



**Directorate of
Intelligence**

Secret

25X1

Venezuela-Cuba: Mending Fences

25X1

An Intelligence Assessment

State Dept. review completed

Secret

*ALA 82-10107
July 1982*

Copy **217**

Page Denied



**Directorate of
Intelligence**

Secret



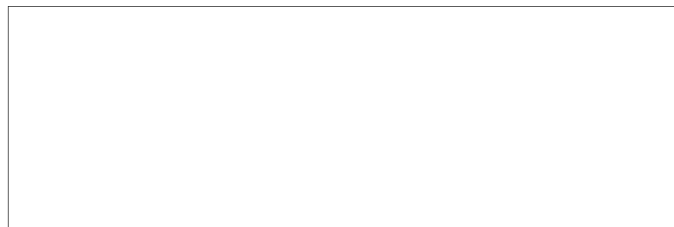
25X1

Venezuela-Cuba: Mending Fences



25X1

An Intelligence Assessment



25X1

Secret
ALA 82-10107
July 1982

25X1

Secret

**Venezuela-Cuba:
Mending Fences**

25X1

Key Judgments

Two recent events—the Falklands crisis and Venezuela's renewed efforts to press its claims to the Essequibo region of Guyana—have caused Havana and Caracas to reconsider improving their strained diplomatic relationship. The Herrera administration has declared that it would like to improve ties, and the Cubans are reciprocating. We believe that Caracas hopes to reduce Cuba's outspoken support for Guyana in the Essequibo dispute. Hard-pressed administration politicians also apparently hope to use the issue to gain votes next year. But such a move could backfire because many in the security forces and the conservative business community lack enthusiasm for a rapprochement. Beyond its potential dividends, Caracas's effort conforms with its general emphasis on greater regional solidarity and North-South issues.

We expect a gradual warming of relations and the reexchange of ambassadors. We doubt, however, that a cooperative relationship will develop because the two countries are natural competitors in the Caribbean Basin and because Venezuela remains deeply suspicious of Cuba's subversion in the area. Normalized relations between the two are, therefore, unlikely to presage significant changes in Venezuela's foreign policy line in the region, although we do expect Caracas will try to distance itself somewhat from the United States and to be less openly enthusiastic about cooperating in ventures such as the Caribbean Basin Initiative. On a wider plane, Caracas is likely to proceed with a corollary move to gain full membership in the nonaligned movement this fall, but here, too, we expect this to cause little change in Venezuela's basically pro-Western foreign policy.

25X1

*Information available as of 14 July 1982
has been used in the preparation of this report.*

SecretALA 82-10107
July 1982

Secret

25X1

**Venezuela-Cuba:
Mending Fences**

25X1

Background

Relations between Venezuela and Cuba were severed in November 1961, and Venezuelan hostility toward Cuba was heightened by Havana's support for hemispheric revolution, including insurgents in Venezuela itself. By the mid-1970s, however, then-Venezuelan President Carlos Andres Perez was apparently persuaded that his own warm relationship with President Fidel Castro as well as Venezuela's successful absorption of its insurgents into the political system had made conditions right for renewing ties, a step accomplished on 29 December 1974.

Commercial dealings increased, although they never reached significant levels. Venezuela did, however, agree to supply Cuba with about 5 percent of its oil needs as the result of a quadripartite swap agreement whereby the Soviet Union similarly supplies oil to Venezuelan customers in Western Europe.

Relations began to cool in 1979 when Cuban citizens on several occasions sought political asylum in the Venezuelan Embassy in Havana, sometimes forcing their way past Cuban guards and causing injuries. These incidents led to serious disagreements between the two countries regarding the rights of asylum and the integrity of diplomatic missions. When 10,000 Cubans seeking asylum stormed the Peruvian Embassy in Havana in April 1980, Castro not only vilified Peru but also Venezuela, which was harboring asylum-seekers in its embassy. The Herrera administration responded with moderation to these attacks, although some Cuban diplomats were harassed in Caracas.

In a more serious incident in September 1980, a Venezuelan military prosecutor decided to drop charges, for alleged lack of evidence, against Orlando Bosch and three other Cuban exiles accused of bombing a Cubana airliner in October 1976. The crash, which killed all 73 aboard, is still a highly emotional issue in Cuba. In protest—and reportedly for security—Cuba pulled all of its diplomats out of Caracas,

leaving behind only a Prensa Latina office. Venezuela, however, has maintained a charge at its embassy in Havana, largely as a caretaker for some 20 Cubans in asylum there since 1979.

