

CONFIDENTIAL  
FM HAVANA (AMENDED DISTRIBUTION 31/3/8)  
TO IMMEDIATE FCO  
TELNO 157  
OF 302100Z MARCH 89  
INFO IMMEDIATE MOSCOW, WASHINGTON

MY TELNO 147 : CUBA/SOVIET UNION : GORBACHEV VISIT

SUMMARY

1. GORBACHEV'S FIRST VISIT TO CUBA (AND TO LATIN AMERICA) IS PROBABLY INTENDED PRIMARILY AS A MESSAGE THAT THE SOVIET UNION STILL STANDS SQUARELY WITH ITS CARIBBEAN ALLY AND WILL CERTAINLY BE SO INTERPRETED BY CUBA. THE BILATERAL RELATIONSHIP APPEARS TO RUN FAIRLY SMOOTHLY ALTHOUGH THERE MUST BE SOME TALKING ON ECONOMIC ISSUES. MAJOR DIFFERENCES ARE UNLIKELY TO SURFACE IN PUBLIC.

DETAIL

2. THIS VISIT WAS DUE TO HAVE TAKEN PLACE IN MID-DECEMBER (HAVANA TELNO 458 OF 24 NOVEMBER). IT WILL BE THE FIRST TOP LEVEL SOVIET VISIT TO CUBA SINCE BREZHNEV IN 1974. GIVEN THE DRAMATIC IMPROVEMENTS IN US-SOVIET RELATIONS IN THE PAST YEAR OR TWO, AND CUBAN COOLNESS TOWARDS INCREASED FREEDOM OF INFORMATION, TO ECONOMIC DECENTRALISATION, AND EVEN MORE TO MARKET ECONOMICS, THE MEETING IS ATTRACTING MUCH ATTENTION. THE RELATIONSHIP BETWEEN GORBACHEV AND CASTRO IS SOMETHING OF AN UNKNOWN. THEY HAVE MET BEFORE IN MOSCOW, AND I HAVE BEEN TOLD BY CASTRO'S ADVISOR (MONTANE) THAT THEY HAVE REGULAR TELEPHONIC EXCHANGES. OTHER THAN THE FACT THAT BOTH HAVE STRONG AND ENERGETIC PERSONALITIES, IT IS HARD TO SEE THAT THEY HAVE MUCH COMMON GROUND. CASTRO HAS SEEN FIVE SOVIET LEADERS COME AND GO, AND IS ONLY TOO AWARE OF HIS ULTIMATE TOTAL DEPENDENCE ON SOVIET ASSISTANCE. BUT HE KNOWS CUBA'S POLITICO-STRATEGIC VALUE TO THE SOVIET UNION.

3. GORBACHEV IS DUE TO ARRIVE ON THE AFTERNOON OF SUNDAY 2 APRIL AND LEAVE FOR LONDON ON THE MORNING OF WEDNESDAY 5 APRIL. WE UNDERSTAND THAT HE WILL BE ACCOMPANIED BY FOREIGN MINISTER SHEVARDNADZE ; EXTERNAL ECONOMIC RELATIONS MINISTER KATUSHEV, A FORMER AMBASSADOR TO CUBA : VICE PRESIDENT KAMENTSEV : PROBABLY ALEXANDER KAPTO, HEAD OF THE IDEOLOGICAL DEPARTMENT OF THE CENTRAL COMMITTEE, AS WELL AS PREVIOUS SOVIET AMBASSADOR TO CUBA : AND

A LARGE RETINUE OF OTHER OFFICALS. WE ARE TOLD BY THE SOVIET EMBASSY THAT GORBACHEV WILL NOT LEAVE HAVANA, NOR WILL THERE BE MASS RALLIES. THE MAIN PUBLIC EVENT IS LIKELY TO BE A TELEVISED SPEECH TO THE NATIONAL ASSEMBLY, TO WHICH FOREIGN HEADS OF MISSION WILL BE INVITED. THIS WILL COVER THE USUAL RANGE OF BILATERAL AND EXTERNAL ISSUES, AS WELL AS GIVING GORBACHEV A CHANCE TO EXPLAIN THE DEVELOPMENT OF GLASNOST AND PERESTROIKA IN THE SOVIET UNION. THERE IS A POSSIBILITY THAT GORBACHEV WILL THEN INVIEIT QUESTIONS FROM DELEGATES. HE IS ALSO SCHEDULED TO OFFER A PRESS CONFERENCE. WE BELIEVE THAT THE TWO LEADERS WILL SIGN A FRIENDSHIP AGREEMENT, SETTING OUT BROAD AREAS FOR SCIENTIFIC AND TECHNICAL COLLABORATION INTO THE NEXT CENTURY.

