial policies, and its confiscation of the property of U. S. citizens. Estimates the value of confiscated U. S. property at about \$1 billion. States that the backlog of payments due to U. S. exporters because of the failure of Cuban authorities to make the necessary foreign exchange available is over \$100 million. States that about one-half of U. S. investments had been seized before any change was made in the Cuban sugar quota.

Document states that property seized under Nationalization Law of July 6 covers only the most recent cases of the arbitrary taking of such property without prompt, adequate and effective compensation. In prior cases starting in June 1959, the Cuban Government has shown little or no consideration for the rights guaranteed property owners under the laws of Cuba. It has seized and occupied lands and buildings of U. S. citizens, confiscated and removed equipment, confiscated and removed cattle from the pastures of owners, seized timberland resources, plowed under productive pastures without the consent of owners, and arbitrarily moved fences and boundaries. In many cases no inventory was taken at the time of seizure nor receipt provided, nor indication given that any payment would be made. The value of American owned property affected by such acts is estimated at \$350 million.

August 13 Commerce Minister Cepero Bonilla declares that for the coming year "it would be much more advantageous to Cuba if the U. S. did not buy a single grain of sugar".

August 16 Cuban press reports on message from Prime Minister Castro to Premier Khrushchev, expressing thanks "for the support of the Soviet people, which is irrefutable proof that the peoples fighting for their independence are not alone in their struggle".

August 24 Prime Minister Castro charges the U. S. with supporting counter-revolutionaries and states that Cuba will be friends with the Soviets and the Chinese People's Republic.

August 29 The Foreign Ministers of the American Republics, meeting at San Jose, Costa Rica, approve Declaration of San Jose, stating that the acceptance by an American state of extracontinental intervention endangers American solidarity and security. They also create an ad hoc good offices committee to help settle controversies between governments in the Americas.

August 29 Prime Minister Castro repeats charges of U. S. aggression against Cuba and says he will not renounce Soviet support.

September 2 In reply to the Declaration of San Jose, Prime Minister Castro presents "Declaration of Habana", which bitterly attacks the U. S. and the OAS, denounces U. S. intervention in Latin America, accepts offer of assistance from the Soviet Union, and denies that the Soviet Union or Communist China have interventionist intentions in the Western Hemisphere. States Cuba will establish relations with the Chinese People's Republic.

September 12 U. S. offers to present its charges for examination by the good offices committee created August 29, and express the hope that the Cuban Government will cooperate.

September 15

- September 15 | Cuba and Hungary sign trade and payments agreements. (B)
- September 17 | Under authority of the Nationalization Law, Cuba nationalizes 3 U. S.-owned banks through forced expropriation. U. S. protests on September 29.
- September 18 | National Bank President Cueva accuses the U. S. of aggression and genocide. Says that Cuba has received arms from Czechoslovakia and is expecting many more from any power that will sell them. (A)
- September 23 | Cuba and North Korea establish diplomatic relations. (B)
- September 26 | Prime Minister Castro makes series of untrue and distorted allegations against the U. S. at the UN General Assembly.
- September 30 | Communist Chinese Prime Minister Chou En-lai states that "in the event of necessity the Chinese Government and people will give all possible support and aid to the Cuban people...". (B)
- October 7 | Cuba and Bulgaria sign trade and payments agreements. (B)
- October 12 | U. S. submits document to the UN Secretary General entitled "Facts Concerning Relations Between Cuba and the U. S.", replying to Prime Minister Castro's allegations of September 26.
- October 13 | Unidentified men raid the Cuban Consulate General in Miami. Cuban Government states that the attack was permitted with the "suspicious indifference" and the "manifest collusion of the American authorities" and that the identities of those responsible are known to the authorities.
- October 19 | U. S. prohibits exports to Cuba except for non-subsidized foodstuffs, medicines and medical supplies, to defend the legitimate economic interests of the people of the U. S. against the discriminatory, aggressive and injurious economic policies of the Castro regime.
- October 24 | Under authority of the Nationalization Law, Cuba nationalizes through forced expropriation 166 properties wholly or partially owned by U. S. citizens. U. S. protests on November 19.
- October 26 | Cuba and Rumania establish diplomatic relations and sign trade and technical assistance agreements. (B)
- October 27 | U. S. rejects "emphatically and categorically" the Cuban protest of October 13. States that the U. S. does not condone the violation of its laws by anyone, that it makes every effort to prevent such violations, that an investigation into the incident is continuing and that the U. S. has told the Miami police of the need for special police protection for the Consulate General.

October 28

October 28 U. S. reiterates September 12 offer to cooperate with good offices committee and expresses hope that committee will carry out its mission promptly.

November 14 Cuban Government rejects the U. S. statements of October 27 as "mendacious and detrimental" and refers to an "alliance" between the executioners of the Cuban people and the U. S. Government.

November 18 U. S. states that at least 12 Soviet ships have delivered arms and ammunition to Cuba since July 1960 and that Soviet bloc arms provided to Cuba amount to at least 28,000 tons. (b)

December 2 Cuba and North Vietnam establish diplomatic relations. (b)

December 9 Cuba and Outer Mongolia establish diplomatic relations. (b)

December 11 National Bank President Guevara expresses wholehearted support for the December 6 statement of the Congress of 81 Communist Parties which met in Moscow, and states that Cuba "should follow the example of peaceful development set by the Soviet Union". (b)

December 15 Cuba and Albania establish diplomatic relations. (b)

December 16 President Eisenhower fixes the Cuban sugar quota at zero for the first quarter of 1961.

December 17 Cuba and Hungary establish diplomatic relations. (b)

December 19 Cuba and the Soviet Union sign joint communique through which Cuba openly aligns itself with the domestic and foreign policies of the Soviet Union and indicates its solidarity with the Sino-Soviet bloc. (b)

1961

January 2 Cuba holds military parade. Many Soviet and Bloc arms displayed, including tanks, assault guns and field guns. Prime Minister Castro says this represents only a "small part" of the arms which Cuba has received from the Bloc. (b)

January 2 Prime Minister Castro demands that the U. S. Embassy in Habana be reduced to 11 officials within 48 hours.

January 3 U. S. terminates diplomatic and consular relations with Cuba in view of Castro's demand of January 2, which placed crippling limitations on the ability of the U. S. to carry out normal diplomatic and consular functions. Cuba turns over its diplomatic and consular affairs to the Embassy of Czechoslovakia in Washington.

February 23

*Any evidence that shows caution at first? - if we had been tough would we have given us this minor investment?*

- February 23 Armed Forces Minister Raul Castro declares that the Chinese People's Republic has sent Cuba hundreds of machine guns.
- March 31 President Kennedy fixes the Cuban sugar quota at zero for 1961.
- April 3 U. S. issues "Cuba" pamphlet, expressing determination to support future democratic governments in Cuba to help the Cuban people achieve freedom, democracy, and social justice, and calling on the Castro regime to sever its links with the international Communist movement.
- April 3 Department states in "Cuba" pamphlet that since mid-1960 more than 30,000 tons of arms, with an estimated value of \$50 million, have arrived in Cuba from "beyond the Iron Curtain"; that the Cuban armed forces are dependent on the Soviet bloc for the maintenance of their armed power; that Soviet and Czech military advisers and technicians have accompanied the flow of arms; that Cubans have gone to Czechoslovakia and the Soviet Union for training as jet pilots, ground maintenance crews, and artillerymen; and that Cuba has, except for the U. S., the largest ground forces in the hemisphere, at least ten times as large as those maintained by previous Cuban Governments, including that of Batista.
- April 16 Prime Minister Castro describes his regime as socialist.
- April 17-19 Cuban patriots fail in attempt to redeem the independence of their homeland.
- April 20 President Kennedy states that any unilateral American intervention would have been contrary to our traditions and to our international obligations, but that we do not intend to abandon Cuba.
- April 21 Cuba votes with the Soviet bloc on almost every major international issue during the 15th General Assembly of the United Nations, which ran from September 20 to December 20, 1960 and March 7 to April 21, 1961.
- April 30 Minister of Industries Ernesto Guevara declares that the Castro movement was "the first socialist revolution in Latin America".
- May 1 Prime Minister Castro speaks of "our Socialist Revolution" and says that a new "socialist constitution" will be prepared for Cuba.
- July 26 Prime Minister Castro announces formation of Integrated Revolutionary Organizations (ORI) as the precursor of the United Party of the Socialist Revolution, to be the only party in Cuba.
- September 20 Soviet-Cuban communique proclaims "identity of positions of the Soviet Union and Cuba on all the international questions that were discussed".

October 2

- October 2 Chinese-Cuban communique proclaims complete agreement between the Cuban and Chinese Communist regimes on "the current international situation and the question of further developing friendship and cooperation".
- December 2 Prime Minister Castro states: "I believe absolutely in Marxism... I am a Marxist-Leninist and will be a Marxist-Leninist until the last day of my life". He admits that he hid his true political ideology during his revolutionary struggle because he felt that "...if we, when we began to have strength, had been known as people of very radical ideas, unquestionably all the social classes that are making war on us would have been doing so from that time on...".
- December 6 U. S. submits document to the Inter-American Peace Committee entitled "The Castro Regime in Cuba", containing information on Cuba's ties with the Sino-Soviet bloc and her threat to independent governments in the Western Hemisphere.
- December 20 Cuba votes with Soviet bloc on 33 out of 37 major issues in 16th Session of UN General Assembly.

1962

- January 14 The Inter-American Peace Committee reports that Cuba's connections with the Sino-Soviet bloc are incompatible with inter-American treaties, principles and standards.
- January 31 The Foreign Ministers of the American Republics, meeting at Punta del Este, declare that as a consequence of its public alignment with the international communist movement, the present Marxist-Leninist government of Cuba is excluded from participation in the inter-American system.
- March 27 U. S. states that Sino-Soviet bloc has furnished about \$100 million worth of military equipment and technical services to Cuba and that several hundred Cuban military personnel have received training, including pilot training, in the Bloc. Arms include 5-75 M10 jet fighters; 150-250 tanks; 50-100 assault guns; 500-1000 field artillery; 500-1000 anti-aircraft artillery; 500 mortars; 200,000 small arms; and some patrol vessels and torpedo boats. No evidence of missiles, missile bases, or bombers.

June 15, 1962

Continuation of Chronology of Important  
Events in United States-Cuban Relations

1962

- April 8 Cuban patriots who were taken prisoner in April 1961 attempt to redeem the independence of their homeland are sentenced by Cuban revolutionary tribunal to 30 years in prison, subject to release upon payment of indemnities totaling more than \$62 million.
- July 31 Late in the month large quantities of new Soviet arms and technical military personnel begin arriving in Cuba, and continue at least into September. These arms include surfact-to-air missiles with a range of 25 miles, coastal defense missile installations effective to a range of 30-35 miles, a limited number of modern jet interceptors (MIG-21) possibly equipped with air-to-air missiles, and several "Komar" class guided missile patrol boats which carry two short range missiles (11-17 miles). The new shipments also include types of weapons previously delivered to Cuba such as tanks, self-propelled guns and other ground force equipment. About 4200 Soviet military specialists and technicians have arrived in connection with the shipments.
- Sept. 1 Soviet-Cuban communique states that at Cuban Government request, the Soviet Union has agreed to furnish arms to Cuba and to send technical specialists to train Cuban military personnel.
- Sept. 4 President Kennedy, referring to the Soviet arms and military personnel which began arriving in Cuba in July, states that there is no evidence of any organized combat force in Cuba from any Soviet bloc country; of military bases provided to Russia; of a violation of the 1934 treaty relating to Guantanamo; of the presence of offensive ground-to-ground missiles; or of other significant offensive capability either in Cuban hands or under Soviet direction and guidance. The President further states that the Castro regime will not be allowed to export its aggressive purposes by force or the threat of force and that it will be prevented by

whatever

whatever means may be necessary from taking action against any part of the Western Hemisphere.

Sept. 11

In a statement by TASS, the Soviet Government asserts that it is providing military assistance of a defensive character to Cuba because of the allegedly-increasing danger of attack by U.S. armed forces, and states that such an attack "would be the beginning of the unleashing of war."

Sept. 13

President Kennedy states that if at any time the Communist build-up in Cuba were to endanger or interfere with our security in any way, including our base at Guantanamo, our passage to the Panama Canal, our missile and space activities at Cape Canaveral, or the lives of American citizens in this country, or if Cuba should ever attempt to export its aggressive purposes by force or the threat of force against any nation in this hemisphere, or become an offensive military base of significant capacity for the Soviet Union, then this country will do whatever must be done to protect its own security and that of its allies.

Sept. 25

Castro announces that an agreement has been reached for Soviet-Cuban joint construction of a fishing port in Cuba.

FORM DS-10  
4.1.55

DEPARTMENT OF STATE  
REFERENCE SLIP

DATE

6446  
11/22/63

TO:	NAME OR TITLE	ORGAN. SYMBOL	ROOM NO.	BLDG.	INITIALS	DATE
1.	<i>Mr Chase</i>					
2.						
3.						
4.						
5.						

<input checked="" type="checkbox"/> APPROVAL	NOTE AND FORWARD
<input type="checkbox"/> AS REQUESTED	NOTE AND RETURN
<input type="checkbox"/> COMMENT	PER CONVERSATION
<input type="checkbox"/> FOR YOUR INFORMATION	PREPARE REPLY
<input type="checkbox"/> INITIAL FOR CLEARANCE	SEE ME
<input type="checkbox"/> NECESSARY ACTION	SIGNATURE

REMARKS OR ADDITIONAL ROUTING

GPO 939117

*Best we could come up with*

FROM (NAME AND ORGANIZATION)	ROOM NO. AND BLDG.
SIGNATURE <i>John</i>	PHONE NO.

6976  
CMA-MR. W. B. ...  
- MR. GILSONSON

May 16, 1960

ARA - Mr. Devine

2a

Excerpts from May 16 Staff Record

THE ACTING SECRETARY (Mr. Dillon):

1. Assistance to Cuba Under MSA - Recommended to the President that he sign a determination under Section 552 of the Mutual Security Act, as amended, approving the continuance of assistance to Cuba.  
5/13/60 - Signed Memo - CONFIDENTIAL - Action: L

THE UNDER SECRETARY:

1. "Economic Pressures on Cuba - Agreed, as a basis for development of Departmental positions and for discussions with other parts of the Government, that the time has now come for considering the application of selected economic pressures on Cuba; agreed to emphasize in the NSC the importance of obtaining appropriate sugar legislation and invite the participants to take appropriate action in their Congressional contacts and presentations to obtain it.  
5/11/60 - Approved memo - SECRET - Action: ARA "

C. A. Borg  
S/S-RO  
Ext. 3737

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-238  
By 420, NARA, Date 1-30-95

CULIA...  
&  
...

PRESERVATION COPY

Mr. Chase

If you want to  
keep this to'ok. However,  
would you please call  
me so I can order  
another for files -

Tharion

~~SECRET~~  
~~NO FOREIGN DISSEM~~

SANTIZED

1.4.

