

NIE 85-73

Cuba and Its Latin American
Relationship

1 November 1973

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APPROVED FOR RELEASE
DATE: FEB 2008



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NATIONAL INTELLIGENCE ESTIMATE

Cuba and Its Latin American Relationship

(Supersedes SNIE 85-71)

~~Secret~~

NIE 85-73
1 November 1973

No 253

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THIS ESTIMATE IS SUBMITTED BY THE DIRECTOR OF CENTRAL INTELLIGENCE AND CONCURRED IN BY THE UNITED STATES INTELLIGENCE BOARD.

The following intelligence organizations participated in the preparation of the estimate:

The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, the NSA, the AEC, and the Treasury.

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Classified by 009438
Exempt from general
declassification schedule of E.O. 11652
exemption category 48(2), (3)
Automatically declassified on
Date Impossible to Determine

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NIE 85-73

CUBA AND ITS LATIN
AMERICAN RELATIONSHIP

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Cuba in the Hemisphere



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CUBA AND ITS LATIN AMERICAN RELATIONSHIP

PRÉCIS

Key developments affecting the policies of the Castro regime in recent years include:

- A drop in revolutionary ardor and a more realistic attitude toward problems at home and abroad.
- Increased dependence on Soviet assistance and policy guidance.
- Improved relations with Latin America.

Soviet-Cuban ties over the next few years will be characterized by:

- Castro's disinterest in a general accord with the US, and his perception of no alternative to heavy dependence on the USSR.
- Efforts by the Soviets to step up the frequency and, over time, the size of their naval deployments to the region.
- Soviet concern about provoking a strong US reaction and, thus, the likely avoidance of such actions as establishing a base for ballistic missile submarines.

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Castro's relations with Latin America will be characterized by:

- Disinclination to undertake any broad program of support for guerrillas and terrorists, in part because of poor prospects for success.
- Emphasis instead on building bridges to established governments showing independence of US influence.
- Continued attraction to the principle of violent revolution and selective support for the few insurgent groups which may demonstrate an ability to operate successfully on their own.
- Regard for Chile as a special case, with assistance to extremists who attempt to resist the military junta.

Over the next several years, Castro's course in Latin America will be shaped by important constraints as well as opportunities:

- The larger and more influential Latin American countries, except for Brazil and Chile, will have diplomatic ties with Cuba by the end of 1974.
- There will be some growth of Cuban influence in regional councils and with certain Latin American governments seeking to establish anti-US or independent positions, particularly on economic issues.
- Castro's dependence on the USSR, Cuba's small size and large domestic problems, and the drive for regional influence by the major Latin American countries will nonetheless serve as formidable constraints on Cuba's activities against US interests in the hemisphere.

The extent to which Havana—and Moscow—would still be able to turn local situations to their advantage will depend in good measure on the kinds of policies the US pursues toward Cuba and the region. Section VI of the Estimate examines the likely implications of a range of illustrative US courses of action:

- Course A: *Take a Tougher Stance* involves stepped-up pressures on certain Latin American and West European governments and on Japan to maintain Cuba's isolation. While this course would please anti-Castro elements in various Latin American countries and strengthen their determination to oppose him, it would stimulate Castro himself to expand rather

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than contract his efforts to turn the region against the US. In the end, the repercussions of such a US policy change would tend to widen the gulf between the US and Latin America and possibly also stiffen Soviet support for Castro.

- Course B: *Hold Essentially to Present Posture* would continue US resistance to Latin moves to lift OAS sanctions, and it would make Castro work hard for any gains at US expense. But the US would have to be prepared to move toward acceptance of the collapse of sanctions after the fact. Castro would still pursue various anti-US activities in the hemisphere. If presently required punitive actions were undertaken by the US against countries lifting sanctions, negative reactions from affected governments would give him additional opportunities to spread his anti-US line. In any case, US assistance to threatened smaller countries and actions by the major countries in their own interests would work to limit Castro's success.
- Course C: *Take Some Steps to Ease Relations* involves US participation in a phaseout of OAS sanctions and a decision to scale down the economic denial program, while exploring possibilities for *ad hoc* accommodations with Cuba as a basis for working out practical improvements in US-Cuban relations. Castro would be prompted to move quickly to expand Cuba's political role in the region; but over time, he would be checked by a variety of factors, especially those noted above, i.e., Castro's dependence on the USSR, Cuba's small size and large domestic problems, and the drive for regional influence by the major Latin American countries.
- Course D: *Move Forthwith to Normalize Relations* involves abandonment of efforts to contain Castro's role in the hemisphere and generous inducements for Cuba to accept rapprochement with the US. Reactions to a turnabout in US policy of this magnitude would produce formidable problems, including strains in US relations with certain anti-Castro governments in Latin America. Furthermore, this course would be unlikely either to induce a cooperative attitude on Castro's part or to stem Cuban and Soviet anti-US activities in the hemisphere.

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THE ESTIMATE

1. The Cuban Revolution, after 14 years of convulsive political and social change, has reached a more cautious and pragmatic stage. Certain dramatic moves of the 1960s—in particular the massive redistribution of the country's wealth—are irreversible. Among the beneficiaries, a sense of revolution persists—a still evolving blend of nationalism, resentment of past US domination, and pride in the social improvements achieved. But the zest for new ventures has waned. There is a sense of weariness with the government's repressive trappings, and a feeling of frustration over the economic shortcomings of the past decade. The mix of pride, fatigue, and frustration has produced a more realistic attitude among Castro and his key subordinates in their appraisal of Cuba's internal situation, its ties to the Soviet Union, and its future course in the hemisphere.

I. THE STATE OF THE REVOLUTION

The Economy

2. While the revolution has produced certain advances in the well-being of the populace—notably in health and educational serv-

ices—it has met with a series of failures in the economic sector. The rush toward rapid industrialization and agricultural diversification in the early 1960s was ill-conceived and found the government's managerial and technical resources inadequate to the task. The swing of the pendulum back to a sugar monoculture in 1969-1970 proved similarly ill-fated. The net result of Castro's inept economic policies was a general stagnation of production. By 1973, per capita GNP had sunk to well below the level of the early 1960s.

