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PROSPECTS FOR THE CASTRO REGIME

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*Concurred in by the*  
**UNITED STATES INTELLIGENCE BOARD**

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253

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## PROSPECTS FOR THE CASTRO REGIME

### THE PROBLEM

To estimate the prospects for the Fidel Castro regime over the next six months or so, assuming that the US continues political and economic actions against the regime at roughly present levels of severity, and that Castro is not removed from the scene.

### THE ESTIMATE

#### THE POLITICAL SITUATION

1. Prime Minister Fidel Castro remains firmly in control of Cuba. His overall popular support has declined since its high water mark of early 1959, but as a symbol of revolutionary change he retains widespread support among the poorer classes, particularly in the countryside. No other figure has emerged with the stature to challenge him, and his associates have not achieved comparable popular support.

2. In less than two years the Castro regime has consolidated its hold over Cuban society. New institutions have been created, and others, which have resisted the regime's domination, have been eliminated or revamped. The National Institute of Agrarian Reform, which controls most agricultural lands, the state farms, "people's stores," and many industrial enterprises, is the major vehicle of authoritarian statism. All political parties except the Popular Socialist Party (PSP—Cuban Communist Party) have been destroyed and their leadership silenced or forced to flee. For some time the regime has dominated all mass communications media—newspapers, radio, and television. Pro-Castro elements are in control of all important labor unions, student groups, and professional organizations. The regime's seizure of most major industrial units as well as the property of all urban landlords and its establishment of a network of urban block wardens have further extended its control over daily life in the cities. Censure of the administration by the Catholic Church

has resulted in a government-inspired propaganda effort to discredit the Church by identifying it with the Batista regime, the upper class, and foreign imperialism. These measures are closely parallel to the traditional pattern of Communist takeover.

#### The Security Forces

3. To tighten the dictatorship and provide strong defense against its external enemies, the Castro regime, with Bloc assistance, is rapidly building up its military and security capabilities.<sup>1</sup> Primary stress has been placed on building up the militia, a growing force presently estimated at some 200,000, which has now taken over many of the internal security functions previously carried out by the regular armed forces. Drawn primarily from lower income peasants and urban workers, the militia represents an attempt by the regime to provide itself with a large security force and to regiment a large number of youth and give them a sense of participation and identification with the regime. Thus far, the militia's

<sup>1</sup> Bloc assistance to date totals some 10,000-12,000 tons of military equipment, including large amounts of small arms and ammunition and a few helicopters and probably some tanks, artillery (also antiaircraft), and other relatively heavy equipment. Thus far Cuba has received no combat jet aircraft, though some Czech trainers have already arrived and some jet fighters may be en route. In addition, the Bloc has provided up to perhaps 200 military technicians and instructors and has taken a like number of Cuban pilots and other specialists for overseas training.

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overall combat efficiency is low; many units are still on a part-time training basis. However, there appears to be emerging a nucleus of well organized, well equipped, and well trained units loyal to Castro and strongly Communist-influenced; we believe that within the next 12 months or so these units will develop into a reasonably effective security force.

4. The regular armed forces are still largely disrupted as a result of successive purges and the employment of substantial army and navy detachments in construction and other public works. At present, the combat effectiveness of the air force is virtually nil, that of the navy is poor, and that of the army is low. The army now numbers about 32,000. Increased emphasis is being placed on training, and Bloc military equipment and advisors have begun to make their appearance. Hence the army's combat capability can be expected to improve.

#### The Role of the Communist Party

5. It is impossible to distinguish between the policies and actions of the Castro regime and the program presently advocated by the local Communists. The PSP is playing an increasingly important role in the Castro regime. It is providing guidance to Castro through his chief aids. PSP members fill key administrative, managerial, and military positions. The party's propaganda apparatus is of inestimable value to Castro. The party line laid down at the PSP congress last summer called for continued strong support of Castro, who was characterized as carrying out the essential first steps of a "revolution of national liberation." PSP spokesmen indicated that the regime would eventually evolve into a Communist state. Virtually all institutions of Cuban life are being remolded in the likeness of a typical Communist society. In short, for most practical purposes, the present Cuban Government can be regarded as Communist.

#### The Opposition

6. Internal resistance to the Castro regime has risen in the last six months but is still generally ineffective. The Catholic Church, the only major institution not brought to its knees

by the regime, has taken an increasingly firm stand against Castro, but because the Cuban Church has never enjoyed the influence of the Church in, say, Colombia, it serves as little more than a rallying point for opposition. Castro has alienated most of the middle and professional classes, but many have now fled, and the remainder are disorganized and leaderless. Some *campesinos* are disgruntled, notably over the regime's failure to redistribute large landholdings as it has promised, and urban labor discontent is increasing with lower take-home pay and consumer goods scarcities. A number of anti-Castro guerrilla groups are operating in the Sierra Escambray area and in Oriente Province, but the regime has reacted vigorously and has thus far been able to contain these bands. Within the armed forces, there probably remains a measure of dissidence and probably considerable resentment at the regime's decided preference for the civilian militia, but this may decline as more Bloc equipment is made available to them. Moreover, Castro is almost certain to continue to remove dissatisfied elements. Abroad, Cuban exile groups are making some progress toward joining forces, but as yet none appears to have the capability for decisive action against Castro. Hence, while the regime's enemies are growing in numbers, no one group or combination of them seems well enough organized or sufficiently strong to offer a serious threat to Castro's authority.

