

The Long Misunderstanding

Cuba's Economic Ties with the Soviet Bloc

✧ Radoslav Yordanov

Introduction

The reasons for Cuba's turn to the Soviet Union in 1960 have long been a subject of scholarly debate.¹ The voluminous scholarship on the topic concedes that the Cuban revolution was not imported from or imposed by the Soviet Union, but it also shows that the radical Cuban path to Communism would have been impossible without Soviet moral, economic, and military support.² Consequently, throughout the 1970s, the Soviet Union managed to exercise hegemony over Cuba based on consensus rather than the ruthless imposition of power, sharing the burden of the island's economic development with the European members of the Council for Economic Mutual Assistance (CMEA).³ Still, as Richard Fagen long ago noted, despite the significant economic and technical support provided by the Soviet Union and its East European allies, "the human resources, the key decisions, the style, the outcomes—and the errors—have been predominantly Cuban."⁴ This

1. See Aleksandr Fursenko and Timothy Naftali, "One Hell of a Gamble," *The Secret History of the Cuban Missile Crisis* (London: W. W. Norton, 1997), pp. 34–100; and H. Michael Erisman, *Cuba's Foreign Relations in a Post-Soviet World* (Gainesville: University Press of Florida, 2000), pp. 49–62.

2. See Luis Martínez-Fernández, *Revolutionary Cuba: A History* (Gainesville: University Press of Florida, 2014), p. 70; Jorge I. Domínguez, *To Make a World Safe for Revolution* (Cambridge, MA: Harvard University Press, 1989), pp. 63–64; and Jorge I. Domínguez, *Cuba: Order and Revolution* (Cambridge, MA: The Belknap Press of Harvard University Press, 1978), p. 138. Similarly, speaking to the Czechoslovak trade mission, Cuban Minister of Foreign Trade Alberto Mora acknowledged that Cuba could not have maintained its revolutionary achievements without economic and political aid from the entire Soviet bloc. See "Zpráva o pobyte československé vládní delegace v Republice Kuba, který sa uskutočnil v dňoch 3. až 19. júna 1961," 27 June 1961, in Národní Archiv (NAČR), Prague, ÚV KSČ, Antonín Novotný—Zahraničí, Karton 121, Vztahy ČSSR-Kuba, p. 7.

3. Domínguez, *To Make a World Safe*, p. 78.

4. Richard Fagen, "Cuba and the Soviet Union," *The Wilson Quarterly*, Vol. 2, No. 1 (Winter 1978), p. 78.

Journal of Cold War Studies

Vol. 25, No. 4, Fall 2023, pp. 24–52, https://doi.org/10.1162/jcws_a_01169

© 2023 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology

article traces the variety of problems encountered by the Soviet Union's East European allies and Cuba in their economic relations.

The analysis here breaks new ground by making use of previously secret primary documents originating from the East European members of the Soviet-led CMEA (East Germany, Poland, Czechoslovakia, Hungary, Bulgaria, Romania, and Albania), in addition to Yugoslavia, Cuba, and the Dominican Republic. Organized chronologically, the article starts with a brief overview of the initial stages of Cuba's relations with the Soviet Union and the remaining CMEA member-states, from the arrival of Fidel Castro's guerrilla forces in January 1959 until the Prague Spring of 1968 in Czechoslovakia. The second part, which forms the central focus of the article, deals with Cuba's admission to the CMEA in 1972, a process that was not completed until the first half of the 1980s. The article then closes with the far-reaching reforms in the USSR under Mikhail Gorbachev, climaxing with the dissolution of the CMEA in 1991 and the start of the "Special Period" in Cuba. The narrative developed herein focuses on economic relations, as the extensive military assistance provided by the Soviet bloc to Cuba fell outside the CMEA's auspices and would need a separate article to highlight all the complexities.

Although the secondary literature abounds with accounts examining Cuba's political and economic relations with Washington and Moscow, Havana's economic relations with the East European states have received less attention.⁵ Several notable scholarly accounts attempt to explore the complexity of the dealings between Havana and East European Communist states within the framework of the CMEA. Some authors, including W. Raymond Duncan, interpret the relationship as a good example of cooperation, based on the coincidence of interests and objectives "connected with each country's goals and capabilities."⁶ However, in all accounts the Communist allies earn minimal attention, and scholars such as Cole Blasier see in the Soviet Union's overarching dominance a more sinister explanation for its inroads into Cuba.

5. See, among others, Robert S. Walters, "Soviet Economic Aid to Cuba: 1959–1964," *International Affairs* (London), Vol. 42, No. 1 (January 1966), pp. 74–86; Anatoly Bekarevich, "Cuba y el CAME: El camino de la integración," in *Academia de Ciencias de la URSS, Cuba: 25 años de construcción del socialismo* (Moscow: Redacción Ciencias Sociales Contemporáneas, 1986), pp. 115–132; Ernesto Meléndez Bachs, "Relaciones económicas de Cuba con el CAME," *Latinskaya Amerika*, No. 7 (1987); Jorge F. Pérez-López, "Swimming against the Tide: Implications for Cuba of Soviet and Eastern European Reforms in Foreign Economic Relations," *Journal of Interamerican Studies and World Affairs*, Vol. 33, No. 2 (Summer 1991), pp. 81–140; and Carmelo Mesa-Lago, "The Economic Effects on Cuba in the Downfall of Socialism in the USSR and Eastern Europe," in Carmelo Mesa-Lago, ed., *Cuba after the Cold War* (Pittsburgh, PA: University of Pittsburgh Press, 1993), pp. 133–197.

6. W. Raymond Duncan, *The Soviet Union and Cuba: Interests and Influence* (New York: Praeger Publishers, 1985), p. 192. See similar interpretations in Peter Shearman, *The Soviet Union and Cuba* (London: Royal Institute of International Affairs); and Damian Fernandez, *Cuba's Foreign Policy in the Middle East* (Boulder, CO: Westview Press, 1988).

In Blasier's analysis, leaders in Moscow used "the Cuban communists, and . . . engineered a successful plot to take over Cuba as a Soviet instrument in the hemisphere."⁷ This thesis corresponds with H. Michael Erisman's argument that the "Soviets have capitalized on Cuba's strategic and economic vulnerabilities to penetrate the country and create a dependency relationship that gives them a predominant role in Havana's decision-making process."⁸

On the other hand, Pamela Falk offers convincing evidence of the CMEA countries' economic subsidies to Cuba, which further deepened Havana's dependence on a single export product: sugar.⁹ In an analysis of the distorting qualities of Cuba's monocultural export economy, Yuri Pavlov, a former Soviet foreign policy professional with direct knowledge of Cuba, contends that Soviet aid harmed Cuba's economy and had detrimental effects on the Soviet Union's own sugar industry.¹⁰ Recent scholarship shows that Cuban analysts themselves have come to understand the negative aspects of Cuba's alliance with the Soviet Union, an alliance Castro maintained for lack of alternatives.¹¹ Cuban economists, notably Carmelo Mesa-Lago, have emphasized the barriers to Cuba's entry into the CMEA, an organization that many in Havana saw as mostly a sideshow.¹²

Building on earlier scholarship and new archival research, this article offers a detailed examination of the issues Cuba and the European CMEA member-states encountered as they deepened their economic integration. The article traces the East European states' thinking on their economic alliance with Cuba and also recounts the Cubans' critical assessments of their new East European trade partners. After being hailed as a "true Mecca for all Latin America" in early 1960, Cuba fell onto hard times in the 1960s but then recovered in the early 1970s, before sinking to new lows in the 1980s. Castro's insistence on sticking with grossly inefficient state planning and his rejection of Mikhail Gorbachev's perestroika deeply soured the economic relationships

7. Cole Blasier, *The Giant's Rival: The USSR and Latin America* (Pittsburgh, PA: University of Pittsburgh Press, 1983), p. 101.

8. H. Michael Erisman, *Cuba's International Relations: The Anatomy of a Nationalistic Foreign Policy* (Boulder, CO: Westview Press, 1985), p. 3.

9. Pamela Falk, *Cuban Foreign Policy: Caribbean Tempest* (Lanham, MA: Lexington Books, 1986). For more on the sugar trade between Cuba and the Eastern bloc, see Radoslav Yordanov, "Bittersweet Solidarity: Cuba, Sugar and the Soviet Bloc," *Revista de historia de América*, No. 161 (July–December 2021), pp. 215–240.

10. Yuri Pavlov, *Soviet-Cuban Alliance 1959–1991* (New Brunswick, NJ: Transaction Publishers, 1994), pp. 69–79.

11. Interview with Ángel Guerra Cabrera in Luis Suárez Salazar and Dirk Kruijt, *La Revolución Cubana en Nuestra América: El internacionalismo anónimo* (Havana: RUTH Casa Editorial, 2015), p. 377.

12. Carmelo Mesa-Lago, "The Sovietization of the Cuban Revolution: Its Consequences for the Western Hemisphere," *World Affairs*, Vol. 136, No. 1 (Summer 1973), pp. 9–10.

between Cuba and the Soviet bloc. By analyzing these developments on the basis of archival materials from multiple countries, this article reconstructs the thinking of East European diplomats and specialists in their dealings with Cuba over three decades. The new material demonstrates the varied tactics and strategies the East-bloc countries used as they sought to help Cuba overcome its developmental problems and highlights their attempts to reconcile Moscow's political objectives with their own limited economic means and Havana's persistent demands.

The Long Initiation: The Zig-Zags of Cuba's Relations with the CMEA in the 1960s

As soon as Fidel Castro's 26th of July Movement ousted Fulgencio Batista in January 1959, the chairman of the USSR's Presidium of the Supreme Soviet, Kliment Voroshilov, sent a congratulatory telegram to the new Cuban government. Although Voroshilov did not propose the establishment of diplomatic relations, Soviet officials expected that the Cubans would at least respond.¹³ However, in the first months after ascending to power, the revolutionary Cuban government did not rush to establish official ties with the Soviet Union. Instead, the Cubans tried to probe the options for further developing economic relations with the United States. Castro himself even traveled to Washington in the spring of 1959. Diplomats from the Dominican Republic who closely monitored the new government's first steps noted the complex relations between Castro's movement and the Partido Socialista Popular (PSP) and reported to the Dominican government the new Cuban leader's negative statements against the Communist Party.¹⁴ However, the new regime in Havana also thought of probing the East European Communist states' willingness to establish economic relations with Cuba. In March 1959, Severo Aguirre, a member of the PSP Central Committee, affirmed that if Czechoslovakia sent a semi-formal business mission to Cuba, the two states could discuss the possibility of developing trade relations. Such a visit, Aguirre

13. This is what they told their Hungarian colleagues. Zádor Tibor, "A kubai események az az Egyesült Államok," 21 January 1959, in *Magyar Nemzeti Levéltár (MNL)*, Budapest, XIX-J-1-j Kuba, TÜK, 1945-64, 5/b, 2d, p. 3.

