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The Cuban Revolution and the United States

ABSTRACT

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THE CUBAN REVOLUTION AND THE UNITED STATES:
THE CASE OF THE NATIONALIZATION PROCEDURES,
1959-1960

The thesis deals with the Cuban government's decision to nationalize American property in the two-year period following Fidel Castro's assumption of power in January, 1959.

Chapter One introduces and outlines the main body of the work.

Chapter Two deals with the operational environment between 1898 and 1959 in relation to Cuban-American interaction on a political and economic level.

Chapter Three discusses the operational environment, 1959-1960, outlining steps taken by the Cuban elite to fulfill their revolution and the resultant opposition by the United States.

Chapter Four examines the psychological environment of the Cuban decision-makers, especially Fidel Castro and Ernesto Che Guevara.

Chapter Five concludes by analysing the rationality and reasons of the Cuban elite in making this decision.

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1959-1960

by

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Chapter 1

INTRODUCTION

The Cuban elite's decision to nationalize both foreign and domestic property was taken at a relatively early stage following its assumption of power in January, 1959. It involved, in its initial stages in 1959 and 1960, the expropriation of one-half of Cuba's agricultural land and most of its major industry, both foreign and domestic owned. It also involved Cuba in a spiraling confrontation with the United States of America, its former ally, ranging along the political, ideological, economic, and sometimes military fronts, and culminating in the final break of diplomatic relations between the two nations in January, 1961.

The aim of this paper, while concentrating in large part on the actual legal and structural-institutional processes of the nationalization procedures and the consequent effect of these on the Cuban relationship with the U.S., is to provide a broader and more general description of the initial two years of the Cuban Revolution, both in its objective reality and in the manner the leading members of the Cuban elite viewed these events and their causes. In essence, then, the thesis is an overview of the economic and political aspects of the Cuban Revolution in its first stage, the stage of "anti-imperialism", as opposed to the more orthodox type of socialism in the post-1961 period. The nationalizations have been used as a case study in order to highlight the more general ideological and political trends and relationships in the two-year period under review. Another, and related, purpose is to gain an overview of the sequence of changes in Cuban-American relations, 1959-1960, and the manner in which these events were perceived by the Cuban elite. Thus, the paper will look at both the internal and external pressures facing the elite during this

period, and will focus on these pressures from the "vantage point" of Havana, rather than attempting a more traditional history of interaction between Cuba and the United States.

In order to place the large body of socioeconomic events of the 1959-1960 period in proper perspective, Chapter Two will discuss in detail the objective, or operational, environment in the era of the pre-Castro Cuban Republic. It will deal with the realm of Cuban-American relations from 1898, the year of the war for independence from Spain, to 1959, when the present regime took power and began that sequence of actions known as the Cuban Revolution. Aside from the actual description and historical highlights, various statistics will be cited briefly so an appreciation may be gained of the type of political, economic and social relationships that existed between the two nations for the totality of that period. Cuba's tremendous economic dependence on the United States and its relative economic stagnation will be explored, as well as the subjective effects these realities had upon the thinking of the intelligentsia of the island. The relationship of this economic dependence to the political domination by the U.S., leading to an early tie-up of anti-American and anti-Batista feelings among the leaders of the guerrilla movement opposing the Cuban dictator, will also be demonstrated. In effect, to use the words of James Rosenau, Cuba will be seen as a "penetrated political system ... in which nonmembers of a national society participate directly and authoritatively, through actions taken jointly with the society's members, in either the allocation of its values or the mobilization of support on

behalf of its goals."¹ Thus the historical legacy of the previous 60 years of Cuba's history, especially vis-a-vis the United States, will be fully described.

The third chapter will study the actual 1959-1960 period of spiraling action and reaction culminating in the mass nationalizations of industry in late 1960. The Agrarian Reform, being more ideologically and internally inspired, and less of a reaction to involvement with the United States, will be dealt with first, along with the National Institute of Agrarian Reform, the implementing agency. The study then shifts to an outline of the steps taken by the Cuban elite to fulfill the remaining steps of the revolutionary program, and the resultant American opposition.² Cuba's changing economic relationships with the Soviet bloc, due in part to new-found ideological affinity and in part to deterioration of trade with the now-hostile United States, concludes the chapter.

