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October 15, 1960

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT  
October 13, 1960

Others present: Secretaries Dillon, Mueller, Generals  
Persons and Goodpaster



Mr. Dillon said he and Mr. Mueller had come in to present to the President a recommendation to prohibit all exports from the United States to Cuba except medical supplies and non-subsidized foodstuffs. He said he did not think this would bring the downfall of the Castro regime, but that it should create major pressures on that government. It will have a very good effect in making the United States position clear, including an encouraging effect on the dissident groups now becoming active in Cuba. Mr. Dillon said that, insofar as the United States is concerned, there is clear authority to take this action under the Export Control Act. From the standpoint of international commitments, this action can be taken as a defense by the United States against Cuban economic aggressive actions. It would not be consistent with our OAS agreements if we took the action on the basis of bringing political pressure on the Castro regime.

Mr. Dillon said he and other State Department officials had talked with Latin American leaders. Reactions will be mixed. The anti-Communist governments will support us. Leftist governments and groups will criticize us. For example, we must expect criticism from Mexico.

Mr. Dillon said there is a related problem regarding the Dominican Republic. Our action in buying sugar from the Dominican Republic has caused us real problems in Venezuela, but this has not been paralleled elsewhere. We do not want to take concrete moves against the Dominican Republic just at present, since no successor to Trujillo is ready to take power, and the result might be to bring an individual of the Castro stripe into power there. However,

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E.O. 12065, Sec. 3-204

*MR 78-142 #3*  
By *DJH* Date *10/23/81*

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E.O. 12065, Sec. 3-204 (b)

*MR 87-18 #5*  
BY *DJH* *1/11/91*



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the OAS has set up a subcommittee on the question of economic sanctions against the Dominican Republic, and we could put out a concurrent statement that we are joining with this sub-committee to study actions that might be taken.

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At this point Mr. Dillon asked the President if he would/at proposed press releases. Mr. Dillon noted a point that has been raised concerning these actions. The logical form of retaliation by us against the Cubans for failing to pay for their imports from the United States would be for us to cut back Cuban imports into the United States. Instead, we are cutting our exports, but we can do this because they have not paid what they owe. Any restriction on imports from Cuba would have to be taken under the "trading with the enemy" act, and we are not ready to take the step of designating Cuba as an enemy. Mr. Dillon said the consideration of this problem is complicated by the fact that the whole story had been leaked to the New York Times and was carried in the morning edition. He said the leak in all likelihood occurred in the State Department. (He noted parenthetically that another even more serious leak was reported in the same edition of the Times -- that pertaining to the proposal for Polaris submarines for NATO. This leak has probably come from the Pentagon which has reservations about the project, which were thoroughly expressed in the article.) The President, with some discouragement, said that one reason he will be glad to lay down the responsibilities of his office in a few months is the disloyalty and back-stabbing evidenced in such leaks, in the Pentagon and elsewhere.



The President then went on to say that his principal concern with the proposed action related to the probable reaction in the OAS. Here is one institution which we must hold together. If Mexico were to become disgruntled and if we were to see the Communists come in to power there, in all likelihood we would have to go to war about this. If we were doing the same thing to the Dominican Republic, that we were doing to Cuba, the action would not be so hard to take. He understands, however, that we cannot put the two countries on the same basis since Trujillo is not confiscating our property or refusing to pay for imports. The President acknowledged that the position proposed is logical, but he said it is a very difficult move insofar as Mexico is concerned. Mr.



Dillon acknowledged that the Mexican Government is under great pressure from the Cardenas Leftists. The President said he wanted to consider discussing this matter with President Lopez Mateos when he sees him next week. Mr. Dillon thought that the problem may be eased for Lopez Mateos if the President had discussed the matter with him before the announcement was made. Mr. Dillon thought it would be harder for the Mexicans to take strong exception if there had in fact been consultation on the matter.

The President then read the proposed release, and thought it would be all right once the decision is taken, with some rearrangement of paragraphs. He observed that it is hard to know what the United States can do in this matter to get twenty rather unstable governments to go along with us. He said he is especially concerned about Mexico, Argentina and Brazil, as well as Venezuela and Colombia. Mr. Dillon said the Argentines will be very strong in our support, as well as the Colombians and the Chileans. There are more questions about the others. He mentioned Venezuela indications that they will put pressure on our oil companies not to provide oil to the Dominican Republic.



The President stressed that we must not make any mistakes in evaluating the reaction of these countries. Mr. Dillon said we could not at this time get multilateral action of this type against Cuba. He hoped, however, we might later get an agreement at least to stop the flow of arms to Cuba. The President said we should not make any mistakes in a hurry. This matter has dragged on and he is seeing for the first time a very concrete and sweeping suggestion for a ban on exports. We must also think how this action will affect the American people. It tends to look as though we are acting not against Castro but against the Cuban people. Coming in the present weeks, we must be concerned as to its political impact and the possibility it will get mixed up in the campaign. He thought we must recognize the possibility that the Cubans might announce a defense treaty with Russia, and asked for careful consideration of the effect of this action on the OAS and our own population.



Mr. Dillon said he had given a good deal of thought regarding our own population, and noted that, for this reason, he is proposing to exempt medicines and foodstuffs. He observed that U. S. exports to Cuba have already dropped from \$500 million a year to \$275 million a year because of the Cubans' economic behavior. This action would cut exports from \$275 million to approximately \$115 million a year. The President asked whether it would be possible simply to hold down exports because payments are not being made. Mr. Mueller said some effort in this direction has been exerted by passing out information on Cuban practices, but, by giving especially favorable terms and immediate payments, the Cubans are able to get the things most important to them.




The President said that because of the leak of this item that had already occurred, we must be very careful in our handling of it. Mr. Dillon said that the State Department would simply say the matter is under study. The leak will serve to evoke reactions, for example, from the Mexicans which would otherwise be hard to obtain. The President, in concluding, said that the action would not be taken until he had seen Lopez-Mateos. Mr. Mueller showed the President his proposed press release on the procedural steps being taken by Commerce, and the President had no objection to the press release once decision is taken to go ahead.

At this point Secretary Mueller left the meeting. I raised with the President the question of lack of clarity as to our position and the views of the Dutch concerning the nuclear submarine they have been trying to obtain from us. Mr. Dillon said the Dutch interest in this has dropped off. We are set to go forward with the negotiations but he is not sure they wish to do so now. They do not have such a submarine in their current year's program. The President asked Mr. Dillon to talk to the Dutch Ambassador, and said that although he had questions as to the relative importance of a nuclear attack submarine for the Dutch, if they in the future wanted to go ahead and buy it, he would be agreeable.

On the subject of the leak concerning the proposal for Polaris submarines for NATO, Mr. Dillon said the problem of Congressional consultation will now arise, since the Congressmen know about the

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matter. The President thought it would be best simply to tell the Congressmen that we have the matter under study and will talk with them as soon as we have anything specific in mind. General Persons suggested that this be held until after the election, and Mr. Dillon thought this could readily be done, by our saying that we are simply getting our information ready now.

  
A. J. Goodpaster  
Brigadier General, USA



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