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FOREIGN SERVICE DESPATCH

FROM : Amembassy HAVANA **5780012-178141** DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

August 8, 1958
DATE

REF : Embtel 182

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	REC'D	OTHER
	ARA-4 8/12	RM/R-2, S/S-2, G-1, S/P-1, C-1, L-2, INR-1

SUBJECT: Policy Paper on Cuba

611.37/3-858

In the reference telegram I indicated that the Embassy was preparing a position paper on the current political situation in Cuba. I also stated that, before the Department reached a final policy decision, the Embassy would appreciate this paper being reviewed and considered. Herewith is the paper of the Embassy containing the recommended policy which we believe the Department should follow.

Earl E. T. Smith
Earl E. T. Smith

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Enclosure:
No. 1 - Policy Paper on Cuba

DECLASSIFICATION DATE 11/22/76
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From Alabama

POLICY PAPER ON CUBA

STATEMENT OF PROBLEM:

To determine what policy would best serve the overall interests of the United States in its relations with Cuba during the critical period through which the island is passing.

DISCUSSION:

The political-military situation in Cuba shows an increasing polarization of the centers of power represented by the Batista regime on the one hand and the revolutionary opposition, principally the "26th of July" Movement, on the other. In between these poles is a large majority of the Cuban people who have no effective leadership or power mechanism.

There is at present a military stalemate between the Cuban Armed Forces and the rebel forces of Fidel CASTRO in Oriente Province. This situation is likely to continue for the foreseeable future. The Army, which is relatively well armed, lacks the discipline and spirit required to mount the offensive and sustain the losses required to flush the rebels out of their mountain hideouts. The attempts which the Army has made in the Sierra Maestra region during the past three weeks to defeat Fidel Castro appear to have resulted in heavy losses for the Army forces and their withdrawal to the lowlands. Because of concentration on the Sierra Maestra front, the Army has given indifferent attention to date against Raul Castro in the Sierra Cristal area.

The "26th of July" troops appear to have the zeal but for the present lack the arms to challenge the Army for control of urban areas in Oriente. They have considerable support in Oriente among the local population. Throughout the island they have the sympathy of a substantial percentage of the people as a symbol of opposition to the Batista regime. But the "26th of July" Movement does not enjoy the confidence of the population as an alternative to the present government. The degree of communist infiltration in the "26th of July" Movement is definitely an element of growing concern. The Communist Party has the same objective as the "26th of July" Movement, i.e., the overthrow of the Batista Government and capitalization on the ensuing chaos and bloodshed.

A build-up in strength of the two opposing forces is not likely to alter the balance of power. There may be reason to believe that some Army leaders, who are profiting personally from the present military situation, are not particularly anxious to see it altered.

On the political front the prospects are for the Batista regime to continue in power. Batista is determined to hold honest elections on November 3 and to elect Andrés RIVERO Agüero. Given his experience with the restoration of guarantees earlier this year (January 25 - March 12), Batista is not disposed to lift the ban until the eve of the elections. This means no climate conducive for elections will exist because of the limitation on free speech and freedom of assembly. A low voter turn-out favors a victory by the Government candidate.

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Furthermore, the political opposition is splintered. Dr. Ramón Gual San Martín, leader of the PRC Auténtico Party, is 76 years old and physically ailing. Yet he refuses to step down and is recalcitrant about merging forces with other opposition groups. Dr. Carlos MARQUEZ Sterling, head of the Free Peoples Party, lacks party organization and national standing. Thus, the political opposition in its present state of disarray does not offer much of a rallying point for the voters who would use the electoral process to terminate the Batista regime.

A victory for RIVERO Agüero for all practical purposes means a continuation of the Batista regime. His past record is one of complete loyalty to Batista. He has personally declared in his campaign that his program is one of "continuism". The opposition, political as well as revolutionary, consider him as nothing more than a front man for Batista. Hence, if RIVERO Agüero is elected and assumes office, he cannot expect any abatement in the existing revolutionary opposition to the Government. If he does not prove strong enough to cope with the situation, Batista may find it necessary to assume the position of General-in-Chief of the Cuban Armed Forces from where he can exercise effective control of the administration.

