

MONTHLY PERSPECTIVE:

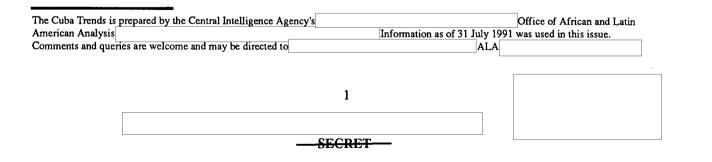
The Ibero-American Summit in Guadalajara, Mexico, in July, and the Pan American Games in Cuba this month, have given Fidel Castro new opportunities to demonstrate his desire and ability to be a responsible member of the Latin American community. Although he was pressed at the summit to implement domestic political and economic reforms, Castro made some progress toward his goal of "regional integration." As host of the Pan American Games, he apparently hopes to renew national pride and gain international prestige, but the Games also pose potential risks for him. Popular resentment about the added economic burden imposed by the Games may lead to small, spontaneous protests; human rights activists may take advantage of the international media coverage to express their opposition to the government. Even if the Games go without incident, Castro's non-reformist policies—resulting in further economic deterioration and growing popular discontent—probably will continue to be a major obstacle to his goal of close economic and political cooperation with his Latin American brothers.

In the early sessions of the Guadalajara summit on 18-19 July, Castro came under fire from some of his 22 colleagues from Spain, Portugal, and Latin America. Portuguese Prime Minister Soares called Castro a "dinosaur," and Spanish Prime Minister Gonzalez noted that the end of communism meant there were no longer "two alternatives to development." Without mentioning Cuba by name, several regional leaders indicated Castro should hold free, democratic elections. Salvadoran President Cristiani publicly accused Castro of promoting the guerrilla war in El Salvador. In private meetings, Castro was also importuned to implement reforms in Cuba. In a two-hour tete-a-tete with Prime Minister Gonzalez, for example, Castro was urged to open Cuba's political and economic systems to avoid a "national catastrophe," according to press reports.

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Castro's statement at the opening ceremony underscored differences between himself and the other heads of state, particularly regarding US influence in Latin America. He called US regional development programs like the Enterprise Initiative for the Americas—which have been attracting growing hemispheric support—"illusions" and "fantasies." He criticized his colleagues for not forging greater regional unity to confront the "world political hegemony" of the United States. Such themes, in our judgment, enjoyed little resonance among summit participants.	
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Some Diplomatic Gains Despite his apparent isolation, Castro made efforts—apparently with some success—to gain acceptance as a responsible regional player:	
— He made progress toward his longstanding goal of normal diplomatic relations with all the countries of South America. Chile and Colombia announced the establishment of consular relations and pledged to strengthen trade ties with Cuba. The Paraguayan foreign minister announced Asuncion also would establish consular relations with Havana, but he was later overruled by President Rodriguez.	(b)(1) (b)(3)
Castro projected a more moderate image than in the past. During his session with Spanish Prime Minister Gonzalez, for example, Castro suggested that he would consider internal reforms as	(b)(1) (b)(3)
long as he did not appear to be bowing to US pressure.	
 In signing the summit declaration, Castro for the first time in 32 years publicly agreed with his regional counterparts on an array of economic, political and diplomatic issues. 	(b)(1) (b)(3)
 Castro made his most explicit public pledge yet to facilitate an end to the conflict in El Salvador. The summit declaration includes a commitment to "refrain from taking any kind of action or measure that could obstruct a prompt solution of [regional] conflicts." Castro also told a Salvadoran newspaper that he supported the negotiations. 	
 Castro won more sympathy for his argument that US pressure on Cuba is counterproductive. After meeting with Castro, Gonzalez and Venezuelan President Perez explicitly criticized US policy toward Cuba. 	(b)(3)
We believe the Guadalajara summit may also have had some short-lived domestic benefit for Castro the Cuban media portrayed Castro as the most popular leader at the summit and claimed that the reference to "ideological pluralism" in the summit declaration proved that Latin American governments respect Cuba's socialist course. In the past, such propaganda usually has not boosted Castro's popular support, but it has	(b)(1) (b)(3)
helped strengthen the regime's image of survivability. Moreover, by travelling abroad with many of his closest advisers, Castro demonstrated that his grip on power remains firm.	(b)(3)