Nº

220

32

Economic Intelligence Memorandum

~~SECRET~~

BLOC ECONOMIC ACTIVITY IN CUBA  
1960 THROUGH JUNE 1963



CIA/RR EM 63-34

October 1963

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CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

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**E.O. 12958, Sec. 3.6**  
**NLJ 94-229**  
By is, NARA Date 10-17-97

~~SECRET~~  
~~NO FOREIGN DISSEM~~  
GROUP 1  
Excluded from automatic  
downgrading and  
declassification

~~SECRET~~  
~~NO FOREIGN DISSEM~~

Economic Intelligence Memorandum

BLOC ECONOMIC ACTIVITY IN CUBA  
1960 THROUGH JUNE 1963

CIA/RR EM 63-34

**WARNING**

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

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~~SECRET~~

This memorandum was prepared by

[REDACTED]

1.5(c)(2)  
3.4(b)(1)(C)

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BLOC ECONOMIC ACTIVITY IN CUBA\*  
1960 THROUGH JUNE 1963

Summary and Conclusions

Economic relations between Cuba and the Communist Bloc\*\* were initiated during 1960 by the signing of a series of trade and economic aid agreements. As a consequence, Cuba's economic ties with the Bloc developed rapidly during the 1960-62 period.

Trade between Cuba and the Bloc during this time grew from a negligible amount in 1959 to a total turnover of more than \$1 billion\*\*\* in 1962. Within this general pattern, however, the two major components of total trade followed somewhat different trends. Exports from Cuba increased through 1961 and then turned downward rather sharply in 1962 following the poor sugar harvest of that year. This decline will continue through 1963 at least, inasmuch as the fall in production of sugar in Cuba has extended into 1963. Imports from the Bloc, on the other hand, increased through the end of 1962. This growth probably will not be extended into 1963, however, and there may even be some decline during the present year.

Imports from the Bloc continued to increase through 1962 because the Bloc was willing to expand its balance-of-payments aid to Cuba. This type of assistance began in 1961, when the Bloc increased its buying price for Cuban sugar to 4 cents per pound, a price considerably above the prevailing world price. Price support yielded an indirect balance-of-payments subsidy to Cuba worth about \$200 million by the end of 1962. In addition to the price subsidy, during 1962 the Bloc also extended balance-of-payments aid by allowing Cuba to accumulate a trade deficit worth more than \$200 million.

In the field of economic development assistance, the Bloc formally extended nearly \$500 million in credits to Cuba between the beginning of 1960 and the end of 1962. Only an estimated \$50 million had been drawn by the close of 1962, however -- more than half of it to finance technical assistance.

\* The estimates and conclusions in this memorandum represent the best judgment of this Office as of 1 September 1963.

\*\* The term Communist Bloc as used in this memorandum refers to all Communist countries except Cuba and Yugoslavia.

\*\*\* Dollar values are given in terms of current US dollars throughout this memorandum.

---

~~S E C R E T~~

During 1963, some changes will appear in the Bloc aid program. Balance-of-payments credits will continue to be extended as in 1962. Sugar price subsidies have come to an end, however, for 1963 at least, as world market prices have risen substantially above Bloc prices. The Bloc probably will not extend sizable new development credits during 1963; rather, there will be a moderate increase in the rate at which older credits are utilized.

---

- 2 -

~~S E C R E T~~

I. Cuban Trade with the Bloc

A. Negotiations

In January 1960, First Deputy Premier Mikoyan of the USSR traveled to Cuba to open a Soviet scientific, technical, and cultural exposition. Mikoyan's visit proved to be the first step in the expansion of Cuba's relations with the USSR that has followed since then. Among the most important consequences of Mikoyan's trip was the signing, on 13 February 1960, of a trade and payments agreement that set forth the general framework for Cuban-Bloc trade during the 1960-64 period. Following the conclusion of the Soviet agreement, other members of the Bloc undertook negotiations with Cuba, and, by the end of 1960, trade and payments agreements with Communist China and most of the European Satellites had been concluded. During 1960, therefore, Cuba and the Bloc laid the formal foundations for the large growth in trade that occurred throughout the 1960-62 period.

Under the terms of these general agreements, Cuba and its Bloc trading partners have signed annual protocols that set forth the details for trade during each calendar year. The protocols for 1961 and 1962 generally called for rapid expansion in the level of trade.

In November and early December 1962, Cuba and its Bloc trading partners began negotiations concerning the trade protocols for 1963. The negotiations were evidently more difficult than usual, and most of the agreements were not signed until February. In the case of the [redacted] protocol, a final understanding was not reached until early April. Although the difficulties encountered probably were one manifestation of the general strain in relations between Cuba and the Bloc following the missile crisis in the fall of 1962, it appears that there were several economic issues which compounded these difficulties. These issues included the question of the repayment terms for Cuba's 1962 trade deficit with the Bloc, the problem of arranging financing to cover Cuba's anticipated trade deficit in 1963, and Cuba's request that the Bloc bring its buying price for sugar into line with rising world sugar prices. 1/\*

1.5(c)(d)  
3.4(b)(1)(6)

Throughout 1961, Cuba maintained reasonably balanced trade with the Bloc, partly because of the premium sugar price which the Bloc began to pay during that year.\*\* In 1962, however, a substantial deficit developed, and the trade negotiations begun in the fall

\* For serially numbered source references, see the Appendix.  
\*\* See III, A, p. 13, below.

of that year undertook to place this trade debt on a formal credit basis. In addition to this problem, poor prospects for the 1963 Cuban sugar crop made it evident that Cuba would again require large balance-of-payments credits during 1963. The prospect of continued massive aid of this type probably was painful to the Bloc, but Cuba's need for it was obvious and compelling, and in due course the additional credits were negotiated.\*

Although the problem of trade credits apparently was settled by the time the 1963 protocols were finally signed, the question of sugar prices evidently was not. As the world price for sugar continued to rise, however, Cuba continued to press the matter. Finally, at the close of Fidel Castro's trip to the USSR in May, the Soviet authorities announced that they would increase their buying price for Cuban sugar. Subsequently, Castro stated that the new price agreed to was 6 cents per pound, only about half the world price prevailing at the time. No evidence has come to light that would indicate that the European Satellites or Communist China have changed their buying prices, and the presumption is that they have not done so. Although the Soviet price concession was a relatively modest one, in combination with the new credit arrangements it helped further to smooth over relations with Cuba, which were still somewhat strained from the events of last fall, and Castro returned to Cuba with high praise for all things Soviet.

The contents of the 1963 protocols have never been made public except in the most general terms. Nevertheless, the public statements made in connection with them indicate that the new agreements foreshadow an important change in the pattern of Cuban-Bloc trade. In the case of the Soviet and Chinese Communist agreements, the press announcements covering them make no reference to increased trade during 1963, a sharp departure from earlier years. 2/ The press coverage of the USSR protocol in particular is conspicuous by the absence of any mention of the proposed level of trade. The agreement with [redacted] also fails to indicate a trade increase, and a [redacted] official has stated that trade with Cuba will decline in 1963. 3/ Some of the 1963 protocols, notably those with Czechoslovakia, East Germany, and Hungary, do call for significant trade increases; however, these three countries together account for only a little more than 10 percent of Cuba's total trade with the Bloc. 4/

1.5(c)(d)  
3.4(b)(1)(6)

B. Exports

The trade agreements signed in 1960 brought the Bloc into the market for Cuban sugar on a large scale (see Table 1\*\*). Since then,

\* See p. 14, below.

\*\* Table 1 follows on p. 5.

~~S-E-R-E-T~~

Table 1

Volume of Cuban Sugar Exports a/  
1958-63

	Thousand Metric Tons					
	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963 Estimate</u>
Communist Bloc	<u>249</u>	<u>274</u>	<u>2,342</u>	<u>4,823</u>	<u>3,689</u>	<u>2,200</u>
USSR	188	274	1,577	3,303	2,112	1,200
European Satellites	11	0	215	456	615	500
Communist China b/	50	0	550	1,064	962	500
Free World	<u>5,383</u>	<u>4,678</u>	<u>3,278</u>	<u>1,587</u>	<u>1,441</u>	<u>1,200</u>
Grand total	<u>5,632</u>	<u>4,952</u>	<u>5,620</u>	<u>6,410</u>	<u>5,130</u>	<u>3,400</u>

a. 5/

b. Including the following exports to North Korea and North Vietnam:  
for 1960, 74,000 tons; for 1961, 32,000 tons; and for 1962, 24,000 tons.

sugar exports have been one of the main foundations of Cuba's trade with the Bloc and have accounted for 80 to 90 percent of the total value of Cuba's exports to Bloc countries. During 1960 and 1961, Cuba rapidly expanded sugar exports to the Bloc, largely by reducing sales to the Free World, although increased production of sugar also was an important factor in 1961.

Since 1961, however, Cuba evidently has been reluctant to make further reductions in its exports to the Free World, and during 1962 these exports were maintained at the expense of shipments to the Bloc. The sugar harvest of 1962 fell sharply below that of 1961, a total decline of about 30 percent. Following this loss in production, Cuba was forced to cut total exports; however, by liquidating its reserve stocks, the decline in exports was held to 20 percent. Exports to the Bloc absorbed considerably more than their proportionate share of the decline, falling by 25 percent compared with a decline of only 10 percent in exports to the Free World.

The volume of Cuban sugar exports will decline again in 1963 following the poorest harvest in about 20 years and the complete liquidation of stocks in 1962. The available evidence indicates that the reduction again will be reflected primarily in exports to the Bloc, with deliveries to the Free World receiving only a relatively moderate cut.

- 5 -  
~~S-E-R-E-T~~

The record of Cuban sugar exports over the past several years appears to contradict the widely held view that Cuba has a fixed quota for sugar exports to the Bloc. Rather, it appears that Cuba attempts to confine fluctuations in the volume of its exports to the Free World within fairly narrow limits, while exports to the Bloc are adjusted through a much wider range as circumstances may dictate.

The value of Cuba's exports to the Bloc has followed closely the changes in volume of sugar exports (see Tables 1\* and 2\*\*). Price changes, on the other hand, have played a minor role in determining the value of exports to the Bloc. An exception to this occurred in 1961, when the Bloc not only increased the amount of sugar purchased but increased its buying price as well. During 1960 the Bloc had paid the market price for Cuban sugar. At the beginning of 1961 the Bloc raised its buying price to 4 cents per pound, considerably above the world market level at the time. This price was maintained unchanged throughout 1961 and 1962 and probably is still maintained by Communist China and the European Satellites.

The decline in value of Cuban exports to the Bloc that began in 1962 will continue at least through 1963. The reduction in volume of sugar deliveries will be offset only in part by the limited increase in the USSR's buying price that was announced in late May of this year. The largest reduction probably will occur in the value of exports to Communist China, while the value of exports to the European Satellites will suffer the least.

C. Imports

Following its development as the principal market for Cuban sugar, the Bloc has also become the principal supplier of Cuba's imports. A summary of the rapid growth of Cuban imports from the Bloc during the 1960-62 period is given in Table 2.\*\*

There appears to be little or no possibility that imports from the Bloc during 1963 will continue the growth evident during the 3 preceding years. The increase during 1962 was considerably less than in 1961, and the 1962 level of Cuban imports apparently was adequate to meet the basic needs of the domestic economy. Also, it is becoming increasingly difficult for Cuba to finance additional imports from the Bloc in the face of the continued decline in income from exports to the Bloc. In fact, given the probable loss of export income during 1963, it may be impossible for the Castro government even to maintain imports from the Bloc at the 1962 rates.

\* P. 5, above.  
\*\* Table 2 follows on p. 7.

Table 2  
Cuba's Foreign Trade a/  
1957-62

	Million US \$					
	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
<u>Cuban Exports (F.O.B.)</u>						
Communist Bloc	40	15	15	150	480	400
USSR	40	15	15	100	310	220
European Satellites	Negl.	Negl.	Negl.	20	70	90
Communist China b/	Negl.	Negl.	Negl.	30	100	90
Free World clearing c/	Negl.	Negl.	Negl.	Negl.	35	35
Free World convertible	770	720	625	470	110	85
Total	<u>810</u>	<u>735</u>	<u>640</u>	<u>620</u>	<u>625</u>	<u>520</u>
<u>Cuban Imports (C.I.F.) d/</u>						
Communist Bloc	Negl.	Negl.	Negl.	126	511	645
USSR	Negl.	Negl.	Negl.	80	310	420
European Satellites	Negl.	Negl.	Negl.	29	115	130
Communist China b/	Negl.	Negl.	Negl.	17	86	95
Free World clearing c/	Negl.	Negl.	Negl.	Negl.	33	20
Free World convertible	850	850	750	430	160	95
Total	<u>850</u>	<u>850</u>	<u>750</u>	<u>556</u>	<u>704</u>	<u>760</u>
<u>Total Trade</u>						
Communist Bloc	<u>40</u>	<u>15</u>	<u>15</u>	<u>276</u>	<u>991</u>	<u>1,045</u>
Free World	<u>1,620</u>	<u>1,570</u>	<u>1,375</u>	<u>900</u>	<u>338</u>	<u>235</u>
Total	<u>1,660</u>	<u>1,585</u>	<u>1,390</u>	<u>1,176</u>	<u>1,329</u>	<u>1,280</u>

a. 6/

b. Including North Korea and North Vietnam.

c. Clearing arrangements with Free World countries did not reach a significant scale until 1961, although clearing agreements with Spain were in effect before this time.

d. In converting from f.o.b. to c.i.f. values for Cuban imports, a standard factor of 10 percent of f.o.b. value for Free World countries and 15 percent of f.o.b. value for Bloc countries was applied.

Several factors, however, will help to compensate for the loss in export income. First, Cuba will draw more rapidly against the economic development credits that the Bloc has extended, and this will provide additional financing for imports in 1963.\* Second, there is some possibility that Cuba will utilize its increased export earnings from the Free World to help cover its deficit with the Bloc. Cuba will realize a substantial increase in its Free World export income during 1963 because of the dynamic rise in world sugar prices.\*\* At this point, however, the evidence does not indicate a very large increase in imports from the Free World.\*\*\* Thus a surplus may be in making which could be used to finance some of the import surplus from the Bloc.

It will also be possible to maintain the 1962 rate of imports if the Bloc is willing to increase its balance-of-payments credits to

\* See p. 14, below.

\*\* There is good evidence concerning the terms of sale for about 680,000 metric tons (tonnages are given in metric tons throughout this memorandum) of the 1.2 million tons expected to move from Cuba to the Free World during 1963. Prices ranged from about 3.3 cents per pound to around 12.5 cents per pound, with the average being 6.3 cents per pound. Furthermore, the New York Times of 2 June 1963 has quoted unidentified sugar market "experts" as stating that Cuba sold 1 million tons from the 1963 crop at an average price of 7.2 cents per pound. The average price for Cuban sugar during 1962 was about 3.0 cents per pound.

