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ORIG. <u>Virginia B. Flynn:eb</u>	ROUTING	
UNIT <u>WH/SA/Intel/Reports</u>	1	4
EXT. <u>5547</u>	2	5
DATE <u>11 December 1964</u>	3	6

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DISSEMINATION				PRECEDENCE	
SA/R	6	SA/SI	IWE/5/R	1	<input checked="" type="checkbox"/> ROUTINE BASED ON (FLD. IPT., PROJ.) PARI-8019 (IN-38266) NP (AMLASH-1) Liaison *
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CENTRAL INTELLIGENCE AGENCY

● ROUTINE

Intelligence Information Cable

COUNTRY CUBA

TDCS DB-315/01631-64

DATE OF INFO. NOVEMBER - EARLY DECEMBER 1964

DISTR. 11 DECEMBER 1964

SUBJECT

EFFECT OF CUBA'S ECONOMIC DIFFICULTIES ON FIDEL CASTRO'S POSITION

PLACE & DATE ACQ. 6 DECEMBER 1964

REF

IN-38266

SOURCE AND

FIELD REPORT NO.

APPRAISAL: A FORMER HIGH-LEVEL CUBAN OFFICIAL WHO WAS ONCE ACTIVE IN THE REVOLUTIONARY MOVEMENT AND A CONFIDANT OF FIDEL CASTRO. HE HAS ALWAYS BEEN ANTI-COMMUNIST AND IS NOW STRONGLY ANTI-CASTRO. HE CONTINUES TO MAINTAIN CONTACT WITH MANY CUBAN OFFICIALS AT ALL LEVELS OF GOVERNMENT. SOURCE HAS PROVIDED A LIMITED NUMBER OF REPORTS WHICH APPEAR TO HAVE BEEN ACCURATE.

1. CUBA IS FACED WITH SERIOUS ECONOMIC DIFFICULTIES: THE COUNTRY HAS MANY PROBLEMS WHICH DEFY SOLUTION, BUT WHAT WORRIES FIDEL CASTRO THE MOST IS THAT HE IS UNABLE TO SEE ANY SOLUTION TO THE CRISIS. ALL ECONOMIC PLANS END IN FAILURE. CASTRO BLAMES THE PERSONALITIES INVOLVED AND PUBLICLY CASTIGATES THEM, BUT HE REFUSES TO BELIEVE THE SYSTEM IS WRONG. AS A RESULT, CASTRO ASSUMES PERSONAL RESPONSIBILITY FOR MORE PROGRAMS, FEWER PEOPLE ARE WILLING TO ASSUME RESPONSIBILITY FOR PLANNING, AND EVEN CASTRO IS UNABLE TO DIRECT ALL THE PROGRAMS HE HAS UNDERTAKEN.

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2. CUBA REALIZES THAT THE USSR CANNOT ASSUME RESPONSIBILITY FOR ALL OF CUBA'S ECONOMIC NEEDS UNDER EXISTING CONDITIONS. THEREFORE, CUBA HAS CHANGED HER FOREIGN COMMERCIAL POLICY AND IS NOW PLACING INCREASED EMPHASIS ON TRADE WITH NON-BLOC COUNTRIES. INITIALLY, WHEN CUBA HAD AMPLE FOREIGN EXCHANGE, THE POLICY OF INCREASING TRADE WITH NON-BLOC COUNTRIES SHOWED SOME PROMISE, BUT WITH INADEQUATE EXCHANGE FACILITIES, AS AT PRESENT, CUBA IS UNABLE TO MEET TERMS OF EXISTING COMMERCIAL AGREEMENTS AND IS FINDING IT DIFFICULT TO NEGOTIATE NEW AGREEMENTS. THE FEW AGREEMENTS WHICH HAVE BEEN NEGOTIATED CONTAIN TERMS UNFAVORABLE TO CUBA.