3. During the past year there has been some improvement in the economy. Data on Cuban sugar exports indicate that the 1973 sugar harvest probably reached 5 million tons—at least 15 percent above last year, and scattered evidence suggests gains as well in non-agriculture sectors. These gains were the result of improved economic management and organization under persistent Soviet prodding, of the restoration to other economic sectors of resources diverted to the 1970 sugar drive, and of more normal weather after the 1970-1971 drought. Yet despite some recent improvement in the availability of certain high-

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priced luxury items, most basic consumer items remain strictly rationed and in short supply.

4. There is a chance that such gains as have been achieved in 1973 might once again be jeopardized by ill-contrived economic schemes. But the more likely outlook for the next couple of years is for continued slow growth. Sugar production may approach 6 million tons by 1975, and non-sugar agriculture is likely to register small gains. Accelerated construction activity and increased investments in cement, electric power, and fertilizer production will also give impetus to the economy. Though recent improvements in Cuban export prices will help reduce perennially large trade deficits, substantial Soviet aid will still be required to meet import needs.¹ And the lot of most Cubans will continue to be plagued by shortages, while rationing will remain a way of life for some time.

The Style and Structure of Leadership

5. Castro's current political style reflects the slowed momentum of his revolution. His charisma still serves to hold incipient discontent in check and to mobilize popular support for his policies. But he has begun to lower his profile: he appears less frequently in public, and his calls for revolutionary action have become more restrained. He appears more concerned with consolidating past accomplishments than embarking on new adventures.

6. In various ways, the 47-year old Castro has moved to institutionalize his hold on power. Under Soviet guidance, he has strengthened the role of the Cuban Communist Party, established a more efficient administrative and legal structure, and allocated new powers to an executive committee of the Council of Ministers. In effect, he has removed himself

¹For a more detailed description of Soviet-Cuban economic ties, see Annex B.

somewhat from personal day-to-day management of the government and the economy. In particular, he has delegated increased responsibilities to his brother, Raúl, who serves as First Vice Prime Minister and Armed Forces Minister; and to Carlos Rafael Rodríguez, Vice Prime Minister in charge of foreign affairs and an advocate of close Soviet ties.

7. None of this portends any significant relaxation of Castro's hold on the ultimate levers of power. Despite reports of various ailments, his health appears good and he maintains a vigorous pace of activities. There is no threat to his rule in the occasional manifestations of discontent in the population. Despite recurring reports of grumbling among some members of the communist party and the government bureaucracy over his policies, the armed forces—under Raúl Castro the mainstay of his power structure—are firmly loyal. Part communist, part nationalist, part *caudillo*, Castro is still the *líder máximo*, and he is likely to remain so. In the event of Fidel's death or incapacitation, power would probably pass smoothly to a similarly oriented government headed by Raúl.

The Export of Revolution

8. The emphasis on consolidating the revolution at home has been accompanied by a marked reduction in Castro's efforts to export it to the rest of Latin America. Havana's attempts, during the 1960s, to overthrow governments through guerrilla operations were ill-conceived. In countries where the Cuban support of insurgency was most evident—Bolivia, Colombia, Guatemala, and Venezuela—Castro's agents and allies displayed an abysmal lack of understanding of the local political terrain. In most cases, they overestimated their ability to obtain the support of the peasantry, and they underestimated the ability of the local security forces to retaliate in defense of existing regimes. By

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the end of the decade, some Latin American leaders had begun to steal Castro's thunder by staging their own nationalist revolutions. Against such competition, the risks of supporting insurgent activities have increased while the opportunities for success have dwindled. In any event, Castro's maneuverability on this score has become limited by Moscow's preference, on pragmatic grounds, for non-violent means to achieve their common objectives in Latin America.

9. Though Castro has not abandoned his belief in the ultimate validity of armed struggle as a preferred route to power in certain circumstances, he has modified his tactics. He continues to provide back-up support for guerrilla activities—for the most part, training within Cuba for would-be revolutionaries from a large number of countries. But more direct types of aid, mostly small amounts of money and arms, are now restricted in principle to those insurgent groups which are able to survive on their own and stand a good chance of quickening the pace of revolution in a particular country or of damaging conservative regimes closely aligned with the US. Few revolutionary groups meet this standard, and Castro's support of violent revolution in Latin America in recent years has become more symbolic than real. (As evidence of his continuing dedication to revolution and of his desire to maintain his credentials as a Third World revolutionary leader, Castro is providing direct, on-the-ground support to certain insurgent groups outside Latin America, e.g., those operating against Oman and Portuguese Guinea. See Annex A for details on Cuban involvement with guerrilla and terrorist groups in Latin America.)

10. In Chile, before the September 1973 military coup, Havana tried, through Cuban embassy contacts, to encourage a more radical line among Chilean leftist extremist groups and among revolutionary exiles from other

countries. For some time these efforts were circumscribed by President Allende's attempts to discourage extremist violence in the country, by Allende's sensitivity to charges that his government was fomenting revolutions in neighboring countries, and by Castro's evident desire not to jeopardize his close political ties with the Allende regime. Nevertheless, as the potential for armed conflict within Chile grew, Havana dispatched considerable quantities of weapons to Chile for use by pro-Allende groups. In the wake of the coup, Castro will seek ways to extend support to extremists seeking to challenge the rule of the military junta. But the overthrow of Allende has dashed whatever hopes he may have had of using Chile as a bridgehead for Cuban-style revolution in the area.