\*\*\* Imports from Free World countries during the first quarter of 1963 were 10 to 15 percent below the average quarterly import rate for 1962. This conclusion is based on a sample of imports including those from the UK, France, West Germany, Norway, Sweden, Belgium-Luxembourg, the Netherlands, Canada, and Japan. The conclusion is also supported by evidence that the level of Cuba's outstanding letters of credit for dollar and pound sterling payments was substantially below the 1962 level during the first 4 months of 1963.

During May, however, the value of outstanding letters of credit increased rapidly. By the first of July, outstanding credits were substantially higher than the average for 1962 and still rising, although at a much slower rate than in May. The increase in outstanding letters of credit appears to indicate a substantial rise in the rate of imports from the low levels of the first 3 or 4 months of 1963. It is not yet clear whether this increase will be enough to produce a rate of import from Free World areas for the year as a whole that is significantly higher than in 1962.

Cuba during 1963. Although new credits have been extended to help finance imports during 1963,\* there is no evidence to indicate an increase above the amount of aid extended last year.

Early in 1963 it appeared that imports might not be maintained at last year's level. During the first 2 months of 1963 the volume of dry cargo arriving in Cuba from the Bloc was nearly 30 percent below that of the same period of 1962. As time passed, however, the tonnage of incoming cargo from Bloc ports increased both in absolute terms and relative to the volume of 1962. For the first 6 months as a whole, dry cargo volume was only about 10 percent below the same period of 1962. Deliveries of POL to Cuba followed a pattern similar to that of dry cargo. During the first quarter of 1963 the volume of POL imports was about 30 percent below that of 1962; deliveries for the first 6 months, however, were only about 10 percent below January-June 1962. In value terms the decline in POL probably was more than 10 percent because crude petroleum, which has a lower value than petroleum products, represented a larger share of the total than was the case in 1962.

II. Cuba's Balance of Payments, 1961 and 1962

Summaries of Cuba's balance of payments during 1961 and 1962 are presented in Tables 3 and 4.\*\* It will be noted that the geographic distribution of Cuba's exports in these tables is somewhat different from that presented in Table 2.\*\*\* These differences reflect the fact that some sugar exports to Free World countries in 1961 and 1962 were sold on the account of various European Satellites.† Cuba received payment for these exports through its clearing account with the Satellite concerned and not in convertible currency or clearing balances in its account with the importing country. For balance-of-payments purposes, these exports have been regarded as exports to the Bloc, and the trade figures have been adjusted accordingly.

Most of the other figures in the Current Account section of the tables are fairly clear and need little comment. The Technical Services category was included because of the special importance of Bloc††

\* See p. 14, below.

\*\* Tables 3 and 4 follow on pp. 10 and 11, respectively.

\*\*\* P. 7, above.

† [REDACTED] in 1961 Cuba exported about 265,000 tons of sugar, worth \$20 million, to Free World countries on Bloc account. Information for all of 1962 is not available; however, extrapolation of data for the first quarter of the year indicates that about \$15 million of indirect sugar exports took place during the year. Thus about \$35 million worth of such exports to the Bloc took place in these 2 years. 7/

†† Text continued on p. 12.

1.5(c)(d)  
3.4(b)(1)(6)

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Table 3  
Cuban Balance of Payments  
1961

	Million US \$									
	USSR		European Satellites		Communist China		Free World		Total	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
Current Account										
Merchandise (f.o.b.)	310	270	90	100	100	75	125	175	625	620
Freight and Insurance		40		15		11		20		86
Technical Services		5		2						7
Other Invisibles								30		30
Balance		2		27	14			100		118
Donations										
Long-Term Capital	2		2						7	
Short-Term Capital										
Changes in Convertible Currency (Debit = increase in assets)		17				3	65		45	
Changes in Clearing Balances with the Bloc (Credit = increase in liabilities)	17		25			11			31	
Changes in Clearing Balances with the Free World (Credit = increase in liabilities)										
Balance			25			14	65		76	
Errors and Omissions							32		32	

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Table 4  
Cuban Balance of Payments  
1962

	Million US \$									
	USSR		European Satellites		Communist China		Free World		Total	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
Current Account										
Merchandise (f.o.b.)	220	370	105	115	90	83	105	105	520	673
Freight and Insurance		50		15		12		10		87
Technical Services		15		7						22
Other Invisibles								33		33
Balance		<u>215</u>		<u>32</u>		<u>2</u>		<u>43</u>		<u>295</u>
Donations							<u>13</u>			<u>13</u>
Long-Term Capital	<u>35</u>		<u>7</u>							<u>42</u>
Short-Term Capital										
Changes in Convertible Currency (Debit = increase in assets)		17					30		13	
Changes in Clearing Balances with the Bloc (Credit = increase in liabilities)	190		15		5				210	
Changes in Clearing Balances with the Free World (Credit = increase in liabilities)			10					10		
Balance	<u>173</u>		<u>25</u>		<u>5</u>		<u>20</u>		<u>223</u>	
Errors and Omissions	<u>7</u>						<u>10</u>		<u>17</u>	

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technical service exports and because an offsetting entry was needed for the technical aid portion of long-term capital imports.

The Other Invisibles item in the Current Account deserves some special notice. Of the \$33 million entered under this category in the 1962 balance of payments, \$21 million was earmarked for the Ministry of the Armed Forces.\* The \$30 million entry for 1961 was made on the assumption that expenditures for Other Invisibles was about the same in both of the years under consideration.

The \$13 million under Donations in 1962 represents US ransom payments.

The entries under Long-Term Capital reflect drawings against Bloc economic development credits. For a discussion of these items, see III, B.\*\*

The entries in the USSR column under the Convertible Currency category reflect the hard currency payments made by the USSR on 20 percent of 1 million tons of its annual sugar imports from Cuba. The small entry for Communist China represents limited hard currency payments made in 1961 for sugar imports. The entries in the Free World columns include reductions in convertible currency reserves plus the hard currency payments from the USSR and Communist China. The net reductions in convertible currency reserves are found in the Total columns. 9/

The Clearing Balances with the Bloc category is self-explanatory. In general, the entries here reflect Cuba's accumulating deficit in trade with the Bloc. Under Clearing Balances with the Free World, the \$10 million entry in the Satellite credit column in 1962 is offset by a corresponding entry in the Free World debit column. This represents the probable transfer of Cuba's favorable clearing balance with Morocco to one of the Satellite countries.

\* [redacted] who provided this information [redacted] was given the task of estimating the amount of US dollars that Cuba would have available to finance imports during 1962. In the course of this project, the National Bank of Cuba provided [redacted] an estimate of the dollars that it would need to cover its "unfavorable invisible balance." Of the Bank's estimate of \$33 million for 1962, \$21 million was classified ambiguously as "special items" that the Bank was unwilling to identify further. [redacted] was able to learn only that the "special items" were expenditures of the Ministry of the Armed Forces. 8/  
\*\* P. 14, below.

1.5(c)(d)  
3.4(b)(1)(5)

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### III. Bloc Aid to Cuba

Bloc aid to Cuba may be summarized under three broad categories: (1) balance-of-payments assistance; (2) assistance in the planning, financing, and construction of economic development products; and (3) technical assistance for the general administration and current operation of the economy. In terms of the total value of aid formally extended, the economic development category is the largest. In terms of aid actually utilized, however, balance-of-payments assistance is by far the most important.

#### A. Balance-of-Payments Assistance

The Bloc has provided balance-of-payments support to Cuba since the beginning of 1961, when the Bloc began to pay a premium price for its sugar imports from Cuba. From the beginning of 1961 through the end of 1962, Bloc countries purchased sugar from Cuba which, if valued at prevailing world prices, was worth about \$550 million.\* 10/

The Bloc's buying price of 4 cents per pound was considerably above the world price during most of the 1961-62 period, however, and Bloc countries actually paid \$750 million for their Cuban sugar imports. Thus Cuba received an indirect balance-of-payments subsidy of \$200 million over the 2-year period.

During 1961 the Bloc also allowed Cuba to accumulate small clearing account imbalances. This type of trade deficit did not become a major problem until 1962, however, when the Bloc began to extend large-scale balance-of-payments credits to Cuba. At first, there evidently was no formal credit extension. Rather, it appears that early in 1962 various Bloc countries, primarily the USSR, accepted the necessity of exporting to Cuba substantially in excess of Cuba's ability to pay. Therefore, as the year progressed, Cuba accumulated growing adverse balances in its Bloc clearing accounts. Tables 3 and 4\*\* indicate that the aggregate clearing account deficit balance by the end of 1962 was about \$240 million.\*\*\*

\* During 1961 and 1962 the Bloc purchased about 8.5 million tons of Cuban sugar, and during the same period world prices averaged slightly less than 3 cents per pound (about \$65 per ton).

\*\* Pp. 10 and 11, respectively, above.

\*\*\* It will be noted from Table 2 (p. 7, above) that Cuba ran a surplus in its trade with the Bloc during 1960 amounting to about \$25 million, and it would appear on the face of the matter that this amount should be deducted from the subsequent trade deficits to arrive at an estimate of the net clearing balance as of the end of 1962. During 1960, however, much of Cuba's exports to the Bloc was paid for with convertible currency rather than with barter. Consequently, the Cuban trade surplus of that year probably did not result in clearing balances of any importance.

Formal credit arrangements covering the clearing balances were not worked out until the 1963 trade protocol negotiations that took place in late 1962 and early 1963. As a result of these negotiations the USSR agreed to permit Cuba to repay the approximate \$207 million balance in the Soviet-Cuban clearing account over a 12-year period (see Tables 3 and 4\*). No indication has been given concerning the interest to be charged, but presumably the standard Bloc rate of 2.5 percent will apply. The Chinese Communists agreed to repayment over a 10-year period beginning in 1970. No interest is being charged in the case of the Chinese credit. No information is available covering the terms worked out for the Satellite clearing balances.

During the negotiations that arranged the credit terms just discussed, additional credits were also extended to finance Cuba's anticipated 1963 deficit. Although public announcements have made it clear that both the USSR and Communist China have granted balance-of-payments credits for 1963, no indication has been given as to their size. Czechoslovakia, however, has announced a \$20 million long-term credit to Cuba to finance imports during 1963. 11/

B. Economic Development Assistance

In February 1960 the USSR extended a \$100 million line of credit to Cuba for general economic development. Later in the same year and early in 1961 the European Satellites and Communist China extended a total of \$157 million in economic development credits. These early credits are long-term, low-interest arrangements. Repayment periods range from 8 years in the case of some of the Satellites to 12 years in the case of the Soviet credit. The standard interest rate is 2.5 percent, although the Chinese credit is interest free.

Subsequent to the extension of these long-term credits the USSR granted two additional lines of credit of \$100 million each, one for the development of the nickel industry and one for general development purposes. The nickel credit is a medium-term arrangement with a 5-year repayment period. [REDACTED] the other \$100 million line of credit also is medium term, with repayment no longer than 5 years.\*\* Finally, in July 1962 the USSR extended a \$12 million credit for the construction of a fishing port at Havana. Altogether, by the end of 1962 the USSR and the rest of the Bloc had granted Cuba a total of \$469 million in economic development credits.

1.5(c)(d)  
3.4(b)(1)(6)

\* Pp. 10 and 11, respectively, above.

\*\*

In contrast to balance-of-payments assistance, relatively little of the development credits has been drawn. Of the nearly \$500 million extended, only an estimated \$50 million actually had been utilized by the end of 1962.

1.5(c)(d)  
3.4(b)(1)(6)

Furthermore, only about \$20 million of the drawings were accounted for by imports of machinery and equipment.

[REDACTED]

does indicate clearly that as of 1962 Cuba probably was able to make only limited use of the Bloc's development credits. The restricted use of these credits is explained by the following: (1) the fact that most of the large Bloc projects did not get underway until 1962; (2) at least some of the industrial plants acquired from the Satellites were paid for entirely on a current basis; and (3) some other plants were only partially covered by credits, with

[REDACTED]

1.5(c)(d)  
3.4(b)(1)(6)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.5(c)(d)  
3.4(b)(1)(6)

advance and down payments from Cuba covering 20 to 30 percent of the total cost.\*

Unfortunately, no documentary evidence is available to indicate the amount of credit drawings used to finance Bloc technical aid to Cuba. On the basis of the number of technicians estimated to have been sent to Cuba (see Table 7\*\*) and [redacted] average salary paid to Bloc technicians is about \$600 per month, it is possible to calculate drawings for the services of technicians at about \$21 million as of the end of 1962.\*\*\* 14/ Something must be added to this figure to take into account

1.5(c)(d)  
3.4(b)(1)(6)

\* A Havana press statement of September 1960 indicated that the Cuban Monetary Stabilization Fund had set aside \$23.5 million in foreign exchange to acquire industrial plants from Europe. The plants to be purchased were listed, and it is apparent that they are the same as those which Cuba has been acquiring from the European Satellites. There are available two contracts between Cuba and the Czechoslovak firm Technoexport for technical assistance in connection with a hydroelectric plant on the Rio Yara river and a film laboratory at Havana. It is apparent from these contracts that Cuba is to pay on a current basis for the services rendered. Although only technical assistance is involved, it is reasonable to assume that Cuba will be required to pay currently for the equipment needed by these projects as well, inasmuch as any credit extended for these projects would presumably cover both technical aid and equipment.

1.5(c)(d)  
3.4(b)(1)(6)

\*\* P. 20, below.

\*\*\* [redacted] evidence for the \$600 per month estimate for technicians' salaries. Sources could be cited that give a considerably higher figure, but the above estimate was chosen because [redacted]

[redacted] it compares well with information available on salaries paid to Bloc technicians in other parts of the world. The estimate of \$21 million was arrived at by applying the salary figure to the data in Table 7 (p. 20, below). In so doing, the monthly salary was converted to an annual figure (roughly \$7,000 per year), and the total salary bill for each year was computed by multiplying \$7,000 by one-half the increase in each year plus the total present at the end of the previous year.

1.5(c)(d)  
3.4(b)(1)(6)

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the cost of travel to and from Cuba and the cost of design and planning done in the Bloc on various projects not yet under construction. Even accounting for these factors, however, it is doubtful that total drawings by the end of 1962 for technical assistance exceeded \$30 million.

In 1963 the Bloc probably will not extend much in the way of additional economic development credit to Cuba. Nevertheless, in January of this year the USSR did grant a new credit of \$15 million to help finance a new irrigation and land rehabilitation project. 15/

More important than this small addition to extended aid, however, was the fact that the first part of 1963 produced signs of increased drawings against outstanding development credits. The volume of cargo delivered to various Soviet projects in Cuba during the first 3 months of this year was considerably higher than the volume delivered during the last 3 months of 1962. The number of technicians present in Cuba during 1963 will be considerably higher than the average for all of 1962, and this will produce a corresponding rise in drawings for technical services. Although an increase in drawings is evident, it also appears that the increase is fairly gradual. [redacted] indicated that imports of machinery and equipment under development credits during 1963 will total only a little more than \$25 million. If this proves to be the case, it appears that by the close of this year probably about three-fourths of the Bloc development credits will remain unutilized.