Chapter Four provides a rather detailed analysis of the Cuban elite - its members, roles, past background, etc. - especially that section of it concerned with the economic aspects of the revolution. The initial two years of the revolution was a time when there was much intra-elite conflict and numerous power struggles, ideologically-inspired or otherwise, and the decision-making apparatus was relatively unformed and rather fluid. The ideological movement of the elite toward the Left in its ever-increasing confrontation with the U.S. across a broad range of political and economic

¹Rosenau, James N., "Pre-theories and Theories of Foreign Policy" in R. Barry Farrell, ed., Approaches to Comparative and International Politics, Northwestern University Press, Evanston, Illinois, 1966, p.65.

²A brief glance will be given at this point to two old sores in Cuban-American relations, the U.S. naval base at Guantanamo and the Monroe Doctrine.

issues is also noted and explained. Thus we will now see the psychological environment, separately from the operational one.

The study at hand, being an attempt to view "The Revolution" (as a reified whole) in its struggle with the United States, has thus selected the four most important men in the Cuban elite, insofar as the nationalization controversy was concerned, in order to provide an idea of the personal background and psychological environment of the Cuban decision-makers, and the manner in which they justified their actions within the terms of their own world-views.

These four men are Fidel Castro, Ernesto Che Guevara, Osvaldo Dorticos and Raul Roa. As Dorticos was President of Cuba and Roa the foreign minister during most of this time, their subjective interpretations of the Cuban confrontation with the United States assume great importance. Castro and Guevara, respectively the prime minister, and president of the national bank and later Minister of Industries, were the obvious driving force behind the initial steps taken by the Cuban government, and also its chief ideologues and even symbols. While not denying the fact that other members of the regime and the 26th of July movement exercised considerable influence, we have nonetheless selected these four as the main spokesmen for Cuba, especially in terms of relations with the United States. The purpose of the paper at this juncture is not really to trace changes in Cuban decision-making patterns and personnel, but rather to view the effect of the Cuban-American relationship and the internal pressures generated by the revolution

on ideological development amongst the leadership.³

It should be stressed that this study of the Cuban Revolution's nationalization procedures and the effect of these on the relationship between Cuba and the United States will be primarily an historical-institutional one, utilizing all the research tools of traditional empirical diplomatic history. The main purpose is to delve into the wide panorama of the Cuban Revolution and its external relations.

Nonetheless, in various parts of the paper, and especially in the analysis of the subjective environment of the Cuban elite, reference will occasionally be made to the foreign policy behaviour framework known as the Brecher model.⁴ This model is utilized mainly for its taxonomic benefits, in order to meaningfully arrange the rather large quantity of data assembled, and especially to order the various components of the world-view of the elite. It is not the intention of this paper to test the model, in terms of the "rationality" or "success" of the Cuban elite, viewed in terms of convergence of the operational and psychological environments. The thesis has only adopted some of the terminology of the model⁵ to the historical analysis of the revolution and the nationalization decisions, and the interpretation of these by the elite. A brief description of these variables in their specific application to the Cuban situation follows, for those readers unfamiliar with the model:

³Indeed, it is very interesting to contrast the different perceptions of both Marxism and of Cuba held by Castro and Guevara, and the changes in Castro's world-view during this period.

⁴An outline of the model may be found in Brecher, Michael, Blema Steinberg and Janice Stein, "A Framework for Research on Foreign Policy Behaviour" in the Journal of Conflict Resolution, March 1969, pp.75-94.

⁵For example, the variable categories.

The first is the dominant bilateral relationship with the United States (DB), which "refers to the total pattern of interactions between any state and a superpower or preeminent actor in the global system."⁶

The second factor is political structure and culture (PS). Though this is defined in the model in the narrow sense of governmental processes, the type of regime involved, the channels of decision-making etc., its use in this paper denotes political culture and philosophy in its wider, ideological manifestations - that is, as "Fidelismo", the ideology of the revolution, which was in itself an objective factor in the various decisions of the Cuban elite.