II. THE LATIN AMERICAN RELATIONSHIP

The Changing Climate

11. The changes in Castro's style and priorities reflect, and in turn have helped to induce, a more relaxed attitude toward Cuba by most Latin American governments. The phasing-out of the Cold War and a feeling that the superpowers are moving to reduce global tensions have had the corollary effect of reducing concern about the Cuban problem as a threat to regional security. Indeed, an increasing number of Latin American governments are wondering why, as the US seeks to normalize relations with the communist superpowers, they should not do the same with a minor communist country like Cuba. There are some important exceptions to this trend, e.g., the governments of Brazil and Chile, which see communism in any guise as a major and continuing threat to their interests.

12. Castro's growing acceptability also seems prompted by the feeling that, whatever else he may be, he shares many of the problems and frustrations of the developing coun-

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tries in the hemisphere. Most Latin American leaders are impatient to achieve substantial progress in economic development and to alleviate social tensions at the same time. The more realistic recognize that the region needs outside aid if it is to develop, and they want the US to be more attentive and generous in helping to solve their problems. The more radical are persuaded that the US is exploiting their countries for its own purposes, and they want less US involvement in their affairs. In both cases, the attitudes are reinforced by nationalist feelings which are prompting more independent and critical postures toward the US. To the extent Castro is identified with these feelings, his defiant anti-US stand has gained a certain respectability and his claim to be a martyr to US economic interests evokes some sympathy.

The Ending of Cuba's Isolation

13. The more relaxed regional stance toward Castro has been accompanied by a steady weakening of various measures aimed at Cuba's isolation.² At the political level, important barriers have already fallen: Mexico never did break relations with Cuba, Peru opened relations in mid-1972, and four Caribbean Commonwealth countries—Guyana, Trinidad and Tobago, Jamaica, and Barbados—established relations for the first time in late 1972. More recently, the Peronist regime in Argentina reestablished relations (in May 1973), and Venezuela is seriously considering doing the same. Last summer, the Caldera government launched a major diplomatic ef-

²In 1962 the Organization of American States (OAS) suspended Cuba as a member. In 1964, the OAS, upon Venezuela's initiative, passed a resolution stipulating that OAS members terminate all diplomatic and commercial relations with the Castro government. Only Mexico did not comply with the resolution. US restrictive legislation dates from the early 1960s.

fort to secure passage of a resolution in the OAS which would leave each member free to make its own decision on sanctions and relations with Cuba. The resolution will probably be brought to a vote sometime in the coming year.

14. The impact of measures directed against the Cuban economy is declining with the passage of time. Most of Cuba's agricultural machinery and motor vehicles has now been replaced by equipment from communist and West European countries, and the economic denial program has ceased to have any effect on these vital sectors. In other sectors, the program still has considerable impact. For example, Cuba has been unable to market significant amounts of its nickel in Western Europe as a result of the program. The program has inhibited improvements in other ways as well, e.g., part of Cuba's industrial plant continues to operate with aging US equipment, and the Cuban rail system is still dependent to some extent on US-made rolling stock. But in these cases Cuba has been able to find new trading partners to supply a certain volume of needed spare parts and new equipment.

15. In recent months, Japan, Cuba's largest customer for sugar outside the communist countries, has been seeking ways to increase exports to the island and thereby reduce its large trade deficit with Cuba. Japanese businessmen apparently have gained their government's backing for new credits to finance Cuban purchase of Japanese industrial equipment and materiel. Expansion of trade between the two countries along these lines would help the Castro government in its attempts to revive Cuban industrial production.

16. Within the hemisphere, there has been only a slight increase in trade between Cuba and Latin American countries, most of which do not need Cuban products and can offer little that Cuba needs. An important excep-

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tion to this pattern might emerge in the coming year, however. The Caldera government has on at least one occasion permitted the shipment of Venezuelan oil in Soviet bottoms to West European markets. This could lead at some point—possibly in conjunction with reestablishment of diplomatic relations between Havana and Caracas—to shipments of oil to Cuba on Soviet account. Beyond its obvious political advantages for Castro, such an arrangement would provide Cuba with a nearby supplier of a vital resource and save the Soviets scarce tanker capacity and a considerable amount in shipping costs. A second economic boost for Cuba may develop from a \$200 million line of credit from the Peronist government to expand Cuban purchases of Argentine industrial products. An oil agreement with Venezuela, enlarged Cuban-Japanese trade, and whatever benefits may develop from increased Cuban imports from Argentina would further undercut the remaining effective force of the isolation policy.

Castro's Shifting Tactics

17. Over the past couple of years, Castro has adapted his political tactics to conform to the changing regional climate. As the chances for successful Cuban-supported guerrilla actions appeared to wane, his approach to the region broadened to include support for self-proclaimed "revolutionary" governments like those in Peru and Panama, as well as for Allende's Marxist government in Chile. Increasingly, he has adjusted revolutionary principle to the pragmatic goal of gaining acceptance of his government and of himself as a political leader in the region. He has expressed sympathy for the nationalist and moderately reformist military regime in Ecuador, is seeking closer ties with Torrijos' nationalist government in Panama, and seems eager to normalize relations with the center-left constitutional government in Venezuela.

18. In the wake of the September 1973 overthrow of the Allende regime, and the charges by the new Chilean military junta of Cuban involvement in revolutionary activities under Allende's auspices, Castro almost certainly is reconsidering his tactics once again. He, along with some communist parties and revolutionary groups elsewhere in the region, is probably considering whether the ease with which the Chilean military deposed Allende indicates the need to return to a major emphasis on violent tactics to achieve his goals in the hemisphere. Indeed, as noted above, though the Cuban base of operations in Chile is gone, Castro's strong public attacks against the new Chilean junta portend Cuban attempts to extend support to Chilean extremist groups.