1.5(c)(d)  
3.4(b)(1)(6)

In spite of the evidence that drawings on development credits have been relatively limited, the Bloc nevertheless is engaged in a considerable number of projects throughout Cuba. Tables 5 and 6\* indicate the number of industrial plants undertaken by Cuba with Bloc assistance. The values listed in the tables represent total costs, including local construction costs. The value of imported machinery, equipment, and technical services for all of the plants listed probably amounts to \$100 million to \$110 million. The basic source for the information in the tables was a recent Havana press article. Other available sources suggest that some of the values given by the article may be somewhat high, but in general the information appears to be accurate. In addition to the projects in the tables, others probably are in the planning stage. Furthermore, the USSR is engaged in a general geological survey of the island and in a broad-scale survey of Cuba's mineral resources. The USSR has also begun work on an irrigation and land reclamation project and has begun the construction of the fishing port at Havana.

C. Technical Assistance

As 1963 opened, the Bloc's technical assistance program in Cuba appeared to be operating under something of a cloud, inasmuch as the\*\*

\* Tables 5 and 6 follow on pp. 18 and 19, respectively.

\*\* Text continued on p. 20.

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Table 5

Completed Bloc Industrial Projects in Cuba a/  
as of June 1963

<u>Project</u>	<u>Location</u>	<u>Bloc Country</u>	<u>Value (Thousand US \$)</u>
Pencil factory	Batabano	Czechoslovakia	3,067
Nonferrous metal foundry	Cardenas	Czechoslovakia	93
Lock and padlock factory	Cardenas	Czechoslovakia	464
Pick and shovel factory	Guantanamo	Czechoslovakia	886
Nut, screw, and washer factory	Santiago	Czechoslovakia	1,585
Tableware factory	Santiago	Czechoslovakia	570
Cacao-processing plant	Baracoa	East Germany	800
Brush factory	Santiago	East Germany	437
Welding electrode factory	Nuevitas	East Germany	850
Radio assembly plant	Santiago de las Vegas	Poland	1,415
File factory	Guantanamo	USSR	1,400
Forge workshop	Havana	USSR	270
Total			<u>11,837</u>

a. 16/

~~S E T~~

Table 6

Bloc Industrial Projects Under Construction in Cuba a/  
as of June 1963

<u>Project</u>	<u>Location</u>	<u>Bloc Country</u>	<u>Value (Thousand US \$)</u>
Ball bearing plant	Santiago	Czechoslovakia	350
Molds and dies plant	Santa Clara	Czechoslovakia	1,500
Diesel motors and compressors plant	Cienfuegos	Czechoslovakia	3,270
Bicycle factory	Caibarien	Czechoslovakia	1,100
Spark plug factory	Sagua la Grande	Czechoslovakia	922
Household appliance factory	Santa Clara	Czechoslovakia	12,490
Textile mill	Alquizar	East Germany	27,000
Peanut oil extraction plant	Havana	East Germany	1,300
Soya oil extraction plant	Havana	East Germany	1,000
Wood screw plant	Santiago	Poland	1,020
Glass bottle plant (expansion)	San Jose de las Lajas	Poland	3,290
Plate glass plant	San Jose de las Lajas	Poland	2,730
Electric arc foundry	Santa Clara	Poland	6,500
Cement plant (expansion)	Santiago	Rumania	5,700
Steel mill (expansion)	Cotorro	USSR	7,420
Electric powerplant	Santiago	USSR	19,060
Electric powerplant	Mariel	USSR	37,900
Spare parts plant	Santa Clara	USSR	6,885
Total			<u>139,437</u>

a. 17/

1.5(c)(d)  
3.4(b)(1)(6)

Castro government launched an effort evidently designed to reduce the dependence of the Cuban economy on Bloc technicians.

The move reflected primarily the strain in relations between Cuba and the USSR during the aftermath of the missile crisis in the fall of 1963, but it may also have resulted from some dissatisfaction with the performance of Bloc technicians. In any case, as Cuban-Bloc relations improved during the course of the last 6 months, the program lost much of its momentum and urgency. By June, there were signs that it either had been abandoned or, at least, no longer enjoyed a high priority. 18/

In spite of the difficult atmosphere that prevailed in early 1963, the Bloc further extended its technical aid program. In January the Cuban press announced that 400 Soviet agricultural specialists would arrive during the first quarter of the year. 19/ In addition to these, it was also announced that 104 technicians were scheduled to go to Cuba from the USSR to provide assistance in the irrigation and land rehabilitation project. 20/ Thus it appears that the number of technicians in Cuba may have increased by at least 500 during the first 6 months of 1963.

A summary of the estimates for Bloc technicians in Cuba for the 1960-63 period is given in Table 7. The data in the table are presented with considerable reservation,

The figures in the table, therefore, should be regarded as approximate midpoints of a fairly large range. No Chinese Communist technicians are listed, although some probably are present in Cuba.

1.5(c)(d)  
3.4(b)(1)(6)

Table 7

Estimated Number of Bloc Technicians in Cuba a/  
1960-63

	<u>December 1960</u>	<u>December 1961</u>	<u>December 1962</u>	<u>June 1963</u>
USSR	180	600	2,500	3,000
European Satellites	70	450	1,000	1,000
Total	<u>250</u>	<u>1,050</u>	<u>3,500</u>	<u>4,000</u>

a. 21/. Data are as of the last day of the month shown.

~~S-E-C-R-E-T~~

In addition to sending technical personnel to Cuba, the Bloc has undertaken an extensive program to train a new generation of Cuban technicians. At present, there probably are about 5,000 Cubans who have been sent to the Bloc to receive some form of education or training. The largest contingent is in the USSR, where over 3,000 are reported. 22/ Czechoslovakia probably is next with at least 1,000 students. 23/ There probably is a minimum of 1,000 Cuban students throughout the rest of the Bloc. 24/

About one-third of these Cubans are receiving education at the university level, and the rest are being trained to develop vocational skills. By far the largest group is receiving training in some branch of agriculture; there are about 2,000 of these agricultural trainees in the USSR. In the case of other types of trainees, many have been sent to the Bloc to learn the operation of particular industrial installations that the Bloc country involved was scheduled to deliver to Cuba.

Besides providing training within the Bloc for Cuban personnel, various Bloc countries, principally the USSR, have given assistance to education and training inside Cuba itself. Professors and instructors have been sent to Cuban universities and schools. Furthermore, the USSR has established, equipped, and staffed several training centers for Cuban workers, and there are indications that this program will be extended.

- 21 -

~~S-E-C-R-E-T~~

APPENDIX

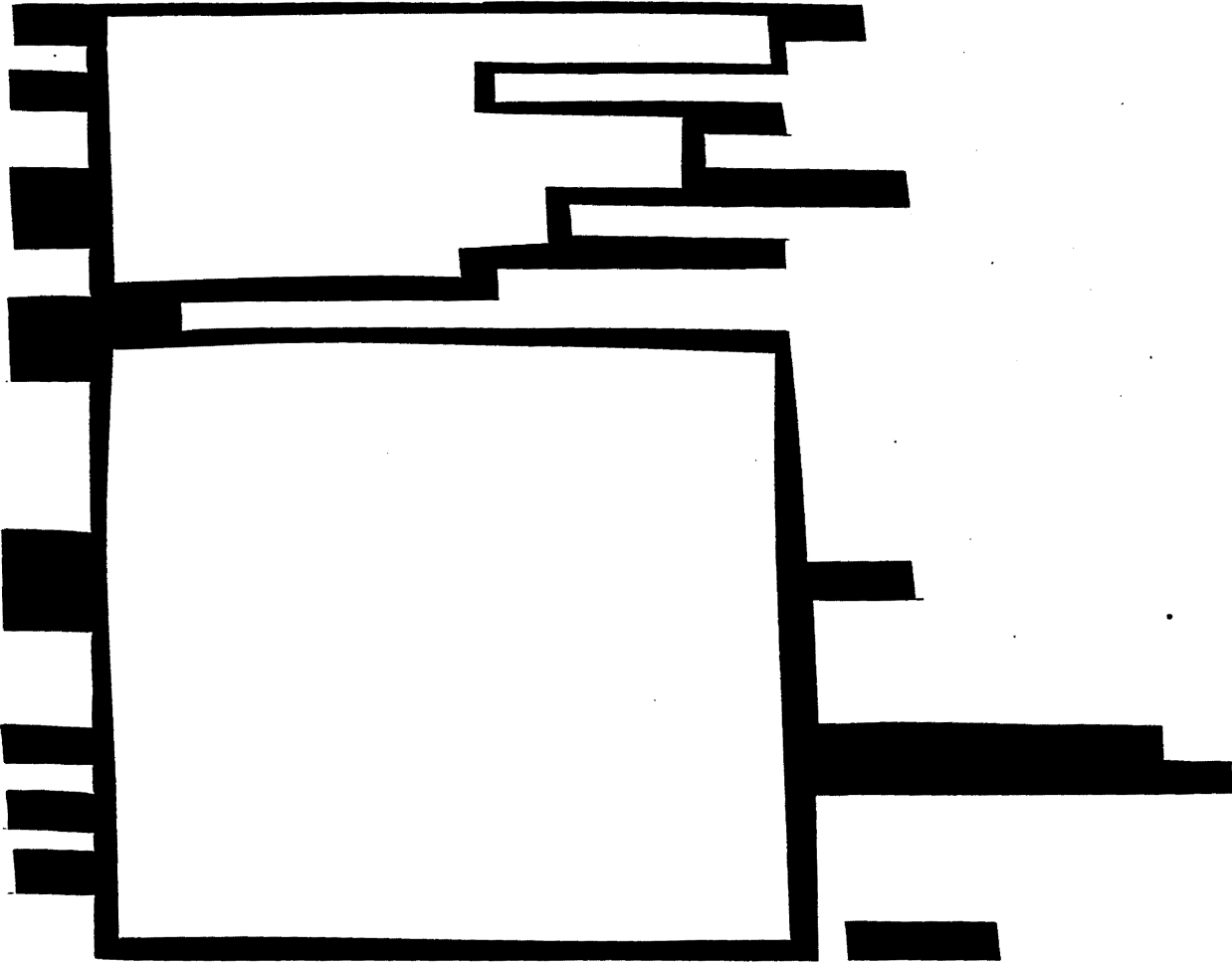
SOURCE REFERENCES

1.5(c)(d)  
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~~SECRET~~

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3.4(b)(1)(6)



1.5(c)(d)  
3.4(b)(1)(6)

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

✓  
4

~~TOP SECRET~~  
EYES ONLY  
SENSITIVE

November 14, 1963

MEMORANDUM FOR

MR. BUNDY

SUBJECT: Cuban Policy 1957 - 1960

1. I spoke to John Plank this morning about our project. He mentioned his phone call with you and said that he intended to shake loose from most of his duties for the next few weeks to work as close to full time on the project as possible. Apparently, in view of the activity in the ARA area over the past few months, he has had a real problem in finding sufficient time to work on the project. My own excuse is roughly the same but perhaps not as credible as John's. Anyway, I also intend to work almost full-time on the project for the next couple weeks.
2. We haven't decided definitely yet but our tentative plan of action is to examine in depth a number of the most important events during the 1957 - 1960 period; needless to say, the material is voluminous and even this will be quite a job. Attached is a rough example of the sort of approach we now have in mind.

DECLASSIFIED

GC  
Gordon Chase

Authority JFK 177-10001-10387

By JW NARA. Date 2-26-98

~~TOP SECRET~~ EYES ONLY  
SENSITIVE

~~TOP SECRET~~  
EYES ONLY  
SENSITIVE

5

November 14, 1963

MEMORANDUM FOR

MR. BUNDY

SUBJECT: Cuban Policy 1957 - 1960

1. I spoke to John Plank this morning about our project. He mentioned his phone call with you and said that he intended to shake loose from most of his duties for the next few weeks to work as close to full time on the project as possible. Apparently, in view of the activity in the ARA area over the past few months, he has had a real problem in finding sufficient time to work on the project. My own excuse is roughly the same but perhaps not as credible as John's. Anyway, I also intend to work almost full-time on the project for the next couple weeks.

2. We haven't decided definitely yet but our tentative plan of action is to examine in depth a number of the most important events during the 1957 - 1960 period; needless to say, the material is voluminous and even this will be quite a job. Attached is a rough example of the sort of approach we now have in mind.

Gordon Chase

~~TOP SECRET~~ - EYES ONLY  
SENSITIVE

DECLASSIFIED

Authority JFK #177-10001-10387  
By ju, NARA, Date 2-26-98

~~TOP SECRET - SENSITIVE~~ *Eyes Only*

November 4, 1963

MEMORANDUM FOR

MR. PLANK

SUBJECT: 1960 Cuban Intervention of American Oil Companies --  
Post Mortem

Attached is a brief draft, with holes, regarding the U.S. decision in June 1960 not to refine Russian crude oil shipped to Cuba. We still haven't got as much insight into this problem as we should have. It seems to me that the following documents will help fill out the story. Perhaps they are kicking around the State Department; could you check?

1. An Aide Memoire. In his letter of June 6, 1960, Ambassador Bonsall implies that one was sent to the GOC on or about June 4.
2. Oil company letters to the GOC refusing to refine Soviet crude. Ambassador Bonsall's correspondence indicates these were sent to the GOC at the beginning or middle of June.
3. A public statement regarding the decision of the oil companies. In his letter of June 13 Secretary Rubottom implies that some sort of public statement was issued on or about June 6 explaining the oil company decision.
4. The U.S. note of protest of July 5, 1960.
5. Other pertinent papers. For example, are there any papers floating around State which would indicate why Secretary Anderson took the position he did on June 3, 1960? In this connection, the minutes of the Latin America Working Group on May 17, 1960 indicate that State had reached a decision prior to that meeting, to apply economic pressures against Cuba (although it is not clear that these pressures included action by the oil companies). The minutes also state that the decision regarding economic pressures was to be reported to NSC but that, as of May 17, this had not been done.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-232

By *lip*, NARA, Date *4-5-95*

Gordon Chase

~~TOP SECRET - SENSITIVE~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4

NEJ 94-232

By Wig, NARA, Date 4-5-95

6a

DRAFT

~~TOP SECRET - SENSITIVE~~

11/4/63

## 1960 Cuban Intervention of American Oil Companies - Post Mortem

### 1. The Chronology

On April 19, 1960, the first shipment of Soviet crude oil arrived in Cuba on the Soviet tanker "Vishinsky". A month later, on May 17, the National Bank of Cuba informed the U.S. (British too?) oil companies in Cuba that each of them would be required to purchase for refining purposes, 300,000 tons of Russian petroleum during the balance of 1960. On June (?), the U.S. Government, via Aide Memoire, protested (?) the Cuban action; Texaco, Esso, and Shell (British) followed up by writing letters to the Cuban Government on June 6 (?) which said that they would not refine Soviet crude oil. On June 29, 1960, the Cuban Government seized the Texaco, Esso, and Shell (?) refineries, on the grounds that they had violated Cuban law in refusing to refine Soviet crude oil. A week later, on July 5, the U.S. protested the seizure as arbitrary, inequitable, and contrary to Cuban law and expressed the hope that the Cuban Government would rescind the action.