14. José R. Vicioso Bonnet (Chargé d'affaires of the embassy of the Dominican Republic in Havana), "Informe político," 26 May 1959, in *Archivo General de la Nación (AGN)*, Santo Domingo, Fondo Presidencia, Sección Palacio Nacional, Caja (C.) 14,902, Embajada Dominicana en Cuba, Expediente (Exp.) 219, Año 1959, Código (Cód.) 30126, pp. 2-3. See also Cuban Communists' complaints about Castro's "attacks" on the syndicates in "Asunto: Comunismo," 26 May 1959, in C. 14,902, Exp. 230, Año 1959, Cód. 30126, p. 1.

argued, would show a clear willingness to provide economic assistance to the new Cuban government and would serve as an “icebreaker for [the] socialist camp.”¹⁵ The Cubans saw Czechoslovakia as a highly suitable candidate for providing aid insofar as diplomatic ties between the two countries, unlike those with the USSR, had not been interrupted. Czechoslovakia’s trade with Cuba had also continued even under Batista.¹⁶

Taking account of Castro’s attitudes toward the PSP, Soviet officials in early 1959 did not think of the Cuban revolution as Marxist-Leninist, though they applauded Castro’s hostility toward “imperialism.” Initially, the Soviet Union refrained from sending official contacts, viewing trade union missions as adequate for probing the local situation. On 5 May 1959, the anti-Castro *Diario de la marina* wrote that the confederation of workers in Cuba had invited key figures of the Central Committee of the Soviet Trade Unions to witness the “union’s democratization process.” Responding to criticism by right-wing elements, Cuban President Manuel Urrutia Lleó dismissed in a televised interview the potential for Communism to “disturb the unions.”¹⁷ But after Castro began to attack anti-Communism as a threat to the revolution, Soviet leaders realized he was firmly on their side. By October 1959, officials in Moscow were convinced that the Cuban revolution was the most advanced among all far-left movements in Latin America and would transform the country’s political and economic foundations.¹⁸

The new Cuban regime stepped up its efforts to secure industrial goods and technical assistance through the conclusion of trade and aid agreements with the socialist states.¹⁹ In February 1960, Soviet Deputy Prime Minister Anastas Mikoyan visited Cuba to open a Soviet trade exhibition. The arrival of Mikoyan, one of Khrushchev’s closest aides, marked the first official state visit by a high-ranking Soviet representative to Cuba. On 13 February, Castro and Mikoyan signed a trade agreement in which the Soviet Union committed to purchasing hundreds of thousands of tons of sugar from Cuba and granting it a low-interest loan of \$100 million. In addition, the Soviet Union agreed to

15. “Záznam o rozhovoru se s. Severo Aguirre, členem PB UV Lidové soc. strany Kuby,” 10 March 1959, in NACR, KSC- ÚV-100/3, Svazek (Sv.) 107, Arch. Jednotka (A.j.) 344, Llisty (Ll.) 70–2.

16. “Resolution of the 42nd Meeting of the Czechoslovak Communist Party Politburo, Regarding Talks with Representatives of the People’s Socialist Party of Cuba, 24 March 1959,” *Cold War International History Project Bulletin (CWIHPB)*, No. 17/18 (Fall 2012), p. 352.

17. Memorandum, 8 May 1959, in AGN, C. 14,902, Exp. 219, Año 1959, Cód. 30126, pp. 1–2.

18. “Otvaranje ambasade FNRJ u Havani,” 12 October 1959, in AJ, KPR, I-5-b/61-1, Kuba, p. 1.

19. Richard L. Harris, *Che Guevara: A Biography* (Santa Barbara, CA: Greenwood, 2011), p. 97. See also U.S. Central Intelligence Agency (CIA), “Cuba Continues to Tighten Soviet Bloc Ties,” 1 May 1960, CIA Freedom of Information Act (FOIA) Electronic Reading Room (ERR).

sell Cuba crude oil in exchange for its sugar. After Mikoyan's visit, the first half of 1960 marked the beginning of the Sovietization of the Cuban economy, for which it needed moral, political, and, most of all, economic assistance from the USSR.²⁰

At the same time, Cuba's relations with the United States worsened dramatically. The first tanker of Soviet oil arrived in Cuba on 19 April 1960 and was sent to refineries owned by Standard Oil, Texaco, and British-Dutch Shell. The oil companies were not comfortable refining Soviet crude, but they wished to cooperate with rather than confront Cuba's new government. On 3 July, Congress authorized the U.S. government to cut Cuba's sugar quota. Two days later, Cuba's Council of Ministers announced that U.S. industrial, banking, and commercial operations in Cuba would be expropriated, with owners compensated with long-term government bonds in pesos. The following day, President Dwight Eisenhower introduced economic sanctions against Cuba, canceling the remaining 700,000 tons of sugar imports from the 1960 quota. Wasting little time, the Soviet Union offered on 20 July to buy the sugar that Washington now refused to take. In retaliation, the Cubans seized the three largest U.S. sugar mills on the island, further increasing tensions with the United States. By the end of July 1960, Cuba's National Institute for Agrarian Reform had expropriated millions of acres of land, and, without much fanfare, Ernesto (Che) Guevara had announced that the Cuban Revolution was "Marxist."

On 17 September, three U.S. banks and their branches and dependencies in Cuba were seized. The United States responded on 19 October by imposing a partial trade embargo, inflicting great economic costs. Days later, Cuba retaliated by seizing 166 remaining U.S.-owned businesses on the island. By the end of October 1960, all sugar mills, 83.6 percent of the industry, 42.5 percent of the land, most of the trade, and all of the banks and communications networks had been taken over by the state. The Cuban Ministry of Foreign Trade solemnly declared that the nationalization of the primary means of industrial production and banking, together with the agrarian transformation, had eliminated U.S. economic dominance of the island and would serve as the economic basis for the new regime and its Marxist-Leninist reforms.²¹

20. Z. Grahek, "Izveštaj o Kuba," 18 May 1960, in AJ, KPR, I-5-b/61-1, Kuba, p. 3.

21. Ministerio del Comercio Exterior (MINCEX), "5ta Conferencia internacional de directores de instituciones para la formación y elevación de la calificación de los cuadros del comercio exterior de los países miembros del CAME: Ponencia de Cuba," July 1981, in Centro de Gestión Documental del Ministerio de Relaciones Exteriores (CGD/MINREX) Havana, Fondo (F) Cuba-CAME Ordinario, (C.) 1981, p. 5.

This fundamental change prompted the Hungarian Foreign Ministry to recommend support for Cuba from the Soviet bloc.²²

On 21 October, two days after the United States imposed a partial trade embargo on Cuba, Guevara embarked on a long trip to the Soviet Union, Czechoslovakia, East Germany, and China. After two months abroad, he returned to Havana, leaving the vice minister of foreign relations, Héctor Rodríguez Llompart, to continue on to the remaining CMEA member-states: Poland, Hungary, Bulgaria, Romania, and Albania. The visit had positive effects on Cuba's relations with the Soviet bloc. By July 1961, the European Communist states had sent hundreds of experts, engineers, and economists to Cuba.²³ On 16 September 1961, Cuban President Osvaldo Dorticós Torrado briefed the CMEA members on the difficulties Cuba faced and the support it sought from the Soviet bloc. He emphasized that Cuba was willing to coordinate its economic development more closely with the CMEA states. Officials from the East European countries, for their part, unanimously spoke in favor of establishing closer economic ties with Cuba.²⁴ These pledges quickly bore fruit. The CMEA states pledged to buy four million tons of Cuban sugar in 1961 and to sign bilateral trade agreements. Portrayed as a manifestation of proletarian internationalism, these agreements were invariably followed by the establishment of diplomatic relations with Cuba.²⁵ By the end of 1961, East Germany, Bulgaria, Czechoslovakia, Hungary, Poland, and Romania had provided Cuba with \$97 million in credits for economic development projects called for by its five-year plan ending in 1965. In addition, Czechoslovakia agreed to send large numbers of highly qualified political and economic advisers to help Cuba restructure its economy.²⁶

22. Jenő Incze, "Jelentés a Gazdasági Bizottságnak," 26 October 1960, in MNL, XIX-J-1-j Kuba, TÜK, 1945–64, 9/a, 5d, p. 1.

23. Miklós Abonyi, "Jelentés: Budapest, 1961 július 28.," in Állambiztonsági Szolgálatok Történeti Levéltára (ÁBTL), Budapest, 3.2.5, O-8-246, 2 rész, p. 35.

24. "Otnosno: Sastoyalite se saveshvaniya na predstavitelite na stranite-chlenki na SIV na 15 i 16 septemvri t.g. v Moskva," September 1961, in Tsentralen Darzhaven Arhiv (TsDA), Sofia, Fond (F) 1B, Opis (Op.) 6, Arhivna edinitsa (a.e.) 4590, p. 289.

25. János Beck, "Másolat a havannái nagykövetség 1961. október 4.-én kelt jelentéséről," in MNL, M-KS 288, F. 32, 1961, 14 ő.e, p. 40. Similarly, according to Guevara (quoted in *The New York Times*, 8 January 1961, p. 16), the Cubans "could not ask the Socialist world to buy this quantity of sugar at this price based on economic motives because really there is no reason in world commerce for this purchase and it was simply a political gesture." See also Walters, "Soviet Economic Aid to Cuba," pp. 75–76. Cf. Georgi Kumbiliev, "Otnosno: Otkrivane na targovsko predstavitelstvo v Kuba," 14 September 1960, in TsDA, F. 1B, Op. 6, a.e. 4268, p. 4; and Puja Frigyes, "Előterjesztés az MSZMP KB Politikai Bizottságának a magyar-kubai kapcsolatokról," 5 March 1970, in MNL, M-KS 288, F. 32, 19 ő.e., pp. 168–169.

