The Cuban-Soviet Connection: Costs, Benefits, and Directions

An Intelligence Assessment
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Costs, Benefits, and Directions

An Intelligence Assessment

This paper was prepared by Office of African and Latin American Analysis, and Office of Soviet Analysis. It was coordinated with the Directorate of Operations.

Comments and queries are welcome and may be directed to the Chief, Middle America–Caribbean Division, ALA.
The Cuban-Soviet Connection: Costs, Benefits, and Directions

Key Judgments

Information available as of 14 April 1986 was used in this report.

The longevity and breadth of Soviet-Cuban ties—political, economic, and military—make their relationship, in our opinion, the strongest and most important of the USSR’s links to its Third World allies. Despite the expressions of harmony at their respective Communist Party congresses earlier this year, however, relations between Havana and Moscow continue to be marred by frictions arising from differing foreign policy priorities and Cuba’s poor economic performance. Strains in the relationship over the last two years represent a low point in a longstanding cycle of alternating discord and harmony dating back to the 1960s.

The Soviets are pressing for policy changes in Cuba on both economic and political issues. Castro, because of Cuba’s overwhelming economic dependence on the USSR, is less able to deflect Moscow’s demands than at any time since the late 1960s. This growing economic dependence and Castro’s consequential adherence to Soviet policy will undercut any pretension of Cuba’s nonaligned status and negate Havana’s claim that the USSR is the “natural ally” of developing countries.

The complex patron-client relationship is based on a broad spectrum of reinforcing linkages that provide mutual benefits. Soviet economic assistance to Cuba, for example, has averaged $4.5 billion annually since 1980, and is by far the most extensive Soviet aid program to any developing country. It is the military component of this relationship, however, that is most valued by Moscow:

- Soviet military aid, provided free of cost to Havana, amounts to more than $500 million per year and has transformed the Cuban military into one of the largest and best equipped forces in the Third World.

- The USSR maintains a military presence in Cuba of an estimated 8,000 troops, military advisers, and intelligence personnel, while utilizing Cuban airfields and ports to project its military power into the Caribbean.
• Soviet military and economic aid to Cuba has enabled Castro to remain a major political and military actor in developing areas and to deploy an estimated 45,000 Cuban military personnel in the Third World in pursuit of Havana’s—and Moscow’s—revolutionary goals.

The current friction between the two states stems from a perception in both Moscow and Havana that the relative cost of the overall relationship has increased, although neither questions its worth. From the Soviet perspective, the cost of Moscow’s economic subsidy to Cuba has jumped dramatically at the same time that opportunities for joint military intervention abroad have diminished and Castro has no new “victories over imperialism” to tout to Soviet leaders. In Cuba’s view, its influence in the Third World suffers as Moscow’s demands and Havana’s subservience become increasingly obvious.

Our analysis suggests that Moscow’s pressure on Havana will continue to increase. We expect the Soviets to seek greater influence over internal Cuban decisionmaking, particularly in the economic realm, as well as even greater Cuban subservience to Soviet foreign policy. There is likely to be a period of sustained tension over the next several years as Castro makes grudging adjustments to manage and deflect Soviet pressures that will affect fundamental aspects of his handling of state affairs as well as his economic policies.

The most contentious issue, in our view, will be bilateral economic relations, including the level of Soviet aid and Cuba’s management of its domestic economy. We believe the new Gorbachev team in the USSR is likely to:

• Slow the increase of Soviet economic aid to Cuba.
• Seek to assume greater control over and accountability for Havana’s use of Soviet economic assistance.
• Increase Moscow’s direction of Cuban economic investment and development.
• Increase pressure on Castro to reduce Cuban bureaucratic inefficiency and mismanagement.

We believe these frictions will stop short, however, of causing any fundamental shift in the relationship because Castro recognizes that there are no alternatives to the massive Soviet aid that keeps his regime afloat. Still, he is likely to resist Soviet moves that he perceives as a challenge to
Cuban sovereignty and his personal authority. While in most cases his resistance is unlikely to be confrontational, we believe Castro will at times continue to use public diplomacy to signal his displeasure with Moscow as he did at the Soviet Party Congress in February. More often, he will use foot-dragging, delaying tactics, and the establishment of informal bureaucratic groups directly subordinate to himself to retain his policy prerogatives.

We believe that the Soviets—although increasingly intent on reducing the burden of supporting the Cuban economy—are unlikely to make deep cuts in aid to Cuba that could erode the regime’s popular support. Moscow almost certainly views Castro as one of its most stable and reliable allies, and, in light of the continuing high levels of Soviet military aid to Cuba, apparently continues to value highly Havana’s ability to advance mutual foreign policy objectives in the Third World.

Even if relations remain essentially unchanged, as we expect, Cuba’s bleak economic outlook and still-deepening dependence on the Soviet Union are likely to have further implications on the conduct of Cuban foreign policy. We have little doubt, for example, that Castro will continue to demonstrate unswerving loyalty to Moscow’s foreign policy line in international organizations, even at the expense of his own image. Moreover, Castro will have to coordinate even more closely his own international initiatives with Moscow, and is likely to work even harder on the Kremlin’s behalf to justify his requests for increased aid and to deflect Soviet pressures on him for domestic policy changes. In our opinion, the Cuban leader will be hard pressed to refuse a Soviet request to send military personnel to an endangered pro-Moscow regime in the Third World.

Judging from their public statements we believe that Moscow and Havana have settled most of their disagreements on Third World policy. Although the rising costs of joint Soviet-Cuban involvement in the Third World, as well as foreign policy setbacks such as Grenada, have been a source of friction between Moscow and Havana over the last five years, both now seem to be trying to ensure that their actions more closely complement one another. They seem to be striving in particular to avoid working at cross-purposes in key client states such as Angola and Nicaragua, where continued support and a coordination of efforts are essential to avoid disastrous foreign policy setbacks.
We cannot rule out the possibility—although we consider it remote—that a sharp deterioration in Cuban-Soviet relations could occur over serious policy differences regarding Nicaragua or perhaps Angola. For Castro, the Marxist Sandinista regime is his only ally in the hemisphere and represents his only success in 26 years of fomenting armed revolution in Latin America. As a result, we believe Castro would go further in acting independently of Moscow to protect the Nicaraguan Government than he would on any other foreign policy issue. In Angola, increasing Cuban concern over rising casualties and the consequent unrest in Cuba could make Castro more resistant to Soviet pressure to enlarge the Cuban combat role.
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The Cuban-Soviet Connection: Costs, Benefits, and Directions

Introduction

The Cuban-Soviet relationship has developed over time into the strongest and most important of Moscow's ties to its Third World clients. Their joint interventions in Africa during the mid-1970s transformed Cuba from a relatively minor player to the role of key Soviet surrogate and greatly expanded the Soviet projection of power into that region. Currently, the established network of political, economic, social, and particularly military ties continues to enhance the capabilities of both countries and increase opportunities for them to pursue their respective and mutual foreign policy interests. Nonetheless, the Cubans and Soviets have experienced periods of serious strain in the past, and, over the last two years or so, visible signs of discord have surfaced again.

This paper evaluates the costs and benefits of the relationship as viewed from the Cuban and Soviet perspectives. The paper also reassesses the relationship in light of recent bilateral frictions, their foreign policy setbacks over the past two years, and the new Gorbachev leadership in the Kremlin. This study also estimates the prospects for Cuban-Soviet relations during the last half of this decade, explores the potential vulnerabilities in their relationship, and considers the implications for the United States.

The Special Relationship: Havana's Perspective

Over the years, the mutually reinforcing linkages between Havana and Moscow—spanning the economic, military, and ideological spheres—have uniformly broadened and deepened. Economic guarantees, a continuing high level of free Soviet military aid, and close Communist Party ties illustrate the Castro regime's special status among the USSR's Third World clients. As the tally sheet of benefits has risen for Havana, however, so have the costs associated with being a unique Soviet ally. As Cuba has become an increasingly important Soviet military partner on a global scale and as Washington has increasingly focused on Havana's proxy actions in the Western Hemisphere, Moscow has sought—and gained—greater influence over Cuba's decisionmaking apparatus.