### 2. The U.S. Decision Not to Refine Russian Crude Oil

(a) According to correspondence between Ambassador Bonsall and Assistant Secretary Rubottom, the decision not to refine Russian crude was made at a meeting on June 3, 1960 which Secretary Anderson chaired and which Tom Mann (State), Mr. Barnes (CIA), Tex Brewer (Esso), and a representative of Texaco attended. The Oil company representatives arrived at the meeting with the notion that the U.S. Government would take no stand in the matter and that it would be

inevitable to refine the Russian crude. Secretary Anderson lost no time in setting them straight. He told the oil company representatives (1) that a refusal to refine Russian crude would be consistent with overall U.S. policy toward the GOC; (2) that an agreement between the oil companies to make a refusal would not be considered as a violation of the U.S. anti-trust laws; and (3) that if the GOC intervened one of the American refineries to handle Russian crude, leaving the others to refine its own crude from its own sources, the latter, without anti-trust law consequences, could refuse to furnish any more crude from its own sources. On the basis of this statement, Esso and Texaco decided to refuse to refine Russian crude (Bonsall letter -- June 6, 1960).

Once this decision was taken, tactics were discussed. Apparently, it was decided to issue a statement which would not be simply a reaction to the expected Cuban blast (when they heard about the U.S. decision) but which would take the offensive and provide a backdrop covering the whole gamut of U.S. /Cuba relations, thus putting the oil companies' decision into better perspective; it would also be helpful in the effort to sell the Administration's version of the sugar bill. (Rubottom letter of June 13, 1960).

(b) One of the striking aspects of the U.S. decision not to refine Soviet crude is that many high-level people in the political field apparently were not consulted. First, National Security Council records indicate that the matter never came up at one of the weekly National Security Council meetings. Second, OCB records indicate that the matter was never officially taken up by the OCB. Unofficially, the specific issue (as well as the general issue of economic pressures vs.

Cuba) were noted at OCB luncheons on April 27 (Messrs. Gray, Harr, Dulles, Allen, Hare, Saccio, McCone, and Smith) and May 18 (Messrs. Gray, Harr, Dulles, Riddleberger, Hare, Scribner, and Smith); however, they were not discussed substantively. Third, our Embassy in Havana was apparently left out of the decision-making process. In his letter of June 6, 1960 to Mr. Rubottom, Ambassador Bonsall squeals eloquently and loudly about this fact. Fourth, while the Legal Adviser and the Economic Bureau in State seemed to know what was going on, Mr. Rubottom's letter to Ambassador Bonsall of June 13 indicates that ARA was cut in at a late date; presumably, the highest levels at State were also uninformed.

### 3. Some Tentative Observations

(a) The U.S. decision not to refine Soviet crude oil was a crucial one. It was the start of a U.S. policy of economic sanctions against Cuba. Among other things, it increased the economic influence of the Russians in Cuba at the expense of our own. In a sense, we forced the Russians to pick up the tab in Cuba.

(b) It is not at all clear that the U.S. Government was aware of the deep political implications of its decision not to refine Soviet crude oil. As a matter of fact, there are indications that the contrary was the case and that the action was viewed primarily as an economic action. For example, Secretary of Treasury Anderson and Tom Mann, Asst. Secretary of State for Economic Affairs, <sup>(check this)</sup> seemed to be the primary movers on the decision.

(c) There are indications that the consequences of the U.S. decision may not have been thought out before the decision was made. In his letters to Mr. Rubottom after the fact (June 6 and June 20, 1960), Ambassador Bonsall describes

~~TOP SECRET - SENSITIVE~~

-4-

DRAFT

some of the implications of the action which he assumes were and should have been considered. It is possible that these implications were not considered; it is almost certain that they were not considered at the highest levels of State or at the White House.



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

Dictation 9

OFFICIAL-INFORMAL

American Embassy,  
Buenos Aires, Argentina  
April 14, 1961

OFFICIAL USE ONLY

Rec'd 4/19/61

Dear Phil:

Just a few lines to send you greetings from this distant post and to say I hope that you are enjoying your work with the OAS.

I landed running last October and have hardly stopped to catch a breath since, but I must say I am thoroughly enjoying my assignment to this interesting country.

I wonder whether you have had occasion to talk with Julio Amoedo recently? If so, I would be interested to hear any pertinent views of his regarding U.S.-Argentine relations.

With all best wishes and hoping to see you in Washington before too long, I am

Sincerely yours,

*Dick*

R. R. Rubottom, Jr.  
American Ambassador

The Honorable  
Philip W. Bonsal,  
United States Representative  
to the Organization of American States,  
Bureau of Inter-American Affairs,  
Department of State,  
Washington D.C.

*P.S. The rumor mill grinds down here, too. I've heard of one splendid prospect for the job of Asst. Secy!*

9a

April 22, 1961

~~SECRET - PERSONAL~~

Dear Dick:

Thank you so much for your note of April 14. It was very good of you to write. I have been following with interest and admiration your work in Buenos Aires.

I did see Julio Amoedo on March 17 in New York. Here is a copy of the memorandum of conversation which was not sent to you at the time since it did not appear to add much to what you already knew about developments.

I am, of course, flattered by the grindings of your rumor mill, as described in your P.S. At the present time, however, I seem to be ticketed for Morocco, an assignment to which I am very much looking forward, although obviously my feelings about leaving the Latin American field have been profoundly affected by the developments of the past week. I continue to believe, in this connection, that we went definitely off the rails in our relations with the Castro Government when we took the actions we did in the economic field last July (urging the oil companies to refuse to refine Soviet oil and cutting the sugar quota). We might have had to take both of these actions eventually but our timing greatly accelerated Castro's destructive actions and greatly increased Soviet opportunities. I am, of course, talking to you as one bureaucrat to another.

With warm regards,

Sincerely,

Philip W. Bonsal

Enclosure 1

The Honorable  
Roy R. Rubottom, Jr.,  
American Ambassador,  
Buenos Aires.

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/jc* NARA, Date 3-16-09

~~SECRET - PERSONAL~~

PRESERVATION COPY

RUBOTTOM, R. R.

# TELEGRAM

OUTGOING

Foreign Service of the <sup>10</sup>  
United States of America

APPROVED & SIGNED BY  
A. J. ...

*Bonaval Mission  
in Cuba &  
Recall to  
Washington*

Charge:

~~Classification~~

Control:

Date:

Oct 18, 1960

SENT TO Secstate WASHINGTON - PRIORITY 1797

EYES ONLY FOR SECRETARY

**DECLASSIFIED**

**E.O. 12356, Sec. 3.4**

**NEJ 94-238**

By LS, NARA, Date 1-30-95

DEPTEL 857. I deeply appreciate expressions regarding my

mission here as well as regarding my future assignment contained  
your message. Although fully agreeing with reasons which have  
led ~~back~~ President and you to belief time has come for my recall for  
consultation, ~~consultation~~ for indefinite period, I respectfully submit considera-  
tions on basis of which I have not as yet made recommendation to this  
effect.

My thought has been that in spite of frustrations and diffi-  
culties, of which no one more conscious than I am, my presence here  
has served useful purpose. I have had impression that my being  
here was pleasing to enemies of GOC and displeasing to GOC, which,  
however, has hoped to provoke us take initiative my withdrawal  
or even break in relations. Fact that I have remained here has,  
I think, been interpreted in many quarters as indicating US has  
not "given up" on Cuba, but continues confident that Cubans and  
their free world friends will find ways of arresting Communist  
takeover. (Of course, my departure might also be interpreted as  
prelude of tougher policy toward Castro.)

I am also influenced by wish to continue seeing things through

~~SECRET~~  
Classification

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# TELEGRAM

OUTGOING

Foreign Service of the  
United States of America

Charge:

~~SECRET~~  
Classification

Control:

Date: 325

-2-

in association with my friends and fellow workers in very fine Embassy staff here and with remnants of American community in Cuba. Many observers believe that critical dramatic and possibly violent events are to be anticipated in next few weeks. I would regret missing them and might be useful in connection with them.

I also believe that my association with Chiefs of Mission accredited here especially LA's has been constructive element in situation. I had hoped that I could remain as long as we have diplomatic relations. Recent arrival of Soviet Ambassador and expected arrival of Communist Chinese Ambassador would be contrasted with departure of US Ambassador and would be used further to dramatize an alleged trend against us.

Nevertheless, I recognize there are factors in this situation which I am unable to evaluate from here or in the evaluation of which you have greater objectivity and I will, of course, act promptly in accordance with your instructions. I will depart within as near ten days as possible if travel orders are issued. DCM Braddock is highly experienced FSO in whose judgment DEPT is justified in reposing highest confidence.

In event my orders are issued, would appreciate orders also be issued my secretary Miss Viola Keskinen transferring her to Washington.

I would suggest that for present publicity be limited to statement to be issued simultaneously in Washington and Habana to

~~SECRET~~  
Classification

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# TELEGRAM

OUTGOING

Foreign Service of the  
United States of America

Charge:

Classification

Control:

Date:

-3-

effect I am being recalled on indefinite consultation and that announcement regarding future assignment be deferred until I have opportunity of discussing matter with you. I would, of course, be highly honored by temporary assignment as US representative on Council of OAS but recommend public announcement be deferred until I have left Cuba.

BONSAL

1 W 5

EYES ONLY

PW/Bonsal:vk

~~SECRET~~

Classification

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FROM THIS COPY IS NOT AUTHORIZED

~~SECRET - SENSITIVE - NO DISTRIBUTION~~

7 2/63 7

To: Mr. McGeorge Bundy  
From: John N. Plank  
Subject: Cuban Policy, 1957-1960

You have asked me to look at the construction of Cuban policy between 1957 and 1960. Your interest, I take it, runs to several distinguishable but related things: (1) The intelligence available to the policy-makers during those years; (2) the goals, shorter term and longer term, shifting and constant, that the policy makers contemplated for the United States vis-à-vis Cuba; (3) the means, whether employed or not, that the policy makers considered in cost/benefit and feasibility terms; and (4) the organization of the policy makers themselves, i.e., who they were and their manner of arriving at policy.

The purpose of this exercise as I understand it is to provide some bases for judging whether appropriate policy determinations were made at critical times during the unfolding of the Cuban drama, or whether avoidable errors were committed and exploitable opportunities missed. I assume a constant if highly abstract policy objective throughout, namely, the establishment on the island of Cuba of a regime with which the United States could live amicably and cooperatively in a relationship consonant with our own and the Free World's interests.

The body of relevant material is immense, much of it quite inaccessible to me. I have been able to do little more than probe superficially here and there. Particularly with respect to point 4 above do I feel altogether unsure, not only because the number of those identifiably involved in the formulation of Cuban policy was very large, but also because I have not yet had an opportunity to examine the full record.

Nevertheless, I want to make this preliminary report to you, setting down some observations and conclusions and saying something about the way I am going about the task assigned me.

Observations and Conclusions:-

1. The quality of the intelligence product transmitted to the policy makers during this period is good: responsible and comprehensive. The reference here of course is to the refined intelligence product, not to the mountains of raw reports that were sifted and assayed at various levels within the intelligence community. Moreover, nowhere in the record, to the extent that I have examined it, is there evidence of wilful distortion or concealment of reasoned intelligence findings by anyone in a policy position.

2. Policy differences between Washington and the field emerged sharply at various times during the tenures of Ambassadors Smith and Bonsal. It is apparent, too, that the Ambassadors were not always kept fully abreast of Washington thinking and planning.

3. In retrospect one can point to what look like errors in judgment on the part of the policy makers, errors that can be traced sometimes to faulty intelligence, sometimes to faulty extrapolations from the intelligence, sometimes to elements within the policy determinations that had little or nothing to do with the intelligence product itself. I would note particularly the following:

a. Throughout the period there is manifest the desire and intention ~~to achieve~~ to achieve a satisfactory resolution of the Cuban problem at ideally no cost and at most slight cost to the United States. Cost here is taken here to embrace political, economic, and military dimensions.

*Don't want to see the  
who says so. The  
think of that  
what would be*

- was,
- b. Throughout the period there ~~ix~~, as it seems to me, a failure to appreciate the full extent of most Cubans' desire to break sharply from their politically quite sordid past, of which Batista was, during his latter days, an especially dreadful symbol.
  - c. Correlatively, there was a failure fully to understand that Castro, with his recognized qualities as a masterful demagogue <sup>with his</sup> and <sup>ship</sup> empathic relation/ to the bulk of the Cuban population, had what amounted in effect to carte blanche to restructure Cuban society.
  - d. This led in turn to an exaggeration of the scope and portent of observable Cuban disaffection from Castro and his communist intimates.
  - e. ~~There was no exaggeration of~~ Too great reliance was placed, particularly in 1960, on the supposition that the Castro regime was economically extremely vulnerable.
  - f. Too little attention was paid to the possibility that the Soviet Union might be willing to underwrite the Castro enterprise, both economically and militarily.
4. On the other hand, ~~many~~ sound judgments were made:
- a. The early determination that it was inconceivable that Castro should establish a constitutionally democratic regime with which the United States could live comfortably.
  - b. The early awareness that Castro was either surrounding himself with or was being surrounded by communists.
  - c. The early determination that Castro and his regime had, in some fashion, to be overthrown.

*This is the initial mistake -  
of connection*

8

THE WHITE HOUSE  
WASHINGTON

CONFIDENTIAL - SENSITIVE

April 23, 1963

MEMORANDUM FOR MR. BUNDY

SUBJECT: Cuba and the Republicans

Attached is a chronology of important events in U.S. /Cuban relations during the period 1957 - 1962.

This is a very useful document . From it, a good argument can be made that during the Republican Administration (1) Soviet intentions were known, (2) the seeds of our present difficulties were apparent, (3) the Republicans were relatively restrained, and (4) the Soviet threat essentially went unchallenged. One could argue that the bridge was crossed when the first boatload of Soviet arms entered Cuba and that the Republicans did not take decisive action at a time when it would have been relatively easy to do so.

Some sample excerpts from the chronology are as follows:

December 31, 1959 -- Cuba and Communist China sign trade agreement.

February 13, 1960 -- Cuba and the Soviet Union sign a trade and economic aid agreement.

May 8, 1960 -- Cuba and the Soviet Union establish diplomatic relations.

June 8, 1960 -- The Director of the Cuban Agrarian Reform Institute says in Moscow that of all the Latin American countries, Cuba is 'the Soviet Union's greatest and most loyal friend.'"

July 9, 1960 -- Khrushchev states that the USSR is "...raising its voice and extending a helping hand to the people of Cuba.... Speaking figuratively, in case of necessity, Soviet artillery can support the Cuban people with rocket fire...."

July 10, 1960 -- Guevara states that Cuba is defended by the Soviet Union, "the greatest military power in history."

