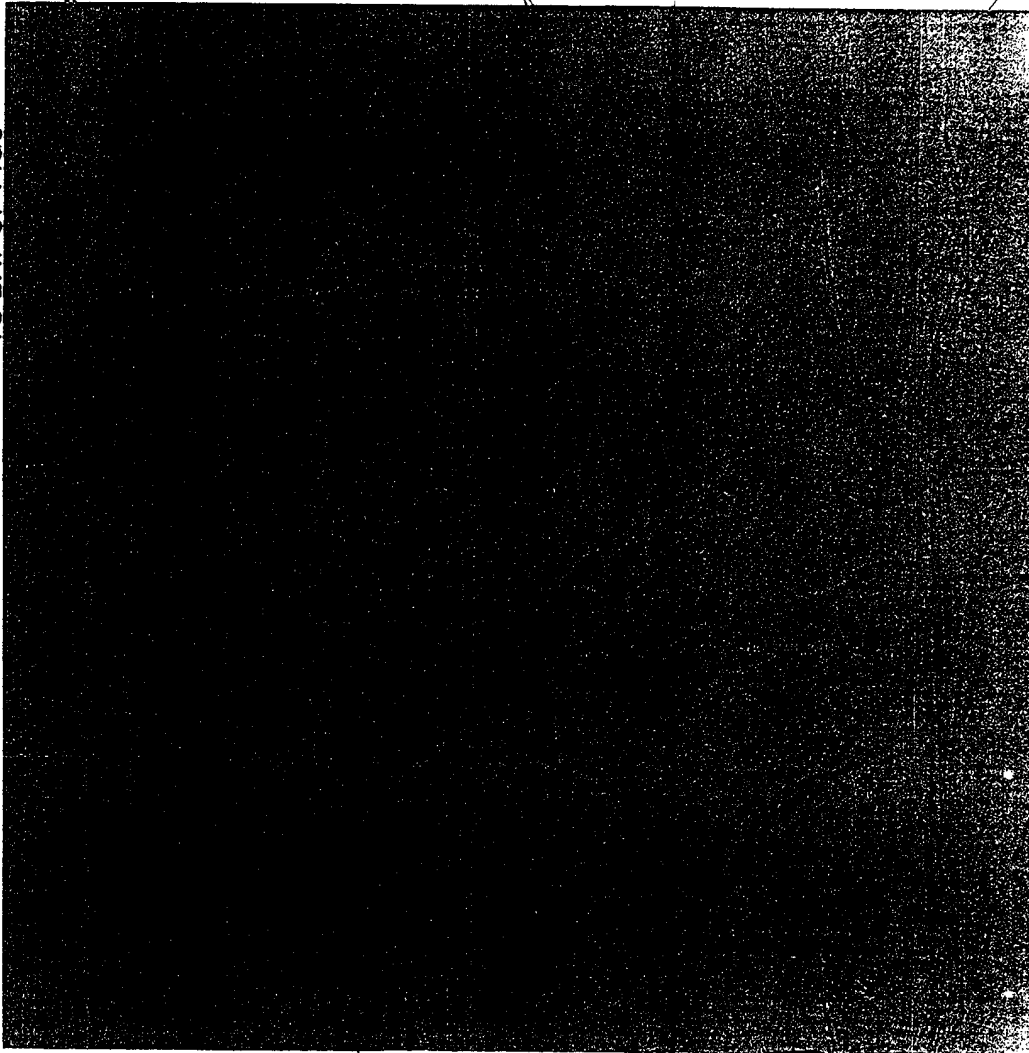


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CUBA AND THE CARIBBEAN

The Castro regime completed on 17 May the first year of its agrarian reform program, which has already transformed most of the Cuban economy. On 15 May the National Institute of Agrarian Reform (INRA) took over

the entire 272,000 acres of the United Fruit Company's sugar growing lands and divided them into 27 cooperatives. The company's two sugar mills were not taken, but INRA Director Nunez Jimenez suggested to the cane



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growers that if the mills did not want to handle the harvest from the seized lands, the workers have the right to take over the mills in the name of INRA.

Nunez Jimenez said that \$6,000,000 in 20-year bonds would be paid for the cane land, although the company values them at \$56,000,000. Following several recent Supreme Court decisions raising evaluations of expropriated properties, a government-controlled agrarian court system headed by the Communist legal adviser of INRA reportedly will be established soon.

