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12 April 1989

## Cuba-USSR

### Gorbachev Visit Reflects Continuing Bilateral Tension

*Although Moscow and Havana sought to portray their relationship as being on an even keel during President Gorbachev's recent visit to Cuba, the visit failed to ease tensions stemming from the two sides' divergent approaches to economic reform and pointed up Moscow's growing impatience with Cuba's poor economic performance and inefficient use of Soviet aid. In line with his professed interest in promoting political solutions to regional issues, Gorbachev endorsed the peace agreement signed two months ago by Central American leaders, but he offered no new initiatives to further the peace process in the region.*

Gorbachev's 2-5 April "official, friendly" visit to Cuba—the first by a top Soviet leader since Brezhnev traveled there in 1974—was marked by disagreement, but both sides tried to portray it in as positive a light as possible. Thus, a number of reports described the exchanges between the two leaders as "frank"—a term denoting disagreement—but also as basically harmonious. A Moscow radio report on 6 April, for example, described Gorbachev's talks with President Castro as "a dialogue of two friends—frank, democratic, and free of pitfalls." Castro also sought to play down his differences with the Soviet leader by likening his "warm, affectionate, and frank" discussions with him to "a conversation with one's own family" (Prensa Latina, 5 April). For his part, Gorbachev, at a press conference reported by Moscow radio on the 5th, said he and Castro had arrived at "complete mutual understanding" during "a very lively exchange and comparison of points of view" and added that he was "satisfied" with the outcome of the visit. Judging by a TASS report on the 4th, however, the views of the two leaders "coincided" only on "world events."

Both Castro and Gorbachev, albeit to varying degrees, sought to dispel the notion that their differing approaches to economic reform have led to a deterioration in bilateral relations. In a press conference in Havana on the 3d, Gorbachev noted that the relationship has "sometimes passed through complicated periods," but he went on to describe it as "strong, sincere, and

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time-tested" (TASS, 3 April). Unlike Castro, however, he did not deny that the more orthodox socialist economic policies pursued by Cuba—policies that run counter to current Soviet reforms—are a source of bilateral friction. Broaching this subject in his 5 April press conference, Gorbachev went no further than to reject as "mere fabrication" Western media claims that he and Castro met as "enemies" and not "as old friends." Implying that his professed policy of tolerance for diversity within the communist bloc extends to Cuba as well, Gorbachev reaffirmed the right of each country to solve the task of "socialist transformation" according to its own conditions, level of development, and political experience.

**Differences Over Reform**

Despite expressions of mutual respect for the economic reform policies under way in their respective countries, both leaders conveyed the belief that the other is following a mistaken course. In an apparent allusion to the market-oriented economic reforms that are being implemented in the Soviet Union, Castro, in introducing Gorbachev at the Cuban National Assembly on 4 April, said that "if a socialist country wants to build capitalism," Cuba will "accept" such a decision, but he stressed that Cuba will not adopt these kinds of reforms. Justifying his stance, he noted pointedly that Havana did not make the kinds of "errors" that were made in the Soviet Union "during the Stalin era" and does not have "ethnic problems." To underscore his rejection of such reforms, he went on to say that it would be "absurd and crazy" to expect Cuba to copy Moscow's "formulas for restructuring socialism." Soviet media gave only selective treatment to Castro's remarks, omitting his implicit criticism of Soviet "errors."

Gorbachev, in turn, seemed to imply that the more orthodox socialist economic policies that Castro is promoting as part of his economic "rectification" program are outmoded and will further weaken the country's economy. He reminded his audience that "success will come to those who keep pace with the times and draw appropriate conclusions from the changes in today's world." He added that it is "essential to engage in a creative rethinking of reality" and to "shape policies that are consistent with the imperatives of the times." In a clear allusion to Cuba, he argued that "the old, much traveled road" will only bring "greater stagnation" and "hinder economic, social, and political progress." Gorbachev went on to give an upbeat assessment of the reform process in the Soviet Union, saying that "a great deal has changed" there and that the Soviet people now feel "much freer."

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**Troubled Economic Ties**

While Gorbachev alluded to continuing problems in Soviet-Cuban economic cooperation in his speech to the National Assembly, he did not dwell on the topic. Without spelling out the nature of the problem, he bluntly informed his hosts that bilateral economic cooperation "should be more dynamic and effective" so as to bring "greater returns" for both countries. However, in a clear allusion to Havana's continuing difficulty in fulfilling its deliveries to the Soviet Union—primarily sugar, citrus products, and minerals—he admonished that it is "absolutely essential to increase strictness and discipline in order to ensure that mutual commitments are fulfilled on time and in an adequate manner." Over the past 18 months, Moscow has signaled its growing impatience with the Cubans' continuing failure to improve their economic performance and Cuba's heavy reliance on the Soviet Union; Moscow has aired a number of grievances, including Cuba's low productivity, heavy defense spending, and poor use of Soviet economic aid.<sup>1</sup>

Judging by remarks by a Soviet trade official on the eve of the visit, Havana has been slow to embrace new forms of cooperation, particularly the establishment of direct ties with Soviet enterprises—one of the key steps called for by Gorbachev to improve bilateral cooperation within CEMA, but a change that would clash with the importance Castro has placed on the centralization of state economic decisions. The official noted that direct ties with Cuban enterprises are "not yet fully developed," and he complained that since last May, when the agreement to begin such ties was signed, only "16 pairs of partners" have begun to work. He described this number as "extremely small" since the "strategy of cooperation should focus on these direct ties." The official also indicated that Havana is reluctant to establish joint enterprises, saying it has been "rather cautious about this as yet unfamiliar proposition" (*Izvestiya*, 29 March).