3. CUBA'S ECONOMIC-COMMERCIAL DILEMMA IS THE PRIMARY REASON WHY CUBAN AMBASSADOR TO FRANCE ANTONIO CARRILLO CARRERAS RETURNED TO HAVANA ON 1 DECEMBER. (HEADQUARTERS COMMENT: SEE TDCS-314/06460-64.) PIERRE NIETO, FRENCH BUSINESSMAN WHO IS IN HAVANA, IS PROPOSING A SIXTY-MILLION-DOLLAR TRADE PACKAGE FOR WHICH NIETO CLAIMS HE CAN ARRANGE FRENCH FINANCING. THIS IS ONE OF THE SPECIFICS WHICH CARRILLO, WHO DISLIKES NIETO, IS DISCUSSING WITH FIDEL CASTRO AND ERNESTO "CHE" GUEVARA. (FIELD COMMENT: SOURCE, WHO LEFT HAVANA IN EARLY NOVEMBER 1964, NOTED THAT A FEW WEEKS BEFORE HIS DEPARTURE THERE WAS A DISTINCT CHANGE IN THE ATTITUDE OF HIGH CUBAN OFFICIALS WITH RESPECT TO THE UNITED STATES. ON THE BASIS OF CONVERSATIONS WITH OFFICIALS CLOSE TO FIDEL CASTRO, WHOM SOURCE DID NOT IDENTIFY, SOURCE BECAME CONVINCED THAT CASTRO IS WILLING TO ENTER INTO COMMERCIAL DIALOGUE WITH THE UNITED STATES AND IS SEARCHING FOR OPENINGS TO DO SO.)

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4. BECAUSE CASTRO IS ASSUMING PERSONAL RESPONSIBILITY FOR MANY OF CUBA'S ECONOMIC PROGRAMS AND IS ALSO FAILING, MORE PEOPLE ARE BEGINNING TO CRITICIZE HIM, ALTHOUGH NOT TO THE EXTENT OF DISCUSSING THE POSSIBILITY OF REMOVING HIM FROM POWER. (SOURCE COMMENT: CASTRO REMAINS THE SOLE KEY TO THE CUBAN PROBLEM AND WHILE HE IS IN PLACE NO ONE DARES ATTEMPT TO ORGANIZE A COUP AGAINST HIS RÉGIME.) (HEADQUARTERS COMMENT: RUMORS ABOUT THE EVENTS WHICH LED TO THE DISMISSAL ON 19 NOVEMBER OF JOAQUIN ORDOQUI MESA SUGGEST THAT SOURCE'S THESIS MAY NOT BE COMPLETELY VALID; CSDB-312/01269-64 IS AMONG REPORTS WHICH INDICATE THAT ORDOQUI HAD BEEN PLANNING A COUP.)

5. ALTHOUGH THEY ARE OPPOSED TO WHAT IS HAPPENING IN CUBA, INDIVIDUALS LIKE EFIGENIO AMEIJEIRAS DEIGADO, VICE-MINISTER OF SPECIAL AFFAIRS OF THE ARMED FORCES, AND JOSE A. NARANJO, PRESIDENT OF THE COMMITTEE OF COORDINATION, EXECUTION AND INSPECTION (JUCEI) IN HAVANA, ARE AFRAID TO PARTICIPATE IN OR EVEN PLAN A MOVE AGAINST CASTRO. OTHER PERSONS WHO REACH A POINT OF TOTAL FRUSTRATION EITHER LEAVE CUBA IF THEY CAN, OR RESIGN THEIR POSITIONS AS DID JOSE ASSEF YARA. ASSEF HAD BEEN OFFERED THE JOB AS JUCEI CHIEF IN MARIANAO BUT HE WAS CONVINCED OF THE NEED TO REPLACE EVERY HIGH OFFICIAL IN THE MUNICIPALITY, AND HE BELIEVED HE WOULD NOT RECEIVE THE BACKING OF THE RÉGIME IF HE DID SO. ASSEF NOW ATTENDS CLASSES AT HAVANA UNIVERSITY AND HOPES TO CONTINUE HIS MEDICAL STUDIES. DR. JUAN NUIRY SANCHEZ, ASSISTANT TO THE VICE-RECTOR OF EDUCATION OF HAVANA UNIVERSITY, IS ANOTHER PERSON WHO REMAINS CONCERNED ABOUT THE DISASTROUS SITUATION IN CUBA. (FIELD COMMENT: SOURCE EXPRESSED

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CONVICTION THAT WITHOUT ADMITTING IT OPENLY MORE AND MORE OFFICIALS
IN THE RÉGIME WERE REACHING THE CONCLUSION HE HAD REACHED SOME TIME
AGO, THAT "THE ONLY CURE FOR RABIES IS TO GET RID OF THE DOG.")

6. FIELD DISSEM: CINCLANT, CINCSO.

END OF MESSAGE

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