By the end of the 1960 sugar harvest, which is now almost completed, most cane land will have been taken over by INRA. There is an unverified report that INRA will seize the mills just before the grinding ends in order to have the proceeds of at least part of the year's sugar sales available to help meet its very high expenses. INRA admits to having spent over \$100,000,000 in its first year, and at its current estimated rate of outlay will triple that amount soon.

It is the government's most powerful instrument, since besides its dominance of agriculture, fishing, cattle raising, and commodity marketing, INRA controls much rural construction, 18 radio channels, a number of hospitals and tourist centers, 36 sugar mills, and various other industrial enterprises. It is building a refinery to process Soviet crude oil which is already being delivered in small but increasing quantities under the Soviet-Cuban trade agreement ratified on 12 May.

INRA Director Nunez Jimenez reportedly will leave in the near future to study collective farms in the USSR, presumably as a model for the 764 cooperatives now operating in Cuba and the 800 sugar cooperatives he announced in April would be established on nearly 3,000,000 acres of expropriated cane land. When its planned takeovers are completed, probably in mid-summer, INRA will control about half Cuba's land area and the largest part of the arable land.

Meanwhile, there are new indications of closer relations with Communist China. Major William Galvez Rodriguez, inspector general of the Cuban Armed Forces, reached Peiping in early May on an extended good-will tour of neutralist and bloc countries. He had at least two audiences with Mao-Tse-tung and, according to the New China News Agency, said on 12 May that the Cuban people desired to intensify their "intimate relationship" with the Chinese people and to unite with them in opposition to the "imperialists of the US."

On 16 May, Castro's former minister of finance is reported to have said that the Cuban Government is "under heavy pressure" to recognize Communist China immediately and that he felt the move was imminent. A Cuban-China Friendship Association was inaugurated in Havana on 14 May, with enthusiastic support from Cuban extremists, including some Castro officials.

The Castro-controlled news agency, Prensa Latina, which is increasingly criticized in other Latin American countries for its biased reporting, is widening its European activities which started with a conference

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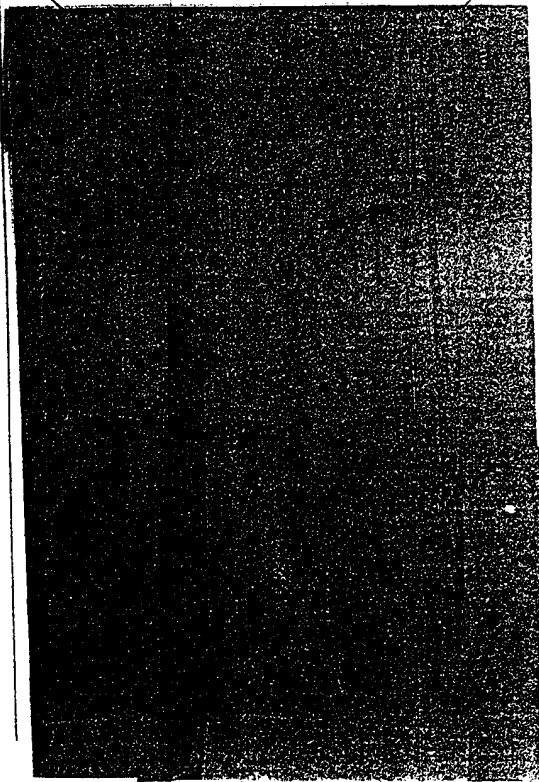
with Communist bloc news agencies in Havana in January. One untested source estimates that 70 percent of Prensa Latina's production consists of items from Europe, including Soviet bloc countries.

Branch offices are being opened this month in Paris, London, Rome, and Prague. Prensa Latina Director General Ricardo Masetti--an Argentine whose experience while working for the Peron propaganda machine evidently taught him the value of collaborating with Communists, since he employs many of them--was in Paris for the summit meeting. He will also visit Italy, Czechoslovakia, and the USSR.

With the takeover on 16 May of Prensa Libre, the Castro regime took over the last remaining outspoken independent newspaper in Cuba. As with the closing of the Diario de la Marina on 10 May, the government was careful to make the action appear to be the spontaneous result of popular resentment--especially among workers and students--against the paper's "counterrevolutionary" anti-Communist editorial policy. The workers have "patriotically" offered the papers to the government, giving it the difficult job of deciding how to support the dailies, both with large plants and staffs. Castro already has several newspapers under his control which

are suffering from the scarcity of private advertising.

These two seizures will heighten criticism of the Castro regime in Latin America. Many hemisphere newspapers have already likened the closing of Diario de la Marina to Peron's repression of La Prensa of Buenos Aires, and the Brazilian Press Association has passed a resolution criticizing the takeover.



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