The outlook, therefore, is for a continuation of existing revolutionary conditions, with a likely increase in their scope and intensity but without conclusive results unless there is a major shift away from the Government in such power elements as organized labor and the armed forces. It is a truism that the prolongation of this situation only serves to favor extremist elements in both groups and to work to the advantage of the communists. The clandestine Communist Party is believed to maintain a well organized, disciplined ^{and dedicated} cadre, capable of exploiting to a maximum any power vacuum or situation of instability.

As the conflict in Cuba has become more acute, the course of the United States Policy has been to refrain from acts which would be taken as favoring either side. Instead of winning us friends in Cuba, the next result of our neutral position is to please no one. The Government considers our arms embargo policy as unfriendly to it and as providing aid, assistance, and moral support to the rebels. The rebels claim we profess neutrality but do not practice it, otherwise we would stop furnishing arms, withdraw our military missions, and insist upon GOC compliance with the MAP agreement. The thinking public, who are equally disenchanted with Batista and Fidel Castro, complains that we sit idly by when we should be using our influence to help bring about a solution to the problem. Yet neither side wants U.S. intervention.

The criticism translates itself into specific acts of antagonism against American interests. The kidnapping of American citizens in Oriente during June is an eloquent case in point. Admiral Ellis has reported an erosion in the good will which the Naval Base has traditionally held among the local population in the Guantanamo area. As a result the Base in the future may become a domestic political whipping boy. Between the MAAG's and the respective services there is an increasing

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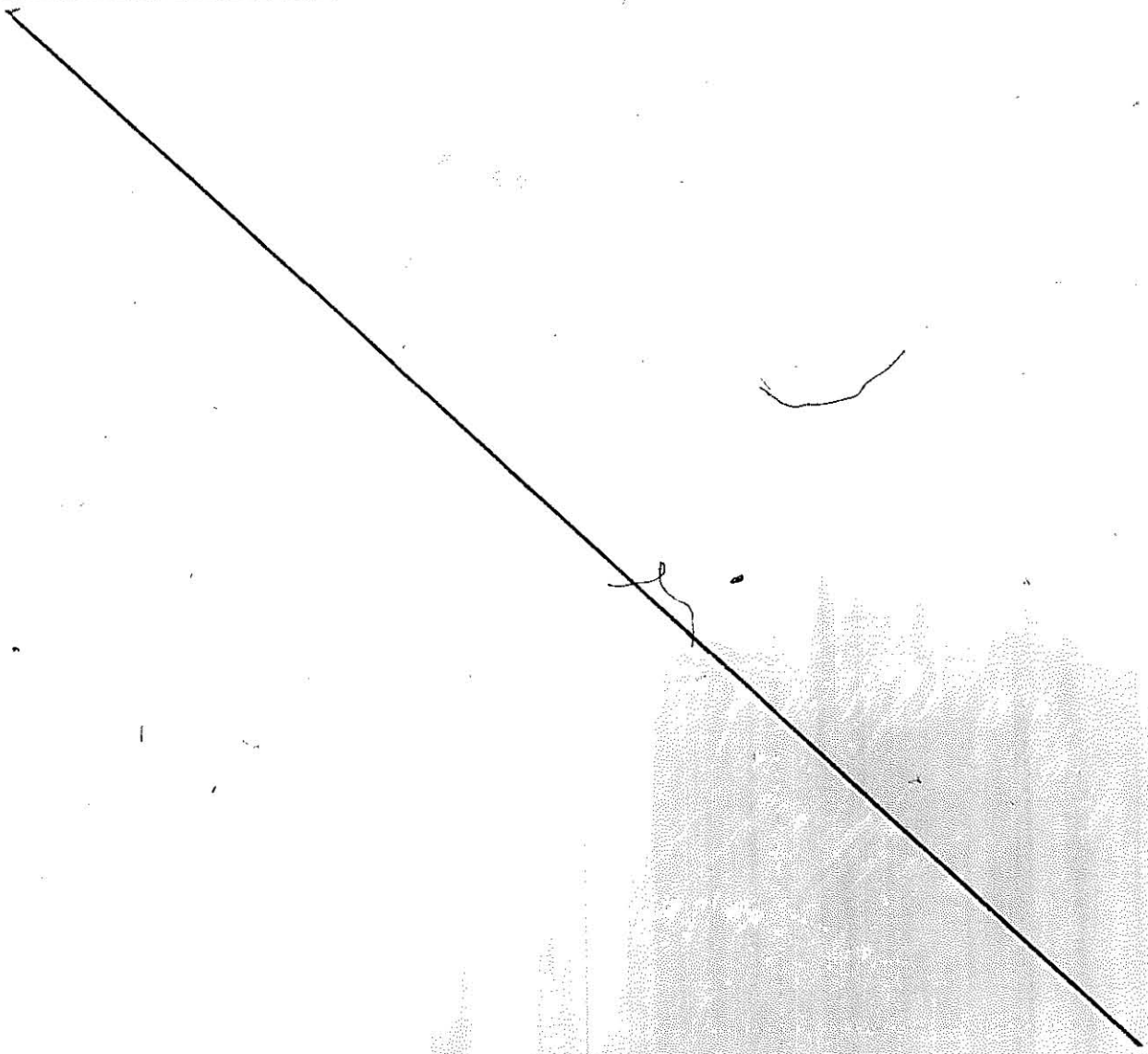
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coolness which is seriously limiting the MAAG's effectiveness. As the conflict in Cuba sharpens, the billion dollar American investment in the island can be expected to be caught in a squeeze between the opposing forces.