26. "Některé poznatky a závěry s. Ā. Císare z cesty na Kubu," 25 February 1962, in NAĀR, ÚV KSĀ, Antonín Novotný—ZahraniĀt, Karton 121, Vzťahy ĀSSR-Kuba, p. 6.

Despite these positive developments, relations between Cuba and the CMEA states before the Cuban missile crisis of October 1962 were not entirely straightforward. Cuban leaders believed the only country that had provided them with sufficient quantities of “selfless help” was the Soviet Union, and they criticized the East European governments for basing their “economic aid” almost exclusively on trade principles.²⁷ However, if economic activity between the CMEA and Cuba was far from smooth before the missile crisis, it reached a nadir in subsequent years. The deployment of medium-range missiles only 90 miles from Key West, Florida, brought the world as close as ever to a superpower nuclear standoff. Soviet leader Nikita Khrushchev’s decision to station long-range nuclear missiles on Cuban territory within striking distance of the U.S. east coast dominated world attention during the tense standoff.

Conversely, the withdrawal of the missiles stunned Castro and soured relations with the USSR. Days after deciding to pull out the missiles, Khrushchev told the Czechoslovak leader Antonín Novotný that the missiles’ locations near the U.S. border were of little military importance to the Warsaw Pact states and were meant to protect Cuba from U.S. attacks.²⁸ Czechoslovakia’s envoys learned early on about Castro’s dismay with the Soviet Union’s handling of the situation.²⁹ Polish and Albanian observers reached similar conclusions, noting the shock the withdrawal—which was negotiated between the two great powers with no input from Cuba—caused at high levels in Havana.³⁰ As Raúl Castro explained to the Bulgarian leader Todor Zhivkov, Khrushchev’s mistake was excluding the Cubans from the resolution of the crisis.³¹ Years later, Soviet diplomat Yurii Pavlov remembered that after the

27. B. Jeleń, report on the situation in Cuba, 18 July 1962, in Archiwum Ministerstwa Spraw Zagranicznych, Warsaw (AMSZ), D.VI-1965, Kuba, 52/65, W4, p. 7.

28. “We Were Truly on the Verge of War”—A Conversation with Nikita Khrushchev, 30 October 1962,” *CWIHPB*, No. 17/18 (Fall 2012), p. 401.

29. “Cable No. 340 from the Czechoslovak Embassy in Havana (Pavlíček),” *CWIHPB*, No. 17/18 (Fall 2012), p. 388. For more on Castro’s disagreement and sense of betrayal, see Luis Báez, *Así es Fidel* (Havana: Casa Editora Abril, 2009), p. 9; and Leicester Coltman, *The Real Fidel Castro* (New Haven: Yale University Press, 2003), pp. 199.

30. For Polish observations, see Bolesław Jeleń, “Notatka informacja,” 13 December 1962, in AMSZ D. VI, 1962, Blokada Kuby, 52/65, W-5, p. 10. For the Albanian account, see “Informacion mbi vizitat e delegacionit të qëndrës së punonjësve të Kubës,” 11 May 1965, in DPA, F. 14, L. 6, D. 2, p. 3. One of Castro’s aides later claimed that Cubans, whose image of Soviet officials as “men of sacrifice, effort, courage” was based on impressions created during World War II, were left disillusioned when the Soviet Union appeared to back down. See Harry Villegas interviewed in Mary-Alice Waters, ed., *Making History: Interviews with Four Generals of Cuba’s Revolutionary Armed Forces* (New York: Pathfinder, 1999), p. 138.

31. Minutes of Conversation between Todor Zhivkov and Raúl Castro, 11 March 1974, in TsDA, F. 1B, Op. 60, a.e. 142, p. 5.

withdrawal of the missiles the Cubans were less friendly to Moscow than before the crisis, when they still believed the Soviet Union would sacrifice its existence to save the Cuban Revolution.³²

Castro and the CMEA Members after the Cuban Missile Crisis

Political and economic relations between Cuba and the Soviet bloc deteriorated notably in the aftermath of the 1962 missile crisis. Speaking with East German officials in May 1968, Carlos Rafael Rodríguez, minister of the National Commission for Economic and Technical Scientific Collaboration, observed that the Communist parties of Cuba and the Warsaw Pact states were clearly following different strategies and tactics in the struggle against imperialism. He argued that these discrepancies should not impede the normal development of political and economic relations.³³ However, the actual trajectory of Cuba's relations with the Soviet bloc in the 1960s ran contrary to his wishes. Czechoslovak diplomats sensed that Castro was more adept at stirring up crowds than at managing the economy.³⁴ In April 1963, Czechoslovak officials reported to leaders in Prague that Cuba's Communist system was more endangered by the country's dire economic problems than by any form of external aggression or potential internal "counter-revolutionary" reversal.³⁵

Similarly, a report sent to the leaders of the Socialist Unity Party of Germany (SED) presented a long list of shortcomings that were causing the Cuban economy to deteriorate further. These included the leaders' insufficient maturity, lack of experience in applying Marxism-Leninism, nationalistic tendencies, insufficient consideration of the experiences of other Communist countries, and skepticism of the effectiveness of cooperation with the Soviet bloc.³⁶ Polish officials concurred with the East German assessment,

32. "Interview with Yurii Pavlov," transcript for *Cold War*, Episode No. 18, "Backyard," aired 21 February 1999, on CNN, in National Security Archive, <http://www.gwu.edu/~nsarchiv/coldwar/interviews/episode-18/pavlov1.html>.

33. Carlos Rafael Rodríguez to Raúl Roa García, "Informe al Buro Político sobre conversaciones políticas realizadas en la R.D.A y Checoslovaquia," 23 May 1968, in CGD/MINREX, F. Europa-Checoslovaquia Ordinario, ca. 1965–1972, p. 4.

34. "Některé poznatky a závěry," p. 6.

35. See "Zpráva velvyslanectví ČSSR v Havaně o současné hospodářské situaci na Kubě," 11 April 1963, in NAČR, ÚV KSČ, Antonín Novotný—Zahraničí, Karton 121, Komunistická strana Kuby, p. 1. See also Josef Kolek, "Vnitropoliticky a hospodářský vývoj Kuby po návštěvě Fidela Castra v SSSR a evropských zemích ZST," 16 January 1973, in NAČR, KSČ-ÚV 1945–1989, Praha - Gustáv Husák, K. 375, p. 1.

36. "Vorlage für das Politbüro des ZK der SED: Klärung von Problemen zwecks Gewährleistung der weiteren kontinuierlichen Entwicklung der außenwirtschaftlichen Beziehungen zwischen der

emphasizing that Cuban society would need many years of austerity and economic assistance from the Soviet bloc.³⁷ Hungarian diplomats expressed similar views, arguing that Cuban leaders failed to understand that unless they adopted Soviet-style planning they would never be successful in their efforts to build a socialist society.³⁸ A few years later, Raúl Castro seemed to endorse these criticisms when he acknowledged to Zhivkov that Cuba's problems in the 1960s had been caused by the great inexperience of its leadership, the "stinging" effect of its economic policies, and its tendency to ignore "objective" economic laws.³⁹ A report from the Polish security services was similarly unstinting in its criticism of Cuba's economic mismanagement. The report emphasized that, despite introducing socialist forms of ownership, Cuban industry was underdeveloped, and the basis of the national economy, agriculture, was plagued by serious difficulties.⁴⁰

The Cubans, for their part, blamed the East European states for providing them with "insufficient" help and for neglecting Cuba's vital interests.⁴¹ When, for example, the Cubans sought to develop economic relations with the German Democratic Republic (GDR), the East Germans showed little interest. An analysis prepared by the GDR Foreign Ministry in the mid-1960s concluded that Cuba was seeking to position itself as an underdeveloped state, shifting the dynamic of the Cuban-CMEA relationship from economic cooperation to the provision of direct economic aid.⁴² This closely mirrored a Czechoslovak analysis, which depicted trade with Cuba as a form of international aid rather than economic activity based on mutual interest.⁴³ Similarly, Cuban relations with Poland in the second half of the 1960s progressively deteriorated both politically and economically, reaching a low point at the beginning of 1969. Cuba's economic shortcomings, such as its inability to

Deutschen Demokratischen Republik und der Republik Kuba," 1 July 1966, in Politisches Archiv des Auswärtigen Amtes (PAAA), Berlin, M3/69, pp. 11–12.

37. Tadeusz Strzałkowski, "Sprawozdanie końcowe ambasadora PRL w Hawanie (ograniczające się do lipca 1969r)," 6 September 1969, in AMSZ, D.VI-1969, 36/75, W-2, p. 7.

38. Information on BCP CC visit to Cuba, 25 August 1970, in MNL, M-KS, 288 F. 32, 2. ó.e., pp. 108–109.

39. Minutes of Conversation between Zhivkov and Raúl Castro, 11 March 1974, p. 21.

40. "Niektórych elementów sytuacji wywiadowczej w Republice Kuby," 15 May 1969, in Instytut Pamięci Narodowej (IPN), Warsaw, BU 2602/12757, p. 277.

41. See E. Noworyta, "Stosunki Kuby z krajami socjalistycznymi, w tym z PRL," 2 September 1968, in AMSZ, D.VI-1969, 36/75, W-2, p. 1; and Kolek, "Vnitropolitický a hospodářský vývoj Kuby," pp. 6–7.

42. "Vorlage für das Politbüro des ZK der SED," p. 10.

43. "Informace o vztazích mezi CSSR a Kubánskou republikou," ca. 1972, in NAČR, KSČ-ÚV 1945–1989, Praha - Gustáv Husák, K. 376, p. 5.

introduce new export products, exacerbated the situation. Because Poland was itself a producer and exporter of sugar, it had no need to purchase supplies from Cuba.

