

1 January 1964

Paragraphs for message to DCI*Mr. Enright handled sending of message on 2 Jan*

1. The President has not yet approved the 1965 budget and it is being extremely closely held. Agency requirements totaled **\$122 billion** and BOB cuts reduced it to **\$103 billion**. Further cuts are quite obviously in the mill. The '65 total request will be less than '64 and expenditures will likewise be less than '64. There will be departmental reductions in Defense, State, AEC, Agriculture, with increases in HEW and Labor. With relation to Gross National Product, the '65 budget will be the smallest since 1951. This will be the first time in ten years that there has been a decrease in personnel, amounting to approximately 100. The smallest increase during this period was 7200 in 1957.
2. Major legislative proposals will be those that are left over from last session, such as Civil Rights Bill, tax cut, etc. New programs will include a procedure for attack on poverty, new program for aid to education below college level, new program for medicare, preparation for next year's foreign aid bill, etc. Major emphasis on human needs continues.
3. The President wishes to conduct an all-out review of our Cuban policy after returning to Washington. He particularly wants a more imaginative approach with hard-nosed emphasis on economic denials through pressures on third countries. This in line with his statements at recent Cuban meeting at White House.
4. President personally wrote New Year's message to Khrushchev, released today.
5. President faced with decision on whether or not to continue \$25 million aid program to Indonesia. As you know, this is primarily civic action. He wants a study of pros and cons with recommendations in writing from you, Secretary of State, and others. Also wants reaction from Senator Russell and others on Hill. Will take up when he returns.
6. Salinger will send me tomorrow the memoranda he wrote on conversations with the Russians as to President's intentions.

3. In dealing with the Miami Base, Simmons stuck strictly to the relationship between Headquarters and a foreign station. His command channel was, of course, via Chief of WH/4 to the Chief of Miami Base to Morales. He and Morales understood each other perfectly and there was no other obstacle of any sort in their collaboration. There was no second-guessing or double case offering in CI matters.

4. Simmons and his section ran a number of CI ops directly from Headquarters. He referred to the following:

a. A certain lady of easy virtue who had a vast acquaintance among the top Castro people.

b. A Greek sailor who for eight years has worked for the Agency as a penetration in Communist maritime unions in various countries.

c. A certain former ^{RAVADA} Spanish intelligence officer, Amshad, who has been living in the home of the chief of G-2. Unfortunately, an expected Castro official appointment did not materialize and this operation has not proved to be of much value.

d. A former U.S. negro citizen now in the Cuban service.

e. Juan Orta, former chief of Castro's executive office, now out of office.

5. Simmons gave me the attached copies of four basic documents.

Tab A - WH/4 counterintelligence plan, June 1960

Tab B - Counterintelligence plan for an FRD security service, late August 1960

Tab C - CI program for future project, 20 April 1961

Tab D - Counterintelligence assets, 29 April 1961

In addition, Morales gave me a copy of a dispatch summarizing Miami's CI assets currently in Cuba, (Tab E).

6. Relations with PM Section: Simmons' relations with the PM section seem to have been marked with a considerable amount of friction, perhaps more than always results from the resentment operators feel at the inhibiting influence of the CI man. Thus whenever a PM agent was lost, a CI man would analyse the files and draw a damage sheet showing what the agent knew, etc. Simmons showed me a large file containing about 50 of such cases. This work was made more difficult because the PM people kept only very skimpy records. A CI representative, Rothwell,

2. Assets:

- a. AMOT Security Service: The AMOT complex is made up of 97 AMOT staff and clerical personnel, 34 AMFASTS (security-counterintelligence teams) located in the Miami area, and 63 AMCHERS (senior Cuban citizens drawn from banking, commercial and ranching circles in Cuba), also located in Miami.
- b. An Agency-controlled Communist Party penetration agent located in Havana.
- c. An Agency-controlled agent with access to leftist and Communist circles in the Western Hemisphere, now in New York City.
- d. An agent candidate with access to engineering circles in Havana, who will be available for assignment in Cuba in June of this year.
- e. A third country agent under diplomatic cover now assigned to, and in place at, Havana.