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The Pan Am Games: Time for Pride The Pan American Games, 2-18 August, provide Castro another opportunity to portray Cuba as ready for regional reintegration. More than 5,000 athletes from 39 countries, some 10,000 foreign spectators, and scores of journalists will be in Havana and Santiago for the Games—the biggest international event Cuba has ever hosted.	(b)(3)
Castro is probably hoping that the Games will demonstrate to Latin America that Cuba remains strong despite its problems. In his recent speeches, Castro has pointed out that the government has built 20 new facilities and renovated dozens of others for the Games despite major disruptions in imports. The <i>comandante</i> also probably calculates the event will provide a surge of nationalism that will divert Cubans' attention from the island's economic difficulties. The Cuban people enjoy sports—a tradition the regime has strongly encouraged—and probably are proud to host the event. Cuban athletes have performed well in past games, and Castro almost certainly is counting on Cuban victories to show his people that the country remains a	
hemispheric power.	(b)(3)
And a Time for Protest?	
Nevertheless, some Cubans resent the government's diversion of scarce resources to the Games, Under the austerity of the "special period in peacetime," Castro has suspended most construction not associated with the Games, including much-needed housing projects. Supplies of almost all daily necessities, including food and medicine, have	(b)(1) (b)(3)
dwindled steadily in the past year. longshoremen—angry about food shortages—balked at unloading a recent shipment of chickens earmarked for the Games. Construction workers expecting to receive apartments they had volunteered to build for the event were upset by rumors that the government will keep some	(b)(1) (b)(3)
units for the tourism industry,	(b)(1)
In our judgment, the additional strains on Cuban food supplies, transportation, and other services during the Games may fuel further resentment and could lead to small, spontaneous popular protests. Cubans waiting in food lines, for example, could get in a scuffle with marketplace managers. Although the government has repeatedly proven adept at controlling such incidents, the diversion of security forces to the Game sites and tourist areas may slow the government's response. As in the past, disaffected Cubans may try to display an antiregime banner or shout slogans at a sporting event. In addition, Cuban human rights activists may take advantage of the large international media presence to express their opposition to the government.	(b)(3) (b)(3)
Internal security units are aware of the possibility of unrest and are taking precautions to ensure order Havana traditionally has relied heavily on plainclothes policemen and, according to foreign press reports, has formed civilian "rapid action	(b)(1) (b)(3)
detachments" to quell protests non-violently. As a preemptive measure, security officials already have jailed some activists and "troublemakers" and warned others to avoid political acts during the Games Security has also been	(b)(1) (b)(3)
tightened around foreign missions in Havana to prevent Cubans from seeking asylum. As an added precaution, authorities reportedly plan to search all spectators entering the sports venues.	(b)(1) (b)(3)
Even if no antiregime incidents take place, the psychological boost that successful games may give the Cuban people—as well as any improvement in Cuba's international image—will likely	(b)(3)

give the Cuban people—as well as any improvement in Cuba's international image—will likely be short-lived. We believe economic conditions and living standards will continue to decline after the Games, particularly if Havana has squandered scarce hard currency and food reserves

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on the event. In our judgment, Cuba's deteriorating economy and the prospect of increased popular discontent will undercut Castro's recent diplomatic initiatives. Latin American leaders appear unlikely to move toward much closer trade and political relations if Castro does not end his non-reformist stance and take concrete steps to avoid further suffering in Cuba. (b)(3)ECONOMIC DEVELOPMENTS **Oil Shortage Helps Environment** The bad news about Cuba's oil imports has meant good news for the environment. Oil imports dropped 25 percent last year, and an additional 20-percent (b)(1)decline is likely in 1991. A recent report by the Cuban Institute for Transportation Studies (b)(3)shows an improvement in early 1991 in the quality of the water in Havana harbor—one of the most polluted bodies of water in the world. The study reportedly found a 50-percent reduction in the level of hydrocarbons in the water. The drop probably can be attributed to the decline in oil shipments to the Havana refinery and possibly to precautions taken to prevent losses while off-loading. (b)(3)Cuba to Refine Iranian Crude

crude oil at the new refinery in Cienfuegos.	Cuba would refine	(b)(1) (b)(3)
	Iran was interested in purchasing	(2)(2)
Cuban sugar worth \$50 million earlier this year	and possibly	
could agree to barter some of the oil for sugar.		