Cuban officials criticized the limited amount of Polish economic assistance, deeming it woefully inadequate for a country the size of Poland.⁴⁴ Economic ties between Cuba and Bulgaria also failed to reach the desired level despite ample opportunities for mutually beneficial trade between the two countries.⁴⁵ The Cubans had hoped to develop solid relations with both Yugoslavia and Romania, but in neither case was there much headway. Cuba's relations with Yugoslavia remained extremely limited, and the Cubans resented what they saw as the unsatisfactory conditions of loans offered by Romania.⁴⁶

When the Hungarian diplomats in Havana voiced complaints about Cuba to Soviet Ambassador Aleksandr Alekseev, he told them that the Cuban leaders were still young and needed more time to become true Communists. However, he found it unfortunate that "experienced old Communists," including Blas Roca Calderio and Carlos Rafael, were weak and failed to uphold Communist postulates in economics, party politics, and domestic affairs.⁴⁷ The problematic situation within the party, as well as the complex international setting, led to the so-called micro-faction plot in January 1968, when a group of former PSP members who supported Anibal Escalante Delunde were accused of developing direct ties with East European governments outside formal channels in an attempt to bring Cuba completely within the Soviet orbit. This division within the Cuban Communist Party further exacerbated Castro's mistrust of the Soviet Union, which he believed was attempting to sow discord within Cuban ranks. East European officials viewed the micro-faction incident differently, attributing it to Cuba's complicated relations with Latin America and the "obvious mistakes" of the Cuban Communist Party, Castro in particular.⁴⁸ One immediate result of Cuba's crackdown

44. See "Stosunki polsko-kubańskie w 1964 (fragment notatki Ambasady PRL w Hawanie z dnia 17.12.64)," 17 December 1964, in AMSZ, D.VI-1964, Kuba, 18/67, W-4, p. 1; and "Stosunki Polsko-Kubańskie," n.d., in AMSZ, D.VI-1969, 36/75, W-2, p. 2.

45. "Information of the Bulgarian Embassy in Havana re: The Situation in Cuba in 1963, Jan. 1964," *CWHPB*, No. 17/18 (Fall 2012), p. 550.

46. Regarding Cuban-Yugoslav relations at the time, see "Informacija o odnosima SFRJ-Kuba," 19 September 1966, in AJ, KPR, I-5-b/61-2, p. 1. As for Romania, see "República Socialista de Rumania: Relaciones bilaterales con Cuba," 27 July 1973, in CGD/MINREX, F. Europa-Rumania Ordinario, ca. 1972-1977, p. 8.

47. János Beck, "A politikai helyzet Kubában," 26 February 1963, in MOL, M-KS, 288 F. 32, 1963, 11 ő.e, p. 26.

48. "Informace o vnitropolitickém a hospodářském vývoji v Kubánské republice a její zahraniční politika," n.d., in NAČR, KSČ-ÚV 1945-1989, Praha - Gustáv Husák, K. 376, p. 3.

on members of the Cuban Communist Party was the cancellation of Zhivkov's planned visit to Cuba in February 1968 at Moscow's insistence.⁴⁹

The Cuban ambassador to Bulgaria, Felipe Torres, later summarized the animosity between Cuba and the Soviet bloc in the first months of 1968. Having overheard the recording of a conversation between a Soviet diplomat whom he identified as "Rudolf" and *Pravda's* correspondent Vadim Listov, Torres told Bulgaria's ambassador to Havana, Diko Dikov, that the Soviet diplomat had said that "if these people [the Cubans] were not going to change, we can tell them that we had an incident in Baku and stop the tankers; let's see what they will do then."⁵⁰ The conversation underscored Moscow's irritation at Cuba's waywardness. The rift eased after Castro spoke in strong support of the Soviet-led invasion of Czechoslovakia in August 1968 and softened his criticism of the Soviet Union and the other Warsaw Pact countries. However, he continued to object to the level of the Soviet-bloc countries' economic support, accusing them of failing to give sufficient consideration to Cuba's vital interests.⁵¹

Although relations improved after Castro denounced the Prague Spring in Czechoslovakia and backed the Soviet-led invasion, diplomats from Communist countries continued to complain about the heavy hand of Cuban surveillance, as Polish intelligence service reports demonstrate. A Polish intelligence officer in Havana noted that all Cubans employed in the Polish embassy cooperated with Cuban counterintelligence units. According to a Cuban officer, whom the Polish residency recognized as a "spokesman for Cuban counterintelligence," the surveillance of East-bloc diplomats was justified by the Cuban intelligence service's belief that 90 percent of the press attachés of the Soviet-bloc embassies were cooperating directly or indirectly with the U.S. Central Intelligence Agency (CIA).⁵² In a separate report, the Polish intelligence officer informed the Security Service in Warsaw that the embassy staff were being closely watched by the local police for no apparent reason. The measures taken by the Cubans were aimed at isolating the embassy and limiting its contacts. Even though the treatment of Polish diplomats was "correct," it was also "cool and distrustful."⁵³

49. Santiago Carrillo, *Memorias* (Barcelona: Editorial Planeta, 1993), pp. 527–533.

50. Memorandum of Conversation Felipe Torres, Cuban ambassador to Sofia, and D. Dikov, Bulgarian ambassador to Havana, 21 October 1969, in TsDA, F. 1477, Op. 25, a.e. 1449, p. 245.

51. Noworyta, "Stosunki Kuby z krajami socjalistycznymi," p. 2.

52. Dobosz, "Notatka dot. sytuacji wywiadowczej," n.d., ca. 1969, in IPN, BU 2602/12757, Ss. 273–274. The Dirección General de Inteligencia, Cuba's intelligence service, was under the auspices of the Ministry of Internal Affairs.

53. "Niektórych elementów sytuacji wywiadowczej," S. 279.

The thaw in Cuba's political relations with the Soviet bloc deepened toward the end of 1969. Cuban officials facilitated the process of political rapprochement by offering conciliatory gestures. For example, a Bulgarian State Security officer in Cuba reported that one of Castro's closest associates, Internal Affairs Minister Sergio del Valle Jiménez, said that Cuba, as a small country, could sometimes overestimate its international standing, and that he hoped Cuba's great-power patrons would forgive these tendencies.⁵⁴ By seeking understanding and forgiveness, the Cubans once again resorted to Martí's idea that politics and economics should be in complete unison. The long 1960s, replete with momentous international events that cemented Cuba's place in the Communist camp, such as the missile crisis and the Prague Spring, were followed by the 1970s, which not only witnessed the zenith of the Soviet Union's role in the world but also brought the Cubans closer to the Warsaw Pact states.

The Long Integration: Cuba's Relations with the CMEA, 1972–1985

In the late 1960s, Carlos Rafael expressed the Cuban government's view that the substantial aid Cuba was receiving from the Soviet Union and other Communist countries as well as from Western governments did not violate its sovereignty.⁵⁵ He emphasized that Cuba retained the final say over how it would run its economy. Speaking to members of the Soviet Communist Youth League, the Komsomol, Carlos Rafael further developed this thesis, explaining that Cuba, because of its specific economic and geographic conditions, was not emulating the Soviet Union's focus on heavy industry. The main thrust of Cuba's industrialization effort, he argued, was the development of agriculture, which was to be accompanied by agriculture-related industrial sectors.⁵⁶

Confirming Carlos Rafael's observations, Castro later told Ignacio Ramonet that during perestroika he asked the Soviet leader, Mikhail Gorbachev, to give Cuba more leeway as it dealt with national questions.⁵⁷ This appears

54. M. Spasov, "Spravka otosno podgotovka za sklyuchvane na sporazumenie za satrudnichestvo s Republika Kuba [18–26 September]," ca. October 1968, in Bulgarian Dossier Commission overseeing former State Security records (COMDOS), Sofia, F. 9, Op. 2, a.e. 865, p. 23.

55. Ts. Georgiev, "Informatsia otosno uchastieto na kubinskata delegatsia na konferentsiyata na Ikonomicheskata komisiya za Latinska Amerika, sastoyala se v Lima - Peru, prez m. april 1969," 7 May 1969, in TsDA, F. 1477, Op. 25, a.e. 1449, p. 78.

56. Conversation between Carlos Rafael Rodriguez and Soviet komsomoltsi, 16 February 1969, in TsDA, F. 1477, Op. 25, a.e. 1488, pp. 28.

57. Fidel Castro with Ignacio Ramonet, *My Life: A Spoken Autobiography* (New York: Charles Scribner's Sons, 2008) p. 361.

to have been the sine qua non for Cuba's efforts to improve its national economy, an endeavor in which it faced "obstacles beyond those found in more developed European socialist countries," as José Luis Rodríguez and Margot Olavarria write.⁵⁸ However, East European experts appeared unpersuaded by Cuba's pleas. Speaking to Hungarian diplomats, Bulgarian officials noted that the Cuban economy continued to lack effective planning despite claims to the contrary. For the Cubans, the whole concept of planning remained "very foggy," and their attempts to explain their policies were equally "vague." The Bulgarians stressed that the Cubans had not yet accepted the notion that a new society had to be built through scientific planning.⁵⁹ Cuban economists tried to justify the island's separate economic path by arguing that Soviet economic formulas were not applicable to Cuba, with its predominantly agricultural economy and its inhabitants who traditionally had shown a dislike for "tight discipline and political control."⁶⁰

By 1969, the worsening state of the Cuban economy became the critical variable in relations between Havana and Moscow. The turning point was reached with the 1970 sugar harvest—the audacious attempt to produce a record-breaking ten million tons of sugar, known as the "Zafra de los diez millones"—the sugar cane harvest of ten million [tons]. Speaking to students at the University of Havana in September 1969, Carlos Rafael explained the great importance vested in the harvest. Achieving ten million tons of sugar, he declared, would be Cuba's "second national liberation."⁶¹ Castro, in his push for the record harvest, also focused on the more pragmatic economic benefits such a momentous achievement would have. He exclaimed that if the 1970 *zafra* reached ten million tons, "there would be an absolute abundance of food, more clothes, more shoes, and better communications. The services will continue to improve, and the years of the next decade would not be the same as the previous ones."⁶² This was a paramount goal for Cuban leaders as they sought to rectify the country's economic problems and overcome its underdevelopment.⁶³ But the attempt failed, despite an enormous

58. José Luis Rodríguez and Margot Olavarria, "The Frontier of Change in the Cuban Economy," *Latin American Perspectives*, Vol. 41, No. 4 (July 2014), p. 65.