Benefits

The Castro regime has received considerable economic and military aid from the USSR, particularly since 1980. We estimate that over the last five years Soviet economic assistance has risen to approximately $4.5 billion annually—by far the highest amount Moscow spends on any Third World client. Overall, this assistance—comprising trade subsidies and development aid—has mounted to the equivalent of some $40 billion since the first bilateral economic agreement was signed in 1960. Cuban statistics show that Havana now depends on the Soviet Union for about 70 percent of its total trade, with Moscow subsidizing that commerce by paying artificially high prices for Cuban products while pricing its exports to Cuba below world market levels. We estimate, for example, that Moscow pays at least five, and perhaps as much as 10 times the world market price for Cuban sugar. Moreover, during the early 1980s, Cuba paid only about 50 percent of the OPEC price for Soviet crude petroleum and petroleum products, which amount to about 90 percent of Havana's needs and constitute the most critical element of Cuba's dependency. The Soviet Union also supplies most of Cuba's industrial, agricultural, and transport equipment.

Moscow also provides Cuba—both directly and through Cuba's participation in the Council for Mutual Economic Assistance (CEMA)—materials, equipment, and advisers for projects relating to export development, import substitution, and infrastructure improvements.

1 All Soviet aid figures are in nominal terms and are not adjusted for inflation.
The Leaders: Gorbachev and Castro

Mikhail Gorbachev

Fidel Castro Ruz

General Secretary of the Soviet Communist Party Gorbachev, 54, has climbed the ladder of Soviet politics by combining good luck, political skill, and support from patrons in the top echelons of power. He began his career in Stavropol' Kray, the political bailiwick of two leaders—Mikhail Suslov and Fedor Kulakov—who probably were instrumental in his early advancement. He was later backed by Leonid Brezhnev and Yuriy Andropov, largely because Gorbachev was able to anticipate their needs and interests. Gorbachev moved up in rank swiftly; he succeeded Kulakov as agriculture secretary in 1978 at the age of 47, thus becoming the youngest member of the Secretariat. He became a candidate member of the Politburo at age 48 in November 1979 and a full member in 1980.

Gorbachev has proved to be an exceptionally astute politician and consummate party bureaucrat. He appears to have mastered the consensus style of politics that seems necessary for survival in a collective leadership. Andrei Gromyko has described Gorbachev as a “man of principle” who talks his mind directly, suggesting that Gorbachev operates from a high degree of self-confidence and willingness to take measured political risks. Although preferring to avoid confrontations that might create political enemies, he probably could not have reached the top so swiftly without a capability for tough political infighting when the situation required it. Soviets and Westerners have portrayed Moscow’s leader as decisive and formidable, well-mannered, and capable of pragmatic, and authoritative discussions with foreign leaders of different stripes. In business settings, he appears professional, capable, and well briefed.

In sharp contrast to his Soviet counterpart, Gorbachev, a party infighter and master of compromise and consensus politics, the 59-year-old Fidel Castro has exercised absolute power in Cuba for over a quarter century. In addition to serving as First Secretary of the Cuban Communist Party, he is President of the Council of State and the Council of Ministers, and Commander in Chief of the Revolutionary Armed Forces. Intelligent and egotistical, Castro is widely acknowledged to make all the significant—and many of the minor—economic, foreign, and domestic policy decisions. Despite many miscalculations and failures, the Cuban population—disillusioned with many aspects of the revolution—still reveres the charismatic Castro. Castro’s inner circle, the vast majority of whom are veterans of the guerrilla campaign against Batista, apparently remains devoted to the Cuban strongman, and no serious challenge to his leadership has arisen since the early 1960s.

Castro and Gorbachev are only now beginning to develop a personal relationship. The Cuban leader committed a significant breach of protocol last year when he did not attend Chernenko’s funeral and missed a chance to greet the new Soviet party boss. Castro does not accept advice or criticism gracefully and probably wanted to wait until he could show Moscow some positive results from his efforts to improve efficiency and productivity. Castro reportedly was impressed with a personal telephone call from Gorbachev last winter to offer emergency aid after severe hurricane damage in Cuba. The two leaders’ meetings at the Soviet Party Congress in late February also apparently went well, and they may be developing a warm relationship early on.
### Table 1
Estimated Soviet Economic Assistance to Cuba, 1976-84

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,569</td>
<td>2,270</td>
<td>2,946</td>
<td>3,178</td>
<td>3,463</td>
<td>4,555</td>
<td>4,666</td>
<td>4,260</td>
<td>4,620</td>
</tr>
<tr>
<td>Economic aid</td>
<td>185</td>
<td>230</td>
<td>320</td>
<td>460</td>
<td>830</td>
<td>1,415</td>
<td>975</td>
<td>1,070</td>
<td>1,000</td>
</tr>
<tr>
<td>Trade ¹</td>
<td>245</td>
<td>912</td>
<td>481</td>
<td>500</td>
<td>460</td>
<td>500</td>
<td>460</td>
<td>500</td>
<td>460</td>
</tr>
<tr>
<td>Development aid ⁰</td>
<td>150</td>
<td>195</td>
<td>285</td>
<td>420</td>
<td>540</td>
<td>453</td>
<td>445</td>
<td>520</td>
<td>490</td>
</tr>
<tr>
<td>Technical services</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>40</td>
<td>45</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Trade subsidies</td>
<td>1,384</td>
<td>2,040</td>
<td>2,626</td>
<td>2,718</td>
<td>2,633</td>
<td>3,140</td>
<td>3,691</td>
<td>3,190</td>
<td>3,620</td>
</tr>
<tr>
<td>Sugar ²</td>
<td>989</td>
<td>1,638</td>
<td>2,427</td>
<td>2,324</td>
<td>1,165</td>
<td>1,365</td>
<td>2,580</td>
<td>2,740</td>
<td>3,420</td>
</tr>
<tr>
<td>Petroleum ³</td>
<td>374</td>
<td>378</td>
<td>164</td>
<td>381</td>
<td>1,480</td>
<td>1,655</td>
<td>1,006</td>
<td>345</td>
<td>100</td>
</tr>
<tr>
<td>Nickel ⁴</td>
<td>21</td>
<td>24</td>
<td>35</td>
<td>13</td>
<td>-12</td>
<td>120</td>
<td>105</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

¹ Based on estimated balance-of-payments aid necessary to cover Cuban soft currency trade deficits with the USSR, Cuban purchases of capital goods from Moscow, and public statements by Cuban and Soviet officials concerning the amount of development aid extended. This aid is repayable, but terms are highly concessional.

² Sugar and nickel subsidies are estimated as the difference between the price Moscow pays for these commodities and their world market value. The difference is considered a grant.

³ The petroleum subsidy reflects the difference between the value of the petroleum purchased from the USSR and the value of these imports at world market prices. It is considered a grant.

Cuban facilities built or modernized with Soviet aid since Castro took over in 1959 account for nearly 45 percent of electric power, 95 percent of steel production, 100 percent of sheet metal output, 60 percent of textile manufacturing, and 20 percent of raw sugar processing.

Major joint projects initiated during the 1981-85 Five-Year Plan include, according to press reporting, Cuba's first nuclear power generating station at Cienfuegos, which will save Havana 28 percent of its Soviet petroleum imports, and a major nickel processing plant at Punta Gorda near Moa. Together with another nickel plant now in the early stages of construction, Cuba's nickel export capability will triple. Other joint projects currently under way include a supertanker port east of Havana and a new oil refinery being constructed with Soviet assistance at Cienfuegos. Several thousand Soviet economic advisers on the island oversee these projects, and often directly meddle in the day-to-day operation of the Cuban economy.