CONFIDENTIAL - SENSITIVE

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By rg/jc, NARA, Date 3-16-09

~~CONFIDENTIAL~~ - SENSITIVE

-2-

September 18, 1960 -- Guevara says that Cuba has received arms from Czechoslovakia and is expecting many more from any power that will sell them.

November 18, 1960 -- The U.S. states that at least 12 Soviet ships have delivered arms and ammunition to Cuba since July, 1960, and that Soviet Bloc arms provided to Cuba amount to at least 28,000 tons.

GC  
Gordon Chase

~~CONFIDENTIAL~~ - SENSITIVE

*Bossal Recall to  
Washington*  
AMBASSADOR

AMEMBASSY HABANA

~~SECRET~~

11

289

Oct 18, 1960

FROM: SECSTATE

NO: PRITY 857 October 17, 1960 10 pm

EYES ONLY FOR AMBASSADOR FROM HERTER.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NEJ 94-238  
By WJ, NARA, Date 1-30-95

In view of general situation now prevailing Cuba and attitude GOC I believe time has come recall you for consultation for indefinite period. President shares this view. As I know you are aware, GOC has no intention attempting settle differences through diplomatic negotiation. It has failed send Ambassador Washington and treatment and consideration accorded you in recent weeks not consonant with dignity and prestige US. Should break in relations ultimately occur, which seems probable, thus forcing your departure such act would also provide progaganda for Castro.

It is my hope and desire that upon your arrival Washington you will accept temporary assignment replace Ambassador Dreier who is resigning as US Rep Council of OAS, while retaining your present title and salary. I am sure you will appreciate the great importance of the OAS in the coming months and the need for maintaining the high level of our representation.

I wish take this opportunity commend you for fine manner in which you have carried out your present assignment and to express my

~~SECRET~~

~~SECRET~~

289

Oct 18, 1960

PAGE TWO DEPT TEL PRITY 857

appreciation for your help and advice on the Cuban problem which has been most trying for all of us but, I know, particularly difficult and frustrating for you.

Travel orders await your reply. Would ten days be sufficient time for you to wind up your affairs in Cuba?

HERTER

HGS:hgs

~~SECRET~~

*Amb's files 12*  
*for destruction*  
*Nationalization Dept.*  
*Agrarian, Gorn law*  
*Reversion Crude*  
*oil*

American Embassy,  
Habana, Cuba,  
October 4, 1960.

OCT 5 1960

SECRET - EYES ONLY

Dear Tom:

I am grateful to you for your letter of September 27 with regard to mine of August 2. There is no doubt that my communication is now somewhat dated by events. I had hoped that Castro might have delayed the application of the Nationalization Law until after the San José meeting, since his case would have been better had he done so, and our case could have been improved through some such expression of readiness to negotiate as I had proposed.

I believe that your approach to the expropriated properties is sound in principle. I do not believe we have any prospects of getting back lands taken or to be taken under the Agrarian Reform law. Nor do I think the prospects of getting back the utility companies are good. This has been an issue in Cuban politics for the past generation. I doubt whether the prospects in connection with the refineries are particularly promising, but I am sure we should make a strong effort here. As for the sugar mills, the outlook may be somewhat better.

I do not have my proposal before me since we have sent most of our files to Washington, but I do think that the setting up of a compensation fund to handle property taken under the Agrarian Reform law would be wholly justified, since we do not, as I understand it, argue that there is much prospect that these lands will be returned.

I assume

The Honorable  
Thomas C. Mann,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

SECRET - EYES ONLY

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/k*, NARA, Date *3-16-09*

MANN, Thomas C.

PRESERVATION COPY

~~SECRET - EYES ONLY~~

-2-

I assume that you have seen other communications from me on this general subject, including a letter which I wrote in early June regarding the Soviet crude oil situation, a telegram which I sent when I was advised of our quota action less than 24 hours before it became public and some correspondence regarding the attitude of American firms toward their subsidiaries here—a correspondence motivated by the Continental Can Company's abandonment of its plant.

With cordial regards,

Sincerely yours,

Philip W. Bonsal

PWBonsal:vk

~~SECRET - EYES ONLY~~

PRESERVATION COPY

DEPARTMENT OF STATE  
WASHINGTON

*Aug file*

13

SECRET

September 27, 1960

Dear Phil:

I have your letter of August 2, 1960 to Dick Rubottom which I gather has not been answered. You may consider your suggestions somewhat out of date in view of all that has transpired since.

In any case, it seems to me that we cannot really hope for any improvement in our relations with the Castro regime until it takes effective steps to diminish Sino-Soviet influence in internal Cuban affairs and to cease exporting its "revolution" to Latin America. The prospects that Castro will take action along this line seem to me to be very dim, if not non-existent.

Similarly, I don't believe we really have any chance of working out with the Castro regime a satisfactory solution of the problem of the expropriated properties. Our best bet is to wait for a successor regime in the hope that we can work out something fair and reasonable. In this connection, considering the magnitude of our claims and the need which Cuba will have for development capital, I would think we should try for a return of the industrial properties to their owners and for at least the return of a part of the sugar and cattle properties. In this way we could hope for adequate compensation for the properties which remain expropriated.

If this is a sound premise, I see no point in proposing the setting up of a compensation fund to be created out of import or export taxes. There is no reason to believe the Cubans would agree. And even if they should, it would seem to me to give a certain degree of finality to the expropriations. Furthermore, the creation of a compensation fund in the manner you suggest, or in some other manner, is

something

The Honorable  
Philip W. Bonsal,  
American Ambassador,  
Habana.

DECLASSIFIED

Authority FRUS 1958-60, Vol VI, pp 1073-1074

SECRET

By SP, NARA, Date 8/25/93

SECRET

-2-

something which could be worked out later if this is thought to be wise. We lose nothing by delaying action on this and we might gain considerably by doing so.

With every good wish,

Sincerely yours,

Thomas C. Mann

SECRET

Copy No 1 - Mr. Stevenson  
No 2 - " "  
No 3 - Files  
No 4 - Unit 15

American Embassy,  
Habana, Cuba,  
September 14, 1960.

14

~~SECRET~~

Dear Bob:

Thank you very much for your good letter of September 8. It is indeed a pleasure to have this account of what is going on in the Department.

I can see no reason why we should not go ahead, at our convenience, with the termination of the preferential trade relations between the United States and Cuba. I would hope, however, that anything we do in this direction might be planned to coincide with some sort of an offer to negotiate regarding the amount of sugar to be supplied to the United States by Cuba next year and the proportion of the purchase price which should be set aside to compensate American citizens whose properties here have been confiscated by the Cuban Government. I think it is most important that we get on to some sort of constructive stance as soon as possible, even though the chances that the Cuban Government will negotiate on any basis we could put forth are extremely slim. I expressed some views on this subject in an eyes-only letter of August 2 to Dick Rubottom, which, I assume, you have seen.

Under the circumstances, I do not believe that for us to tear down the economic and trade relationships between the United States and Cuba is going to build up serious pressures on this Government, the stakes for which the Russians and the Chinese Communists are playing are much too high. Furthermore, the more our actions give color to the excuse that the Cuban Government must rely increasingly on the Soviet Union and on the Chinese Communists for the economic welfare and indeed for the economic survival of Cuba, the more difficult it is going to be for us to make our position plausible and understandable to our friends in the hemisphere and in Western Europe.

Robert A. Stevenson, Esquire,  
Bureau of Inter-American Affairs, CMA,  
Department of State,  
Washington, D. C.

I am

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/jc* NARA, Date 3-16-09

PRESERVATION COPY

~~SECRET~~

-2-

I am delighted at the prospect of your being named Deputy Director. I hope this goes through. You have certainly deserved a promotion. I can imagine that the job of finding a replacement will be a very difficult one.

I am looking forward to reading the Irving Pflaum pamphlets. It seems to me that we indeed did come to Castro in a most outgoing fashion during the early days of his regime in spite of a good many unfavorable statements from him and from his followers. I made every effort from the time of my arrival to establish a basis of friendship and cooperation with him. As was duly reported by telegram, I arranged a meeting with him and with his economic advisers on the eve of his departure for the United States in April 1959. My purpose was to find out if he had anything specific in mind for which I could prepare Washington officials. The meeting indicated that Castro was simply not thinking along any sort of practical, constructive lines. When Castro returned from the United States on May 7, I immediately <sup>asked</sup> him for an interview and followed this up through the then Foreign Minister with increasing energy. I was unable to see him until June 10, after a very drastic and obviously anti-American agrarian reform program had been adopted. And, of course, this is only one side of the question. You are familiar with the reception and the opportunities given to Castro and his advisers in various agencies of our Government as well as in New York.

I do not think there is any doubt that the Cuban purchases of U.S. currency are to finance publicity throughout the world as well as subversive activities. I hope that we can trace some of these bills in such a manner as to pin the latter type of activity definitely on the Cubans.

The Colin Rivero visa has been taken care of. He is not a general favorite here. I am following up on the other visa cases. I have just seen young Christopher Baker, who is most grateful to you for your assistance.

I would like to take some leave. I have no immediate plans except I would not wish to depart until Dan Braddock returns early in October. Also I would prefer to wait until

Castro

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

-2-

Castro returns. If anything were to happen to him in the United States, things would break loose here in a most unpleasant fashion. Also, as I indicated to you, I think it might be helpful for me to do a bit of consultation. We here have not had an opportunity, over the past few months, to state our views regarding the important policy decisions which our Government has taken in regard to Cuba (the cut in the sugar quota) and in regard to U. S. private enterprises operating here (especially the oil companies). I think this has been regrettable, although I realize that in these cases you have to contend with factors to which perhaps we do not give adequate weight.

All the best to you and yours, as always,

Sincerely,

Philip W. Bonsal

~~SECRET~~

REPRODUCTION COPY

American Embassy,  
Habana, Cuba,  
September 2, 1960.

OFFICIAL USE ONLY

Dear Dick:

I had the pleasure of seeing my Argentine colleague the other evening shortly following his return from San José. He spoke very highly of the U.S. Delegation and particularly of your "brillante actuación". He gave me a very vivid picture of what you were up against. My hearty congratulations.

By the way, I wrote Les Mallory a note about Herbert Matthews' most recent visit here. He may have shown it to you. I was not too surprised at his New York Times editorial of September 1 on San José.

I hope that Billy and you are enjoying a few weeks of well-deserved rest.

Margaret joins me in very best to you both.

Sincerely,

Philip W. Bonsal

P.S. I am enclosing some quotes from Roa's television appearance last night in which he furnished some thumbnail sketches of some of the personalities at the Conference.

The Honorable  
Roy R. Rubottom, Jr.,  
Bureau of Inter-American Affairs,  
Department of State,  
Washington, D. C.

OFFICIAL USE ONLY

*talk w/ Herbert Matthews  
re quota action*

14

American Embassy,  
Habana, Cuba,  
August 19, 1960.

~~CONFIDENTIAL~~ - EYES ONLY

Dear Les:

As you probably know, Herbert Matthews has been spending a few days in Cuba. He arrived on August 9 and telephoned me. I invited him to drop in and we had about an hour together. I thought he was more uncertain in his views about the regime here than ever before. I told him as emphatically as I could about recent behavior and attitude of the Cuban Government affecting American interests.

Matthews is troubled about our quota action although he says that this is a matter on which of course The Times could not attack the Department "at a time like this". I gave him a resume of the political and economic actions of the Cuban Government which have destroyed the bases on which our quotas were established. I did not see Matthews again although Margaret tried to get him for dinner one evening when he was otherwise engaged. I was afflicted with an intestinal infection (fever of 102) which kept me at home from Saturday evening the 13th through Wednesday the 17th.

I gather however from a couple of reliable sources that Matthews spent several hours with Castro and went fishing with him. My sources indicate that he is once more completely under Fidel's spell and may be expected to write accordingly. I hope that this is not true.

I can

The Honorable  
Lester D. Mallory,  
Deputy Assistant Secretary of State,  
Bureau of Inter-American Affairs,  
Department of State,  
Washington, D. C.

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By g/k NARA, Date 3-16-05

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MALLORY, Lester D.

~~CONFIDENTIAL~~ - EYES ONLY

- 2 -

I can imagine the burdens you must be carrying these days  
and send you my warmest regards.

Sincerely,

P.

Philip W. Bonsal

PRESERVATION COPY

EMBASSY OF THE UNITED STATES  
OF AMERICA,  
HABANA

AUG 17 1960

ASSISTANT SECRETARY OF STATE  
WASHINGTON

*ltr from Rubottom  
Re New Assignment*

*Very full*  


August 11, 1960

17

Dear Phil:

*Attached*

I have yours of August 4 and August 6 and greatly appreciate the thoughtful message about our new assignment. You can imagine that we are looking forward to it, although the past four years and four months have had their lighter and more pleasant moments as well as the burdensome ones. Not the least of my memories are the pleasant associations that I have had with you personally and that Billy and I have had with you and Margaret.

The VOA broadcast seemed to catch on rather well, and I am glad that you liked it. Certainly, I was able to put my heart as well as my mind to the task.


Hoping to see you again one of these days,

Sincerely yours,

*Dick*

R. R. Rubottom, Jr.

RUBOTTOM, R. R.

The Honorable  
Philip W. Bonsal,   
American Ambassador,  
Habana.

*true v*  
*Auth & Files*  
*Recog of Cuba to*  
*Che Comin*

18

American Embassy,  
Habana, Cuba,  
August 5, 1960.

CONFIDENTIAL

EYES ONLY

Dear Dick:

I had a visit this morning from Mr. Krishnamachari Balaraman, a correspondent in the United States for the Hindu of Madras. I was quite impressed with him.

He brought up the subject of the recognition by Cuba of Communist China. He said that he was strongly impressed with the evident sensitivity of people with whom he had talked in the Cuban Government, including Roa, to the probability that such recognition would be unfavorably viewed by the other American republics, including especially Mexico, the good opinion of whose government was much sought after.

I do not know whether it would be possible to enlist Mexican cooperation in this matter but it might be worth a try.

Sincerely yours,

*1 W 3*

Philip W. Bonsai

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

CONFIDENTIAL

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *19/jc* NARA, Date *3-16-09*

PRESERVATION COPY



DEPARTMENT OF STATE  
WASHINGTON

*Item Neg - Level*  
*Discussion re*  
*Cuba*  
19

Document consists of 1 pages  
No. 1 of 4 Copies, Series A

August 5, 1960.

*Rec'd Aug 11*

EYES ONLY

~~SECRET~~

OFFICIAL-INFORMAL

Dear Phil:

With reference to my letter of August 2, 1960 I am sending you herewith a memorandum of the high-level discussions on Cuba which took place on June 27th. This memorandum is for your personal use only. Please return it to me as soon as possible.

Your comments would, of course, be welcomed, as always.

With kind regards, I am

Sincerely yours,

*Rick*  
R. R. Rubottom, Jr.

Enclosure:  
As stated.

The Honorable  
Philip W. Bonsal,  
American Ambassador,  
American Embassy,  
Habana, Cuba.

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *vg/jc*, NARA, Date 3-16-09

PRESERVATION COPY

*Please return  
to MK*

*19a*

American Embassy,  
Habana, Cuba,  
August 23, 1960.