59. Information on BCP CC visit to Cuba, 25 August 1970, p. 109.

60. Mesa-Lago, "Conversion of the Cuban Economy," p. 62.

61. V. Mechkov, "Informatsiya za systoyaniето i perspektivite na proizvodstvoto na zahar v Kuba," 1 September 1969, in TsDA, F. 1477, Op. 25, a.e. 1449, p. 225.

62. *Ibid.*, p. 231.

63. Memorandum of conversation, Dinkov, counselor, Bulgarian embassy, and Jose Vasquez, *Granma*, 29 September 1969, in TsDA, F. 1477, Op. 25, a.e. 1449, pp. 261–262.

effort involving Cuba's entire workforce. In the process, it nearly wrecked the national economy, as all available resources were concentrated on the sugar harvest, leaving the service sectors and industry seriously neglected and essentially negating Cuba's previous efforts to balance agriculture and the other sectors of the economy.⁶⁴

A Czechoslovak diplomat sharply criticized the abortive campaign and its detrimental effects on the Cuban economy.⁶⁵ The all-out effort also diverted the Cuban government's attention from cooperating with the East European states, leading it to suspend projects, including a glass plant being built with Hungarian funds.⁶⁶ After the failure of the *zafra* gamble, which was personally identified with Castro, the Cuban leader reportedly drew his lessons.⁶⁷ A Polish official reported that the "collapse" of the Cuban economy had forced the Cuba's leaders to concede that the economic and political concepts they were using to steer the economy were misguided and based on false premises.⁶⁸ Soviet officials doubted the sincerity of this admission and told Castro that "enough was enough." They insisted that the Cuban economy had to be centralized along Soviet lines if the Soviet Union was going to continue to provide large-scale aid. Accordingly, the Soviet government dispatched some 10,000 technicians and advisers to Cuba to run large segments of the economy.⁶⁹ Bulgarian officials supported this move, believing that in all areas of Cuban economic development the Soviet bloc had to provide more help to stabilize the country and make it a showcase for socialism in Latin America. The Bulgarians stressed that the East European states should do everything possible to convince Castro that it was time to bring Cuba's plans gradually in line with those of the CMEA and to integrate its economy with those of other Communist countries. According to the Bulgarians, the CMEA needed to develop

64. On attempts to balance the economy in the mid-1960s, see Memorandum of Conversation between Mehmet Shehu and Wilfredo Rodríguez, 28 November 1964, in DPA, F. 14, l. 5, D. 1, p. 6. For a general discussion of the harvest's effects on the economy, see Edward George, *The Cuban Intervention in Angola, 1965–1991: From Che Guevara to Cuito Cuanavale* (New York: Frank Cass, 2005), p. 42.

65. "Současná hospodářská situace Kuby," ca. April 1973, in NAČR, KSČ-ÚV 1945–1989, Praha - Gustáv Husák, K. 377, p. 4.

66. "Evaluación de las relaciones bilaterales entre Cuba y Hungría," 9 October 1969, in CGD/MINREX, p. 1.

67. Piero Gleijeses, *Conflicting Missions: Havana, Washington, and Africa, 1959–1976* (Chapel Hill: University of North Carolina Press, 2002), p. 223.

68. Czesław Limont, "Sprawozdanie końcowe z czteroletniego pobytu na Kubie tow. Czesława Limonta w charakterze radcy ambasady PRL w Hawanie w okresie 26.VI.1972–15.VIII.1976r," ca. 1976, in AMSZ, D.III-1976, 20/82, W8, K. 241-3-76, p. 1.

69. Luis M. García, *Child of the Revolution: Growing up in Castro's Cuba* (Crow's Nest, Australia: Allen & Unwin, 2006), p. 216.

a comprehensive, long-term program to broaden its political, economic, and cultural relations with Cuba.⁷⁰

Cuba Joins the CMEA

Cuba's deepening military and economic reliance on the Soviet Union at the beginning of the 1970s led to the strengthening of Cuba's ties with the Soviet bloc, culminating in its entry into the CMEA in July 1972.⁷¹ Castro's visit to the Soviet Union and Eastern Europe in June 1972 played a crucial role in reshaping Cuba's political and economic system.⁷² Castro sought backing from the Soviet bloc during his visit and emphasized that national selfishness was incompatible with socialism in domestic and foreign policy.⁷³ A month later, Cuba was accepted as a full member of the CMEA at the XXVI Meeting of the council's Joint Parliamentary Assembly, held in Moscow on 10–12 July 1972.

Czechoslovak Foreign Ministry officials argued that Cuba's entry into the CMEA was intended to consolidate its economic cooperation with Communist states and represented a new stage in the growth of the world socialist system. By joining the organization, Cuba also intended to strengthen its economic and scientific-technical ties with the Soviet bloc. The assumption was that Cuba's adoption of the work methods of other CMEA states would improve the island's economy.⁷⁴ Officials in the Soviet bloc perceived Cuba's entry into the CMEA and the assistance it received on a bilateral basis as a form of international solidarity. Bulgarian leaders argued that by aiding socialist construction in Cuba, Bulgaria was fulfilling its internationalist duty. The second secretary of the Bulgarian Communist Party, Boris Velchev, maintained that Bulgaria's relations with Cuba were guided by the understanding that it was the first Communist country in Latin America, giving it extraordinary importance for attempts to spread Marxism-Leninism in the region. Economic progress in Cuba would serve as an example for other Third World states of the benefits of Communist development.⁷⁵ This assessment was in

70. Information on BCP CC visit to Cuba, 25 August 1970, p. 111.

71. "Podsetnik o Kubi," 20 February 1974, in AJ, p. 5. See also N. Faddeev, "Las más importantes fases de la actividad del Consejo de Ayuda Mutua Económica," in CGD/MINREX, F. Cuba-CAME Ordinario, C. 1960–1969, p. 17.

72. Limont, "Sprawozdanie końcowe z czteroletniego pobytu," p. 1.

73. "Discurso de Carlos Rafael Rodríguez," ca. 1972, in CGD/MINREX, p. 2.

74. Kolek, "Vnitropolitický a hospodářský vývoj Kuby," pp. 10–12.

75. Jesús Montané Oropesa for Raúl Roa García, "Informe de la Delegación del Partido Comunista de Cuba al X Congreso del Partido Comunista Búlgaro," 12 May 1971, in CGD/MINREX,

line with Cuba's goal of creating a special place for itself within the Communist world. As Carlos Rafael emphasized during the session, the Cuban government aspired to link the "victory of socialism" in Europe and Asia with the future Latin American socialist community, which Cuba had initiated.⁷⁶

When entering the CMEA, Cuba, together with Mongolia and Vietnam, received a special developing-country member status, making it eligible for preferential trade relations with the more developed European CMEA members.⁷⁷ This status made Cuba's economic relations with the Soviet bloc even more beneficial to the island. Soviet officials agreed to increase the price they paid for Cuban sugar without increasing the price for oil supplied to Cuba. Trade terms between the two countries favored the island as never before. The Soviet Union also agreed to provide new long-term, low-interest financing and to allow Cuba to postpone repayment of its outstanding debt until 1986.⁷⁸ As a result, Cuba's economy grew significantly in the 1970s. From 1971 to 1975, its gross domestic product increased by an average of more than 10 percent per year.⁷⁹ Yet, even though CMEA membership brought Cuba's economy even closer to the East European states, further development of the Cuban economy remained largely dependent on cooperation with the Soviet Union. Accordingly, from 1976 to 1980, Cuban imports from the Soviet Union reached nearly 85 percent of Cuba's total imports from all Communist states.⁸⁰ After Cuba's entry into the CMEA, its commercial exchange with all member-states rose from 56 percent in 1975 to 78 percent in 1979, and the Soviet Union's share increased from 48 to 67 percent.⁸¹

F. Europa-Bulgaria Ordinario, C. 1960–1972, pp. 13–17. Similarly, the importance of this notion for the Soviet bloc was reiterated by Brezhnev during his visit to Cuba in January 1974, the first visit by a Soviet leader to a Latin American country. In a speech at the Soviet-Cuban friendship rally in Havana, Brezhnev declared that Cuba had a historic role and historic responsibility as the first Communist country in the Western Hemisphere. See the text of the speech in *Pravda*, 31 December 1974, p. 3.

76. "Discurso de Carlos Rafael Rodríguez," p. 4.

77. Theriot and Matheson, "Soviet Economic Relations," p. 149. See also Josef M. van Brabant, *Re-making Eastern Europe: On the Political Economy of Transition* (Dordrecht: Kluwer Academic Publishers, 1990), p. 9.

78. Susan Eva Eckstein, *Back from the Future: Cuba under Castro*, 2nd ed. (New York: Routledge, 2003), pp. 46–47.

79. Viktor Čejpa et al., "K vývoji hospodářských styků ČSSR se zeměmi Asie, Afriky a Latinské Ameriky v 70. a 80. letech," ca. 1983, in *Archiv Bezpečnostních Složek*, Prague (ABS), I SF 08/1 0067, p. 42.

80. "Ohlas na návštěvu generálního tajemníka ÚV KSSS s. Leonida Brežněva v Kubánské republice ve dnech 28.1.–4.2.1974," ca. February 1973, in *NAČR, KŠČ-ÚV 1945–1989*, Praha - Gustáv Husák, K. 379, p. 3.