4. THE BILATERAL AGREEMENTS WHICH FORM THE FRAMEWORK FOR RELATIONS BETWEEN CENTRALLY PLANNED ECONOMIES ARE USUALLY TIED UP EARLY IN THE YEAR. THOSE BETWEEN CUBA AND MOST OF THE EAST EUROPEANS WERE SIGNED A MONTH OR TWO AGO, VISIBLY LEAVING THOSE WITH THE SOVIET UNION UNRESOLVED. BUT IN THE PAST WEEK OR TWO, THERE HAS BEEN A FLURY OF CUBAN-SOVIET BILATERAL AGREEMENTS IN SPECIALIST FIELDS, AND NUMEROUS MINISTERIAL CONTACTS. THIS YEARS COMMERCIAL AGREEMENT, SIGNED IN A FEW DAYS AGO, PROVIDES FOR EXCHANGES TO THE VALUE OF 9 BILLION ROUBLES DURING THE PRESENT YEAR. THIS WILL AMOUNT TO SOMETHING CLOSE TO THREE-QUARTERA OF CUBA'S TOTAL FOREIGN TRADE. CUBAN PRESS REPORTS NOTED THAT AGREEMENT HAD BEEN MUCH MORE DIFFICULT THAN USUAL BECAUSE OF THE RESTRUCTURING AND REORGANISATION TAKING PLACE IN THE SOVIET ECONOMY, AND THAT THERE WERE SHORTAGES OF SOME PRODUCTS.

5. MOSCOW TELNO 547 TO FCO REPORTS LIMITED SOVIET MEDIA COVERAGE OF THIS VISIT. HERE, ON THE CONTRARY, OVER THE PAST WEEK THERE HAVE BEEN DAILY ARTICLES IN THE CUBAN PRESS OFTEN QUOTING SOVIET OFFICALS, PLAYING UP THE IMPORTANCE OF THE VISIT, EMPHASISING THAT IT WILL GIVE IMPETUS TO BILATERAL RELATIONS AS WELL AS PROVIDING THE OPPORTUNITY TO EXCHANGE VIEWS ON MAJOR INTERNATIONAL ISSUES, INCLUDING PARTICULARLY THE PROBLEMS FACING THE THIRD WORLD AND THE ISSUE OF DEBT. THE EMPHASIS ON THE LATIN AMERICAN DIMENSION HAS BEEN LARKED. THE CUBAN PUBLICITY MACHINE IS WORKING FLAT OUT TO MAKE THE VISIT A SPECTACULAR SUCCESS. GORBACHEV'S ROUTES AROUND TOWN ARE IDENTIFIABLE BY EXTENSIVE PAINTING AND TIDYING UP. PERHAPS TO ENSURE THAT ANY INORDINATE PUBLIC ENTHUSIASM CAN BE READILY EXPLAINED AWAY. THE HEAD OF HAVANA'S COMMITTEES FOR THE DEFENCE OF THE REVOLUTION HAS ANNOUNCED THAT 612,000 PEOPLE WILL LINE THE STREETS TO WELCOME THE SOVIET LEADER. THIS IS UNUSUALLY SPECIFIC, EVEN IN THIS SOCIETY.

6. IT IS INTERESTING THAT PUBLIC AND PRIVATE SOURCES TRESS THAT EXTERNAL DEBT WILL BE ON THE AGENDA. THAT ISSUE IS VERY MUCH TO THE TASTE OF CASTRO, WHO HAS LONG SOUGHT TO LEAD THE LATIN AMERICAN AND THIRD WORLD PACK IN AN ATTACK ON THE WHOLE INTERNATIONAL CAPITAL SYSTEM. PERHAPS GORBACHEV HAS RECOGNISED THAT THIS IS A PROBLEM WHICH CAN NO LONGER BE AVOIDED, AND HAS DECIDED TO USE THE VISIT TO HAVANA TO VENTILATE THE ISSUE IN A SELF PROCLAIMED NON-ALIGNED AND THIRD WORLD CONTEXT.

7. IT SEEMS TO ME INEVITABLE THAT CENTRAL AMERICAN ISSUES WILL BE ADDRESSED. I NOTE THAT GERASSIMOV HAS STRESSED, IN THE LAST DAY OR TWO, DIFFERENCE BETWEEN THE US AND SOVIET APPROACH TO THIS REGION, AND HAS CRITICISED CONTINUED US SUPPORT FOR THE CONTRAS. THIS CHIMES WELL WITH CASTRO'S POSITION. GIVEN THAT THE PROSPECTS FOR ANY SIGNIFICANT EARLY IMPROVEMENT IN CUBAN/US RELATIONS SEEM TO HAVE RECEDED, THE MORE SO SINCE SECRETARY OF STATE BAKER'S COMMENTS OF 28 MARCH, IT IS POSSIBLE THAT GORBACHEV WILL BE LESS INCLINED TO WARN CASTRO OFF CONTINUED SUPPORT FOR NICARAGUA, OR HIS SUPPORT FOR THE FMLN IN SALVADOR THAN HE MIGHT PREVIOUSLY HAVE BEEN. NEVERTHELESS THIS, AND OTHER REGIONAL CONFLICTS INCLUDING ANGOLA, ARE BOUND TO BE DISCUSSED, GIVEN REDUCED SOVIET ENTHUSIASM FOR EXPENSIVE ADVENTURES.