Cuba also has benefited over the years from Soviet military aid. Moscow does not charge Havana for the weapon systems and military-associated equipment it provides the Cuban Revolutionary Armed Forces. Moreover, indicate that the volume of this aid has increased recently. During 1980-84, the annual

² See appendix A for a more detailed description of Cuban-Soviet military ties.
Figure 2
Cuba: Soviet Subsidized Versus World Market Prices for Cuban Sugar Exports and Petroleum Imports, 1981-84

- World
- USSR
- Subsidy

<table>
<thead>
<tr>
<th>Petroleum</th>
<th>Sugar</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $ per barrel</td>
<td>Cents per pound</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>30</td>
<td>30</td>
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<tr>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

benevolent, useful, and generous. Reflecting Havana’s success, Cuban civilian assistance programs grew from some 1,800 economic advisers in the Third World in 1975 to some 20,000 civilian personnel abroad by 1980. This included large contingents in Ethiopia, Angola, Nicaragua, and Mozambique, as well as smaller groups in some 28 other countries. In addition, Cuba has become a major host for Third World students—some 26,000 from 75 countries have studied in Cuba over the past decade.

Costs
Despite these positive aspects, the Castro regime recognizes that there is a price associated with its close ties to the Soviets. As Cuba’s dependence on Moscow increases, Havana’s image among Third World nations tends to suffer. For example, the Soviet invasion of Afghanistan spoiled Castro’s concurrent chairmanship of the Nonaligned Movement and caused Cuba to lose its bid for a seat on the UN Security Council. Similarly, the dutiful backing Havana gave Moscow following the shooting down of the KAL airliner and the Soviet boycott of the 1984 Olympics undercut Castro’s pretensions of independence.

Castro’s decision in the 1960s to align Cuba with the USSR has not accomplished the Cuban leader’s objectives for economic independence or progress. In 1958, for example, 70 percent of Cuba’s trade was with the United States; today the USSR accounts for about the same portion. Investment, once supplied primarily by private US residents, now comes mostly from the USSR. In addition, the several thousand Soviet advisers now in Cuba have a far greater influence on the island’s economic management than did US investors or the US Government in the 1950s. Cuba’s weakened economic position, however, is most evident in its need for direct aid: whereas US economic assistance to Cuba in 1958 was equivalent to less than 1 percent of Cuba’s national output, Soviet economic aid in 1985—estimated at some $4.5 billion—corresponded to somewhat more than 30 percent of Cuba’s real output. Without this aid, Havana would be hard pressed to meet even basic consumption and investment needs.

Although some moderate Third World leaders have expressed wariness over Soviet and Cuban “internationalism,” many others view their role as flow of Soviet arms and military-associated equipment to Cuba has been larger than during any year since the missile crisis of 1962.

The successful Cuban-Soviet teamwork in their Third World interventions has brought Castro considerable international prestige, and has facilitated Cuba’s efforts to expand its overseas presence.
Figure 3
Soviet-Sponsored Economic Development Projects in Cuba

$725 million subway system for Havana scheduled to begin in 1983 ... expansion of José Martí steel plant to increase its output to some 600,000 metric tons per year ... also in Havana, a 1,380 megawatt thermal power plant is under construction ... will be largest conventional power plant in Cuba ... 55 Soviet specialists advising on its construction.

Supertanker port at Matanzas ... one wharf to accommodate ships up to 150,000 metric tons ... three others for ships up to 70,000 metric tons ... 20 storage tanks will have 50,000 cubic meters capacity each ... 22 Soviet advisers directing construction.

500-kilometer oil pipeline under construction connecting supertanker port at Matanzas with oil refineries near Havana and Cienfuegos.

$900 million nickel refinery near Mau ... some 700 Soviet advisers at site ... plant to produce over 30,000 metric tons of nickel per year ... a sister plant nearby at Las Caimaneras is in initial stage of construction, also with Soviet and CEMA assistance ... plagued by construction delays ... part of plant became operational late 1984 ... will eventually employ 6,000 workers.

Cuba's first nuclear power plant near Cienfuegos ... some 200 Soviet advisers direct construction ... will save Cuba about 20,000 b/d of oil annually ... completion date early-to-mid-1990s ... two other nuclear plants scheduled.

New oil refinery at Cienfuegos ... 125 Soviet advisers ... 97 percent of the plans, technology, and equipment from Soviet Union ... will be largest of Cuba's four refineries ... will process 120,000 b/d of crude annually and employ 2,000 workers ... will accommodate tankers up to 30,000 metric tons ... scheduled completion date 1987 probably will not be met.

Central railway line linking Cuba's two largest cities being reconstructed with Soviet assistance.
Soviet economic planning delegation visited Havana in mid-1984 and chastised the Cubans for squandering scarce foreign exchange by making hard currency purchases from the West.

Castro continues to try to justify his requests to Moscow for increased aid by reminding the Soviets of his usefulness to them in the Third World.

 Castro has had no new "victories" in the Third World to herald in recent years, however, and, in our judgment, the Cuban leader's ability to deflect Moscow's pressures is at its lowest point since 1967 when the Soviets manipulated oil supplies to Havana to force the Cuban leader to institute major domestic and foreign policy changes. Moreover, despite record levels of Soviet economic aid in recent years, Cuban economic productivity and performance have not been improving, and Castro, because of low world sugar prices and falling oil prices, has little near-term prospect of showing Moscow any significant growth in the Cuban economy.

In economic matters generally, the Cuban leader is finding himself under increasing pressure from the USSR to adopt Soviet-style planning, to implement the advice of Moscow's advisers stationed in Cuba, and to integrate Cuba more fully into CEMA.

a high-level
The Special Relationship: The View From Moscow

Benefits
The USSR derives a wide range of political and military advantages from its ties to Cuba. Since the early 1960s, Cuba has provided the USSR with a significant presence in the Caribbean Basin, an area of strategic importance to the United States.

Cuban airfields are also extensively utilized by the Soviets, such as for the deployment of TU-95 Bear reconnaissance aircraft. These deployments tend to last from two to four weeks and are staged to collect intelligence on US naval operations or engage in antisubmarine warfare operations off the US east coast. The Soviet Navy also uses Cuba as a support base for its periodic visits to the Caribbean Basin. In addition, Soviet Bear flights to Angola stage through Havana en route to Africa.

The Soviet-Cuban joint interventions in Angola and Ethiopia transformed Cuba from an essentially passive recipient of military largess into an active and valuable military ally of the Soviet Union. The use of Cuban troops avoided the negative repercussions that most likely would have been caused by the intervention of Soviet military forces. Not only did the Castro regime play a key role in consolidating the power of two Marxist regimes, but the resulting increase in Cuba’s international influence also made the Castro regime an increasingly effective defender of Soviet interests in Third World forums. For example, Havana was able by the late 1970s to eliminate the concept of “two imperialisms” (the United States and the Soviet Union) from the Nonaligned Movement and to focus the hostility of the organization more directly on Washington.

Cuba, in pursuing its anti-US foreign policy objectives, has also assisted Soviet interests in the Western Hemisphere. The most successful example is Nicaragua, where early on in the revolution Cuba helped design the military strategy of the Sandinista National Liberation Front (FSLN), provided an estimated 500 metric tons of weaponry to the guerrillas, trained and transported combatants to join the battle, and later sent as many as 50 advisers to accompany the Sandinista units. These actions helped propel the Sandinistas to power in 1979 at a low cost both to the Cubans and Soviets. Moscow enjoyed the fruits of all these victories, keeping its involvement restricted essentially to the provision of military equipment and logistic support to the Cubans.
Costs

The euphoria of the victories in Angola, Ethiopia, and Nicaragua began to wear off by the beginning of the 1980s, as the focus of Moscow's and Havana's efforts necessarily shifted from helping insurgent groups attain power to the more difficult process of consolidating regimes in power. The Soviets and Cubans were now confronted by their clients' problems such as deepening economic malaise, growing insurgent activity, rising popular discontent, and leadership factionalism. Moreover, no new easy opportunities have arisen over the last few years as the Soviets and Cubans found themselves increasingly challenged by Washington.