19. But Castro will continue to be concerned not to damage his chances for gaining increased recognition for his regime from established Latin American governments, and thus for lessening Cuba's isolation. For their part, the Soviets would look with disfavor at any new revolutionary adventures by Castro which might jeopardize their plans for gaining respectability and influence in the region. Thus, though Castro may chafe under the restraints imposed by the Soviet's *via pacifica* and by his need to win friends for Cuba, he will probably continue to be cautious in his actions. He will seek to consolidate ties with orthodox communist parties and will continue to try to influence other political groups and labor and student organizations toward anti-US positions. In some cases, he may step up Cuban support to guerrilla or terrorist groups which seem capable of waging at least symbolic opposition to certain governments, e.g., in Colombia or Guatemala, as well as in Chile. But his prime concern will be to build bridges to established governments of whatever political complexion as long as they (a) display a willingness to accept his regime, and (b)

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offer opportunities to work against US interests in the area. If such governments also show promise of eventually staging their own social revolutions, or if they can be persuaded by Cuban influence to do so, so much the better.

III. THE MOSCOW CONNECTION

The Tie That Binds

20. With Castro now moving toward a more pragmatic course at home and abroad, Moscow probably feels that its Cuban investment is secure, though costly and at times troublesome. Castro's increasingly close coordination of his political and economic policies with the Soviets and with the Soviet-bloc Council for Economic Mutual Assistance (CEMA), which Cuba joined last year, has persuaded Moscow that Cuba is fairly well locked into the Soviet sphere. With their own presence on the island well established, the Soviets would like to see expanded Western recognition of the *status quo*. They seem confident of Castro's basic anti-US orientation and of his continuing economic dependence on the USSR. And they apparently now feel that a further expansion of relations with the West would not jeopardize Castro's manifold links to Moscow or the firmly established socialist structure of his regime. Although increased ties with non-communist countries would not much reduce Cuba's economic dependence on the USSR, the Soviets would hope that over the longer term a greater influx of Western credits, aid, and technology would give an additional boost to Cuban production and hold down the cost to them of underwriting the island's economy.

21. In a larger context, the Soviets apparently feel that a widening of Cuba's range of contacts at this time would facilitate the advancement of their own objectives in Latin America: the exploitation of anti-US sentiment to advance Soviet respectability and influence

with Latin American governments. Moscow can be expected to use Cuba's ties to Latin American countries to buttress its own growing presence in the area. For purposes of furthering its global objectives in détente with the US, it may also, from time to time, see advantages in encouraging moves by Castro or the US to temper their adversary relationship.

22. The Soviets have undoubtedly considered the risks for them in this line of policy. They might fear that a relaxation of US-Cuban tensions and increased Western ties would make it more difficult for them to guide Castro's economic policies. The process of opening up Cuba would have to be fairly well controlled to prevent either a serious weakening of ties with Moscow or a restoration of US influence on the island. In a hemispheric context, the Soviets would be concerned that, once Cuba was accepted into the Latin American community, Castro might again, as he has in the past, challenge Soviet orthodoxy in order to advance his own parochial interests. They might also fear a rash act by Castro which could provoke new tensions between the US and Cuba and adversely affect their own game plan with Washington. On all these uncertainties, however, Moscow is undoubtedly more confident than it was a year or two ago. It has probably now concluded that its capability to guide developments in Havana is well enough established to minimize the risk that Castro will move in directions that would jeopardize basic Soviet interests.

The Soviet Military Presence

23. The Soviet tie has been reinforced by the delivery of large quantities of Soviet military equipment, totaling some \$900 million, to the Castro regime over the past decade. In recent years, deliveries have ranged between \$25 and \$40 million annually, pro-

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viding for a continual upgrading of the Cuban military establishment, already as well-equipped as any in Latin America. At the same time, the USSR has expanded its use of Cuban communications, air, and port facilities to support Soviet ship deployments in the Caribbean area; to replenish Soviet warships, including on one occasion a diesel-powered ballistic missile submarine; and to stage Soviet reconnaissance flights over the Atlantic. Thus far, the increase in Soviet deployments along these lines has been gradual and limited. (See Annex B for additional details on Soviet arms aid to Cuba and the Soviet military presence in the area.)

24. From a military standpoint, there would be advantages for Moscow in basing reconnaissance aircraft and attack submarines in Cuba for the purpose of monitoring US naval movements in the western Atlantic. Except perhaps to obtain bargaining leverage in SALT, however, the Soviets apparently have little military incentive to use Cuba for forward basing of ballistic missile submarines. Though they could improve maximum on-station rates by forward basing, they evidently do not attach high priority to doing so; even without using forward basing they could presently achieve higher on-station rates than they are actually maintaining. In any event, and most importantly, Moscow presumably is aware of limits beyond which an expansion of Soviet military deployments in the area would provoke a strong US reaction, particularly if such expansion were to include an attempt to base ballistic missile submarines in Cuba.

25. The Soviet leadership probably expects that an enlargement of the Soviet naval presence would facilitate the extension of its political influence in the region, e.g., in flag-showing port visits to various countries. But this would involve operational logistical re-

quirements which it would have to weigh against other priorities. Also, it would have to consider whether increased naval incursions in the region might raise suspicions of Soviet intentions among certain Latin American countries, particularly those bordering on the Caribbean.

26. Thus, though the Soviets are likely to step up the frequency, and over time also the size, of their air and naval deployments to the area, they will make sure that the pace continues to be gradual. They probably intend eventually to establish a continuous naval presence in the Caribbean. They are unlikely to attempt to use Cuba for the basing of ballistic missile submarines, but may include such craft in future visits. In all these matters, Moscow will continue to test the limits of US tolerance, but it will be wary of moves which might jeopardize its political objectives in the region, or its hopes of advancing its global interests through détente with Washington.

IV. CASTRO'S COURSE: CONSTRAINTS AND OPPORTUNITIES

27. Castro's presently strong public identification with the Soviet line (displayed most blatantly at the Algiers Conference of Non-Aligned Nations in early September) stands in sharp contrast to his earlier efforts to demonstrate a major degree of independence. He probably continues to have qualms about the well-entrenched Soviet presence on the island, especially the close Soviet scrutiny of his economic planning. He probably views Moscow's use of Cuba to support Soviet naval vessels and aircraft with mixed feelings: a sign of Cuba's importance to the USSR and perhaps a deterrent to the US, but at the same time an infringement on Cuba's sovereignty, especially in the eyes of other Latin Americans. Yet economic necessity has left him with no acceptable alternative to continued dependence on the USSR for an indefinite period.