A third category is economic capability (E), which "can be defined as the total of all material and human resources available to that state for external behaviour."⁷

Finally, the last variable, of much less importance and consequence than the others, is competing elites (CE), defined as groups which "vie for authority to make political decisions in the system ... (and) propose alternative general sets of foreign policy demands."⁸

⁶Brecher et al, op.cit., p.83.

⁷Ibid, p.84.

⁸Ibid, p.85. The competing elite in question, the Cuban communist party (PSP), was not just an interest group but did indeed consider itself an alternative to the 26th of July Movement during the first two years of the revolution, and its advice was given (and to a large measure accepted) over a wide range of domestic and foreign policy spheres, and not just in specific areas.

The above four variables have been utilized in the fourth chapter to provide a comprehensive and encompassing framework in which to place and classify the various components of the elite's world-view.

It must be stressed that the first two chapters will lay the chronological and historical-institutional framework, after which various questions may be posed regarding the clash of ideologies that enveloped Cuban-American, and domestic Cuban, relations in the post-1959 period. It should never be forgotten that the new Cuban regime, with its vastly different philosophical framework of thought and action,⁹ acted as a catalyst in a total redefinition of Cuban society both internally and in its relations with the U.S. Hence, it came up against the objective realities which will be described in Chapter Two, with the results noted in the third chapter.

The study will show, in Chapter Four, the total redefinition given to the dominant-bilateral relationship with the superpower, the U.S. This was in many ways the most important of all the subjective changes in the world-view of the new elite, as it had the greatest effect on the operational environment, and was thus the main reason for most of the expropriation of U.S.-owned firms. As for political structure, the new

⁹A framework which, if not explicitly communist, was certainly nascently socialist.

regime, while not the first in the Americas to consider itself a socialist or at least a progressive state,¹⁰ certainly was the most consistent and also went further than any others both in its internal policy of expropriation of property and in its foreign policy of links with the Soviet bloc. Thus we will show that "Fidelismo", a rather unique blend of Marxism and Cuban Jacobinistic nationalism, totally transformed the political culture of Cuba and its elite.

A socialist regime would radically redefine the whole concept of economic capability (E), both internal and in terms of trading relationships, and would have a much clearer and more well-defined idea of the concepts of "exploitation" and colonial patterns of trade and industry. The paper will explore the elite's perception of this as well, in terms of the nationalization and industrialization programs, and the changing patterns of trade.

¹⁰Bolivia, Guatemala and Mexico at various times in this century are other examples.

Footnotes 11 to 15 have been deleted in revision.

Finally, in regards to competing elites, the study will note the ever-growing acceptance of the Cuban Communist party, the PSP, as a serious group of fellow-revolutionaries, as opposed to the pre-1959 conception of communism as the fruit of an external conspiracy.

Chapter Four will, therefore, attempt to answer the question of how the Cuban leadership redefined the entire political and economic environment in Cuba, first to itself and then objectively, in terms of these four variable categories.

The concluding chapter sums up the study and attempts to draw various conclusions regarding the decisions taken and their consequences on Cuba and its relations with the United States. It will attempt to sum up the new definitions given by the Cuban elite to that country's new political and economic situation, both within the country and in relation to its giant northern neighbour.

Finally - the source material utilized varies from academic studies to personal reminiscences, and in this sense varies in standards of quality; the criterion for selection of data was based on the relevancy of the material to the study at hand, as long as it was used in proper context, and all these sources had important points to make or marshalled evidence of all sorts related to the

questions of the Cuban Revolution studied in this work. Hence, we found it quite legitimate to include and quote them at various points in this paper.

Chapter II

THE OPERATIONAL ENVIRONMENT : 1898-1959-
THE RECORD

A. A Brief Overview of Demographic Factors.

Prior to the Cuban Revolution of 1959, Cuba suffered from a large portion of the various mal/aises that afflict most of the developing nations of the Third World. Poverty was rampant both in absolute terms and relative to the United States, which to most Cubans served as a reference area and a point of inspiration in terms of material wealth. Furthermore, due to the very static nature of class divisions, this poverty was not evenly spread throughout all sectors of the population, but rather concentrated in rural areas and among the working class, especially those engaged in agriculture. This enabled Havana to escape many of the worst blights affecting Cuba, blights due in large part to its economic relationships, both within the island and abroad. Some brief socioeconomic statistics should clarify these points.