As troubles mount for Soviet-Cuban allies in the Third World, so do Moscow's associated costs. For example, Moscow had to increase its military aid to the dos Santos government in Angola between 1979 and 1984. Soviet military deliveries to Ethiopia in 1983 and 1984 doubled the level of the previous two years, and, in Mozambique, Soviet military aid since 1975 is now approaching $1 billion.

The Soviets, moreover, have broader Third World concerns and are bearing other major burdens in the developing areas. In addition to its major involvements in Angola, Ethiopia, and Nicaragua, Moscow is maintaining some 115,000 Soviet troops in Afghanistan, conducting a war that has dragged on since 1979. In addition, the Kremlin is supporting the Vietnamese regime with more than $1 billion a year in economic aid and is providing the military materiel necessary to sustain Hanoi's counterinsurgency effort in Cambodia. Some of these clients can do little more for the Soviets than survive, and potentially could represent serious setbacks for Moscow if they were toppled over the next few years.

The Soviets apparently also are concerned over the increasing cost of their Cuban aid programs, judging from the sharp tenor of Soviet complaints about Havana's economic mismanagement. Compared to the mid-1970s when sugar prices were high and Cuban economic performance was good, the island's
Figure 7
Soviet Military and Economic Aid to Angola, Ethiopia, and Nicaragua, 1975-85

Million US $

<table>
<thead>
<tr>
<th>Economic aid</th>
<th>Military aid</th>
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<tr>
<td><strong>Angola</strong></td>
<td></td>
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<tr>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>800</td>
<td></td>
</tr>
<tr>
<td>600</td>
<td></td>
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<tr>
<td>400</td>
<td></td>
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<tr>
<td>200</td>
<td></td>
</tr>
<tr>
<td>0 1975 76 77 78 79 80 81 82 83 84 85</td>
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</tr>
</tbody>
</table>

| Ethiopia     |              |
| 1,200        |              |
| 1,000        |              |
| 800          |              |
| 600          |              |
| 400          |              |
| 200          |              |
| 0 1975 76 77 78 79 80 81 82 83 84 85 |

| Nicaragua    |              |
| 1,200        |              |
| 1,000        |              |
| 800          |              |
| 600          |              |
| 400          |              |
| 200          |              |
| 0 1975 76 77 78 79 80 81 82 83 84 85 |

The Soviets seem to be increasingly worried over the poor international image of the Cuban economy. 

Moscow has frequently criticized the Cubans for failing to meet trade and delivery commitments to the Soviet Union and other CEMA partners.

Cuba's 20-year-old food rationing system as a poor example for the rest of Latin America, especially since food can be grown year round on the island and land capacity is more than sufficient for a population of 10 million.

Economy is now stagnating and the Soviet subsidy is burgeoning. On the basis of our estimates, annual Soviet assistance to Cuba amounts to more than half of Moscow's total assistance to its Third World clients.
Figure 8
Soviet Economic Aid Per Capita for the USSR's Major Recipients, 1984a

Figure 9
Soviet Economic Aid to Communist and Non-Communist LDCs, 1984a

A History of Controlled Stress

Such unhappiness at both ends of the Havana-Moscow axis is not new to the relationship. A variety of academic studies shows that relations between Cuba and the USSR have been characterized over the years by periods of sharp disagreement. The first such dispute was sparked by the missile crisis in 1962 when Moscow agreed to remove the missiles and bombers without consulting Fidel Castro. Over the next decade, public statements by the two nations underscored bitter disagreement over revolutionary strategy and economic theory. Finally, the death of Che Guevara in 1967 and the debacle of the drive to produce 10 million tons of sugar in 1970 marked the end of the Cuban leader's gamble that a combination of spectacular economic achievements and guerrilla victories in Latin America would enable him to fend off domination by the Soviet Union. With the economy in shambles and armed struggle discredited, Castro had no choice but to accept the conditions of survival offered by Moscow—basic conformity with Soviet principles in economics, ideology, political organization, and foreign policy.

The effects of Soviet pressure and Cuba's diminishing independence were reflected in:
- The establishment of a joint commission in 1970 that became an instrument for strong Soviet influence over Cuban economic policy formulation.
- Cuba's accession in 1972 to full membership in CEMA.
- The total reorganization in 1972 of the Cuban Government apparatus on the Soviet model.
- A reduced emphasis on armed struggle in Cuban foreign policy.
- A complete reorganization in 1973 of Cuba's mass organizations along Soviet lines.
• The convening in 1975 of the long-postponed first congress of the Cuban Communist Party and a reorientation of the party’s role to correspond with the Soviet and East European models.
• The adoption in 1976 of a new constitution, which conformed to the letter and spirit of the Soviet constitutions.

Nevertheless, Castro apparently did not accede to all Soviet demands. For example, in 1975 Moscow pressed Castro to hand over the party leadership position to his brother Raúl at the first party congress. The Soviets wanted Fidel to concentrate on being a Third World spokesman and focus more on ceremonial duties. Contrary to Moscow’s wishes, however, the Cuban leader used the congress and the corresponding governmental reorganization to reaffirm his personal hold on all the top party, government, and military posts.

Tension Over Aid Levels
Frictions have been rising during the past two years over economic issues. In our judgment, Havana and Moscow have been at odds over the fundamental development strategy assigned to Cuba within CEMA, as well as Cuba’s own economic inefficiency. Moscow also seems to be attempting to reduce the burden of supporting the Cuban economy, and its efforts on these subjects are not being well received in Havana. For example, an East European diplomat told the US Interests Section in Havana that, during the planning talks for the June 1984 CEMA summit in Moscow, Cuba sought to adjust its economic role within the organization to emphasize accelerated industrial development. The Cubans evidently were rebuffed because published summit documents noted that Cuba will continue instead to focus on agriculture—a role analogous to that of a primary goods producer for a colonial power. Castro stayed away from the heads of state summit—the only leader to do so—probably to avoid being associated with humiliating resolutions that underscored Cuba’s dependency and client status.

Cuba apparently tried to raise the issue again at the CEMA prime minister’s meeting held in Havana during October 1984. At a press conference one week before the gathering, Cuban Vice President Carlos Rafael Rodríguez said that Cuba did not want to produce only agricultural products or consumer goods, but also wanted to develop the “means of production.” He cited electronics and genetic engineering as the kinds of industries Cuba hopes to develop. In his speech to the assembled CEMA premiers at the opening session, Castro pointedly noted Cuba’s disappointment over its “modest” participation as an exporter in the electronics and machine industries within CEMA. He reiterated Cuba’s interest in expanding its participation in industrial fields.

Soviet economic officials apparently were unmoved by Castro’s plea. The 15-year cooperation agreement that Castro and then Soviet Premier Tikhonov signed at the close of the CEMA meeting listed agriculture, minerals, fuel, and energy industries as the main areas of Soviet aid to Cuba. The agreement signifies to us that the focus of Moscow’s assistance for Cuban development for the rest of the century will remain restricted to energy development, petroleum refining, nickel mining and processing, and modernization of the sugar industry.

Moreover, the Soviets indicated at the Havana meeting that future Soviet aid will be leveled off at 1984-85 amounts.

The TASS Bureau Chief in Havana told US Interests Section officials last year that the Soviet problem with Cuba was that Castro simply did not believe that Moscow would ever decrease its assistance. In our view, the Soviet official was saying, in effect, that Castro had been calling Moscow’s bluff by ignoring warnings about reducing his stipend, and, in order to restore the USSR’s credibility and control over its investment in Cuba, Soviet officials need to back up their tough talk with aid restrictions.