2. Other CI assets Inside Cuba:

Through the AMOT and other clandestine channels approximately 30 individuals, the majority of whom are Army officers, had indicated a willingness to defect in place and help the opposition forces when the strike came. Although the rebellion was crushed before it could advance sufficiently for the 30 individuals to fulfill their commitment, it may be assumed that some of these people are still willing to cooperate and may be recruited for the purpose of furnishing information now denied us and possibly for performing certain operational functions such as establishing nets and recruiting agents. At the Granma Base, for example, where approximately 4,000 troops are stationed (according to AMOT-34), three captains have indicated willingness to cooperate. The Infantry commander agreed to try to take the base and the nearby cadet school. Assuming that he had that capability, it may be further assumed that he could recruit agents and informants at these bases.

Other possible assets of this type include the chiefs of the Fourth and Fifth IIRA Zones in Pinar del Rio and the Chief of Police in Santa Clara, Las Villas Province.

In addition we have on hand a list of potential defectors who have shown disillusionment with CASTRO, and who have been approached but who have not yet declared themselves. It is possible that the turn of events may have heightened their disillusionment; may be worth trying to recruit them at this time.

| DISPATCH | | CLASSIFICATION SECRET | | PROCESSING | | |
|---|--|--------------------------|--|--|--------|--------------|
| | | | | PROPOSED | ACTION | ACCOMPLISHED |
| TO | Chief, 2d Division | | | MARKED FOR INDEXING | | |
| INFO | | | | NO INDEXING REQUIRED | | |
| FROM | Chief of Base, JMWAVE | | | ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING | | |
| SUBJECT | Operational/JMWAVE/AMCT Status Report | | | ABSTRACT | | |
| ACTION REQUIRED - REFERENCES | | | | MICROFILM | | |
| <p>Action Required: For information and files</p> <p>1. Following is a brief summary of JMWAVE/KUDLSE current assets in the Target Area (Cuba):</p> <p>a. <u>AMCT-34</u>: Subject is a source of operational intelligence in Habana. We are maintaining contact via S. Subject had a W/T set, cached it and no longer has access to it. AMCT-1 has been instructed to deliver another one to him.</p> <p>b. <u>AMCT-18</u>: Subject is a source of operational intelligence in Oriente Province. We are in contact with Subject via a cutout at the Guantanamo Naval Base.</p> <p>c. <u>AMCT-106, 107 and 108</u>: These three Subjects are sisters. They provide AMCT-34 with operational intelligence in Habana.</p> <p>d. <u>Rolando MANGUANT Julia</u>: Subject is an AMCT sub source in Pinar del Rio. Subject is currently reorganizing his assets in that Province.</p> <p>e. <u>Jose Manuel FERNANDEZ Quintana</u>: Subject is an AMCT sub source in the Port of Habana.</p> <p>f. <u>Violeta MACIAS</u> is an AMCT live drop in Habana and is still active.</p> <p>g. Norberto MARTINEZ is an AMCT sub source and is active in Habana and Pinar del Rio Provinces.</p> <p>2. JMWAVE/KUDLSE current and future plans are to continue to support and direct the existing assets it has in Cuba as outlined in paragraph 1 above. Moreover plans are now in motion for the followings:</p> <p>a. Exfiltrate, either legally or black, MANGUANT and MARTINEZ for further training and return to the target area</p> | | | | | | |
| <p>Distributions:</p> <p>3- WHD</p> | | | | <p>DATE TYPED 22 May 61</p> <p>DATE DISPATCHED</p> | | |
| <p>CROSS REFERENCE TO</p> | | | | <p>DISPATCH SYMBOL AND NUMBER UFGA- 1639</p> | | |
| <p>CLASSIFICATION SECRET</p> | | | | <p>HEADQUARTERS FILE NUMBER 19-5-3</p> | | |
| <p>ORIGINATING</p> | | | | | | |