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28. The passing of Allende, Cuba's strongest ally in Latin America, has once again shaken Havana's hopes of creating Cuban-style revolutions in Latin America. The event has undoubtedly prompted the Cuban Government to rethink seriously its options and opportunities in the hemisphere. On the one hand, the steady weakening of various measures aimed at Cuba's isolation and the generally more receptive political climate in the region have given Castro reason to believe that he has won his struggle for survival against the US. Indeed, as he has become more confident of his ability, with Soviet help, to deal with his domestic problems, Castro's attacks against the US as a direct threat to his regime have become less frequent. On the other hand, denunciation of "US imperialism" in Latin America continues to be a dominant theme in Cuban foreign policy. In particular, the fall of Allende has triggered a major propaganda barrage by Havana against alleged US manipulations in the hemisphere. At this juncture, Castro apparently feels that such tactics are more likely to attract than to antagonize potential allies in Latin America.

29. Castro will try to gain political advantage from situations which can be construed as US interference in Cuban or hemispheric affairs. One gambit he will return to, from time to time, will be denunciation of the US naval base at Guantanamo as indicative of US "imperialist" designs. Yet, his moves on this subject are likely to be characterized by a certain ambivalence. On the one hand, he regards the US presence in Guantanamo as an affront to Cuba's national honor and territorial integrity. On the other, he sees some political and propaganda benefit to be derived from having a US "colonialist" enclave on Cuban soil. He will move cautiously. Recognizing that there is little he can do to change the situation unilaterally, he has indicated a willingness to live with it until, "at the ap-

propriate time," the base can revert to Cuba. But he has not forsworn efforts to extract propaganda advantage, and he will, on occasion, make use of military exercises or demonstrative military activities to focus attention on the issue. For example, in recent months the Cubans have constructed a number of new artillery positions in the vicinity of Guantanamo Base; these positions have not been occupied to date, though they could be manned rapidly. Castro is not likely to push matters to the point of major crisis, but this could occur in the context of acute US-Soviet tensions elsewhere.

30. Castro remains convinced that the US is basically hostile toward him, and he continues to be suspicious of US intentions toward his regime. His reactions to any overtures from Washington at this stage would probably be governed by whether, in his view, the US moves constituted concrete steps toward acceptance of his government, as well as by the advantages he might gain from a positive response. As with the antihijacking agreement early in 1973 and the understanding of 1965 on the refugee airlift, he would probably be willing to consider *modi vivendi* on specific issues in which he felt he could gain increased stature or practical advantage. But this kind of *ad hoc* bargaining is not likely to persuade him that a rapprochement with the US is likely. He remains unyielding that any détente must proceed on Cuban terms. His basic demands are that the US end (a) its role as "gendarme" of the hemisphere and (b) its policy of economic isolation of Cuba.

31. The first point relates generally to Castro's anti-imperialist credo, though its specific meaning is obscure. He realizes that the US will not, and cannot, withdraw from its positions of influence in Latin America. Yet he would probably insist that, in the context of US recognition of Cuba's rights to retain its close Soviet ties and to pursue its "anti-

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imperialist" policies, the US also recognize the rights of all Latin American countries to adopt whatever domestic and foreign policies they choose.

32. Castro is undoubtedly aware as well of the difficulties involved in a dismantling of the US economic denial program. Indeed, US legislative restrictions would inhibit rapid relaxation of many of the existing denial measures, and US requirements for Cuban repayment of debts and compensation for expropriated US property would pose prickly problems.³ Yet Castro would judge concrete US concessions here as the touchstone of a serious desire for an improvement in relations.

V. THE OUTLOOK

33. The Venezuelan *démarche* against mandatory sanctions signals a turning point in the Latin American stance toward Cuba—particularly since Venezuela was once a major target of Castro's subversive efforts and chief sponsor of the sanctions policy a decade ago. A majority vote in the OAS in favor of the Venezuelan resolution (or a more complicated variation being promoted by Costa Rica) would signal the *de facto* demise of the sanctions policy. (The US and some other countries hold that a two-thirds vote is needed to abrogate formally the policy.) At this juncture, the odds for a majority vote are close to even. The expected support by the Chilean military junta for continued sanctions has temporarily stalled the Venezuelan initiative. But even without a majority vote, Venezuela seems likely to move on its own toward resumption of relations with Cuba within the next several months. Notwithstand-

³ One key problem would be the large size of US claims against uncompensated expropriations; Cuban assets frozen in the US would not cover a tenth of them. About the only way Cuba would be able to make some sort of settlement on these claims would be through loans secured against future sugar sales, probably to the US.

ing a strong anti-Castro stand by the Chilean junta, the Venezuelan example will add to the inclination of other governments, e.g., Colombia, Panama, and Ecuador, to follow suit. With or without formal repeal, the policy of sanctions will continue to erode. By the end of 1974, the larger, more influential Latin American countries, except for Brazil and Chile, will probably have diplomatic ties with the Castro government.⁴

34. Castro will seek to influence the Latin countries with which he has relations toward a tough and consistent anti-US posture. He will continue to denounce the OAS as an instrument of US "colonialism" and call for a substitute regional organization without US participation. And he will continue subversive activities against governments which fail to meet his anti-imperialist standards.

35. But Castro will face formidable obstacles in trying to gain positions of influence. Most Latin American political leaders, particularly in the larger and more sophisticated countries, have little sense of identification with Cubans as a people or as a nation; indeed most are affronted by Castro's melodramatic posturings and disdainful of his talents as a statesman. To the extent nationalistic leaders in the area rely on leftist constituencies to sustain themselves in power, they may find it politically expedient to associate themselves with Castro's denunciations of the US. But Castro's image as a "martyr of US imperialism" has already faded considerably, and the inclination to identify with his ideological vendetta against the US is likely to wane as such leaders become increasingly preoccupied with their own problems and ambitions.