The Soviets may have relented somewhat on their tough line because of last year’s hurricane and drought damage to Cuba’s sugar crop, the fall of oil prices that will substantially reduce Havana’s earnings from the reexport of Soviet oil, and Castro’s
recent efforts to improve Cuban economic performance. According to press reports, Soviet-Cuban economic agreements for the next five years signed in Havana in early April 1986, call for $3 billion in Soviet development credits during the 1986-90 period, an increase of about 50 percent over 1981-85 figures. It remains unclear whether these new credits represent an overall increase of Soviet economic assistance to Cuba because Soviet development credits generally have accounted for only about 10 percent of the total Soviet aid package. Moscow may have made other concessions to Cuba, but Castro's silence on the value of Soviet trade subsidies or on the future of the oil agreement that allows Cuba to sell the Soviet oil it conserves more likely indicates that agreement on these issues was not as advantageous to Cuba.

Foreign Policy Frictions
Tensions between Havana and Moscow also have arisen during the past few years over their differing foreign policy priorities, the unequal burdens shared in their Third World interventions, and differing perceptions in the two countries of the commitment the other side should be willing to bear. For example, public speeches by Castro indicate that Havana believes it is suffering increasing combat casualties, that the Soviets should extend more economic aid to Third World clients, and that the USSR should react more strongly to such US moves as the US intervention in Grenada.

Other disputes have surfaced over the pursuit of parochial interests in particular countries, especially where both Moscow and Havana have established contacts and seek to promote their respective allies as the dominant group at the expense of others. These problems generally only complicate their efforts to strengthen the left, although under certain situations—as in Grenada—they can create conditions resulting in a more fundamental foreign policy setback for both the Soviets and the Cubans.

Moscow and Havana have worked at cross-purposes in a number of other cases, although none of their recent differences approach the gravity of the Grenada episode.

Bending to Moscow's Will
Recognizing that continuation of present aid levels requires him to accommodate Soviet demands, the Cuban leader—while still bargaining and arguing with Moscow—is moving to address a number of Soviet complaints. One month after signing a long-term Cuban-Soviet protocol on economic cooperation in late 1984, Castro declared a "profound economic revolution," that is, a nationwide effort against waste and inefficiency. In a major speech, the Cuban leader announced that Cuba would face economic hardships until at least the next century. The thrust of Cuba's new economic policy—increasing exports to the West, meeting trade commitments to Communist countries, and limiting imports of consumer goods—suggests that Castro is responding seriously to Moscow's strictures on the need to save foreign exchange and its implicit warnings about future levels of assistance.

1 Soviet development credits to Cuba amounted to approximately $490 million in 1984, less than 11 percent of the total Soviet economic assistance that includes large trade subsidies. Soviet trade subsidies on sugar, petroleum, and nickel, for example, amounted to over $3.6 billion in 1984. A significant cut in the level of subsidies over the next five years, particularly in the price of sugar, could offset the impact of the new credits.
The Grenada Fiasco

The US intervention in Grenada and the lack of Soviet response to this action led, in our view, to the most significant policy dispute between Moscow and Havana since the late 1960s. For the first time in a decade, the Cuban and Soviet claim of a shift in the correlation of forces in socialism’s favor was called into question. For Fidel Castro, the Grenadian episode almost certainly heightened his sense of vulnerability, demonstrated Moscow’s unwillingness to engage Washington in a serious confrontation in the Caribbean Basin, and proved to him that he must be careful not to provoke a similar US action in Central America. The Cuban leader’s subsequent war hysteria campaign, the rapid expansion of Cuba’s Territorial Militia to some 1.3 million people, and his emphasis on preparing the population for a prolonged “people’s war” in the event of a US invasion demonstrated his recognition that Moscow would not come to Cuba’s defense even in the event of hostilities with Washington.

What seemed to grate Castro even more was his apparent belief that Moscow was partially to blame for the bloody dissolution of the Grenadian revolution. In his speech at the funeral of the Cubans killed in Grenada, Castro placed the blame squarely on pro-Soviet Grenadian Deputy Prime Minister Bernard Coard, arguing that his actions set in motion the events that gave the United States a pretext to intervene. Conversely, the official Soviet line, elaborated in a TASS commentary, placed blame for the Grenadian episode on the United States, whose “special services” were alleged to have penetrated Grenadian circles and created the conditions for the US intervention. The TASS replay of the Castro speech pointedly omitted the paragraphs that described Coard’s culpability, while Cuba has never adopted the Soviet line alleging US intelligence involvement.

Castro also is responding to economic problems and bureaucratic inefficiency by making wholesale personnel shifts in the economic ministries to energize performance and improve productivity. The major change thus far has been the replacement of the head of Cuba’s central planning agency, JUCEPLAN, with the former Minister of Construction, a 43-year-old technocrat who apparently impressed Cuban officials with his management of that cumbersome ministry. The Minister-President of the State Committee for Finance—a cabinet-rank post—also was replaced by a young technocrat. In addition to naming a new Minister of Construction, Castro also has replaced the Ministers of Transportation, Sugar, and Light Industry.

Many other recent organizational and personnel moves in Cuba are likely to address longtime Soviet concerns by furthering the “institutionalization” of the revolution along the Soviet model. The major institutional change so far has been the clearer separation of the roles of the Communist Party and the government apparatus. A number of personnel changes have relieved Politburo members from their additional government duties as heads of ministries. These moves are intended to emulate the more recent Soviet practice of putting technically qualified personnel in ministerial posts held hitherto by political appointees, cronies, or ideological hacks.

Dealing With Policy Differences
Judging from their public statements we believe Moscow and Havana are trying to ensure that their actions in the Third World more closely complement one another. Not only are the Soviets and Cubans continuing to probe for new opportunities in the Third World, but also may even be settling on a tacit understanding of which country should take the lead in exploiting them.

The two nations seem to be striving in particular to avoid working at cross-purposes in key nations such as Angola and Nicaragua, where continued support and a coordination of effort are essential to avoid a
Exploiting New Opportunities for
Diplomatic Inroads and Subversion

Despite the rising costs connected with their Third
World involvements, the Soviets and Cubans continue
to exploit opportunities for expanding their presence
and influence. Although a clearly defined Soviet-
Cuban division of labor—either functional or geo-
ographical—is not supported by available evidence, we
believe that in most cases they pursue coordinated—
and parallel—policy approaches. The Soviets and
Cubans work to build state-to-state ties in the Third
World to gain economic and strategic access, under-
mine US relations with host governments, and create
divisiveness between Washington and its allies on key
policy issues. A case in point is Castro’s assiduous
efforts over the last year or so to court new civilian
administrations in South America and socialist gov-
ernments in Western Europe. These efforts—falling
within the mainstream of Soviet policy in the two
regions—are designed to end Cuba’s isolation in the
hemisphere and gain backing for Havana’s positions
on regional issues.

The disparity in capabilities and resources between
Cuba and the Soviet Union often dictates that they
use different tactics and tools to win over potential
allies in a target country. Moscow often uses military
assistance and commercial trade to solidify its rap-
port with governments in power, trying to create a
dependency relationship with the country and to
build a pro-Soviet clientele within its leadership.

disastrous foreign policy setback. The Soviets,
Cubans, and Angolans apparently have settled on a
harder-line strategy regarding the US-mediated nego-
tiations between Luanda and Pretoria and on future
levels of Soviet-Cuban aid to the dos Santos regime.
According to the US Embassy in Moscow, Soviet
Foreign Ministry officials said that the Soviets and
Cubans pressed the Angolans last year for improved
economic performance, although both patrons agreed
to provide increased aid to the government, including
intensified Soviet training of Angolan military offi-
cers. Castro, using last year’s visit of UN Secretary
General Perez de Cuellar as the backdrop for tough-
ening his position, asserted publicly that a total of
200,000 Cubans had served in Angola since 1975
and that he was willing to send an equal number in the
coming decade if necessary.