DOMESTIC POLITICAL DEVELOPMENTS

Last "Plantado" Freed

On 16 July, Havana released Mario Chanes de Armas after he completed a 30-year sentence for allegedly plotting to assassinate Fidel Castro. Chanes de Armas was the last of the *plantados*—political prisoners who refused to submit to prison discipline such as wearing uniforms. He fought with Castro during the attack on the Moncada Barracks in 1953, sailed with him back to Cuba on the *Granma* in 1956, and fought in the Sierra Maestra.

If Chanes de Armas decides to stay in Cuba, his future role in Cuba's fragmented human rights movement is unclear. His vehement opposition to dialogue with the Castro regime puts him at odds with other leading activists like Gustavo Arcos

During an interview with Spanish journalists, he called for the international community to press Castro to introduce a multiparty system and hold free elections. Chanes de Armas claimed he was not cowed by threats from state security officials not to engage in antiregime activities.

Congress Preparations Moving Slowly

Preparations for the Communist Party Fourth Congress—scheduled to begin 10 October—are advancing slowly, apparently because priority attention is being given to the Pan American Games. According to Cuban press reports, the party has formed committees to plan a conclave reflecting the "austerity and modesty" of current hard times. Party cells around the country have begun nominating the 1,800 delegates to the Congress and "pre-candidates" for the 225 seats on the Central Committee.

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Official Cuban media have played up the "democratic" nature of the process—this is the first time that local party members have cast secret ballots for nominees—but the debate is obviously muted when compared to public discussions after the Congress was first announced last year. party nuclei have stayed well within permissible parameters, rather than criticizing party organizations and urging limited economic adjustments as they did last year.	(b)(1) (b)(3) (b)(3)
Officials ranging from neighborhood party bosses to Fidel Castro have been cautioning the public not to have "false hopes of spectacular changes" during the Congress. In his address on 26 July and practically every other recent speech, Castro has proclaimed that Cuba will not give up its socialist economy and one-party system. "We have made more changes than anyone else for 30 years," he stated on 26 July, "and there will be no [more] change."	(b)(3)
After the Pan American Games, the party almost certainly will launch a propaganda campaign to build popular interest in the Congress the National Assembly in July voted to postpone this year's elections to allow time for what Assembly President Escalona called "entirely new legislation" on how the local and national assemblies operate—an essentially meaningless step in Cuba's one-party system. In our judgment, the Party Congress will have to go beyond such palliatives to achieve the revitalization it seeks and to overcome the deep popular cynicism caused by its three decades of inept management.	(b)(1) (b)(3) (b)(3)
Cracking Down on Illegal Emigration Havana is taking steps to reduce the number of Cubans leaving illegally by boat or raft. Since early June, the Cuban Border Guard has expanded coastal surveillance and more aggressively pursued unauthorized vessels—resulting in the arrest of up to 150 people between mid-June and mid-July. few of the detainees are imprisoned and most are only fined, in contrast to past government practice. US immigration figures indicate that arrivals declined by approximately 50 percent from May to July, apparently because of the Cuban crackdown. The total number for the first seven months of this year is 1,407.	(b)(1) (b)(3) (b)(3)
Aware that massive emigration presaged the fall of the East European regimes, Havana appears concerned that an exodus would damage Cuba's international image, particularly during the Pan American Games. Fuel shortages, however, may eventually force Castro to reduce antirafter operations. In addition, illegal flight customarily reaches its peak in August and September—suggesting it will be even harder to stanch the flow.	(b)(3)