The Communists are using every opportunity to exploit the turbulence. Their attack on the offices of the Havana Post is symbolic of how they would translate anti-American feelings into action. The longer the present situation continues, the better are the Communist chances to penetrate the ranks of the revolutionary opposition.

ALTERNATIVES FOR POLICY



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ALTERNATIVES FOR POLICY

The United States has the following alternatives for action in Cuba:

1. Adhere to a policy of strict neutrality.
2. Work toward unification of the opposition political parties and an atmosphere conducive to the holding of free elections in an effort to replace the Batista Government through constitutional means.
3. Encourage moderate elements within the Armed Forces and the legal opposition to overthrow Batista and establish a provisional government.
4. Support the Batista Government to the extent of complying with our commitments and contractual agreements and not give moral support to the revolutionary opposition.
5. Encourage the revolutionary opposition with moral and material assistance.

The first alternative clearly meets our inter-American treaty obligation of non-intervention in the domestic affairs of another American Republic. In terms of our hemispheric relations it places us in the strongest position to meet any charges that we are intervening in Cuba. It has certain disadvantages, however, as far as United States interests in Cuba are concerned. It is a drifting policy under which we would not use our influence to direct the course of events in Cuba. The longer the existing situation lasts, the more violent will the ensuing reaction be if the government is overthrown, and the more advantageous it will be for the Communists. United States citizens and property will suffer in any upheaval.

The second alternative provides the ideal solution if the obstacles were not so overwhelming. The revolutionary opposition will do everything possible to disrupt the elections. Unification of the opposition political parties is a remote possibility, due mainly to the intransigence of Dr. Grau San Martin. The electoral climate is not propitious, largely as a result of the suspension of constitutional guarantees, the state of national emergency, and the terroristic and counter-terroristic activities. Without the proper conditions the United States should not become identified with the elections as the solution to Cuba's difficulties.