The Cubans and Soviets appear to have synchronized
their policy toward Nicaragua as well, as both coun-
tries are increasing their aid to the Sandinistas.
Moreover, Havana and Moscow continue to reject any
talks or accommodation between the Sandinistas and

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the armed opposition. Instead, their moves to date suggest that both the Soviets and Cubans agree that they will meet the insurgent challenge by incrementally strengthening the military aid program to the Sandinista armed forces, including the provision of equipment, training, and tactical advice.

**Lingering Problems**

Despite the evidence of coinciding views on most issues, there are indications that Castro is continuing to resist the Soviets on certain subjects. For example, the Cuban leader apparently intends to press on with his goal of strengthening the electronics industry in Cuba and developing a genetic engineering capability even though Soviet economic officials have refused to assist such efforts. The Cuban leader has consolidated all enterprises associated with electronics—which previously were spread across several government agencies—under a single new Ministry of the Electronics Industry. In a move that runs counter to the new ministerial personnel policy, Castro selected Ramiro Valdes, the former Minister of
Interior, to head the new ministry. Although Valdés has little experience in the electronics field and is best known for his ruthless approach to security matters, he has been a close associate of Fidel Castro since the days of the guerrilla struggle against Batista. Because of Valdés’s unquestioned loyalty and his direct access to the Cuban leader, his appointment underscores the political as well as economic importance Castro places on the development of this sector. As a result, we believe there will be sharp disagreement between Moscow and Havana over this program especially if the Castro regime begins to divert scarce resources to its development.

In a similar vein, Castro has become personally involved in the construction of a major medical research facility, which will be heavily involved in genetics engineering. Castro envisions the facility as the largest of its kind in the world, attracting leading international scientific and medical personnel to Cuba as well as hard-currency-paying foreign patients. According to his plans, the institute will also be used to host major international medical and scientific conferences, significantly raising the prestige of Cuba’s medical programs. Castro is pushing ahead with the institute despite substantial criticism and opposition to it from the Soviet Union.

Evidence of Castro’s continuing concern that any improvement in Moscow’s relations with Washington could negatively affect its commitment to its Third World allies again became apparent during the Third Party Congress in early February this year. On the penultimate day of the congress, according to the US Interests Section, the delegates unexpectedly adopted a resolution approving—and explaining—Castro’s remarks on foreign policy during his main report to the congress two days earlier. Vice President Carlos Rafael Rodriguez admitted to the delegates that the resolution had been so hastily prepared that there had not been time to distribute it in advance. The US Interests Section noted that compared to Castro’s speech the document lavished considerably more praise on Soviet efforts to promote detente and was more outspoken in its approval of the general desirability of solving conflicts through dialogue and negotiations. The unprecedented resolution—in which Castro played no public role—was probably adopted to placate the Soviets, who may have been angered by Castro’s failure to address adequately Moscow’s broader effort to improve relations with the United States. Indeed, a TASS statement issued shortly after the resolution was approved emphasized the portions dealing with the peace struggle and negotiated settlements. Nevertheless, in his closing speech to the congress, Castro adopted an even more aggressive tone than his main report, speaking in emotional terms about confrontation with the United States.

Perspectives on Moscow’s East-West priorities and Castro’s Third World focus carried over to the 27th Soviet Congress. Gorbachev’s main address virtually ignored the Third World—focusing instead on Soviet-US arms control issues—while Castro centered his remarks on the Third World. In continuing his running debate with the Soviets over the relevance of superpower dialogue to Third World concerns (implicitly including Cuba), Castro called the struggle for economic development “no less stimulating” than that of avoiding war. Subtly chiding his Soviet colleagues, he explicitly asserted that the nations of the Third World “expect and are certain they will receive maximum solidarity from the socialist community in their struggle for just economic gains.”

Outlook and Implications for the United States

Given the benefits accruing to both countries from this relationship, their large investment in it, and its high level of institutionalization in the political, economic, and military areas, we expect Soviet-Cuban ties to remain strong. Nevertheless, bilateral tensions are likely to continue marring the alliance, in our judgment, and will offer occasional opportunities for the United States to pursue its interests.
We believe that these disagreements and strains—particularly over economic issues—result from an unequal, complex patron-client relationship. Moscow seems increasingly intent on finding ways to ease the financial burden posed by its foremost Third World client, particularly as the USSR copes with its own petroleum and agricultural problems. Although we believe Castro’s leverage with Moscow will be increasingly limited, he is likely to continue to press the Soviets for increased aid, and to cause bilateral frictions in doing so.

The austerity and conservation measures already being implemented in Cuba indicate that Havana recognizes that Cuba must respond to Soviet demands, but Castro’s open resistance on certain issues, such as the electronics industry and genetics project, suggests that movement on other areas may be slower and less complete than Moscow desires. Moreover, if Cuban frustration with Soviet aid levels spills over into public view again, it is possible that Castro may miscalculate the extent of Soviet patience and provoke Moscow into making a significant aid cutback. Such a move would have serious economic consequences for Cuba and could weaken Havana’s ability to sustain its interventionist foreign policy at current levels.

Even if relations remain essentially unchanged, as we expect, Cuba’s bleak economic outlook and its massive—and still growing—dependence on the Soviet Union are likely to have further implications for the conduct of Cuban foreign policy. Castro will have to coordinate even more closely his own international initiatives with Moscow, and is likely to work even harder on the Kremlin’s behalf to justify his requests for increased aid and to deflect Soviet pressures on him for domestic policy changes. Castro will be hard pressed to refuse a Soviet request to send military personnel to an endangered pro-Moscow regime in the Third World. Moreover, we have little doubt that Castro will continue to demonstrate unswerving loyalty—even if such actions damage his own image—to Moscow’s foreign policy line in international organizations and to act on Moscow’s behalf in Third World forums where the Soviets do not directly participate.

Short of creating a serious disruption of Cuban-Soviet relations, which we consider unlikely, Cuba’s adherence to Soviet policy and its economic dependence on the USSR also create opportunities for the United States to gain some political and propaganda advantage. Cuba’s support for Soviet actions—such as the KAL airliner shutdown and Moscow’s intervention in Afghanistan—undercut any Cuban pretension to genuine nonalignment and negate Havana’s claim that the Soviet Union is the “natural ally” of the developing countries. Castro’s alignment with Moscow on such issues exposes his duplicity when he suggests to sympathetic audiences in Western Europe and South America that he could be weaned away from the Soviet orbit by greater access to Western markets and aid. Also undercutting the “natural ally” thesis is Moscow’s stinginess with economic aid to Third World countries, and its inability and unwillingness to compete with Western lenders and donors, even in such pro-Soviet client states as Ethiopia and Mozambique.

Cuba’s own economic problems, despite the massive flow of aid, will increasingly dampen Castro’s ability to hold up Cuba as a model of development for the Third World. Indeed, we believe that economic austerity and consumer sacrifice measures already being implemented in Cuba will generate rising disillusionment with the regime, and will cause Castro to respond with repressive measures that would make the Cuban model even less attractive. Moreover, Havana’s indebtedness to Moscow and to Western lenders, as well as Cuba’s businesslike approach to its recent debt renegotiations, make Castro susceptible to charges of hypocrisy and meddling when he advocates that other countries cancel payment on their debts to international organizations. Meanwhile, Cuba’s failure to meet performance targets set by its Western creditors, as well as the leveling off of Soviet economic aid, are likely to be damaging to Cuba’s credit rating.
At the same time, the continuing tension that underlies this relationship could also generate problems for US policy objectives. Although unlikely, it is possible, for example, that, given Cuba’s long-term commitment to Angola and Nicaragua, serious foreign policy differences between the two countries could occur over issues relating to these two client states. In Nicaragua, Castro probably is far more attached to the Sandinistas than the Soviets, given Nicaragua’s geographic proximity and cultural affinity to Cuba and Havana’s role in helping the Sandinistas attain power. For Castro, the Marxist Sandinista regime is his only ally in the hemisphere and represents his only success in 26 years of promoting armed revolution in Latin America. Because of his close relationship with Nicaraguan leaders, we believe Castro would go further in acting independently of Moscow with regard to Nicaragua than on any other foreign policy issue, particularly if he perceived a danger to the large number of Cuban personnel stationed there and Moscow’s unwillingness to increase its own support. Should the survival of the Nicaraguan Government be seriously jeopardized by the insurgents, we believe that Castro could possibly move out ahead of Soviet policy, perhaps sending troops to back up Sandinista forces or man major garrisons even at the risk of a serious dispute with Moscow.