EIGN PULICY DEVELOPMENTS

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Cuba Keeping Honduran Left a	t Arm's Length	(b)(1)
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instead on improving trade and di yielded few gains; the Hondurans	provided only limited assistance to the Honduran left, focusing plomatic ties with Tegucigalpa. Havana's efforts so far have have remained skeptical of Cuban intentions, although the two countries has markedly increased in the last three years.	(b)(3)
Promoting Responsible Image o Apparently to allay international c nuclear energy program, Havana h	n Nuclear Safety concernsabout the safety of its has decided to allow an international inspection of the	(b)(1) (b)(3)
Cienfuegos reactor construction si Energy Agency (IAEA). In late Ju	ite and has become more active in the International Atomic uly, the Cubans invited IAEA safety experts to make a s construction methods and operating plans	(b)(1) (b)(3)
aircraft searching for Cuban rafter	north of the island on 21 July spotted a US-registered Cessna rs south of the 24th parallel. The Cessna, operated by the organization, reported the MiGs to the US Coast Guard, and	
Havana informed the Miami air tr guaranteed." Two US F-16 aircra base after determining that the Ce	affic control center that the Cessna's safety "cannot be ft were scrambled in response to the MiG-23s but returned to ssna had moved north of the 24th parallel and that the MiGs ontinued "Brotherhood" missions near Cuban airspace will	(b)(3)
	ited assistance to the Nicaraguan military. received technical assistance from	(b)(1)
Cuba to repair five AN-26 CURL Nicaraguan Air Force initially req currency.	transport aircraft in early July. The Commander of the uested Soviet help but was told he would have to pay in hard	(b)(1) (b)(3)
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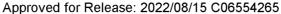
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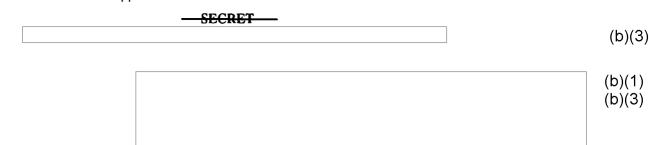


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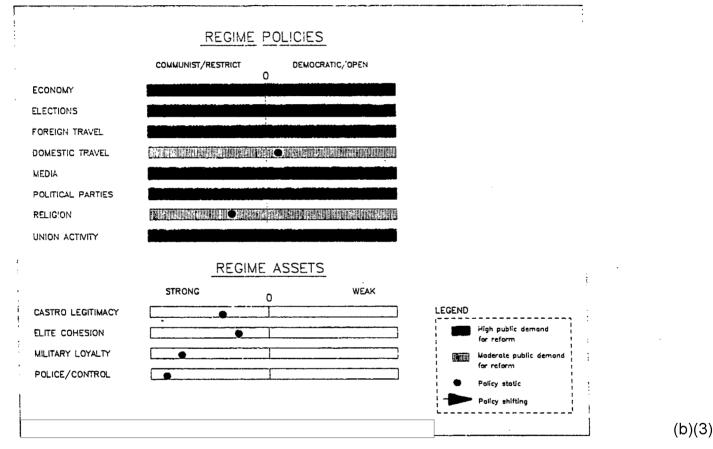
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INDICATORS OF INSTABILITY

Security in the Havana area has increased in recent weeks as part of preparations for the PanAmerican Games.security has been tightened arounddiplomatic missions and that state security has stepped up harassment of human rights activists(b)(1)to discourage protests or other embarrassing incidents.(b)(3)



COMING EVENTS

August 4	Anniversary of Founding of Cuban Navy	(b)(3)
August 12	People's Victory over Machado Tyranny (1933)/Liberty Day	(b)(3)
August 13	Birthday of Fidel Castro (1927)	(b)(3)
August 23	Anniversary of Founding of Cuban Women's Federation (1960)	(b)(3)
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VERBATIM

"There are big ideological battles to be fought. It seems that imperialism has no other enemy in this world, except for tiny Cuba—this green *cayman* of the Caribbean, as Che Guevara once said."

Fidel Castro Moncada Barracks Speech 26 July 1991

"Some have told me: we want change. However, we have made more changes than anyone else for 30 years... Therefore, I have told them that they do not really want change, but to change what has been changed, and that there will be no change. That is a reality."

Fidel Castro Moncada Barracks Speech 26 July 1991

HUMOR IN CUBA

A hungry Cuban couple waited three long hours in a bread line under the blazing Havana sun. With still no prospect of getting any bread, the husband said, "I give up! I'm going to kill Castro!" He stomped off in the direction of the *comandante's* office. About an hour later, when the man came back to the bread line, his wife asked what happened. "I couldn't do it," he said. "The line there was too long, too!"

> BERRY'S WORLD / Jim Berry ALONE FIDER ALONE Figure Figure G 1991 by NEA. Inc.

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