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POLITICAL MATTERS - CUBA

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

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

MEXICO-CUBA: ~~RELATIONS CONTINUE TO STAGNATE.~~ (U)

1. ~~(C/N OF ORN)~~ RELATIONS BETWEEN THE TWO COUNTRIES HAVE COOLED SINCE THE INAUGURATION 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)~~ CUBAN PRESIDENT FIDEL CASTRO'S AP-

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PREHENSIONS THAT THIS RELATIONSHIP WOULD DETERIORATE WERE PARTIALLY 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 CANCUN. THIS DEVELOPMENT WAS IN SHARP CONTRAST TO THE OFFICIAL ENTHUSIASM DISPLAYED BY THE FORMER GOVERNMENT OVER POSSIBLE VISITS BY CASTRO. THE STRONG POSITION OF THE MEXICAN GOVERNMENT DURING A RECENT MEETING -- 8 TO 10 AUGUST -- FOR RENEWAL OF THE TECHNICAL-SCIENTIFIC AND EDUCATION-CULTURAL CONVENTIONS IN WHICH MEXICO OPTED FOR A MORE EQUITABLE EXCHANGE PROGRAM IS ANOTHER INDICATION OF COOLED RELATIONS. PREVIOUS EXCHANGE AGREEMENTS HAD FAVORED THE CUBANS VISITING MEXICO.

(9)

3. ~~(C/NFORN)~~ ECONOMIC RELATIONS HAVE ALSO DETERIORATED. 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-

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EIGN TRADE TO CONTROL MEXICAN INVESTMENTS. MOREOVER, RE-EVALUATION OF THE JOINT EFFORT TO CONSTRUCT A VERY COSTLY SUGAR REFINERY IS IN THE OFFING AND MEXICO WILL MOST LIKELY WITHDRAW FROM THE VENTURE.

4. ~~(C/NFORN)~~ 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 INTACT AND THE CUBAN LEADER IS NOT VERY LIKELY TO FORGET THE INDEPENDENT FOREIGN POLICY THAT MEXICO ADOPTED AGAINST 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.

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~~(GDS-31 DEC 83)~~

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