#### Castro's Standing in the Free World

7. The Castro regime enjoys a considerable measure of sympathy among the general public in Latin America because it appears to stand for social progress and for emancipation from US economic dominance. Its revolutionary character is not regarded as a defect by those who are out of power. Therefore, there would be no wide basis of popular support for an inter-American move against Castro; indeed most governments would be extremely cautious about committing themselves to such a move. At the same time most governments and ruling groups are alarmed by the revolutionary aspects of the Castro movement. Latin American governments are

generally unsympathetic to Castro, and are becoming increasingly worried over the presence of the Bloc in Cuba, the pro-Castro troublemaking minorities in their countries, and Castro's attempts to export revolution. Nevertheless, Castro is benefiting from the unwillingness of most Latin American governments to act against him except when he or his supporters are caught interfering in their internal affairs.

8. Most Latin American officials probably do not share the extreme concern of the US over the Communist danger in Cuba, and in any event, their concern in this respect is conditioned by the disinclination of any Latin American country, except where its own interests are directly involved, to take a position in open opposition to another Latin American state. Also contributing to the apparent stalemate on Castro is a tendency throughout the area to view the Cuba problem as one between that country and the US and to be critical of US economic sanctions.

9. Only Guatemala, which sometime ago broke relations with Castro, and possibly Argentina and Nicaragua, would favor strong OAS action on the Cuba problem. Presidents Betancourt of Venezuela and Lleras Camargo of Colombia are firmly anti-Castro, but neither is prepared to move on Cuba, the former, in particular, because he believes that the US let him down in his efforts to do away with Dominican dictator Trujillo. The other Latin American states will be reluctant to support anti-Castro action in the OAS, with Mexico among the most uncompromising.

10. Outside Latin America, there is little strong feeling against Castro. There was almost certainly a widespread belief that Cuba's extreme economic dependence on the US would sooner or later provoke a reaction, and though many countries may regret the violence of Cuba's breakaway, most of them regard this as primarily a US problem. Many of the underdeveloped and neutralist nations of Asia and Africa are inclined to sympathize with Castro in his struggle against the US, while others probably wish to avoid trouble with the USSR on the Cuban issue.

## THE ECONOMIC SITUATION

11. The Cuban economy as a whole continues to deteriorate, but is not yet close to the point where the stability of the Castro regime is jeopardized. In the last two years, the economy has suffered from the unsettling effects of violent revolution, drastic and haphazard reforms, and the setbacks attending government seizure of virtually all private enterprises. In the past six months, the regime's economic problems have been compounded by the cutoff in US imports of Cuban sugar and by the embargo of all US exports to Cuba except medical supplies and nonsubsidized foodstuffs. These actions by Cuba's major trading partner have had a considerable impact on the already sagging Cuban economy, and have aggravated the seasonal decline in Cuba's foreign exchange reserves, which will stand at about \$75 million at the end of December 1960, having been about \$200 million in mid-1960.<sup>2</sup> At the same time, shortages of industrial goods, including spare parts for US-made machinery, are increasing. Inflationary pressure, springing mainly from large currency issues and government deficit financing, has thus far been kept in check by tightening price, wage, and exchange controls.

12. The regime's performance in economic affairs has been spotty. Inadequate planning and mismanagement have resulted in wasted resources and some production losses, notably in rice and beans, although agricultural production generally appears to have increased. Industrial production, especially of consumer goods, was initially spurred by increased mass purchasing power and import restrictions, but now may be beginning to feel the pinch of raw materials and spare parts shortages.

13. Meanwhile, Bloc economic assistance has reduced the impact of US sanctions. The Bloc was quick to exploit the US-Cuba conflict by signing agreements for large-scale trade and for financial and technical assist-

<sup>2</sup> The value of US-Cuban trade totaled \$900 million in 1959. The US has traditionally supplied 70-80 percent of Cuba's import needs and taken 60-70 percent of Cuba's exports.

ance.<sup>3</sup> The USSR purchased the 700,000 tons of sugar cut from the US quota in June. It moved quickly to help Cuba meet the serious problems posed by the withdrawal of American oil companies from Cuba in mid-summer and the resulting loss of traditional sources of crude. Even though Soviet grades of oil are imperfectly suited for Cuban refineries, this difficulty is being surmounted and in general Cuba's POL needs are being met. Castro's search for substitute suppliers of goods denied him by the US export controls imposed in mid-October has been hampered in some degree by shortages of foreign exchange. However, no other countries, in Latin America or elsewhere, have imposed economic sanctions against Cuba. Hence Cuba has been able to look for supplies not only in Bloc but in non-Bloc markets.