Cuba's population was 5,200,000 in 1950 and had increased to 6,820,000 by 1960. Of this number, about 56% was urban, 44% rural. The urban portion alone increased by 1,450,000 people in that 10 year span, showing much rural migration to the cities as well. The gross national production remained relatively stagnant, though - \$2.8 billion in 1957, \$2.6 billion in 1958, and up to the previous level again in 1959. Of this GNP, exports accounted for \$845,000,000 (30.2% in 1957), and the primary export, sugar and its side products, produced 77% of total export earnings¹⁶ - but sugar sales overseas fell from \$650 million in 1957 to \$550 million in 1958, and dropped even further in 1959, to \$530 million.

¹⁶Tobacco, the second most important export, accounted for 6% of earnings abroad. (\$52,000,000).

An important domestic industry, private building construction, dropped from \$77 million's worth of unit construction in 1957 to \$33 million in 1957.¹⁷

The per capita income ranged between \$312 and \$395 in this period - that is, approximately six dollars per week. In contrast, America's poorest state Mississippi, had a per capita income of \$829 at this time. The percentage of the population ranked as being in the middle and upper classes circa 1950 was 22% overall (in the cities, 36%). For most other Cubans, the picture was bleak.

In the cities, only half of all urban dwelling units had inside running water, only 40% had inside toilets, and over 60% had no refrigeration of any kind. Rents were so high they absorbed between $\frac{1}{3}$ and $\frac{1}{2}$ of workers' incomes, and many people lived in "solares" (tenements), with 12 people to a room, and one toilet per 100 or more people. All told, 3,500,000 people lived in slums of various kinds. Electricity rates were high, and only half of all Cubans had electric lights.

In the countryside, 75% of the rural population lived in "bohios", huts made of palms. While Havana had one doctor per 430 people, rural Oriente province had a ratio of one per 2,550, and communications were extremely poor. Only 4% of the peasantry ate meat as a regular part of their diet; less than 1% ate fish; less than 2%, eggs; less than 11% milk. The staples consisted of rice and beans.

¹⁷The number of persons engaged in manufacturing and construction industries in 1960 was estimated at 18% of the population.

One half had no toilets of any kind, 97% had no refrigeration, 85% no inside running water, 91% no electricity.

Over 50% of all peasant families had an annual income of less than 500 pesos. In 1956 the average annual income per person among the peasantry was \$91.25, less than one-third the average national per capita income.

All across Cuba, over 600,000 people were unemployed, and this swelled to even greater proportions during the "tiempo muerto" (dead time), when no sugar was being cut. 37¹/₂% of the population was illiterate.¹⁸ Disease and infant mortality were both high; 100,000 people suffered from tuberculosis alone, while 95% of children in rural areas had parasites of one kind or another.¹⁹ "Parasites grow and multiply within the bodies of little children. What has been done about it over the years? Nothing."²⁰

It should be emphasized that Cuba, indeed, was not nearly as badly off in this regard as most Latin American or Third World nations; however, it should once again be noted that Cubans tended to compare their lot with that of Americans. Also, as the following table notes, though quite well off by European standards in absolute indices, these material

¹⁸By 1961 this had been reduced to 22%

¹⁹Most of these statistics, based on the 1953 Census, can be found in Zeitlin, Maurice and Robert Scheer, Cuba: Tragedy in Our Hemisphere, Grove Press, New York, 1963, p. 16

²⁰Brennan, Ray, Castro, Cuba and Justice, Doubleday & Co., New York, 1959, p. 273

goods and services were quite unevenly distributed amongst the population of this very stratified society:

Cuba in Socioeconomic Perspective²¹
at About the Time of the Revolution

<u>Variable</u>	<u>Rank in Latin America</u>	<u>Similar European Nation</u>
GNP per capita	4th (1957)	Roumania
commercial energy consumption per capita	6th (1955)	Yugoslavia
percentage of population literate	5th (1950s)	Yugoslavia
daily newspaper circulation per 1,000 population	4th (1960)	Italy
radios per 1,000 population	2nd (1960)	Italy
TV sets per 1,000 population	1st (1961)	France
students in higher education per 1,000 population	7th (1960)	Norway
inhabitants per physician	3rd (1960)	Sweden

Many of these figures, being post-1959, begin to illustrate the tremendous changes inaugurated by the Castro government.

