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NSC BRIEFING

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BACKGROUND

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- I. Pro-Communist Cuban national bank president Che Guevara returned home this past week from a 2-month tour of nine Communist Bloc countries. In the course of this trip, details of Cuba's economic relations with Sino-Soviet Bloc for 1961 were negotiated.
 - A. Resulting agreements indicate more than half Cuba's estimated total of \$600,000,000 in foreign trade in 1961 will be with Bloc--one third with USSR alone.
 - B. Guevara mission produced first trade agreements with North Korea, North Vietnam, Mongolia, and East Germany.
 - C. Opening of diplomatic relations with Cuba was announced by North Vietnam, Mongolia, Albania, and Hungary, leaving East Germany only Bloc nation without diplomatic ties with Cuba.
 - D. Czechoslovakia granted Cuba new \$20,000,000 credit, doubling the amount extended under the Czech-Cuban trade pact signed last June.
 - E. Guevara mission received with great warmth in all countries.
- II. Negotiations in Moscow and Havana resulted in extensive new USSR trade and assistance commitments.
 - A. At end of Guevara visit to USSR on 19 December Moscow proclaimed determination to combat US "economic aggression" by providing Cuba with all vital imports unobtainable elsewhere.
 - B. USSR agreed to purchase up to 2,700,000 tons of Cuban sugar if US buys none next year.

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- C. Concurrently a Soviet delegation in Havana signed 1961 trade contracts worth more than \$160,000,000 providing for shipment of 1,000,000 tons Cuban sugar to Soviet Union and more than 4,400,000 tons petroleum products to Cuba.
- D. But Guevara may have failed to obtain as much economic assistance from USSR as Cuba wanted.
 - 1. A member of Guevara mission reported that Khrushchev first turned down request for a \$300,000,000 loan, then rejected a request for half that amount.

III. Communist China entered into its most extensive economic agreement with a non-Bloc nation at the conclusion of Guevara's visit there on 30 November.

- A. Peiping granted Cuba a \$60,000,000 interest-free credit for a five-year period.
- B. Technical assistance agreements provide for training in China of 200 Cubans in "industrial, agricultural, and other fields" in 1961.
- C. Communist Chinese technicians will assist Cuba in building a number of "farm stations" in the next few years.