<sup>3</sup> The USSR is committed to purchase one million tons of Cuban sugar annually for the next five years, and to provide a \$100 million line of credit to cover the costs of capital equipment imports and technical assistance for new industrial plans to be undertaken during a five-year period beginning in 1961. The agreement with the USSR calls for 20 percent of the USSR's purchases of sugar during 1961-1964 to be paid for in US dollars and the remainder in shipments of Soviet goods. A trade and payments agreement with *Communist China* provides for Peiping's purchase of 500,000 tons of Cuban sugar annually for a five-year period; China has agreed to take one million tons of sugar in 1961 and has now extended Cuba a credit of about \$60 million. A one-year trade agreement concluded with *East Germany* calls initially for the barter of 60,000 tons of sugar for German machinery and small industrial plants. A one-year agreement with *Poland* provides the framework for delivery of Polish industrial goods for Cuban sugar, minerals, metals, and other raw materials. *Czechoslovakia* recently increased its credit to Cuba for industrial equipment to \$40 million; also a technical assistance agreement and a five-year trade pact have been signed. *Hungary* has signed an agreement with Cuba on commercial relations, payment, and credits and granted Cuba a credit of \$8 million to buy machinery, especially for hydroelectric projects. Cuba has a commercial agreement with *Bulgaria* providing for the purchase of at least 20,000 tons of Cuban sugar annually for the next five years. *Rumania* and *North Korea* have recently signed trade and technical cooperation agreements with Cuba.

## PROSPECTS

14. We believe that during the period of this estimate Castro's control of Cuba will be further consolidated. Organized opposition appears to lack the strength and coherence to pose a major threat to the regime, and we foresee no development in the internal economic or political situation which would be likely to bring about a critical shift of popular opinion away from Castro. Any further erosion of Castro's base of popular support is likely to be offset by the growing effectiveness of the state's instrumentalities of control. The regime's capabilities for dealing with internal disturbances and foreign-based incursions are almost certain to improve. Effective governmental control over the institutions and daily life of the Cuban people is also likely to increase, making effective opposition more difficult and risky.

15. The efficiency of Cuba's plantations and industries is likely to continue to decline, but the Communist Bloc will almost certainly take whatever steps are necessary to sustain the Cuban economy. Economic dislocations will occur but will not lead to the collapse or significant weakening of the Castro regime. Internal controls will facilitate any further belt-tightening required.

16. The prospects for effective international action against Cuba remain poor. Despite the growing concern about Castro and Castroism among many responsible Latin American leaders, inhibitions about taking strong OAS action against Cuba will probably remain strong. Most of the rest of the Free World will probably continue to regard the Cuban problem as one for the US to handle, with many of the Afro-Asian states inclined to sympathize with Cuba.

17. We do not believe that Cuba will make a direct military assault on the Guantanamo base. However, the Castro regime will continue its efforts to undermine the position of the US and to spread the Castro revolution to other countries in Latin America. Given the serious social and economic pressures building up in most countries of Latin Amer-

ica and the weakness of many of the present governments, the chances of the establishment of one or more Castro-like regimes over the next year to 18 months are appreciable.

18. For the Communist powers, Cuba represents an opportunity of incalculable value. Within Cuba, the institutions on which an avowed Communist regime could be based are being created, with the PSP gaining valuable experience in the process. More importantly, the advent of Castro has provided the Communists with a friendly base for propaganda and agitation throughout the rest of Latin America and with a highly exploitable example of revolutionary achievement and successful defiance of the US. The fact that Castro can be depicted as a nationalist reformer rather than as an avowed Communist is, at this stage, a net asset.

19. The Soviet Bloc can and will provide the assistance necessary to prevent serious deterioration in the Cuban economy in the short run and to permit an expansion of economic capabilities over the longer term. The Soviet Union will continue to support the military buildup in Cuba and will unstintingly exert

its influence—short of risking general war—to sustain the present regime.

20. We believe the Soviet leaders wish to avoid becoming overextended in Cuba. Given Cuba's remoteness from Bloc centers of power and the extreme sensitivity of the US on the Cuban situation, the Soviet leaders will probably stop short of actions which might provoke strong US counteraction, and especially those which might also alarm the other Latin American nations. They are unlikely to encourage a PSP attempt to seize power from Castro. Instead, they will seek to have the local Cuban Communists expand their influence and in other ways prepare the ground for an eventual Communist takeover. The USSR is unlikely to seek military bases in Cuba or to enter formal defense arrangements with Cuba. Moreover, the USSR will probably urge Castro to exercise some caution in pursuing his anti-US policy lest he provoke an undesired showdown. Though Communist China advocates a more active Communist role, and though Chinese Communist influence in Cuba will probably increase, we believe that the Soviet hand will remain dominant in Cuba for at least the period of this estimate.