B. The Cuban Economy Before 1959:

"Underdevelopment must not be defined as a single deficiency of the national economy. It is a complex relationship between a backward country and the great powers that have maintained it in this backward condition... Simply, underdevelopment is a violent tension between two nations - the amount of tension is measured in the backwardness of the one in relation to the other."²²

²¹Fagen, Richard R., "Revolution - For Internal Consumption Only," Trans-Action, April 1969, p. 11

²²Sartre, Jean-Paul, Sartre on Cuba, Ballantine Books, New York, 1961, p. 81

1. Industry - a General Survey

From a very early date the Cuban economy developed along capitalist lines, and pre-industrial forms of economic organization - traditional, feudal or mercantile, - played no great role in Cuba's industrial organization. At the beginning of this century, some light industries were created or expanded-shoes, beer, alcohol, liquor, etc.- many of which failed to survive the Great Depression. Those that did survive became concentrated in a few hands; many fell under foreign (that is, American) control.

During this century various manifestations which boded ill for Cuba's economic future, appeared, including cartelization of markets. Monopoly controls blocked the fulfillment of the island's true economic potential by wasting land, labour, capital and other resources.

In 1903 and 1934 treaties were signed with the United States which provided (in exchange for favourable tariffs for Cuban sugar) for the reduction to a minimum of tariffs on industrial products from the U.S., thus making impossible the creation of independent Cuban industry. The Second World War produced an increase in the mining exploitation of the strategic mineral resources of Cuba, especially nickel, which ceased to be exploited with the end of the war. Though some industries in Cuba had been created during the war, due to America's switch-over to military production, these disappeared once normal production in the U.S. resumed. Only certain industries - textiles, construction, agriculture and food - had the opportunity to develop.

Production in Cuba was anarchic, irrational and unbalanced. Even in sugar and tobacco, the most important enterprises, production did not develop up to its final stages in Cuba, since the exports were fundamentally crude sugar and leaf tobacco. Not including sugar production, only 10% of the total national production was industrial. In industry there were 150 employers' associations of one type or another, many with wide powers over their members. Compulsory "producers' associations" dominated sugar and tobacco production, and the great public utilities (all American owned) had clear monopolies in their fields.²³

There was disproportion between agriculture and industry, the former lacking the machinery, fertilizers and packaging which the latter could have produced; also, various industrial sideproducts of such commodities as sugar, hides and fibres were not developed.

There was also a disproportion among the different branches of industry. Mineral resources were exploited only as far as the extraction process, while industry was limited to those final manufacturing processes

²³For example, the electric power industry did not work at the maximum of its installed capacity due to the limited industrial development and the low standard of life of the agrarian population, which could not afford its expensive services. The Cuban Electric Company never even attempted rural electrification and was criticized by the International Bank for Reconstruction and Development in its Report on Cuba: "By standards of other countries... rates are high and... some big industrial consumers who could buy the company's power are finding it cheaper to generate their own. There are widespread public complaints, too, about the cost of electric power. It is generally felt in Cuba that the Company is not only overcapitalized but also that it has failed to pursue a farsighted program of renewal and development". Quoted in Zeitlin and Scheer, Op. Cit., p. 28

which required the import of semi-manufactured materials (often with minerals of Cuban origin). The disproportion between the metallurgic and the mechanical industry was also notable, the former not producing shaped and sheet metal and the latter not producing the machinery and spare parts which the metallurgic and other industries needed.