25X1

Ideological Roots

These two specific irritants were only the proximate cause of the prolonged discord between Cuba and Venezuela. We believe that the underlying factors are ideological and difficult to resolve. Venezuelan officials have for many years publicly cited Cuba both as the principal threat to their own democracy and as their prime competitor for influence in the Caribbean Basin.

25X1

According to US Embassy reporting, Venezuelans remember clearly their troubles with Cuban-supported insurgency, and they have a deep-seated antipathy toward Communism. They have been alarmed by the spread of revolutionary movements in Central America and by Cuban inroads in the Caribbean. Even though their own revolutionaries have been largely co-opted into the system, Venezuelans, as evidenced by published military and civilian writing, remain apprehensive that their democracy would be vulnerable to renewed subversion backed from outside.

25X1

We believe the Herrera government also sees Cuba as a threat to its long-term interests in the Caribbean Basin. It has attempted to challenge Havana's influence by giving strong support to non-Marxist forces in Central America and the islands. El Salvador has been a particularly favored recipient of Venezuelan aid.

25X1

Herrera has repeatedly stated publicly that Venezuela must try to stop the radicalization of Central America. Another policy tool for achieving stability in the region is the joint oil-financing facility supported by Venezuela and Mexico to allow Caribbean Basin nations to put their scarce resources into much needed development programs.

25X1

25X1

Secret

25X1

Secret

25X1

That all such Venezuelan activities deeply disturb Havana is apparent by Castro's having branded Herrera a surrogate of the United States, a charge Venezuela rejects vigorously. While Venezuelan and US goals in the region often do coincide, we and the US Mission believe that Caracas has been determined to follow its own path, and it traditionally has been reluctant to be seen as doing Washington's bidding. In fact, over the last several years, Caracas has taken a number of initiatives aimed precisely at strengthening Latin America's unity via initiatives to coordinate positions and to foster interest in a Latin American organization that would exclude the United States. [redacted]

Renewed Contacts

Since at least August 1981, the Herrera administration has had informal contacts with Cuban officials in efforts to reduce tensions. [redacted]

[redacted] The Embassy reports that low-level delegations have since met; a Venezuelan commercial mission may visit Cuba soon; and a high-ranking delegation of the governing Social Christian Party (COPEI) may meet with Cuban officials. Moreover, after some delay Caracas has now formally renewed for 1982 the oil swap agreement—which continued to be honored although it had technically lapsed in 1980. Even the triple hijacking in December 1981 by an extreme leftist group—the hijackers are still awaiting trial in Cuba—has been downplayed, despite the fact that Venezuelan security services have publicly charged Cuba was involved in planning the event. [redacted]

Two recent events have prompted Caracas to distance itself somewhat from the United States, and to improve relations with Havana. The first was the Falklands crisis, which placed Venezuela and Cuba against the United States in an important hemispheric dispute. Venezuela was an early and vociferous supporter of Argentina, and Venezuelan officials publicly encouraged Cuba's growing tilt toward Buenos Aires. Moreover, the Venezuelan Ambassador to the OAS openly suggested reincorporating Cuba into the Latin American brotherhood as a counterweight to the developed nations. [redacted]

Far more importantly, the renewed dialogue with Cuba over the Falklands gave Venezuela a channel in which to discuss one of its most pressing foreign policy concerns. [redacted]

Caracas clearly saw parallels between Argentina's claims in the Falklands and its own boundary dispute with Guyana over the Essequibo territory—land that comprises five-eighths of Guyana. Although Caracas signed an agreement in 1899 that was supposed to delineate the border, it subsequently denounced the treaty, alleging that the British—Guyana's colonial rulers—had bribed one of the judges. A subsequent accord was reached in Geneva in 1966 committing both sides to resolving the dispute peacefully. A protracted stalemate ensued, and Venezuela has now refused to renew an interim protocol that had established a 12-year cooling-off period. [redacted]

The post-Falklands environment and the lapsing of the protocol have once again pushed the Essequibo dispute into the forefront of Venezuelan foreign policy concerns. [redacted]

Caracas is searching for allies, attempting to build international support for its case, and trying to cut into Guyana's much larger base of support. For example, the Herrera administration has publicly noted it is considering upgrading its current observer status in the nonaligned movement to that of a full member so that it will have a better forum for more forcefully stating its case. [redacted]

