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CUBA

Raul Castro, Cuba's minister of the armed forces, arrived in Prague on 26 June, ostensibly on a good-will mission but more likely to seek military equipment. Discussions regarding such materiel were probably held during the recent Cuban-Czech commercial talks in Havana. The Czechs may be prepared to provide some military equipment, possibly including the aircraft long sought by the Cuban regime. Raul Castro's mission will also visit the UAR, where the Cubans were making arrangements in March and April to purchase an unspecified number of used British-made jet fighters. The conclusion of this deal would not preclude arms purchases from the bloc, but it would influence the type of military equipment that might be delivered.

According to unconfirmed reports, Raul Castro is also to visit Moscow to negotiate a "nonaggression" pact. Such a pact would have significant propaganda value for the Castro regime, which continues its strident campaign charging the United States with acts of "economic warfare" and subversive plotting against the regime--charges echoed in Moscow's propaganda.

In its desire to free the country quickly from dependence on trade with the United States, the Castro regime is seeking swift implementation of its agreements with the Soviet bloc to exchange sugar and raw materials for industrial goods. Soviet petroleum and fertilizers have already been delivered, and contracts have been signed for about \$10,000,000 worth of East German, Czech,

and Polish machinery and equipment to set up a variety of small factories. Deliveries of this material will begin this year and probably extend well into 1961.

Surveys of Cuban resources are being conducted by some of the bloc technicians in Cuba in preparation for proposed projects. General discussions have taken place for utilizing the \$100,000,000 Soviet credit, but no deliveries are to be made until 1961, when project reports have been completed.

Both sides hail these developments as the first steps toward diversifying the Cuban economy. The experience of other underdeveloped countries with Soviet bloc trade and aid, however, suggests that Havana's expectations of immediate benefits will not be fulfilled. The bloc's ability to conclude agreements rapidly is an attractive feature in its economic programs, but immediate results are rarely attained, and the protracted implementation period often tempers initial enthusiasm. As the bloc works toward long-term cooperation as a means of maintaining its position of influence, Cuba will probably have to qualify its extravagant hopes.

[REDACTED] the Cuban Foreign Ministry authorized visas for a Chinese Communist commercial mission.

Meanwhile, the situation in the politically important University of Havana is chaotic. Faculty members are being purged by Communist-dominated student

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groups, and Communist "goon squads" almost control the university. Anti-Communist student leaders are reportedly in hiding. The Castro regime may use the crisis to assume direct control of the university.

The seizure on 29 June of the \$21,000,000 Texaco refinery may presage seizure of the country's other two major refineries, both foreign owned, which have also refused to process Soviet crude oil. The companies have ceased importing petroleum from Venezuela, Cuba's traditional source, thus in effect making Cuba dependent on the Soviet bloc for its oil needs. Oil has been coming

from the Soviet Union since April, and a contract was signed in Moscow on 18 June under which Cuba is to receive from the Soviet Union roughly a quarter of its petroleum needs.

The Soviet bloc could provide Cuba with all its petroleum requirements, and it is reliably reported that a Greek shipping company has contracted to deliver Soviet crude to Cuba in adequate amounts to meet Cuba's needs. The Castro regime is planning the rationing of oil use until large new shipments of Soviet oil arrive in Cuba.

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OF IMMEDIATE INTEREST

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PART II

NOTES AND COMMENTS

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PART III

PATTERNS AND PERSPECTIVES