OFFICIAL - INFORMAL  
~~SECRET - EYES ONLY~~

Dear Dick:

Many thanks for your letter of August 5 which I received on August 11, enclosing a memorandum of high-level discussions on Cuba which took place on June 27th. I note that I received the memorandum ~~about these~~ 45 days after the discussions took place. Nevertheless I was much interested in receiving this information.

In view of the time elapsed, I will refrain from any specific comment other than to express the hope that we here can be more fully informed about Washington's thinking on these extremely important subjects. *I am returning the memorandum as requested*

With cordial regards,

*P.*

Philip W. Bonsal

Enclosure:

Memorandum

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for  
Inter-American Affairs,  
Department of State,  
Washington, D. C.

REGISTERED  
*565*  
AUG 24 1960

SECRET - EYES ONLY

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
*Byrjje* NARA, D-3-16-09

PRESERVATION COPY

*Congrats to Rubottom  
on new job*

20

American Embassy,  
Habana, Cuba,  
August 4, 1960.

Dear Dick:

I have been rather reluctant to add to the avalanche of letters you must be receiving about your new job. But I do want Billy and you to know that Margaret and I are thinking of you both and wishing you the very great success which you deserve. Our very heartiest congratulations to you both.

Warm regards,

Sincerely,

Philip W. Bonsal

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

*De 3 Ambassadors Office, destroyed vs  
no 1 to Mrs. Rubottom*

21

American Embassy,  
Habana, Cuba,  
August 2, 1960.

**SECRET - EYES ONLY**

Dear Dick:

The purpose of this letter is to discuss with you certain aspects of our economic policy toward Cuba and to formulate a suggestion for a possible negotiating attitude on our part in the matter of sugar to be acquired by the United States in 1961 and thereafter. I am as convinced as anyone could be that we cannot do business with Castro and the people who currently control him, but I suggest that we should assume attitudes which will have the appearance of constructiveness even though, considering the people we have to deal with, they may not lead to constructive results.

Our current economic policy toward Cuba, so far as it has been revealed to this Embassy, has been manifested in the following actions:

a) The oil companies have refused to refine Soviet crude oil and have defied the order of the Cuban Government that they should do so. They probably would not have taken this attitude without the encouragement of our Government. As a result, the three refineries have been intervened and the Soviet Union has, in effect, assumed the responsibility for supplying crude oil to Cuba, a responsibility formerly discharged by ESSO, Texaco, and Shell from their Venezuelan sources of crude. So far, there have been no indications of serious difficulties in the supply of petroleum products here. Such difficulties may develop in the future.

b)

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

REGISTERED  
273 AUG 3 - 1960

**SECRET - EYES ONLY**

**DECLASSIFIED**

Authority FRUS 1958-60, Vol. VI, pp. 1040-1045  
By SP, NARA, Date 8/24/93

SECRET - EYES ONLY

-2-

b) On July 6, we practically eliminated the unshipped balance of Cuba's sugar quota in the United States for 1960. The effect of our action has been to reduce our purchases of Cuban sugar by perhaps as much as one million short tons, if we consider the deficit allocations and consumption increases in which Cuba might have expected to share. So far, we have not experienced any very strong reaction to this step particularly in the other American republics because Khrushchev's rocket-rattling statement of July 9 has been the center of attention. That was providential. However, the effect will be only temporary and eventually our action in bringing about so drastic a reduction in the sales in the United States of a product upon which Cuba's economic welfare depends will be subject to sober analysis and discussion with results which, I anticipate, will be unfavorable to us. This will be particularly the case if the forthcoming meeting of Foreign Ministers results in some sort of resolution on behalf of the Inter-American System followed by an increasingly critical analysis of a number of aspects of the policy of the United States toward the other American republics including especially Cuba.

c) Our Government is apparently encouraging American business interests to abandon their activities here. This is apparently designed to increase the burdens and responsibilities of the Cuban Government. The representative of the Continental Can Company here tells me that the President of his company, General Lucius Clay, has been in touch with Secretary Anderson on this subject. Continental Can is abandoning its operation in Cuba which is a very minor one in the corporation's total activity but which is most important to Cuba and will have to be carried on by the Government. A few days ago the Cuban-American Sugar Company's three mills here (two of which are among the largest in Cuba) were intervened by the Government allegedly because the responsible management of the company left Cuba. Apparently there is involved here also the return to the National Bank of Cuba of several million

dollars

SECRET - EYES ONLY

dollars representing sugar sold and exported by the Cuban-American Sugar Company. Similarly, I understand that the United Fruit Company is planning to abandon its operations. I assume that other American sugar companies are working along similar lines. The result will be that the Cuban Government will have to insure the financing and the management of a number of important sugar mills although presumably it will be assisted in the financing by the availability to it of the Cuban assets, including local bank balances and raw sugar availabilities of the companies in question.

I hope that the above actions are a part of a carefully thought out program. I would appreciate any information available on the subject. The immediate result of these actions, is, of course, to increase the economic influence of our enemies in Cuba at the expense of our own.

The Venezuelan market for oil in Cuba has been lost for the time being. The Cuban economy has been made wholly dependent for crude on the Soviet Union, which has so far shown itself able to handle the situation. Our companies have lost the refineries and the market. The revolutionary ego is, for the time being at least, being really inflated as a result of this situation. There may, of course, be a day of reckoning--I hope so.

With respect to sugar, the Russians are buying 1,700,000 Spanish long tons of sugar in Cuba this year. The Chinese Communists are buying 500,000 long tons. That makes a total of 2,200,000 long tons sold to areas whose total purchases in the past have rarely exceeded half a million tons. While it is true that these purchases are at a low price compared to ours and that 80% of the price is to be paid for in goods of unknown price and quality, the fact is that 1960 will go down in Cuban history as the year when the Communists expanded their purchases of Cuban sugar by nearly two million tons while the United States was curtailing its takings by nearly one million tons.

With

SECRET - EYES ONLY

-4-

With regard to the policy of "abandonment" of American assets here, I must say that I have shared the view of many Americans here to the effect that the best available policy could be expressed in the slogan "stick with it! These people believe that the Castro Government should be obliged by positive actions to reduce our place in the scheme of things. Instead, the course of action which we advocate, by creating vacuums in the Cuban economy, also creates opportunities for the Cuban Government to walk in with increasing help from the Communist countries. The policy will, of course, further strain the management and the financial capabilities of the Government.

None of the above elements of economic pressure will bring this Government to its knees though they in themselves are being increasingly interpreted, even by our friends, as unsuccessful attempts to do so.

Now, I tend to think that this Government is doomed because of its own incompetencies and incoherences and because it is becoming increasingly hateful to increasing numbers of the Cuban people. But I do not claim to have a crystal ball in good working order.

There are some who believe that the Government already is mortally wounded and that the power struggle going<sup>on</sup> around the sick or captive Fidel represents a final stage in its disintegration. I think that is over-optimistic though I respect the judgment of those who, like my Argentine colleague, take this view. I believe that, while the Government is doomed, its death struggle may well be quite prolonged and, I fear, quite bloody. But I do not believe this regime can last or that the Cuban people will submit indefinitely to the sort of regime which Ché Guevara is fashioning for them.

It is important that the inevitable downfall of the present Government not be attributed to any important extent to economic sanctions from the United States as a major factor. (If such sanctions were the only way open to us to keep Communism out of the hemisphere, that would be another question, but I do not believe that is the case either here or in the other American republics where the Communist menage is

potentially

SECRET - EYES ONLY

potentially as great as it is in Cuba and where the economic pressures available to us are considerably less significant than they are here.)

A new government here which was generally believed to owe its existence to the destruction of the Castro Government through United States economic sanctions would be a weak one both at home and in the hemisphere. Castro and his followers would be the latest martyrs to American imperialism instead of, as I would hope, horrible examples of what happens when the Communist International takes over a legitimate revolutionary movement in the Americas.

Also it seems to me that the atmosphere of resistance and defiance created by overt American economic sanctions of the kind described above is helpful to the Castro Government both because it exacerbates the nationalistic sentiment on which Castro lives and because it furnishes a seeming justification for increasingly drastic actions to curtail and destroy private property rights.

This does not, of course, mean that we should continue to follow the same economic policies with Castro's Cuba as we did with Cuba in the pre-Castro period. Then we were dealing with the government of a country which had long been our friend in time of peace and our unconditional ally in time of war. Now we are faced with an unfriendly government which will be the ally of our enemies in case of war. Our response to the attitudes and actions of the present Cuban Government, in the unhappy event that it remains in power, must be a thorough, if gradual, overhauling of the economic relationship from which the Cuban Government has removed by its actions the reciprocal advantage for the United States upon which the preferential treatment accorded by us to Cuba was based.

The approach which I now wish to suggest to you is based upon the above considerations. It endeavors to tie together, on the one hand, the Cuban interest in holding a

share

share of the United States sugar market--an interest which coincides with our own interest--and, on the other hand, the compensation of American corporations and individuals whose property has been taken by the Cuban Government.

I propose that at some time before a determination is made as to Cuba's 1961 sugar quota, I be instructed to approach the Cuban Government at the highest possible level (Castro or Dorticós) and that I state that the United States Government is considering its policy regarding purchases of sugar from Cuba in calendar 1961. I would add that Cuba had chosen its own course in economic and social matters, as well as in matters of trade with the United States, although our economic and trade interests had been seriously and adversely affected thereby. I would state that this Cuban unilateral action gave us the right similarly to exercise our sovereign power to defend and advance the legitimate interests of our country and of our citizens as we see fit, but that I thought that prior discussion before we reached decisions might be desirable even at this late stage.

Specifically, I would say that as a result of action of the Cuban Government in the past 18 months, United States citizens have been deprived of their property and of essential property and management rights in assets valued at perhaps in excess of one-half billion dollars. I would point out that the prospects of any sort of prompt, effective, adequate compensation appear very slim in view of the circumstances prevailing here. In these conditions, sentiment in the United States for a further drastic reduction of the Cuban sugar quota is very strong and is hard to combat logically. The excessive hostility of Cuban leaders toward the Government and hence the people of the United States has done a great deal of damage. I would have no difficulty in making a very strong presentation on this subject.

I would suggest that there is a definite and logical relationship between continued purchases of sugar by the United States and fair treatment by the Cuban Government of American interests here which have been damaged by it. I would make clear that I am not endeavoring to reverse the policies of the Cuban Government in so far as they represent a legitimate exercise of Cuban sovereignty but that I am asserting the rights of our citizens under Cuban and international law and the right of our Government, in the exercise of its own

sovereignty, to take such measures as it may see fit to defend those rights.

I would then make a specific proposal to the Cuban Government. I do not want to suggest the details of such a proposal at this time since they should be the subject of the most careful study in the Department. I believe, however, that the proposal should include the following:

1. The setting up of a Cuban-American Claims Commission with representatives of both governments to consider and, if possible, to agree upon the claims of American citizens against the Government of Cuba. The terms of reference of such a commission would have to include provisions for further procedures in the event of disagreement.

2. A commitment on the part of the Cuban Government to make available to the proposed Commission each year a sum of money which should be at least \$50, million and might be initially suggested as twice that amount. These funds could be derived from a Cuban tax on sugar exports or from any other source, it being up to the Cuban Government to fulfill its commitment on this score.

3. A commitment on the part of the United States, if the above points are agreed to, to fix a quota for Cuban sugar in the United States of a specific initial amount. I have thought of 2 1/2 million Spanish long tons in this connection but believe this should be very carefully studied.

Obviously, the amount which Cuba would make available for United States claims should bear a relationship to the dollars made available to Cuba as a result of the sugar price differential.

The timing of this approach would have to be very carefully considered. It might be a maneuver which would help in connection with the forthcoming meeting of Foreign

Ministers.

SECRET - EYES ONLY

-8-

Ministers. I cannot judge from here. I do think we should put ourselves in a positive position vis-a-vis this situation as soon as possible. The probable rejection by the Cubans Government of a reasonable proposal by us would be helpful to us in terms of hemisphere opinion. On the other hand, I think it is important that we make a serious effort to arrest the disastrous destruction of our economic interests in Cuba and of our trading position with Cuba, both of which are rapidly going down the drain as a result of the current actions of both governments.

Sincerely yours,

Philip W. Bonsal

PWBonsal:vk

SECRET - EYES ONLY

*Gen Clay's decision  
to abandon Cuban  
operation*

22

American Embassy,  
Habana, Cuba,  
July 29, 1960.

CONFIDENTIAL - EYES ONLY

Dear Dick:

Supplementing a message we sent you yesterday, I think I should report that Clark Valentiner, the Continental Can representative here, tells me that the decision taken by General Lucius Clay, in effect, to abandon the company's Cuban operation was taken after consultation between General Clay and Secretary of the Treasury Anderson. I gather that Secretary Anderson was strongly in favor of this measure.

If this represents a general policy applicable to American companies in Cuba, I think we should be notified by the Department.

Sincerely yours,

Philip W. Bonsal

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

CONFIDENTIAL-EYES ONLY

PWBonsal:vk

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/jc* NARA, Date *3-16-09*

PRESERVATION COPY

*See Clay's order to  
shut down Cuban  
operations.*

22a

OFFICIAL-INFORMAL  
~~SECRET~~

August 2, 1960

Dear Phil:

I have been thinking about your telegrams Nos. 318 of July 20 and 439 of July 27 reporting your conversation with Mr. Valentiner of the Continental Can Company regarding General Clay's order to shut down Cuban operations and I am frankly somewhat troubled and puzzled by the answer which you have given him. As we have fully agreed for many months now there is no hope for us in the Castro regime and our immediate policy goal for Cuba is to do what we can, without directly intervening, to facilitate and encourage Cubans themselves to regain their freedom. Committed to this course as we are, with no prospect of a betterment in our relations with this regime, with steadily increasing harassment of American interests and with increased risks to personal safety, I strongly feel that we should do nothing to encourage American firms to continue their operations in Cuba particularly when they have of their own volition arrived at a decision to terminate their operations. Perhaps it was not your intention that your remarks should be interpreted as being contrary to this view, but I understand that they were in this case.

I know that you will agree that it is not surprising, in the light of the situation in Cuba today, that American businessmen should question whether it is in their best interests to continue their operations in Cuba. The decision is theirs to make, and we here feel that our position while being correctly non-committal should in no way seem to indicate encouragement to carry on and where appropriate should make clear that we do not consider it to be in the national interest for U.S. firms to invest in Cuba at this time. I feel this must be our position particularly in our knowledge that should the OAS fail to provide a solution we shall very probably soon find it necessary in self-defense to undertake additional economic measures.

Moreover, considering our present policy toward the Castro regime which has been the subject of various communications over the past months, I feel that we can do little else but reflect a considerable

degree

The Honorable  
Philip W. Bonsal,  
American Ambassador,  
American Embassy,  
Habana, Cuba.

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E.O. 13292, Sec. 3.4

By g/jc NARA, Date 3-16-09

~~SECRET~~

PRESERVATION COPY

~~SECRET~~

-2-

degree of pessimism when responsible Americans with business in Cuba request our views.