"In short, the economic institutions we are accustomed to associate with the high income, capitalist nations overlaid the island's market system. It should be stressed that monopoly practices in Cuba's product and labour markets spring up in the soil of a market economy. Restrictions in the rural economy were not of the type ordinarily associated with a system of traditional agriculture, and controls in the labour market were not those customary in mercantile or neomercantile systems. Cuba's economic institutions were capitalist institutions, historically specific to Cuba. These institutions had, by and large, a monopolistic character as well. For this reason, they placed limits on the pace of Cuba's economic development by inhibiting the improvement of ... yields, wasting land, barring the wide introduction of a mixed, scientific agriculture, placing ceilings on labour productivity, and, in general, on the ability of the economy to mobilize and utilize domestic and foreign capital efficiently."²⁴

By the 1950's, national industry in Cuba was limited to a few types of goods - local slaughterhouses, bakeries, and factories producing milk and dairy products, soft drinks, candy, shoes, clothing furniture, etc. Most Cuban-owned industries were little shops and cottage industries.²⁵

²⁴O'Connor, James, "On Cuban Political Economy," in Petras, James and Maurice Zeitlin, eds. Latin America: Reform or Revolution? A Reader Fawcett Publications, New York, 1968, p. 489

²⁵The so-called "tourist industry" came to occupy third place in the economic life of Cuba, resulting in the establishment of international gambling, drugs, and prostitution rings in the country.

Internal demand was limited; in fact, over one-third of the population did not buy anything more than staple food and clothes. And even in those cases, North American imports swamped local produce - imports exceeded domestic manufactures in value and variety for almost every type of product.²⁶

As for the sugar mills, mines and large manufacturing enterprises, whether or not American-owned, they were foreign enclaves that dominated the internal market and preempted Cuba's best lands and materials. Most were very automated, and, while preventing the creation of a national market, also failed to provide steady employment for many people. They were meshed with the American economy, depended on foreign equipment, materials, and sometimes even markets, and in most cases transferred their profits abroad. A 1951 United Nations report on Venezuela referred to the concept of an "enclave economy" with a "modern export sector", and this also applied to Cuba. It noted that these enclaves' contribution to economic growth "more properly belong to the economies of the countries in which the companies are domiciled" than to the countries in which they operate.²⁷

²⁶"The composition of Cuba's imports ... reflected the basic split in the Cuban economy between foreign and national. Less than 20% of Cuba's imports consisted of items serving the needs of the mass of the people... Little foreign exchange went for economic development. Eighty per cent of Cuba's imports went to the upper classes and the large corporations, whose products either went abroad or also to the upper classes. Tens of millions of dollars went for luxuries." For example, in 1957, when imports totalled \$770 million, \$30 million was spent on cars and \$60 million on gasoline. Boorstein, Edward, The Economic Transformation of Cuba, MR Press, New York, 1968, p.6

²⁷Cited in Halperin, Maurice, "Growth and Crisis in the Latin American Economy," in Petras & Zeitlin, op.cit., p.59.

For example, the nickel plant at Nicaro provided 1,850 jobs and the copper mine at Matahambre, 1,250; other mines had less. For these few thousand jobs Cuba traded in her mineral resources. Another plant employing 30 men turned out half the detergents in Cuba, with a sales value of several million dollars. The plants operated with foreign equipment and raw materials usually imported in a prefabricated state - the tin can plant used imported tinsplate, soap plants imported fats and alkalis, and so on.

"The most striking examples of foreign enclaves in the Cuban economy were the Standard Oil, Texaco and Shell oil refineries. With their large control rooms, their maze of pipes, towers, tanks all operated automatically... (they were) little communities, marvels of technology. They produced \$50 million a year (so-called Cuban output). But in what sense was the output of these refineries Cuban? They employed fewer than 3,000 people, and most of those in important positions were foreigners."²⁸

While these plants blew up Cuban production statistics, they provided jobs for less than 3% of the Cuban labour force. "Their economic effect was not much different from that of the packaging which a sales representative performs locally on goods brought in from abroad. These plants were little more than disguised American export operations."²⁹

Boorstein notes that these characteristics were not accidents but interrelated. "At the other end of the chain stood the giant foreign corporations... It was the monopolies that geared the Cuban economy to sugar, dominated its resources, suffocated its industry with the goods

²⁸Boorstein, op. cit., p.6

²⁹Ibid, p.5

they pumped in, and drained out its foreign exchange for luxuries... .
 What could possibly be the result of competition for resources and markets between the giant corporations of the United States and the small economic units of Cuba? What competition could they offer General Motors or Westinghouse? By selling goods in Cuba, the American giants were stunting the growth of Cuban industry."³⁰

