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- 1 - Plastiplate
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November 8, 1961

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LATIN-AMERICAN ACTIVITIES

Vicious Circle

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Information received from two former Cuban [investigators] who have recently arrived in the United States indicates that the economic situation in Cuba--despite assistance from various Soviet-bloc nations--leaves much to be desired. According to these two sources, increasing Government control over the means of production and distribution has resulted in a shortage of food and consumer goods, which in turn has brought on more controls and the vicious circle of an even greater shortage of items available to the general public. The reaction of the people, the sources say, is a combination of black-market buying, acts of sabotage, and desperation flights to the United States.

HAV [35] and Rolando De La Cruz Castaneda Izquierdo, former Lieutenant of the Cuban Revolutionary Police, MM airtel 10/26/61, re "Foreign Economic Matters - Cuba")

According to the first of these sources, the items which comprise the basis of the Cuban daily diet are both scarce and rationed. Part of the difficulty in securing proper food in Cuba, the source reported, is its scarcity. The rest is the lack of organization in its distribution. In an attempt to combat the food shortages, the Cuban Government has instituted a rationing system. The ration cards are issued to the public through the Committees of Defense of the Revolution. Generally, there is one such committee for each block, and different cards are used for different types of items.

MM airtel 10/26/61, re "Foreign Economic Matters - Cuba")

Inferior Imports

The poor organization in the distribution of food--causing shortages in some markets and surpluses in others--has given rise to a situation popularly known in Cuba as Venta por la libre. This means the sale of a product without Government control, or the black market. One of the answers of the Castro regime to both the shortages and the resulting black market, the source said, is the importation of supplies from Soviet-bloc nations. The inferior quality of many of the imported items, however, has allegedly caused growing discontent among the people of Cuba.

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