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The third alternative has much to commend it for the sake of the end result, but it presents major difficulties in its implementation. United States interests would be best served by having moderate elements in the Armed Forces and the legal opposition, capable of maintaining law and order, establish a provisional government. Under such a government a general amnesty would be called, a constitutional assembly would be convoked if the 1940 Constitution is considered deficient, and general elections would be set for the earliest feasible date. This would bring to an end the present civil strife, avoid the uncertainties resulting from a victory by the revolutionary opposition, and offer the best hope of curbing the infiltration of the Communists. In this way there could be an orderly transition from the Batista regime to a restoration of constitutional government, much along the lines of how it was achieved in Argentina. How far the United States can go about promoting a change of government by this means is hazardous. Such steps would mean direct intervention for the overthrow of the Government of Cuba, and the possibilities of success are problematical. Therefore, it is too risky to attempt.

Although No. 4 may not be regarded as the best of the alternatives it does mean the continuance of our moral obligations with a friendly government recognized by the United States. It would mean the delivery of non-combat military equipment and the discontinuation of giving moral support to the revolutionaries. The Batista government is dictatorial, and we do not believe that it has the support of the majority of the people of Cuba. On the other hand, the GOC has been a friendly government to the United States and has followed for the most part sound economic policies which have benefited American investments. It has been a staunch supporter of United States policies in international forums. The GOC has outlawed the Communist Party in Cuba and does not maintain diplomatic relations with Soviet Russia, or any of the nations behind the Iron Curtain. The overthrow of the GOC is an objective of international communism. To choose Alternative No. 4 means the Department must be prepared to continue to receive adverse criticism from the same sources as in the past. In addition, there is a good possibility that the Batista regime, as continued by Rivero Aguero assuming his election, may not survive for any lengthy period after February 24, 1959.

Alternative No. 5 is definitely not in the best interests of the United States. To support the 26th of July Movement would be flagrantly inconsistent with the principle of non-intervention. Communism has infiltrated this Movement. The Movement is composed of heterogeneous elements - most of them undesirable. The second front under Raul Castro is definitely anti-American and both fronts have the support of the Communists. The various groups which comprise the revolutionary opposition are held together by the common desire to overthrow the Batista regime.

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Once he is removed the centrifugal forces of selfish interests may be expected to result in a complete disintegration of the opposition. A period of chaos will surely follow with bloodshed, vandalism, and needless destruction of innocent lives and property. Even if the revolutionaries were to pull together, the political, economic and social policies which they would follow are too much of an unknown quantity.

Recommended course of action. While there is any possibility of (1) the political opposition uniting behind a single ticket on a platform of serving as an interim government and (2) establishing an atmosphere conducive to holding free and open elections, the United States should not rule out the electoral method as a possible solution. It is recognized that the possibilities of the above two events materialising are slight.

The stated intention of the revolutionary opposition is to disrupt the elections. There is at present an absence of a proper electoral climate which we fear may be too late to correct.

If for the foregoing reasons the alternative of supporting the November 3rd elections is ruled out, the United States should adhere to a policy of strict neutrality (Alternative No. 1). On the one hand, this means that we will continue to do business with the recognized Government of Cuba, living up to our moral obligations and making it clear as to what they may expect in the way of military equipment from the United States and what the United States attitude will be toward efforts to purchase military equipment from third countries. On the other hand, to adhere to a policy of strict neutrality means that the United States will not give aid and comfort through moral support, directly or indirectly, to those associated with the revolutionary opposition and to those representing the revolutionary opposition. The United States should also intensify its efforts to deter these elements from using the United States as a base from which to forward arms and military equipment to the rebels.

It is recognized that the policy of strict neutrality recommended above, may not be an ideal solution of the problems confronting the United States in Cuba at present. However, it is believed that it best serves the over-all interests of the United States. It is consistent with our obligations under the principle of non-intervention. It places the United States in a safe position from which to counter criticism of our policy toward the Cuban domestic struggle. It does not commit the United States to any group or faction, thereby providing freedom of action for the United States to support or oppose whatever elements might emerge as a substitute government if, as and when the fall of the Batista regime takes place. This alternative avoids

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From Habana

potentially controversial and disruptive issues which may further complicate achievement of our United States objectives with other nations - especially the Latin American Republics.

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