With kind regards, I am

Sincerely yours,

R. R. Rubottom, Jr.

~~SECRET~~

PRESERVATION COPY

Copy No. 2 - Amb's Files  
Copy No. 3 - Emb Files

22b

Cleared with:

Mr. Bradlock

American Embassy, Mr. Gilmore  
Habana, Cuba,

August 5, 1960.

OFFICIAL - INFORMAL

SECRET

Dear Dick:

I have your letter of August 2 about the Embassy's telegrams 318 of July 20 and 439 of July 27 reporting my conversation with Mr. Valentiner of the Continental Can Company regarding General Clay's order to shut down the Cuban operations of the company.

I too was somewhat puzzled by this whole matter and I hoped that my telegram of July 20 would elicit some information as to whether there was, in fact, a policy of the United States Government which would have encouraged the contemplated shutdown. The fact that I received no comment from the Department on this score led me, quite naturally, to reiterate the position I had taken when I saw Clark on the 27th. I wrote you on this subject on July 28.

It is my understanding that it is my duty to reflect, in my conversations with American businessmen and with others, the policy of our Government regardless of what my personal opinions may be. This I have endeavored to do but I consider that I was on this occasion left uninformed.

I do believe strongly that it is undesirable for American firms by their own actions to facilitate and to expedite the highly unwelcome process of wholesale reduction of

American

The Honorable

Roy R. Rubottom, Jr.,

Assistant Secretary for Inter-American Affairs,

Department of State,

Washington, D. C.

SECRET

DECLASSIFIED

E.O. 13292, Sec. 3.4

By g/jc, NARA, Date 3-16-09

PRESERVATION COPY

RUBOTTOM, R. R.

SECRET

-2-

American economic interests which is currently going on in Cuba. We should make this take-over as long drawn out and as difficult as possible in the hope that developments here may put a stop to it and eventually reverse it. We should not deceive ourselves with the thought that the withdrawal of American business operations here causes insuperable difficulties for the Castro Government. They have the backing of a large, highly industrialized nation (Soviet Russia) and of a number of industrially and technically competent satellites of Soviet Russia. There is no doubt in my mind that eventually the complete replacement of our interests is contemplated but that it is also contemplated that this should be done over a certain period of time. I would anticipate that Continental Can would have been intervened in any case within a few months, but I believe that it would have been more advantageous to our interests for this to be on Cuban Government initiative rather than as a result of the company's abandonment of its operations.

The above, however, is a personal opinion. If it does not coincide with official opinion, I think I should be told specifically and formally what I am expected to say when these questions come up. I can assure you, referring to the final paragraph of your letter, that all of us reflect a considerable degree of pessimism when responsible Americans with business in Cuba request our views. In fact, we share that pessimism with our friends in the American business community here. Some of us, however, believe that in the long run trying to stay in business and to outlast the Castro Government may be the best policy. This, of course, varies from case to case.

All the best.

Sincerely yours,

Philip W. Bonsal

PWBonsal:vk

SECRET

PRESERVATION COPY



DEPARTMENT OF STATE  
WASHINGTON

EMBASSY OF THE UNITED STATES  
OF AMERICA,  
HABANA

AUG 26 1960

*My file*

*Ret to V.K.*

OFFICIAL-INFORMAL

SEP - 1 1960

SECRET

Dear Phil:

In Dick's absence I am replying to your letter of August 5 in regard to what we should say to Americans with business interests in Cuba when they ask our views as to whether or not they should stay on.

On re-reading Dick's letter I really do not believe I have very much more to add. We can only reflect pessimism about the situation as it is today. In fairness to those inquiring we can only express the view that, far from expecting our relations with Cuba to improve, we can only anticipate that, on the contrary, they will get steadily worse--and rather rapidly at that.

The companies must consider not only their investments but also the safety of their personnel. The new exit permit system would not appear to augur very well for Americans desiring to leave, although as you said in your recent telegram, they are not known to have experienced difficulties as yet. Also to be considered is the likelihood that transportation difficulties will increase as time goes on.

The decision is, of course, one which the companies themselves have to make. There is no official policy in the sense that we can make this decision for them. We will have done our duty towards Americans with interests in Cuba when we reflect our pessimistic belief that the situation will be getting worse. And if, in the light of all the circumstances, they come to their own conclusion that, overall, it is in their best interest to leave, we would not want to be in the position of encouraging them to stay on.

With kind regards,

Sincerely,

*Les*  
L. D. Mallory

The Honorable  
Philip W. Bonsal,  
American Ambassador,  
American Embassy,  
Habana.

SECRET

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/jc*, NARA, Date *3/6-09*

PRESERVATION COPY

*No 1 to Mr. Rubottom 22d*

*Mr. Bradbrook*

American Embassy,  
Habana, Cuba,  
July 28, 1960.

*Pls ret to V.K.*

SECRET - EYES ONLY

AUG 3 - 1960

Dear Dick:

Rufo Lopez Fresquet is a member of the American Club and was present at our Fourth of July breakfast. Afterward he came up to me and, after making some pleasant remarks about my speech, said that he had heard from Manuel Ray, who was Minister of Public Works in the Castro Government until November 1959, that the Cuban Government has some sort of information implicating this Embassy in conspiratorial conversations with "high members" of the Cuban Government. I told Rufo that I did not know what he was talking about. He said that he understood the Cuban Government is working up some sort of a "show" on this.

I did some checking around the Embassy and was unable to find any basis whatever for the above story. Our contacts with people in the Government are indeed scanty under present circumstances. I do not see how it could be otherwise considering the attitude assumed by Castro and his followers.

I had dismissed this matter from my mind as probably just one of the many baseless "bolas" that circulate when my attention was again drawn to the possibility of the Cuban Government being engaged in preparing some sort of a frame-up involving the Embassy by the Argentine Ambassador's account of a remark

made

The Honorable

Roy R. Rubottom, Jr.,

Assistant Secretary for Inter-American Affairs,

Department of State,

Washington, D. C.

REGISTERED

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AUG 3 - 1960

SECRET - EYES ONLY

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E.O. 13292, Sec. 3.4

By *rg/jc* NARA, Date *3-16-09*

~~SECRET - EYES ONLY~~

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made by Ché Guevara in the presence of Fidel Castro and of the Ambassador on July 23. This remark, addressed to the Ambassador was to the effect that "your great friend the American Ambassador is conspiring openly."

These people are so reckless and unscrupulous that we may expect anything from them. I would not be at all surprised if they tried to put on some sort of a performance in order to influence the OAS meeting next month.

Sincerely yours,

PWS

Philip W. Bonsal

P. S. I am informed that on the evening of July 4, Rufo was called on by Major Almeida, the head of the Army, told that he had been seen talking with the American Ambassador at the American Club, and asked what the conversation was about.

~~SECRET - EYES ONLY~~

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PWBonsal:vk

PRESERVATION COPY

No 1 to Mr. Rubottom  
Re Prio departure from Cuba  
Mr. Braddock

Please return to V.K.  
American Embassy,  
Habana, Cuba,  
July 26, 1960

JUL 27 1960  
23

SECRET - EYES ONLY

Dear Dick:

I am reliably informed that former President Carlos Prio Socarras is hoping to leave here about August 5. His eventual destination is Spain. He may be coming through the United States. I am hopeful that, if Prio is permitted to leave Cuba (and there is some doubt about this), he may make a statement, at least, disassociating himself from the Communist tendencies of the present Cuban Government. Such a statement would be very helpful here in Cuba where Prio has a good deal more influence and standing than he deserves, in my judgment at least.

I will be checking through normal channels as to whether Prio would be subject to any sort of legal harassment in the United States for his former gun-running activities. It would be desirable, so far as possible, not to stir up these matters again. Perhaps you could give a discreet indication to this effect through whatever channels are available to you. I am not, of course, asking that our legal machinery be paralyzed but that where discretion exists it be exercised in a passive rather than an active direction.

Sincerely yours,

Philip W. Bonsal

REGIS  
214 JUL 27 1960

The Honorable  
Roy R. Rubottom, Jr.,  
Assistant Secretary for Inter-American Affairs,  
Department of State,  
Washington, D. C.

PWBonsal:vk

SECRET - EYES ONLY

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *gjc* NARA, Date 3-16-09

PRESERVATION COPY

PRIVATE

Habana, July 25, 1960  
11:15 a.m.

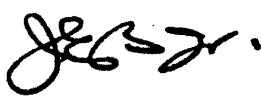
TO: THE AMBASSADOR

Sra. Conchita Castanedo dropped in for a moment.

She asked me to let you know that she had told Dr. P that, in accordance with what you had said to her, he would encounter no difficulties in the U.S.

For August 5, Dr. P has a reservation to travel to Spain. He had thought of going early in July, but has really been ill, and for this reason could not go, she said.

She added that, although Dr. P is friendly with the P.M., she wondered if the Commies might nevertheless prevent Dr. P's going, despite the P.M. She thought the Commies did not want him to go.



James E. Brown, Jr.

PRESERVATION COPY

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *rg/jc*, NARA, Date *3-16-09*

<sup>5</sup>  
Mr. Braddock has seen

No 1 to Mr. Rubottom 25  
Rumors re Cuba  
Castro's views re Cuba  
being Soviet satellite  
Che Guevara - power

American Embassy,

Habana, Cuba,

July 13, 1960.

JUL 13 1960

SECRET - EYES ONLY

Dear Dick:

We do not report by any means all of the rumors or "bolas" which come to our attention. I have, however, heard from two or three sources that Fidel Castro was caught entirely off base by Khrushchev's July 9 statement about what Russia would do to us if we invaded Cuba. The rumor, as I get it, is that he was perfectly furious about a development which puts Cuba entirely under the Soviet wing, and that his illness and consequent non-appearance at the July 10 demonstration was brought on by his anger at the Russians. According to this same "bola", Ché Guevara and other Communist elements within the Government worked on Fidel, threatened him with arrest or even with elimination and finally brought him to the point where he made his sick-bed talk on the evening of July 10 expressing appreciation to Khrushchev. As the story goes, however, Fidel is now more or less of a pawn in the hands of Guevara.

I do not have any way to verify this type of "bola". I am convinced that Guevara is the actual ruler of this country at this time, but that he could not rule for very long without Fidel.\* Raul Castro, when he returns, will undoubtedly furnish the answer to some of the questions about relations with the Soviet Union.

The presence here of mysterious weapons, including rockets, and migs is increasingly rumored. We have not gotten to the bottom of any of these rumors in a satisfactory fashion but I am

convinced

The Honorable

Roy R. Rubottom, Jr.,

Assistant Secretary for Inter-American Affairs,

Department of State,


Washington, D. C.

REGISTERED

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SECRET - EYES ONLY

DECLASSIFIED

Authority FRUS 1958-60, Vol. VI pp. 1008-1009  
By  NARA. Date 8/24/93

SECRET - EYES ONLY

-2-

convinced that there is a good deal in them. I doubt personally if the weapons obtained will make of Cuba a threat to the United States, but they will certainly be a demonstration of Castro's ability to arm herself against the policies and wishes of the United States and our friends.

I am quite encouraged by the manner in which the situation is developing here. It is possible that Khrushchev's statement has counteracted some of the unfavorable reactions from our drastic quota cut or at least has given people something else to think about.

I have had several queries as to whether our attempt to "clarify" the statement of the Mexican legislators about Mexican-Cuban relations could not have been handled by us somewhat more discreetly. It has even been suggested that the Mexican Government might have reacted appropriately without any suggestion from us.

Sincerely yours,

Philip W. Bonsal

\*Fidel may, of course, wake up to this--he certainly has the power to eliminate the Ché.

PWBonsal:vk

SECRET - EYES ONLY

Mr. Bhaddock has seen

No 1 to Mrs. Rubottom  
Miguel Angel Quevedo's  
defection

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American Embassy,  
Habana, Cuba,  
July 12, 1960.

~~SECRET - EYES ONLY~~

JUL 13 1960

Dear Dick:

We are reliably informed that Miguel Angel Quevedo has had enough and is about to take asylum in an Embassy, probably the Venezuelan Embassy.

I have been approached through an intermediary with a request to know whether the visitor's visas of Quevedo and his sister Rosa are still valid. I have answered in the affirmative although this poses quite a problem for us because of Quevedo's background of opportunism and hostility toward the United States. As I understand it, Quevedo would like to go from Caracas, if he gets there, to the United States.

As you know, Bohemia has cooperated very wholeheartedly in the anti-American posture which has characterized the Castro Government. It has taken strong issue with us on many occasions and has not spared us a good deal of slander and calumny. We were particularly annoyed at the story on former Ambassador Smith which came out shortly after the success of the revolution. In recent weeks particularly, Quevedo has probably lost control of the magazine, but he was certainly responsible for the Smith article and for many other disagreeable aspects of Bohemia.

On the other hand, the fact that Quevedo, the owner and Director of Bohemia, is defecting from Castro is of major importance. Quevedo is strongly anti-Communist. He is also the recipient of one of the Cabot prizes (1958, I believe). He

is

The Honorable

Roy R. Rubottom, Jr.,

Assistant Secretary for Inter-American Affairs,

Department of State,

Washington, D. C.

REGISTERED

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~~SECRET - EYES ONLY~~

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DECLASSIFIED

E.O. 13292, Sec. 3.4

By g/jc, NARA, Date 3-16-09

~~SECRET - EYES ONLY~~

-2-

is an effective writer. He knows all the insides of the regime here. I believe he could be quite helpful in the United States.

On the basis of these considerations, we propose to leave untouched the visitor's visa which he has, valid through September 30, 1961, and that which his sister has, valid through February 19, 1961.

Sincerely yours,

PWB

Philip W. Bonsal

~~SECRET - EYES ONLY~~

PRESERVATION COPY

*Letter for Rubottom re Sending of  
Mr. Braddock*



DEPARTMENT OF STATE  
WASHINGTON

*Pls show to  
appropriate person*

*Rec'd 7/14*

*PWB  
7/14*

July 11, 1960

*Mr. Tolson  
Mr. Felt  
Ms. Tavel  
Ms. Boardman*

OFFICIAL INFORMAL  
~~SECRET - EYES ONLY~~

Dear Phil:

25X1A

I am sending this brief note to you, and to all of our Chiefs of Missions in Latin America, to ask that you and the ranking officers of your Embassies pay particular attention to sending matters concerning local or Washington coordination with [redacted] through [redacted] channels or through the ROGER channel as appropriate. 25X1A

In a number of instances references to CIA operations have been included in communications which have received wide distribution in the Department with the result that they got out of the restricted channels which coordinate our activities with those of [redacted] headquarters.

25X1A

Sincerely yours,

*R. R. Rubottom, Jr.*

R. R. Rubottom, Jr.

The Honorable  
Philip W. Bonsal,  
American Ambassador,  
Habana, Cuba.

~~SECRET~~

SANTITIZED  
Authority NLJ 022-005-2-2  
By SP, NARA, Date 2/19/02