81. MINCEX, "5ta Conferencia internacional," p. 7.

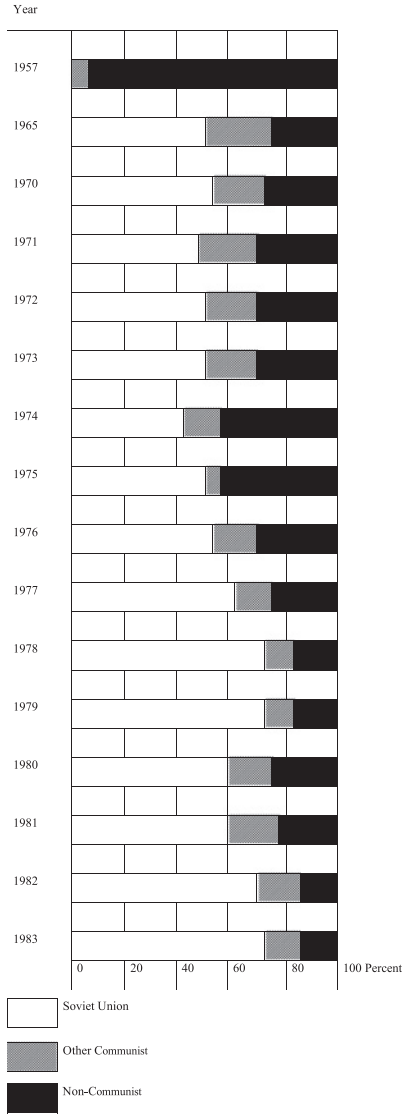


Figure 1. Share of Total Trade by Major Area.⁸²

As a CMEA member, Cuba had to develop various basic planning capabilities, which then had to be expanded and redesigned to match standard

82. CIA Directorate of Intelligence, "The Cuban Economy: A Soviet Showcase," 15 August 1984, CIA ERR.

CMEA procedures, especially for medium- and long-range planning. All of this proved difficult because Cuba's full integration into the organization required a well-designed economic management system, which was practically nonexistent in Cuba.⁸³ According to the East German Foreign Ministry, many of Cuba's problems at the time stemmed from economic mismanagement.⁸⁴ Yugoslav officials likewise noted that Cuba's economy lacked any forms of material incentives and market dynamics. The centralized distribution of goods had inflicted great damage on the island, undermining financial and material reserves, decreasing productivity, and lowering the standard of living to an intolerable level.⁸⁵ Worse, as Czechoslovak economic experts observed, even after Cuba joined the CMEA, the deformations of its national economy remained as pernicious as ever because the country was still overwhelmingly reliant on sugar production.

Moreover, Cuba's attempt to restructure its economy based on an indigenous Cuban model further distressed the national economy.⁸⁶ To alleviate these negative factors, the First Congress of the Communist Party of Cuba (*Partido Comunista de Cuba*, PCC), held in 1975, sought to introduce measures to improve the planning and management of the national economy while streamlining its economic institutions.⁸⁷ At a CMEA plenary session in Sofia in July 1981, Cuba also pledged to take part in the socialist division of labor by providing CMEA countries with nickel, citrus fruits, and sugar and its derivatives.⁸⁸ Still, efforts to bolster the Cuban economy proceeded at a languid pace, and the deputy chairmen of CMEA's central planning bodies urged the Cubans to move faster in implementing reforms.⁸⁹

In 1976, Cuban leaders began to introduce modest market reforms under the Economy Management and Planning System (*Sistema de Dirección y Plantificación de la Economía*, or SDPE). The SDPE was created with the idea of decentralizing the decision-making process and incorporating select

83. José Luis Rodríguez, "Fifty Years of Revolution in the Cuban Economy," in Al Campbell, ed., *Cuban Economists on the Cuban Economy* (Gainesville, FL: University Press of Florida, 2013), p. 31.

84. März to Hartmann, 4 December 1979, in PAAA, MfAA ZR 1855/81, p. 3.

85. "Podsetnik o Kubi," p. 2.

86. "Současná hospodářská situace Kuby," p. 4.

87. "Planificación de la medidas fundamentales de colaboración de los países miembros del CAME, tomando en consideración los programas específicos a largo plazo," 12th Conference of Vice Chairmen of the Central Planning Bodies of CMEA, 30 November–4 December 1981, Havana, ca. 1981, in CGD/MINREX, F. Cuba-CAME Ordinario, C. 1981, pp. 3–4.

88. MINCEX, "5ta Conferencia internacional," p. 12.

89. Langer to Krolkowski, 30 March 1979, in PAAA, MfAA ZR 1856/81, p. 3; and "Planificación de la medidas fundamentales," pp. 3–4.

market mechanisms, bank loan–based self-financing, and economic incentives, including wage differentials and production premiums. However, the market reforms were never fully implemented, and the country's trade deficit expanded rapidly and had to be financed with immense Soviet credits.⁹⁰ The Cuban government's bid to tighten control over its economic planning thus proved much less effective than Soviet leaders had expected.

On the one hand, Cuba's comprehensive planning, patterned on the Soviet model, urgently needed strict managerial discipline within Cuba's domestic and foreign trade sectors. On the other hand, the planning goals were unduly optimistic, having overestimated the growth of world sugar prices.⁹¹ As a result, the government missed the 6 percent annual growth target set by the 1975–1980 Five Year Plan. The Cubans blamed “subjective” conditions, such as lack of discipline and insufficient rigor at all levels, for missing its targets.⁹² Bulgarian observers offered a harsher appraisal of the Cuban economy's shortcomings, including inadequate use of labor and material resources, insufficient control of stockpiles, and the absence of a comprehensive system of economic leadership.⁹³

East German diplomats echoed the Bulgarian concerns, expressing dismay at the Cuban leaders' economic mismanagement. Cuban leaders were devoting attention to the economy's new planning system and receiving numerous foreign delegations, while also making visits of their own abroad. The East Germans sensed that Cuban officials regarded foreign policy activity as a convenient pretext for postponing some of the pending regulations intended to improve the national economy. East German diplomats also believed that the Soviet bloc needed to provide the Cubans with more extensive information and guidance. Members of the PCC Politburo, such as Carlos Rafael, and Communist Party secretaries including Raúl García Peláez, who were more closely linked with Moscow, accepted this observation.⁹⁴

By the late 1970s, many officials in the Soviet bloc harbored extremely negative views of Cuba's economy, seeing it as more like a “distribution

90. Carmelo Mesa-Lago, “Efectos económicos en Cuba del derrumbe del socialismo en la Unión Soviética y Europa Oriental,” in “Cuba en los noventa: Política y Economía,” special issue, *Estudios internacionales*, Vol. 26, No. 103 (July–September 1993), pp. 341–342.

91. Theriot and Matheson, “Soviet Economic Relations,” p. 150.

92. Memorandum of Conversation, Stefan Cheliev and Imre Nagy, 5 November 1980, in *Diplomatic Arhiv na Ministerstvoto na Vanshnite Raboti (DAMvNR)*, Sofia, 1980, Op. 36, D. 91, A.E. 1810, pp. 68–69.

93. Boris Panayotov, “Novi oblasti na ekonomicheskoto satrudnichestvo mezhdu NR Bulgariya I Republika Kuba,” February 1976, in *DAMvNR*, 1976, Op. 32, D. 101, a. e. 1995, p. 24.

94. Wilfried Langer to Horst Grunert, 11 January 1977, in *PAAA, MfAA ZR 1856/81*, pp. 4–5.

system” than an actual economy. Cuba’s dependence on the Soviet Union and other CMEA states prompted Soviet officials to suggest that Cuba consider improving its relations with the United States.⁹⁵ A Polish report offered a candid overview of East-bloc thinking in this regard. Cuba’s heavy dependence on the Soviet Union and its allies was a highly destabilizing factor for the island’s economy.⁹⁶ Accordingly, Soviet officials communicated to both Carlos Rafael and Raúl Castro that Moscow believed Cuba should seek to improve relations with the United States. The Cubans sensed that Soviet motivations for this proposal were economic as well as political. At the same time, they believed that the East European states were still irritated that the Soviet Union had pushed to bring Cuba (and Vietnam and Mongolia) into the CMEA, an action that had forced all CMEA states to share the Soviet burden of aiding the Cubans. The Cubans suspected that Soviet officials wanted Cuba to develop trade with the United States to ease the burden on the Soviet economy.

The Soviet Union also urged Castro to encourage U.S. tourism to Cuba.⁹⁷ According to the CIA, Leonid Brezhnev’s visit to Cuba in January-February 1974 had been the first step in opening Cuban leaders to this possibility. Initially, Castro had rejected any such move, but by the late 1970s he had signaled through a variety of channels that he was ready to talk with Washington.⁹⁸ Nevertheless, he was still reluctant to move ahead, noting that Cuba was “in no hurry” and could wait for another “ten or twenty years.” “The blockade is harming us, but we can wait,” he claimed.⁹⁹ The lifting of the embargo would be important, but mostly as a friendly gesture than anything else to the Cuban leader. Reportedly, Castro said that Cuba could not choose between the lifting of the “blockade” and the benefits that trade with the Soviet Union brought to the country. However, in closed circles, he noted that U.S. technology was the best and that Cuba had to be satisfied with the second-rate quality of technology from the Soviet bloc.¹⁰⁰ Therefore, the last few years of the 1970s found

95. Deborah Bolton interviewed by Charles Stuart Kennedy, 21 January 2010, Association for Diplomatic Studies and Training, Foreign Affairs Oral History Collection.

96. “Kuba 1990—Prognoza,” February 1990, in IPN, BU 0449/16, p. 8.

97. “Alleged Current Cuban Views on Africa and Policy toward US,” 1 December 1977, in CIA ERR. See also “Brezhnev in Havana,” *The New York Times*, 30 January 1974, p. 34.

98. CIA Intelligence Memorandum, “Cuba’s US Policy: Ready for a Change,” 23 July 1975, in CIA ERR.

99. Buenos Aires IPS press item, 14 February 1974, cited in CIA Intelligence Memorandum, “Cuba’s US Policy: Ready for a Change,” 23 July 1975, p. 7, in CIA ERR.

100. Robert M. Levine, *Secret Missions to Cuba: Fidel Castro, Bernardo Benes, and Cuban Miami* (Basingstoke, UK: Palgrave Macmillan, 2001), p. 100. See also a similar critique made by Castro during his conversation with Romanian Prime Minister Constantin Dăscălescu on 13 November 1984, in CGD/MINREX, F. Cuba-Rumania Ordinario, C. 1978–1986, p. 4.

Cuba increasingly dependent on CMEA countries, despite briefly entertaining, at Moscow's insistence, the possibility of improving ties with the United States. The bid at a rapprochement proved stillborn, and Cuba's economic dependence on the Soviet bloc deepened further in the 1980s.

