

SUBJ: DIA DEFENSE INTELLIGENCE NOTICE (DIN) (U)

DIADIN 23-5A (AS OF: 2119 EDT 31 AUG 77)

MEXICO-CUBA: DELATIONS CONTINUE TO STAGNATE. (U)

- 1. (CAN OF ORN) RELATIONS BETWEEN THE TWO COUNTRIES HAVE
 COOLED SINCE THE INAU GURATION OF PRESIDENT JOSE LOPEZ PORTILLO ON 1 DEC 76. THIS REPRESENTS A CHANGE SINCE THE FINAL
 YEARS OF THE FORMER PRESIDENT LU IS ECHEVERRIA'S TERM.
- 2. (C/N OF ORN) CU BAN PRESIDENT FIDEL CASTRO'S AP-

(b)(3):50 USC 3024(i),(b)(3):10 USC 424

PA GE PREHENSIONS THAT THIS RELATIONSHIP WOULD DETERIORATE WERE PAR-TIALLY CONFIRMED BY THE NONACCEPTANCE OF LOPEZ PORTILLO TO ATTEND THE OPENING CEREMONY OF THE NEW CUBAN CHANCERY IN MEXICO CITY. IN ADDITION, THE MEXICAN GOVERNMENT QUICKLY DENIED A REPORT THAT CASTRO WOULD BE VISITING THE RESORT OF THIS DEVELOPMENT WAS IN SHRP CONTRAST TO THE CANCUN. OFFICIAL ENTHUSIASM DISPLAYED BY THE FORMER GOVERNMENT THE STRONG POSITION OF OVER POSSIBLE VISITS BY CASTRO. THE MEXICAN GOVERNMENT DURING A RECENT MEETING -- 8 TO 10 AUGUST - FOR RENEWAL OF THE TECHNICAL-SCIENTIFIC AND EDUCATION -CULTUAL CONVENTIONS IN WHICH MEXICO OPTED FOR A MORE EQUITA BLE EXCHANGE PROGRAM IS ANOTHER INDICATION OF COOLED RELATIONS . PREVIOUS EXCHANGE AGREEMENTS HAD FA-VORED THE CUBANS VISITING MEXICO.

EVEN THOUGH THE BALANCE OF TRADE HAS FAVORED MEXICO (\$22 MILLION TO \$1.5 MILLION IN 1976), THIS AMOUNTED TO ONLY 004 PERCENT OF MEXICO 'S FOREIGN TRADE, AND NEW POLICIES WILL PROBABLY BE INSTITUTED BY THE NATIONAL BANK OF FOR-

(b)(3):50 USC 3024(i),(b) (3):10 USC 424

PA GE	3			<i></i>		e-	0 N	F	I D	E N	Ŧ	I A	L	-		
EI GN	TRA	DE	TO	CONT	ROL	ME	K ICA	N :	INVE	STM	ENT	· Z	M C	ORE O	VER	, RE-
EVAL	JAT I	ON	OF	THE	JOI	NT	EFF O	RT	TO	C ON	STF	RUCT	Α	VER	Y C	OSTLY
SU GAF	R RE	FIN	E RY	IS	IN	THE	OFF	IN	G AN	D M	EX I	CO	WIL	L M	OST	L IKELY
WITH	RAW	FR	CM	THE	VEN	TU R	E.									

4. (C/N OF ORN) DESPITE THIS CHANGE IN ATTITUDE, BILATERAL TIES WILL MOST LIKELY NOT (90 PERCENT) BE SEVERELY AFFECTED. THE CLOSE RELATIONSHIP ESTABLISHED IN THE 1960'S WHEN MEXICO OPPOSED THE OAS BOYCOTT OF CASTRO REMAINS ESSENTIALLY INTA CT AND THE CUBAN LEADER IS NOT VERY LIKELY TO FOR ŒT THE INDEPENDENT FOREIGN POLICY THAT MEXICO ADOPTED A GAINST THE US AT THAT TIME. CONSEQUENTLY, IT IS EXPECTED THAT HAVANA WILL PUSH EVEN HARDER TO ATTRACT MEXICAN YOUTHS TO ATTEND THE 1978 WORLD YOUTH FESTIVAL IN THE CUBAN CAPITAL.

(b)(3):10 USC 424,(b)(6)	
(GDS -3 1 DEC -83-)	$\overline{}$
ВТ	
	(b)(3):10 USC 424,(b)(3):50 USC 3024(i)