In Angola, it is the Cubans who might balk at upping the ante still further in order to prop up the dos Santos government against the South African–backed UNITA (National Union for the Total Independence of Angola) insurgents. Although Castro’s recent tough talk on staying the course in southern Africa indicates that he is not prepared to abandon Cuba’s 10-year commitment to Angola, Cuban leaders are sensitive to continuing casualties among both Cuban troops and civilians, to rising morale problems among Cubans serving in Angola, and to discontent at home over the long-term involvement there. Castro might resist Soviet pressure to increase further the Cuban military presence or to step up their direct role in the counter-insurgency fighting if he believes there is little prospect of a quick military victory over the insurgents. Substantial gains by Savimbi’s guerrillas, then, could result in serious Cuban-Soviet divisiveness as they grapple with how to meet the insurgent challenge.
Appendix A

Longstanding Military Ties

The Cuban-Soviet military relationship generally has been characterized by far fewer frictions than bilateral economic or political ties. The massive stockpile of arms given to the Cubans and the large Soviet advisory presence from the early 1960s ensured a close military relationship. Even during serious downturns in Cuban-Soviet political relations, Havana and Moscow have maintained a closer military relationship than exists between the Soviet Union and any other non-Warsaw Pact country. For example, during the period from late 1966 to January 1968 when Cuban-Soviet relations were severely strained, Moscow's arms deliveries to Cuba were the highest since the massive 1962 buildup. Over the years, the organization of the Cuban Armed Forces has come to mirror the Soviet model, with Cuba's top military leader, Armed Forces Minister Raul Castro, making frequent trips to the USSR and developing a close relationship with Soviet military and political figures.

Upgrading Cuban Defenses
Since Cuba's 1975 intervention in Angola, and especially during the past five years, all branches of the Cuban Armed Forces have been significantly upgraded with modern weapon systems supplied by the USSR. We estimate that the worth of Soviet military and military-associated deliveries to Cuba from 1981 to 1984 amounts to more than $3.0 billion.

Even before this buildup, Cuba, in our view, was able to defeat any invasion force short of a serious effort by a major power.

While the current buildup probably is designed, in large part, to deter any US military action against Cuba, Castro also derives numerous foreign policy benefits from his newly acquired military might. Soviet military aid improves Castro's capacity to support revolutionary regimes and movements abroad,
adds international stature to Cuba’s revolutionary government, and provides a means of gaining additional leverage with the USSR through demonstrated competence in the military arena. These benefits accrue not only through military hardware, but also by way of technical assistance, training, joint exercises, and improving the professionalism of the Cuban officer corps.

The Kremlin’s Caribbean Presence
From Moscow’s perspective, costly investments in the Cuban military benefit its strategic objectives, and the Soviets have been strengthening their own assets on the island. Cuba is the USSR’s largest and most valuable base outside the Soviet Union for intelligence collection against the United States. The SIGINT complex at Lourdes houses separate facilities for the KGB, the GRU (Chief Intelligence Directorate of the General Staff), and the Soviet Navy.
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Figure 11. Soviet TU-95 (Bear D) reconnaissance aircraft at San Antonio de los Banos airfield, Cuba. The Bear D’s have deployed to Cuba, on average, five or six times annually in recent years to collect intelligence on US naval operations off the east coast. Although they usually fly one or two missions during each deployment to Cuba, they have made as many as five.

The Soviets also use Cuba for periodic naval visits, deployments of long-range naval reconnaissance and antisubmarine warfare aircraft, and port calls by the intelligence-gathering ships that patrol off the US east coast and in the Caribbean.

The Soviet brigade, estimated at about 2,600 to 2,900 men, is made up of one tank and three motorized rifle battalions, as well as fire-support battalions and combat service support units. These units are garrisoned in two facilities south of Havana—Santiago de las Vegas and Lourdes. Recent construction indicates a modernization of brigade facilities rather than expansion. The Intelligence Community believes the brigade is symbolic of Soviet commitment and only serves to provide security for Soviet facilities. The Soviet Military Advisory Group (MAG), currently estimated at 2,500 to 2,800 officer-level advisers and technicians, advises and trains the Cuban Armed Forces. The major elements of the MAG are located in the Kohly District of northern Havana, although Soviet advisers are also deployed with Cuba’s Central and Eastern Armies. Construction activity in the Kohly District since 1980 indicates that the MAG has been expanded and has upgraded its communications capabilities.

Benefits and Limits of Soviet Military Commitment
The Cuban-Soviet military relationship has been beneficial for both Havana and Moscow. Unlike their economic ties, where Havana benefits from Moscow’s shouldering the burdens of Cuba’s inefficient economy, Soviet military investments have paid off handsomely for both countries. The Soviet-trained Cuban military has performed effectively in two major military campaigns, playing a key role in advancing Soviet foreign policy goals. Cuba’s location and its military forces provide the Soviets with the capability to project power near the United States, collect intelligence on US military activities by monitoring US communications, and help the Soviet Union compete with the United States in the Third World. In addition, the Soviets probably hope that a militarily stronger Cuba, coupled with Havana’s destabilizing activities, will help cause US policymakers to focus increased attention on the Caribbean Basin and divert resources away from primary areas of interest, particularly the Eurasian continent.

Although Soviet-backed military aid to Cuba has given Castro some offensive capability in recent years, it is still primarily a defensive force. The expansion and modernization programs, when added to Cuba’s efforts at civil defense, are geared to making an attack on Cuba as costly as possible to the United States. The Soviets clearly are concentrating on providing a deterrent capability to the Cubans, probably hoping in this way to avoid a direct confrontation with the United States. The defensive nature of Soviet weapons and training also underscores public statements from Moscow and Havana indicating that Cuba will stand alone in any conflict with the United States.
Although economically integrated into the Soviet Bloc, Cuba is not a member of the Warsaw Pact, and the Soviet Union has refused to extend to Castro a written defense treaty. Nor has Moscow been willing to deliver to Cuba offensive weapons that would clearly give Castro the ability to provoke Washington. The Soviets, for example, have not sent advanced equipment such as MIG-25 fighters and SA-5 ground-to-air missile systems that could challenge SR-71 overflights—which other, less important, Soviet Third World clients have received.
Appendix B

Cycles of Strains

The Early Revolutionary Years: 1957-65

1956-59
Castro's struggle against Fulgencio Batista is virtually ignored by Soviet media and academics. Pro-Moscow Cuban Communist Party (Popular Socialist Party) does not support guerrilla war until 1958, after Batista's military offensive against Castro fails.

1960-61
Soviet attention to Cuba grows as Havana’s relations with Washington become increasingly adversarial, encouraging Castro to seek outside economic and military support.

1960
Moscow and Havana open diplomatic relations, and Anastas I. Mikoyan, First Vice Chairman of the USSR, pays historic visit to Cuba to sign trade protocol, pledging Soviets to purchase 425,000 metric tons of sugar from Cuba’s 1960 harvest and 1 million tons of sugar in each of subsequent four years.

1961
Castro declares himself a Marxist-Leninist.

1962
Castro discovers and purges a small pro-Soviet faction led by Anibal Escalante in March 1962 for attempting to capture his revolutionary organization.