36. In any case, Cuba's small size, its lack of potential as a trading partner, and its manifest dependence on the USSR will limit

⁴ I.e., the addition of Colombia and Venezuela to Argentina, Mexico, and Peru.

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Castro's ability to influence greatly, much less dominate, regional councils which also represent the interests of larger and more affluent countries like Argentina, Brazil, Colombia, Mexico, and Venezuela. For the most part, Latin American countries will continue to formulate their attitudes and press their claims on the US through selective accommodation, not confrontation. Within this basic framework, any hope that Castro may have to create a revolutionary, anti-US bloc of nations in the region will be frustrated.

37. Even with a regional system balanced toward US-Latin American accommodation, however, there will continue to be opportunities for Havana—and Moscow—to exploit Latin American frustrations. The multifaceted US presence in the area is in itself a source of anti-US feelings. And the assertive nationalistic attitudes of many Latin American governments will produce friction between the region and Washington. In some cases, conflicts over trade issues and problems of expropriation or the threat of expropriation will exacerbate differences. In this atmosphere, Castro will seek to turn local situations to his advantage. How successfully he does so will depend in good measure on the policies the US pursues toward Latin America as well as toward Cuba itself.

VI. IMPLICATIONS OF VARIOUS UNITED STATES COURSES OF ACTION

38. This section, taking account of the great importance of the US factor in Cuban decision-making, outlines a series of alternative US courses of action against which to estimate Cuban responses. The courses described below do not cover the full range of possible US actions. They are assumed to apply to the period of the next several years, roughly 1973 to 1976. They are concerned almost exclusively with

the Cuban-Latin American relationship. For the most part, the implications for the US of Soviet-Cuban ties, and especially the Soviet military presence, are aspects which involve the overall US-USSR relationship and can best be viewed in that context rather than in the context of US-Cuban relations.

39. The illustrative courses range from *Take a Tougher Stance* (Course A), involving efforts to reduce Castro's room for maneuver through stepped-up pressures against Cuba, Latin America, and the Soviet Union, to *Move Forthwith to Normalize Relations* (Course D), involving an all-out effort toward US-Cuban rapprochement. The repercussions of either A or D would be considerable and in general adverse to the US. The implications of two alternative intermediate courses of action—*Hold Essentially to Present Posture* (Course B), embodying much of present US policy, and *Take Some Steps to Ease Relations* (Course C), involving a gradual phaseout of the isolation policy—would produce more of a balance between positive and negative effects. The distinction between B and C is not large; the impact of either course could be controlled and varied by gradual and low-key execution of the actions proposed.

COURSE A: TAKE A TOUGHER STANCE

- US pressures on various Latin American governments, on Japan, and on certain West European governments, to adopt and pursue policies directed at Cuba's continued isolation.
- Conveyance to the USSR of strong US objections to the extent of their support of the Castro regime, and to both Soviet and Cuban support of subversion against hemisphere governments.
- In the event of a serious weakening of Castro's hold on power, US support of efforts to overthrow him.

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40. This course would step up forceful US pressures against the Castro regime. It would please anti-Castro and anticommunist elements in certain Latin American countries, and it would further stiffen efforts of some governments to inhibit the growth of Havana's and Moscow's influence. But there would be important weaknesses and drawbacks in this approach. It would probably stimulate Castro to expand rather than to contract his efforts to turn the region against the US. And, by reviving Castro's "martyr" image, this approach would probably generate more opportunities than obstacles for him in his efforts to extend Cuban influence in the hemisphere. Over time, it would alienate most Latin American governments and work more to widen the gulf between the US and the region than it would to limit Castro's room for maneuver. Under increased US pressure, moreover, the Cuban people, and possibly the Soviet government as well, would be likely to extend greater—not lesser—support to Castro.

COURSE B: HOLD ESSENTIALLY TO PRESENT POSTURE

- No moves toward US-Cuban rapprochement until Castro demonstrates in some practical way a serious intent to move in that direction.
- Continued US resistance to Latin moves to lift mandatory OAS sanctions and to establish closer ties with Castro. At the same time, the US would have to make preparations to shift its posture toward acceptance of the ending of sanctions after the fact.
- Continuance of US aid to countersubversive programs in Latin America, including assistance to governments concerned about Cuban-supported terrorism or insurgency.

41. This course (embodying much of present US policy toward Cuba) would seek to reduce Castro's ability to exploit US-Latin

American differences on the OAS sanctions issue while continuing to deprive him of whatever benefit he might glean from US moves toward rapprochement. Castro, in response to indications of *de facto* US acceptance of Latin initiatives to end Cuba's isolation, would continue to pursue various anti-US activities in the hemisphere. The US would make further efforts to resist Latin American moves to lift the OAS sanctions policy. But if and as it became clear that the sanctions would soon be lifted, the US would be faced with decisions regarding punitive actions or, alternatively, adjustments in certain of the present US restrictions governing transactions with Cuba. If punitive actions were taken, anti-US sentiment would rise and the affected governments would react sharply, adding to Castro's opportunities to spread his influence and anti-US line. Latin American reactions to US moves, however, would not be the only determinant of the success of Castro's efforts to exert influence in the region. Also of great importance would be US assistance to threatened smaller countries and constraints on Castro, set in their own interest, by such larger countries as Brazil, Chile, Colombia, Mexico, and Venezuela.

COURSE C: TAKE SOME STEPS TO EASE RELATIONS

- US participation in a Latin American initiated phaseout of mandatory OAS sanctions.
- US decision to scale down the economic denial program.
- US exploration of possibilities for *ad hoc* accommodations with Cuba as a basis for eventual normalization of relations.