**Friendship Treaty**

In an action seemingly designed to underline the normality of Soviet-Cuban relations, the two sides signed a Treaty of Friendship and Cooperation. However, both the tone and substance of the treaty—the first such document signed by the Soviet Union under Gorbachev's leadership—breaks significantly with those that Moscow concluded with Third World client states in the past, reflecting Gorbachev's "new thinking" on international relations as outlined in his UN address of 7 December 1988. Thus, the treaty with Cuba is oriented toward detente and does not include an article on military cooperation; it makes no

<sup>1</sup>See the *Trends* of 26 October 1988, pages 8-10, and 28 October 1987, pages 21-24.

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provision for bilateral consultations or for the coordination of positions in case of an attack, features that are included in almost all Soviet treaties with other Third World countries.

Given that such treaties often serve the concrete function of delineating the terms of Moscow's relationship with the other party, the uniqueness of the treaty with Cuba may reflect an effort to redefine or redirect the two countries' relations. Suggesting such an effort, the treaty, instead of dwelling on military relations, explicitly calls for rechanneling resources that would be spent for military purposes "to meet the economic and social development of the countries, particularly those that suffer from underdevelopment."

Disagreement on military cooperation has been evident for some time. A *New Times* article in October 1987, for example, questioned Cuba's need for high defense spending and depicted it as a "heavy burden" and as a "loss to the economy." The article went on to question Cuba's longstanding justification of such expenditures, saying that there are "different views" as to whether the United States "intends to attack Cuba." Castro may have been trying to bolster his case in his introduction of Gorbachev to the Cuban National Assembly on 4 April. Reiterating his apparent misgivings about detente, he reminded the Soviet leader that a "peaceful world" does not yet exist because there is "no proof" that the "imperialists" interpret peaceful coexistence the same way as the Soviet Union. Suggesting that detente and Havana's preoccupation with defense may have been one of the areas of disagreement during the visit, Castro claimed that there has been "absolutely no change" in U.S. "hostility" toward Cuba, which, he added, "obliges" Cuba to "make enormous efforts to defend" itself. Pressing his argument, he further noted that Cuba "would not have the security" it has today and would not have been able to "defend" the revolution without Soviet military aid.

**Treatment of  
Central America**

Contrary to widespread speculation in the Western press, Gorbachev did not launch any new initiative to help promote resolution of the Central American conflict. Touching briefly on the subject in his speech to the Cuban National Assembly, he went no further than to express support for a regional political settlement "based on a balance of interests of all parties" and "without outside interference"—an apparent allusion to the peace plan signed by Central American presidents in February. The Soviet leader also took umbrage at the U.S. statements calling for changes in Moscow's aid policies in the region, saying "we cannot accept statements coming out of Washington that distort the nature of our relations" with Cuba and Nicaragua.

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While Gorbachev noted that Nicaragua "envisages a reduction" of its armed forces under the terms of the Central American accord, he reiterated that the Soviet Union will not take any unilateral steps to curtail its arms deliveries to the Sandinistas. However, he renewed his offer, which he first made in December 1986 during his summit with former President Reagan, to end Soviet arms deliveries to Nicaragua if the United States discontinues arming its allies in the region.

**Outlook**                      Bilateral tension will probably increase as Moscow presses Havana to improve economic performance and fulfill its commitments to the communist bloc and, in particular, to the Soviet Union. For its part, Havana is not likely to succeed in overcoming its straitened economic situation as long as Castro adheres to the more orthodox socialist economic policies that underpin his "rectification" program and stresses moral, as opposed to material, incentives as a way to spur worker productivity. Nevertheless, as suggested by the veneer of cordiality applied to Gorbachev's visit, Moscow and Havana will try to prevent the relationship from sliding toward a serious rift.

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## Hungary-USSR

### Moscow Shows Signs of Concern Amid Affirmations of Harmony

*Party leader Grosz used his visit to Moscow to attempt to bolster his position within the Hungarian leadership, while President Gorbachev used the occasion to reaffirm the Soviet commitment to reform within the bloc and noninterference in the domestic affairs of its allies. At the same time, the visit provided indications of continuing Soviet concern over Hungary's political stability and the implications of recent changes for Soviet policy.*

As with Hungarian Premier Nemeth's trip to Moscow in early March,<sup>1</sup> both Soviet and Hungarian reports portrayed General Secretary Grosz's 23-24 March working visit in glowing terms. After the nearly four-hour meeting of the two leaders, Grosz told an international press conference that there was "not a single issue" on which their views did not coincide, that "no conflicts of interest" emerged during the visit, and that he was going home "very satisfied" and full of "rich" experiences (*Nepszabadsag*, 25 March). According to the authoritative TASS report, Grosz's visit was imbued with "a spirit of mutual understanding and comradeship" and took place in a "cordial atmosphere" (*Pravda*, 25 March). The communique of the Central Committee of the Hungarian Socialist Workers Party (MSZMP) similarly called the talks "cordial, open, and friendly" (*Nepszabadsag*, 31 March). By contrast, reporting on Grosz's July 1988 visit to Moscow had provided clear evidence of friction over economic issues; even the joint communique issued by the two sides had hinted at their differences, describing the atmosphere of that visit in both positive—"cordial and friendly"—and negative—"comradely frankness"—terms.<sup>2</sup>

As in its reporting on the Nemeth visit, Budapest appeared to be particularly gratified, and perhaps relieved, by Moscow's reiteration of its commitment to noninterference in the domestic affairs of other communist states and, in particular, its apparent acceptance of Hungarian moves toward pluralism. A

<sup>1</sup>See the *Trends* of 15 March 1989, pages 22-26.

<sup>2</sup>See the *Trends* of 20 July 1988, pages 23-26.