During October 1962 missile crisis, Soviets infuriate Castro by removing missiles without consulting him—a major source of discord in the relationship.

1962-63
Castro refuses to choose sides in Sino-Soviet rift, insists on armed struggle as major path to change—while Soviets are stressing peaceful change—and publicly criticizes Soviets for insufficient aid to Vietnam.

1963
Soviets recognize Cuba as full-fledged member of “socialist camp” when Castro makes first trip to the USSR during the period April-June 1963. Castro is awarded the Order of Lenin and receives the title of “Hero of the Soviet Union.”

1964
In January, Castro makes his second trip to the Soviet Union in eight months.
Cuba and USSR reach compromise on correctness of armed struggle versus peaceful change at December 1964 Conference of Latin American Communist Parties. Castro recognizes legitimacy of pro-Soviet Communist Party support for peaceful road; Soviets, in turn, acknowledge Communist support for armed struggle in several Latin American countries.

Havana and Moscow Split on Armed Struggle Thesis: 1966-68

1966

At Tricontinental Conference of January 1966, Castro insists on priority of armed struggle; chastises pro-Soviet Communist parties for lack of revolutionary commitment, and asserts independence within the Soviet embrace.

Cuba presses Soviets on their duty to aid liberation movements and advocates overthrow of governments with whom Moscow is conducting peaceful state-to-state relations.

Castro castigates Soviets and their allies for their relations with the “oligarchies” of South America.

Cuba broadcasts series of interviews with Latin American guerrilla leaders from Central and South America, stressing the role of armed struggle in national liberation.

1967

Regis Debray, the French revolutionary Cuban sympathizer, publishes a major book, Revolution Within the Revolution, laying out in detail the Cuban thesis on armed struggle. Debray’s book challenges Soviet theory of peaceful change, downgrades the need for guerrillas to know Marxism-Leninism, and promotes a global policy advocating the Cuban armed struggle policy.
The Cuban-sponsored Latin American Solidarity Organization (LASO) convenes in August 1967 in Havana, its participants being leftwing extremists from throughout the hemisphere. Final declaration makes clear Havana's continued pressure on and independence from Soviets on the question of armed struggle.

Castro snubs Soviet Union by failing to attend the 50th anniversary celebration of the 1917 Bolshevik Revolution.

1967-68

USSR reacting to Cuba's maverick behavior by failing to match Cuba's sharply rising consumption of fuel with new oil deliveries, which causes gas rationing in Cuba. Construction of Cuba's first SA-3 antiaircraft site is halted and converted into an SA-2 site after Soviet Prime Minister Kosygin visits Havana in June. Soviet-Cuban relations hit bottom.

1968

Castro conducts second purge of pro-Soviet faction from Communist Party, clearly asserting Cuba's nonsatellite status with the USSR.

In August, Castro publicly supports Soviet invasion of Czechoslovakia, signaling his readiness to improve relations with Moscow.

**Havana and Moscow Pursue Converging Interests: 1969-75**

1969

Cuba lessens criticism of pro-Soviet Latin American Communist parties.

Soviets make first naval visit to Cuba.

1969-70

Soviets sign trade protocols with Cuba, providing long-term credits to cover Cuba's rising trade deficits with USSR.

1970

Although attaining the largest sugar crop in history, Cuba falls far short of its 10-million-ton goal, an effort that caused serious dislocation to all other areas of the economy.

Sharp rise in scope and variety of Soviet aid to Cuba; Cuban-Soviet economic collaboration now coordinated through the newly created Intergovernmental Soviet-Cuban Commission for Economic, Scientific, and Technological Cooperation.

27

Secret
1972

Castro makes two lengthy trips to the USSR, signing important agreements for cooperation.

Cuba admitted to CEMA in July as a full member.

1974

Brezhnev visits Cuba; final declaration cites two countries' growing friendship.

1975


Cuban-Soviet Cooperative Intervention in the Third World: 1975-79

1975-76

Havana and Moscow help consolidate rule of Angola's MPLA (Popular Movement for the Liberation of Angola) during civil war period following collapse of Portuguese empire in Africa.

1977-78

Soviet and Cuban military personnel—including some 17,000 Cuban troops—defend strongman Mengistu's Ethiopian military regime against Somalia's invasion of the Ogaden.

1979

Cuba and USSR become involved in Grenada after successful coup by the New Jewel Movement ousts Prime Minister Eric Gairy.

Castro becomes chairman of Nonaligned Movement at summit meetings held in Havana.

**Strong Cuban-Soviet Relationship Faces Rising Costs and Strains: 1980-86**

1980

Raul Castro in Moscow meeting with Soviet cosmonaut Yurii Romanenko and Cuban cosmonaut Col. Armando Tamayo at time of the joint Soviet-Cuban Soyuz 38 spacecraft.

Soviet occupation of Afghanistan in 1979 causes embarrassment for Castro and damages his tenure as chairman of the Nonaligned Movement when Havana eventually publicly backs Soviet invasion.

Cuba loses bid for UN Security Council seat, owing in part to its close association with the USSR on the issue of Afghanistan.

Third World's increasing complaints about Soviet inattention to North-South development issues causes embarrassment for Castro.

1981

Soviet military aid to Cuba increases from $347 million in 1980 to $795 million in 1981.

1983

US intervention in Grenada causes strains in Soviet-Cuban relations; differences in perceptions of causes of US intervention; Castro closely associated with Prime Minister Maurice Bishop and Soviets with Deputy Prime Minister Bernard Coard.

1984

Soviets do not send delegates to attend the 25th anniversary of the Cuban Revolution, held 1 January.

Castro is only Soviet Bloc head of state who fails to attend CEMA summit meeting held in June in Moscow; Cubans chafing for being relegated to supplier of natural resources to CEMA members, rather than pursuing more rapid industrialization.

Moscow sends only a low-level delegation to attend Cuba's 26th of July celebrations.

Cubans admonished by visiting Soviet economic delegation to improve on their efficiency and to cease purchasing Western agricultural equipment.
CEMA prime-ministerial meetings in Havana end with Castro and Tikhonov signing long-term cooperation agreement, but Soviets make clear that aid to Cuba will not rise beyond current levels during next five-year period.

1985

Cuban Foreign Minister Malmierca completes “friendly” visit to USSR in February; no final communique issued, and Malmierca admits in press interview that differences exist.

Castro snubs Russians by not attending funeral of Chernenko and passes opportunity to meet directly with new Soviet leader Gorbachev.

Soviet Politburo member Mikhail Solomentsev travels to Cuba in May for ceremonies commemorating the 25th anniversary of the renewal of diplomatic relations between Cuba and the USSR and makes effort to smooth over differences with Havana.

Fidel and Raul Castro, and nearly all of the Cuban Politburo members, attend inauguration of huge new Soviet embassy complex in Havana.

Soviet Foreign Minister Shevardnadze makes two-day trip to Havana in late October, probably to assure Castro that Cuban interests would not be sacrificed at upcoming US-USSR bilateral talks on Central America. Shevardnadze is effusive in his praise of Cuba, although press reports on their substantive talks hint at continuing differences regarding Third World policy.

Moscow names Aleksandr Kapto as new Ambassador to Cuba. He replaces Konstantin Katushev who, as head of the Soviet State Committee for Foreign Economic Relations, will continue to be influential regarding Soviet-Cuban relations.

1986

Yegor Ligachev, Soviet Politburo member and second-ranking Soviet leader, attends Third Cuban Communist Party Congress in early February in Havana. The first foreign delegate to address the meetings, Ligachev told the Cubans that they could count on the USSR and that the Soviets would never let Cuba down.

Castro attends the 27th Soviet Communist Party Congress in Moscow in February, meets with Soviet leader Gorbachev, and is first foreign head of state to address the congress. Despite the red-carpet treatment accorded Castro, he implicitly called on Gorbachev not to abandon Moscow’s Third World allies in his pursuit of strategic weapons agreements with the United States.

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