42. This course would be a step-by-step approach to a new US posture toward Cuba, following generally the lead set by Latin

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America. It would, in effect, pass to the Latin Americans the primary responsibility for limiting Castro's influence in the region. It would involve a more comprehensive modification of US restrictions on transactions with Cuba than would Course B. Castro would regard such US moves as an indication that the permanence of the Cuban revolution had been accepted by the US. Over the short term at least, he would neither abandon his hostility toward the US nor reassert a more independent posture vis-à-vis the USSR. And he would move quickly to try to expand Cuba's political role in the region. Over the longer run, however, Castro's dependence on the USSR, Cuba's small size and large domestic problems and the drive for regional influence by the major Latin American countries would serve as enduring restraints on Castro's efforts. As the effectiveness of such restraints became clear—particularly if the USSR found it in its interest to pressure Castro toward easing tensions with Washington—Castro might eventually respond to US actions under this course aimed at establishing a common ground for working out practical improvements in relations.

COURSE D: MOVE FORTHWITH TO NORMALIZE RELATIONS

- Maximum US efforts to normalize relations with the Castro regime.
- Support for immediate termination of OAS sanctions policy.

- Active US participation in attempts to reincorporate Cuba as a full and legitimate member of the community.
- US offers of special economic aid to Cuba to win Castro's good will and reduce his dependence on the USSR.

43. This approach would involve a full US effort to persuade Castro to abandon his subversive activities in the region and his belligerent posture toward the US. The sudden US switch toward rapprochement would do much to defuse Castro's indictment of the US as a hostile imperialist power. But there would be formidable problems in moving rapidly, not only toward a phaseout of the denial program, but also toward extending special economic aid to Cuba. Moreover, a turnabout in policy of this magnitude would probably strain US relations with certain anti-Castro governments in Latin America. In any event, Castro would regard the generous inducements proffered by the US under this course (in contrast to the step-by-step approach under Course C) either as a US capitulation or as a concerted US effort to undermine Cuban socialism and his own hold on power. For its part, the USSR might view US offers of substantial economic aid as a US move to wrench Cuba out of the Soviet orbit and to reimpose US influence on the island. Thus, in reacting to this course, neither Havana nor Moscow would be likely to discontinue efforts to expand their influence and to work against US interests in the hemisphere.

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ANNEX A

CUBAN INVOLVEMENT
WITH GUERRILLA GROUPS IN LATIN AMERICA

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CUBAN INVOLVEMENT WITH GUERRILLA GROUPS IN LATIN AMERICA

1. Though Cuba maintains contacts with revolutionary groups in over two-thirds of the Latin American republics, tangible Cuban support for such groups has declined markedly from the high level that existed in the mid-1960s. This is particularly true in the case of Colombia, Guatemala, and Venezuela—all important targets for Cuban subversive efforts in the past decade. *In Colombia*, Cuban financial support to the Army of National Liberation (ELN) was reported in late 1972, but since then Cuban assistance has declined, apparently prompting the ELN to step up operations on its own in order to demonstrate a continuing operational capability. *In Guatemala*, Cubans have advised the Rebel Armed Forces (FAR) to unite with the action arm of the Guatemalan Communist Party (PGT/FAR) to improve the effectiveness of both. But, other than some token financial assistance and continued training of some FAR members in Cuba, Cuban assistance to the FAR and the PGT/FAR seems to be minimal at this time. *In Venezuela*, though Cuban emissaries have retained contact with revolutionary groups in the country, there has been no evidence of Cuban support since 1971. Particularly in the past year or so, the Cuban emphasis has been on the use of non-governmental contacts and delegations to improve cultural ties and to influence Caracas toward a resumption of diplomatic relations.

2. Cuba has recently been paying increased attention to the countries of the southern cone of South America. *In Argentina*, Cuban aid

to revolutionary groups—including training, and some funding—increased as the Lanusse government neared the end of its tenure. Recently, however, one of the guerrilla groups, the ELN, has indicated disappointment with Cuban assistance. In any case, Cuban connections with Argentine insurgents is likely to become more cautious and limited in light of the reestablishment of diplomatic and trade ties between Cuba and the new Peronist government. *In Brazil*, in consequence of the government's effective countermeasures against insurgent activity in the country, Havana's propaganda attacks against the Médici regime have sharpened. Tangible Cuban assistance, however, has been largely in the form of training of Brazilian guerrillas in Cuba and providing haven for Brazilian exiles.

3. *In Chile*, until the military coup of mid-September, Castro used the Cuban embassy in the country as a base for intelligence and covert action activities under the supervision of the Cuban Liberation Directorate.⁵ Within limits set by Allende's concern to dampen extremist violence in the country and by Castro's desire not to offend his most im-

⁵ The Liberation Directorate (LD) was created in Havana in 1970 to control Cuban Government assistance to revolutionary movements. The LD has provided training in intelligence and technical operations as well as street-fighting tactics, mountain and jungle warfare, and communications. Its recent transfer from the Ministry of Interior to the jurisdiction of Carlos Rafael Rodríguez, Vice Prime Minister in charge of foreign affairs, suggests that its activities will now be kept more in line with overall Cuban foreign policy.

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portant ally in Latin America, the Cuban efforts were aimed at encouraging a more radical line among Chilean revolutionary groups, including the Movement of the Revolutionary Left (MIR); at aiding exiled revolutionaries from other countries; and at facilitating the travel of trainees from South America to Cuba. As the potential for armed conflict grew under the Allende government, the Cubans made deliveries of weapons to Chile for use by pro-Allende groups. In the wake of the coup, Castro will seek ways to extend support to Chilean extremist groups which oppose the new military regime.