The Long Separation: From Perestroika to the Special Period

After a short period in the late 1970s, when Cuba and the United States made incremental steps towards normalizing relations, the Soviet Bloc noticed that the United States had stepped up its confrontational policies against Cuba under the Reagan administration. An East German analysis emphasized that Cuba needed the active support and solidarity of all Communist countries.¹⁰¹ Nonetheless, Castro believed the Soviet Union would always stand behind him, even if Cuba did not fulfill its obligations. He emphasized as much during the tenth plenary session of the PCC's Central Committee at the end of December 1984.¹⁰² Officials in the Soviet bloc were aware of Cuba's strategic position on the North American continent and its political and ideological influence on the Non Aligned Movement.¹⁰³ Yet, despite this, most of them were already looking for new, more effective forms of cooperation. Though still guided by the principle of political solidarity and support for Cuba, Bulgaria also sought a more realistic assessment of how its economic and financial capabilities could be deployed to provide more significant benefits to both states.¹⁰⁴ Czechoslovak officials likewise wanted to base their long-term bilateral relations with Cuba on mutually beneficial terms while preserving the interests of the entire socialist community.¹⁰⁵

101. "Konzeption für die Entwicklung der Beziehungen der DDR zur Republik Kuba in den Jahren 1981 bis 1985," ca. 1981, in PAAA, MfAA ZR 1922/13, p. 4.

102. "Zur Entwicklung der Beziehungen Kubas mit der Sowjetunion 1984/85," 4 June 1985, in PAAA, MfAA ZR 3053/89, p. 1.

103. On 5 August 1982, during a conversation between the head of the Dirección General de Inteligencia, Major General Joaquín Méndez Cominches, and representatives of the First Main Directorate of the Bulgarian State Security agency, General Méndez took pride in noting that Cuba was strong not economically but ideologically and politically and thus was a force that must be respected. See Minutes of Conversation, 5 August 1982, in COMDOS Archive, F. 9, Op. 4, a.e. 139, p. 32.

104. "Doklad otnosno predstoyashitite razgovori na predsedatelya na Ministerskiya savet na NR Bulgariya v Republika Kuba, 17 Okt. 1984," 14 October 1984, in TsDA, F. 1B, Op. 67, a.e. 3595, pp. 232–233.

105. "Zaměření a hlavní úkoly zahraniční politiky ČSSR vůči Kubánské republice," n.d. [ca. 1986], in Archiv Ministerstva Zahraničních Věcí (AMZV), Prague, TO-T 1980–89, Kuba, Box 1, Folder 7, p. 2.

In the first half of the 1980s, Cuba's integration with the other CMEA member-states continued to deepen. In 1983 alone, 87 percent of Cuba's foreign trade was with the CMEA, with sugar accounting for 75 percent of the country's total exports.¹⁰⁶ Nevertheless, the sugar trade presented many obstacles for Cuba in dealing with its CMEA partners. Since the mid-1960s, the Soviet Union and Bulgaria, among others, had agreed to apply preferential prices to long-term purchases of Cuba's sugar. Similarly, in the early 1980s, Bulgarian leaders agreed to let the price of sugar fluctuate dynamically in response to the price of Bulgarian exports, which would help stabilize the purchasing power of Cuba's exports. As a result, the price of Cuban sugar increased quickly, growing to 460 rubles per ton by 1984 and thus continuing to deviate significantly from the international market price.¹⁰⁷ Polish officials were also critical of the Cubans' approach to trading sugar. Poland imported only small annual amounts of the commodity from Cuba, but officials in Warsaw perceived even that minor level of trade as an imposition because Poland itself produced and exported sugar.¹⁰⁸

In February 1986, the Third Congress of the Cuban Communist Party proposed an ambitious economic program to compensate for these difficulties. The document confidently predicted that the Cuban economy would soon be coordinated with the economies of the other European CMEA members.¹⁰⁹ However, these forecasts failed to take account of the slowing pace of economic growth in the CMEA's member-states, as the foreign ministers of the Warsaw Pact states noted in December 1987 in Moscow.¹¹⁰ As Czechoslovak officials reported that the Cuban government, unlike in the 1960s, now deeply opposed the view that the higher price of sugar paid by CMEA states was a form of economic aid. In Cuba, the long-term sugar price was viewed instead as the basis for long-lasting cooperation with other Communist states.¹¹¹ Moreover, the Cubans claimed that the CMEA's purchase of Cuban sugar at

106. See "Republika Kuba," 17 February 1986, in DAMvNR, 1986, D. 5, Op. 43-8, Pr. 158, p. 3; and MINCEX, "5ta Conferencia internacional," p. 6.

107. "Doklad otnosno predstoyashtite razgovori," Ll. 231-232.

108. "Cuban-COMECON Trade," 6 October 1977, in NARA, RG 59, CFPE, ET 1977, 1977HAVANA00291, pp. 1-2.

109. Dimitar Teodosiev, "Perspektivi na sotsialno-ekonomicheskoto razvitiye na Republika Kuba prez perioda 1986-1990 godini," August 1986, in DAMvNR, 1986, D. 6, Op. 43-8, Pr. 211, p. 6.

110. "Itogovyi dokument rabochei vstrechi predstavitelei MID NRB, VNR, GDR, PNR, SSSR i ChSSR po voprosam otnoshenii s gosudarstvami Latinskoj Ameriki, 2-4 Dec. 1987, Moskva," 19 April 1988, in DAMvNR, 1988, D. 1, Op. 45-8, Pr. 7, p. 7.

111. "Informace o jednáních o čs. hospodářské pomoci Republice Kuba," in NAČR, KSČ-ÚV 1945-1989, Praha - Gustáv Husák, K. 378, p. 4.

above-market prices was not an implicit trade subsidy but simply the fulfillment of the principles of socialist internationalism.¹¹² Castro insisted that Cuba's favorable treatment was an example of the just and fair trading relations that should exist between developed and underdeveloped countries.¹¹³

Castro's Rectificación versus Gorbachev's Perestroika

By 1986, the PCC and the Cuban state authorities were increasingly concerned about the country's deepening economic crisis and sought to accelerate the planned changes to Cuba's political, social, and economic life.¹¹⁴ By launching the so-called process of *rectificación*, they aimed to tackle negative tendencies and historical errors in the economy by applying new solutions to old problems. However, the campaign emphasized values and organizing principles similar to those of the rapid "push for Communism" in the late 1960s, when many of Guevara's ideas—such as moral incentives, an expansion of the state's role in the economy, and collective and voluntary labor—had been put into practice.¹¹⁵ As a result, despite Castro's evaluation, the *rectificación* was impossible to square with reforms in the Soviet Union and Eastern Europe and set Cuban policies at odds with those of its chief economic partners, sparking tension in Cuban-Soviet relations.¹¹⁶ Still, in November 1987, Castro told Gorbachev that, with his *rectificación*, he was striving for the same objectives the Soviet Union was pursuing with perestroika and its appeal to morality, discipline, ethics, and honesty.¹¹⁷ Later, in November 1988, at another meeting with, Castro offered a modified interpretation of his *rectificación* policies. He stressed that his reforms rejected universally valid formulas and

112. Jorge F. Pérez-López, "Bringing the Cuban Economy into Focus: Conceptual and Empirical Challenges," *Latin American Research Review*, Vol. 26, No. 3 (1991), pp. 28.

113. See Gianni Mina, "Rome Paper Carries Fidel Castro Interview," *L'espresso*, 20 September 1987, pp. 56–66, in Castro Speech Data Base, <http://lanic.utexas.edu/project/castro/db/1987/19870920.html>. The interview took place on 28 June 1987 in Havana.

114. Intelligence Agency of the Polish Army, "Informacja o republice Kuby," 15 January 1988, in IPN, BU 2602/26842, p. 86.

115. "Memorandum of Conversation between Mikhail Gorbachev and Fidel Castro," 6 November 1987, in History and Public Policy Program Digital Archive, Consejo de Estado, obtained by Piero Gleijeses, CWIHP e-Dossier No. 44, available online at <http://digitalarchive.wilsoncenter.org/document/118109>, pp. 19–20. See also Eckstein, *Back from the Future*, p. 59.

116. Pérez-López, "Swimming against the Tide," pp. 81–82. See also Mervyn J. Bain, "Cuba-Soviet Relations in the Gorbachev Era," *Journal of Latin American Studies*, Vol. 37, No. 4 (November 2005), p. 769.

117. "Memorandum of Conversation between Mikhail Gorbachev and Fidel Castro," 6 November 1987, pp. 19–20.

noted that each party could seek its own path to socialism independently.¹¹⁸ Castro saw no reason for Cuba “to rectify mistakes that were made somewhere else.” He firmly rejected Gorbachev’s perestroika, arguing that, if Cuba were to carry out reforms that had nothing to do with conditions in Cuba, the effect would be disastrous and would play to U.S. interests.¹¹⁹ Cuba therefore aimed to create its own unique conception of development, categorizing itself as a “socialist developing country.”¹²⁰

At the same time, Cuban leaders watched with concern the reforms in the Soviet Union and other Communist countries. Some Western observers believe that the Cubans did not recognize the full extent of Gorbachev’s reforms until much later and had no idea that the Soviet leader might completely lose control of the domestic reform process.¹²¹ Castro reportedly said he often felt that Gorbachev “was doing things too quickly and wanted to solve many problems all at once.”¹²² He also believed that perestroika’s slogans were not based on Marxism-Leninism and that the socialist planned economy was incompatible with the principles of the free-market economy.¹²³ During the 32nd anniversary of *Granma*, the PCC’s official newspaper, Castro took a critical stand against perestroika, claiming that Gorbachev’s reforms, by severely criticizing the past, weakened the authority of socialism.¹²⁴ The Cuban leader even appeared to come close to accusing Gorbachev of betraying Marxism-Leninism, the class struggle, and revolutionary solidarity.¹²⁵ On 22 November 1988, ahead of the Soviet leader’s visit to the island, Cuban Communist officials were shown a film containing Castro’s ideological interpretation of

118. Minutes of Conversation between Erich Honecker and Jorge Risquet, 17 April 1989, in Stiftung Archiv der Parteien und Massenorganisationen der DDR zu den Beständen des Bundesarchivs (SAPMO BArch), Berlin, DY 30/2462, p. 439.