8. IN CONTACTS WITH THE SOVIET EMBASSY, MY SECOND SECRETARY (CHANCERY) ASKED WHETHER GORBACHEV WOULD PRESS THE CUBANS TO REDUCE THEIR OUT-SPOKEN ANIMOSITY TO THE US, GIVEN THE REALITY OF IMPROVED DIRECT RELATIONS BETWEEN THE TWO SUPERPOWERS. THE REPLY WAS THAT THE CUBANS' ATTITUDE WOULD HAVE TO CHANGE, AND THEY WOULD HAVE TO CEASE DEPICTING THE US AS AN IMMINENT AGGRESSOR, BUT THAT GORBACHEV IS UNLIKELY TO PRESS THE POINT. IN THE LONG RUN, THE SOVIET UNION HOPED TO SEE CUBA EVOLVE A BETTER RELATIONSHIP WITH THE US, INCLUDING THE DEVELOPMENT OF A CERTAIN AMOUNT OF TRADE. THIS WOULD PRESUMABLY INCLUDE TOURISM, SUCH A NEW SOURCE OF INCOME WOULD BE IMPORTANT FOR THE ISLAND'S DEVELOPMENT, AND WOULD REFLECT THE REALITY OF THE COMMUNITY TO THE NORTH.

## COMMENT

9. THE INTERNATIONAL PRESS HAVE BEEN SPECULATING THAT GORBACHEV HAS TWO MAIN OBJECTIVES IN COMING TO CUBA. FIRST, TO MAKE CLEAR THAT THE SOVIET UNION CAN NO LONGER AFFORD TO GO ON SUBSIDISING CUBA IN THE WAY IT HAS DONE IN THE PAST, AND TO URGE ECONOMIC REFORMS ON THE CUBANS. SECOND, TO PRESS CASTRO TO ADOPT A MORE

RESTRAINED POLICY IN CENTRAL AMERICA, THIS WITH A VIEW TO CUBA IMPROVING ITS RELATIONS WITH THE US WHICH MIGHT EVENTUALLY LEAD TO A LIMITED LIFTING OF THE US BLOCKADE, AND THUS LESSEN THE NEED FOR SOVIET ASSISTANCE. SOME COMMENTATORS HAVE PREDICTED FIREWORKS. I DOUBT WHETHER THE ENCOUNTER WILL EITHER BE DRAMATIC OR CONFRONTATIONAL, CERTAINLY IN PUBLIC, AND IN THE NATURE OF THINGS WE ARE UNLIKELY TO LEARN THE TRUTH. BOTH SIDES CONTINUE TO INSIST THAT IT IS FOR EACH TO CHOOSE ITS OWN PATH TO SOCIALISM, AND THE CUBAN PRESS HAS RECENTLY GIVEN RATHER FULL COVERAGE TO THE SOVIET ELECTORAL PROCESS, EVEN THOUGH IT HAS PROVIDED A MARKED CONTRAST TO THE COUNTERPART CURRENTLY UNDERWAY IN CUBA. THERE HAVE ALREADY BEEN PRESSURES FROM MOSCOW FOR THE CUBANS TO MAKE BETTER USE OF SOVIET SUBSIDIES AND TO CUT THEIR COAT ACCORDING TO THEIR CLOTH. OVER THE PAST TWO OR THREE YEARS, THE GROWTH IN THE VOLUME OF EXCHANGES HAS SLOWED DOWN, AND THE SOVIET UNION'S PERCENTAGE OF CUBA'S FOREIGN TRADE HAS FALLEN MARGINALLY.

BRIGHTY

YYYY

DISTRIBUTION

84

MAIN

82

LIMITED  
SOVIET D  
MCAD  
NAD  
NEWS D  
RESEARCH  
PUSD  
INFORMATION D

PS  
PS/MR WALDEGRAVE  
PS/PUS  
PS/SIR J FRETWELL  
MR GILLMORE  
MR RATFORD  
MR FEARN

ADDITIONAL

2

ASSESSMENT STAFF, CAB OFF

NO. 10. DOWNING ST

NNNN