4. In other Latin American countries, Cuba has maintained contact with various insurgent groups from time to time. Usually, however, the weaknesses and internal divisions of these groups have persuaded Havana to limit its support to minimal levels or to occasional token gestures. *In Bolivia*, despite Havana's strong attacks against the Banzer government, actual Cuban assistance to guerrilla groups in the country is limited and highly conditioned by Cuban skepticism regarding their effectiveness. Before the Chilean military coup, Cuba expressed sympathy with a small

band of Bolivian revolutionary exiles living in Chile, but the group's lack of unity and the fact that it had little chance of overthrowing the Banzer regime made the Cubans cautious about extending assistance. *In the Dominican Republic*, Cuban aid to various revolutionary and leftist groups has continued intermittently over recent years. Early in 1973, a small guerrilla band, trained in Cuba, landed in the country and tried unsuccessfully to develop an insurgent front against the Balaguer regime. The lack of follow-up support by Havana to the group after it landed may have reflected Castro's doubts about its chances for success. Cuban caution in this case may also have been prompted by Castro's concern that the operation would adversely affect his efforts to improve his image elsewhere in Latin America. *In Uruguay*, Cuba has continued to express sympathy for the National Liberation Movement (Tupamaros) and has provided safe-haven and training for a number of its members. Initially, the determination of the Tupamaros to maintain an independent national image and subsequently their near elimination by the Bordaberry government in 1972 have inhibited Cuban assistance.

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ANNEX B

SOVIET ECONOMIC AND MILITARY INTERESTS IN CUBA

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SOVIET ECONOMIC AND MILITARY INTERESTS IN CUBA

1. The Cuban economy remains highly dependent upon the USSR. The Soviets account for nearly one-half of Cuba's foreign trade. They provide virtually all of the island's petroleum needs and the major share of its capital goods. During 1961-1972 Moscow provided Cuba with an estimated \$3.6 billion in balance-of-payments assistance and development credits and approximately \$1 billion in sugar subsidy payments. In December 1972 the Soviets promised continued balance-of-payments assistance and extended an additional \$370 million in long-term development credits. Soviet influence in Cuba's economic affairs has increased since 1970. The number of Soviet non-military technicians on the island is now estimated at some 5,000, up substantially from the late 1960s.

2. Over the past decade, Cuba has received large quantities of Soviet military equipment of various kinds—to a total value of some \$900 million. In recent years deliveries have ranged between \$25 and \$40 million annually. This has been enough to provide for a continued upgrading of the Cuban military establishment.

3. The recent Soviet military assistance has *inter alia*, aided in the buildup and improvement of Cuban naval capabilities. For example, a modest Cuban program for naval modernization commenced in 1972 with the delivery of two OSA I class guided-missile patrol boats (two more OSAs were delivered this year). Cuban naval units also profit by joint Soviet-

Cuban naval training exercises which include antisubmarine warfare training with Soviet submarines. An estimated 2,500 Soviet military advisors were believed to be in Cuba during the mid-1960s, but the number has perhaps been reduced in recent years as the Cubans have become more proficient in the use of Soviet military equipment.

4. In recent years, the Soviets have gradually increased their use of Cuban facilities to build up their own military presence in the area, and they probably intend eventually to establish a continuous naval presence there. Beginning in the fall of 1971, Soviet surface combatants (guided-missile cruisers and destroyers) and conventional submarines have spent over 80 days per visit in the Caribbean area, using Cuban facilities for support. Nuclear-powered attack and cruise missile submarines have also deployed to Cuban waters but for shorter periods of time (35-37 days). Probably as a test of US reaction, a conventionally-powered Golf II class ballistic missile submarine and a Soviet submarine tender rendezvoused in Bahía de Nipe in April 1972.

5. A Soviet naval communication station near Havana, activated in early 1972, probably serves as a ship-to-shore relay link between Soviet ships operating in the western Atlantic and Caribbean, and Moscow. It also enhances the Soviet world-wide naval communication capability and no doubt supports the Soviet naval authorities in Cuba. The Soviets have also increased their ability to collect communication intelligence in the area.

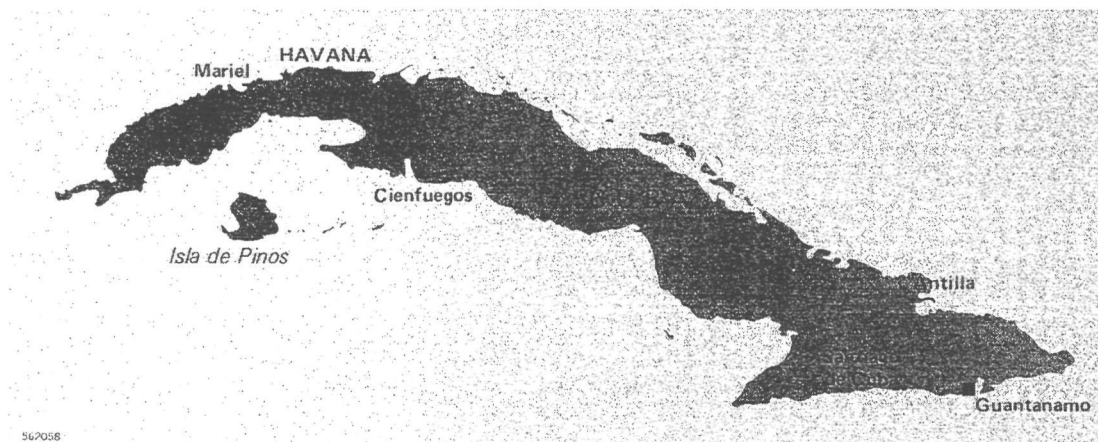
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6. Since 1970 flights of two (and on one occasion three) Soviet Navy Bear D long-range maritime reconnaissance aircraft have deployed to Cuba on 12 occasions. During the last six visits the Bears, staging out of José Martí Airport near Havana, have con-

ducted round-robin reconnaissance flights over the Atlantic, ranging from the US east coast to the Azores. The use of Cuban airfields for these flights enhances Soviet naval reconnaissance and antiship targeting capability in the mid-Atlantic region.



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