119. Castro, *My Life*, p. 360.

120. The term Castro used was translated into German as “sozialistisches Entwicklungsland.” See Memorandum of Conversation, Werner Prosetzky, deputy head of the HVA, and Luis Barreiro Carames, chief of Cuban foreign intelligence, 25 January–4 February 1989, in Bundesbeauftragter für die Unterlagen des Staatssicherheitsdienstes der ehemaligen DDR, Berlin, Archiv der Zentralstelle, MfS Abt. X, Nr. 321, p. 41.

121. Chester Arthur Crocker interviewed by Charles Stuart Kennedy, 5 June 2006, Association for Diplomatic Studies and Training, Foreign Affairs Oral History Collection, available online at <https://adst.org/OH%20TOCs/Crocker,%20Chester%20Arthur.toc.pdf>, p. 175.

122. Bain, “Cuba-Soviet Relations in the Gorbachev Era,” p. 790.

123. “Zur Lage und Politik Kubas (Halbjahreseinschätzung II/1988),” 25 November 1988, in PAAA, MfAA ZR 2494/13, p. 17.

124. Cipher No. 11529, Havana-Warsaw, 7 December 1988, in IPN, BU 0449/16, T. 12, p. 143.

125. Michael Kline, “Castro and ‘New Thinking’ in Latin America,” *Journal of Interamerican Studies and World Affairs*, Vol. 32, No. 1 (Spring 1990), p. 90. See also Jorge Domínguez, “Cuba in the 1980s,” *Foreign Affairs*, Vol. 65, No. 1 (Fall 1986), p. 122.

Gorbachev's reforms. The film was a montage of fragments from Castro's speeches depicting perestroika as "counterrevolution" and urging all Cubans to avoid the delusion that Cuba would ever follow in its footsteps.¹²⁶ In response, the Poles critically remarked that Castro had pointed his perestroika in the opposite direction by moving away from the market economy and enhancing economic centralization.¹²⁷

After 1986, Cuba's economic relations with all the European CMEA member-states gradually deteriorated as a result of the internal and external economic and political upheavals that engulfed those countries. Initially, however, in 1986 and 1987, Cuba concluded 120 agreements and contracts for economic, scientific, and technical cooperation with CMEA members.¹²⁸ Moreover, at a Summit Economic Conference in June 1986, the CMEA took measures to accelerate the economic development of Vietnam, Cuba, and Mongolia—the organization's three most economically backward countries.¹²⁹ However, these plans remained only on paper. Although the CMEA was not formally disbanded until mid-1991, the East European members had already precipitously reduced their trade with Cuba by 1989, at great cost to the island.

In addition, Bulgaria, Czechoslovakia, and Hungary refused to renew various trade agreements with Cuba.¹³⁰ Soviet assistance to Cuba reached four billion rubles in 1988, by which point more than 400 industrial plants had been built with Soviet aid. Because Soviet officials at this time had no intention of boosting aid further, Cuba felt pressured to increase the effectiveness and quality of its economic and scientific-technical cooperation with its CMEA partners.¹³¹ When Gorbachev visited Havana in April 1989, Cuba and the Soviet Union attempted to reinforce their strategic relations by signing a Treaty of Friendship and Cooperation. The visit demonstrated Castro's hope of developing relations with Moscow and maintaining Soviet economic support for as long as possible. Nevertheless, an East German Foreign Ministry report noted that the process would become even more complicated in the

126. Cipher No. 11166, Havana-Warsaw, 25 November 1988, in IPN, BU 0449/16, T. 12, p. 147.

127. See "Kuba 1990," p. 8; and Jorge F. Pérez-López, "The Cuban Economy: Rectification in a Changing World," *Cambridge Journal of Economics*, Vol. 16, No. 1 (March 1992), p. 113.

128. "Zur Lage und Politik Kubas," p. 10.

129. Secretaría Permanente para Asuntos del CAME, "Nuevas perspectivas de la integración Socialista, resultados de la cumbre económica y de la reunión de la sesión del CAME de La Habana, posibles efectos para la economía cubana," ca. 1986, in CGD/MINREX, F. Cuba-CAME Ordinario, C. 1986, p. 25.

130. Rodríguez, "Fifty Years of Revolution," p. 31; and Eckstein, *Back from the Future*, p. 88.

131. "Zur Lage und Politik Kubas," p. 16.

future given the radical changes occurring in Eastern Europe and the Soviet Union.¹³²

Cuba sought to improve its relations with the developed capitalist states to compensate for the deteriorating relations with CMEA countries and to expand its international political room for maneuver as it tried to undermine the U.S. economic “blockade.”¹³³ Simultaneously, the changed relations with Eastern Europe evoked a war of words. Castro publicly lectured Gorbachev on the inapplicability of Soviet reforms to Cuba. Soon after economic relations with the former Soviet-bloc countries soured, the Cuban leader publicly expressed contempt for the poor quality of East European imports. Cuban officials alleged that Hungarian buses were would get only “six kilometers to the gallon and fill the city with exhaust fumes,” and that the Bulgarians gave Cuba forklift trucks that “could find no other market.” To make matters worse, Castro also asserted that Cuba would no longer accept such East European “rubbish.”¹³⁴ The former Communist states responded with harsh criticism of their own regarding Castro’s mismanagement of the Cuban economy.

By 1990, despite some sporadic and inconsistent efforts, Cuba had failed to diversify its industrial structure and move away from its low-productivity, monocultural economy. With only moderate levels of technology and limited self-sufficiency even in the production of food, the Cuban economy was characterized by a high degree of monopolization, almost total nationalization, and paralyzing centralization. Other systemic disadvantages—such as overdeveloped military forces and a political structure organized around a paternalistic leadership system—reinforced the problems.¹³⁵ A scathing report by Polish officials, written in February 1990, predicted that the transformations in the CMEA would cause the Cuban economy to collapse within months.¹³⁶ The CMEA “transformations” culminated in the organization’s dissolution in mid-1991, six months before the Soviet Union disintegrated. The impact of the crisis caused the Cuban gross domestic product (GDP) to decline by 34.8 percent from 1990 to 1993. Imports decreased by 75 percent, the annual fiscal deficit rose to 33 percent, and the money supply increased to 66 percent of GDP, yielding enormous inflationary pressures.¹³⁷ Left on its own, the Cuban

132. “Informationsmaterial zur Republik Kuba,” March 1990, in PAAA, MfAA ZR 1923/13, p. 4.

133. “Kurzinformation zur Republik Kuba,” October 1989, in PAAA, MfAA ZR 1923/13, p. 10.

134. Eckstein, *Back from the Future*, p. 59.

135. “Kuba 1990,” p. 6.

136. *Ibid.*, p. 8.

137. Rodríguez and Olavarria, “The Frontier of Change,” p. 66.

economy entered one of its darkest moments, known as the “Special Period in Time of Peace.”

Conclusion: The Long Misunderstanding

Cuba's economic relations with the CMEA, from the Cuban revolution until the Special Period, were far from straightforward. In the 1960s, economic ties between Cuba and the East European Communist states moved along a sinuous path, from a warm opening in 1960 to the near-freezing years following the 1962 missile crisis to the thaw that followed the Soviet invasion of Czechoslovakia in 1968. Buoyed by preferential sugar prices and increased economic integration with the Communist bloc, Cuba joined the CMEA in 1972. However, despite close trade ties with the Soviet bloc, the structural reforms undertaken by Gorbachev in the mid-1980s caught Cuba off guard. When Castro launched a reform program that was at odds with Gorbachev's perestroika, Cuba was confronted with a gradual winding down of economic cooperation with the European CMEA member-states, followed by a complete disruption in 1991.

Declassified documents from East European archives reveal that the East European Communist states had numerous reservations about their economic relations with Cuba. In the mid-1960s, the Soviet bloc and Cuba drifted apart over political disagreements. In the mid-1970s and early 1980s, the management of the Cuban economy sparked criticism from other CMEA countries. The Cubans, for their part, raised various objections, which fluctuated in severity and substance throughout the period. However, the common thread in Cuba's dissatisfaction with its East European partners was the volume of their assistance. One of the major points of contention between Cuba and the East European states was the way both sides perceived their economic relationship. Cuba increasingly viewed its economic ties with the East European states as a form of cooperation, whereas the East Europeans, attempting to strike a balance between their limited resources, Cuba's increased demands, and Moscow's political objectives, regarded their ties as a form of direct aid. To the Cubans, the intra-CMEA cooperation was essential to framing Cuba's place in the world, whereas the East European governments increasingly saw the relationship as an economic burden.

Archival materials from Eastern Europe greatly enrich and improve discussions in the secondary literature, mainly originating from Washington and Moscow. This article has traced how East European political leaders and experts viewed their countries' economic relations with Cuba within the broader

context of CMEA. The existing literature abounds with “high politics” discussions, but it almost never has presented the views of Soviet-bloc diplomats who were directly involved in dealing with Cuba’s economic issues. East European officials, in trying to meet Cuba’s economic demands and Moscow’s political objectives without imposing a crippling burden on their own countries, were increasingly critical of the Cuban regime’s poor economic performance. Although this is hardly surprising to students of Cuba’s history under Communist rule, one cannot help but notice that an analysis of three decades of economic relations between Cuba and the CMEA reveals a nuanced reality in which relations between the two sides were filled with a plethora of economic, political, and ideological misunderstandings.

East European diplomats found that their countries’ economic relations with Cuba were based more on the delivery of international aid than on economic cooperations serving mutual interests. Castro vehemently rejected this interpretation, accusing Moscow’s partners of neglecting Cuban interests for the sake of their own economic profit. On the other hand, the Soviet Union itself was lauded by the Cubans for its internationalist stance in aiding Cuba—to the point that, even when Gorbachev embarked on drastic reforms, Castro remained highly complacent, expecting Moscow to stand behind him under any circumstances. The processes of glasnost and perestroika changed this perception sooner rather than later for the Cuban leaders, who eventually, in deep disappointment, branded the Soviet reforms “counterrevolutionary.” At the end of the 1980s, misunderstandings between the two sides waxed ever larger. The Cubans blamed their patrons for betraying the ideals of Marxism-Leninism, whereas the new non-Communist East European governments regarded Cuba as stuck in a bygone era. Ironically, the Cuban economic anachronism made the island drift even further from the dwindling Communist camp—not by betraying it but by returning it to forms of socioeconomic engineering dismissed as utopian even in the overly progressive 1960s.