In this context, Cuba would have seemed an unlikely ally at best because of its frequent outspoken support for the Guyanese position on the Essequibo. Caracas, however, appears to have had some success in getting Havana to moderate its position. Venezuelan officials have publicly expressed their pleasure in what they see as Cuba's "constructive role" in drafting a more balanced statement on the dispute in a recent non-aligned movement meeting in Havana. While the shift was not major, the statement did not come out unequivocally for Guyana as has often been the case. Even this limited accomplishment has been much trumpeted in the Venezuelan press. [redacted]

Secret

2

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

25X1

25X1

Domestic Political Implications

Although Venezuela's presidential elections will not be held until December 1983—and not all the candidates have yet been officially selected—partisan politics are already in full swing. The Venezuelan-Cuban relationship, and its impact on the Essequibo dispute, are becoming entangled in the campaign. [redacted]

Officials of both the governing COPEI party and the major opposition party, Democratic Action (AD), are among those urging that relations be upgraded. For many in the left wing of AD, better relations with Cuba are naturally in line with the party's left-of-center, Socialist International philosophy. The majority of the party is more wary, however, as shown in public statements. For COPEI, Cuba presents a more difficult problem, particularly because the government has so clearly identified Havana as a threat to regional stability. According to the US Mission, some party officials favor a rapprochement as a way to better balance Venezuela's foreign relations and to reduce the government's close identification with the United States—particularly in the aftermath of the Falklands crisis. [redacted]

Another, and perhaps more compelling, reason to improve ties with Havana is that many COPEI politicians probably think they can use better relations with Cuba to improve their chances in the elections. They recognize that the Herrera administration is highly unpopular—largely because of its inefficient management of the economy. According to embassy sources, they believe that moderating Cuba's position on the Essequibo issue would be a major foreign policy triumph, one that they hope would divert popular attention from domestic economic distress. They also hope that by seeming to move leftward, COPEI would attract some leftist and AD votes. Both arguments, however, are more indicative of COPEI's electoral concerns than of the true popular appeal of better relations with Cuba. [redacted]

Remaining Obstacles To Improving Relations

There are still a number of obstacles to a major improvement in relations:

- The Bosch case is still stalled in review in the higher courts. Recent embassy reporting indicates that it may be moving again, but Venezuela's military

judicial system is traditionally independent, and its eventual verdict unpredictable. [redacted]

- The problems of the asylees in the Venezuelan Embassy in Havana as well as the situation of the still-untried perpetrators of the triple hijacking remain. While Havana could resolve both issues, they are for now readily exploitable in Venezuela by both the nationalistic right and the large and influential Cuban exile community. [redacted]

[redacted]

- Seeking Cuban support on the Essequibo dispute could prove less than productive for Venezuelan politicians if, as we believe is likely, Cuba is trying to play both sides of the street. [redacted]

[redacted] We believe it unlikely, however, that it would openly abandon Guyana in favor of Caracas—a step that would open it to charges of duplicity. The best that the Venezuelan Government probably can realistically hope for is that Havana—as well as the nonaligned movement—will take a more balanced position on the dispute. Whether this would translate into a vote-producing issue for COPEI politicians is uncertain. [redacted]

Secret

- Finally, Venezuelan distrust of Cuba and its subversive intentions in the Caribbean Basin has had a long time to build up, and we believe the public will not be quickly "reeducated" to new views. [redacted]

25X1

25X1

Outlook

In sum, we judge that relations between Havana and Caracas will improve over the next several months—probably to include restoring their respective ambassadors. Nonetheless, such a rapprochement is likely to be gradual, and it could be derailed by a number of factors—such as the Bosch case or events in Central America—that neither government can fully control. Moreover, we believe that most Venezuelans see their democratic government as incompatible with Cuban-style Communism and that they view Cuba as the principal threat to stability in the Caribbean Basin.

25X1

We also judge that any rapprochement is unlikely to be accompanied by a significant shift in Venezuela's foreign policy. Although Venezuela will probably try to emphasize its role as a Third World leader—largely to improve its standing in the Essequibo dispute—it is unlikely to abandon its pro-Western orientation or its support for the non-Marxist forces in the Caribbean Basin. Venezuela may, however, be even more wary about being seen as a US policy surrogate, and its open cooperation in efforts such as the Caribbean Basin Initiative may accordingly be more restrained. [redacted]

25X1

Secret

Secret

Secret