In 1901, following the end of the Spanish-American War, United States' investments in Cuba totalled \$80 million, primarily invested in the sugar industry, although there was also heavy investment in tobacco, fruit, transportation, docks, electric power, telecommunications, banks, hotels, and steamship and airlines. Robert F. Smith noted³¹ that U.S. investments in Cuba increased by 53% between 1913 and 1928, and totalled \$1,525,900,000 by 1929.³² Before the advent of the Castro regime, Americans controlled 80% of the utilities, including telephone, electric light and power companies; 50% of the public railways, including a railroad in the eastern half of the island; 90% of the mines, including the all-important nickel resources; 90% of the cattle ranches; 100% of the oil refining industries, which imported, refined and distributed crude oil; approximately 40% of the sugar industry (land and mills); 25% of all bank deposits; and many other retail merchandising and manufacturing plants. Total foreign investment in Cuba was \$1¹/₂ billion, of which all but \$250 million was American. There was \$250 in foreign money invested in every Cuban person.

³⁰Ibid, p. 7

³¹In Zeitlin and Scheer, Op. Cit., p. 40

³²In 1920, 48.4% of sugar production came from U.S.-owned sugar mills; by 1929, the figure was 70-75%. Ibid, p. 40

Cuba ranked third on Latin American investments.³³ American firms took 40% of the profits in industries such as sugar, and their total earnings on direct investments amounted to \$77 million in 1957 alone.

Some of the most prominent American firms in Cuba were:³⁴

1. American Sugar Refining Company
 - owned 550,000 acres of land (148,000 in sugar)
 - profit of \$2,900,000 in 1958 (in Cuba alone)
2. Atlantica del Golfo (Loeb interests, New York)
 - 290,000 acres of sugar; six mills
 - also owned 7,700 acres of pasture
 - sales of \$49 million and profit of \$3,700,000 in Cuba, 1958
3. Rionda group (three interconnected sugar companies controlled by U.S. citizens).
4. Freeport Sulphur
 - \$75 million plant for nickel production

³³The figures for U.S. investment in Latin America in 1956 were: Venezuela, \$1.817 billion; Brazil, \$1.209 billion; Cuba, \$774 million, Chile, \$677 million; Mexico, \$675 million; Central America, \$610 million; Argentina, \$470 million; Peru, \$354 million; Columbia, \$298 million; others, \$133 million. Castro, Josué de, "Not one Latin America" in Horowitz, Irving Louis, Josué de Castro and John Gerassi, eds., Latin American Radicalism: A Documentary Report on Left and Nationalist Movements, Vintage Books, New York, 1969, p. 241

³⁴Lincoln, Freeman, "What Has Happened to Cuban Business," Fortune, September, 1959, passim and Martin, Kingsley, "Castro and the Communists," New Statesman, April 28, 1961, p. 654

5. American & Foreign Power

- owned the Cuban Electric Co., worth \$272 million, which supplied 90% of Cuba's electric power

6. International Telephone & Telegraph

- had \$60 million invested in Cuba, including the Cuban Telephone Co.

7. United Fruit Company

- owned two sugar mills, a railroad and 200,000 acres of land (90,000 in sugar)³⁵

Yet in spite of, or perhaps due to, all this tremendous American investment, Cuba's economy, except for temporary ups and downs in the sugar market, remained stagnant. In fact, the last eighteen months of Batista's rule (1958-1959) saw the deepening of this economic crisis, caused by the long-term and worldwide decline in commodity prices that affected all undeveloped countries, Cuba's drastically unbalanced economy, and also Batista's corruption, waste, inefficiency and mismanagement.

"Cuba in the 35 years from 1923 to 1958 showed little progress. The stagnation was more serious and lasted longer than in any other Latin American economy - excepting perhaps the economies of one or two very small and poor nations such as Bolivia and Haiti. This status quo was intolerable, especially for a country so close to the U.S. Population grew by 2.5% a year. Yet the GNP could not increase

³⁵ Many of these big companies bought the land in the aftermath of the Spanish-American War for almost nothing. In 1905, for example, the Nipe Bay Company, predecessor of the United Fruit Company, bought 122,000 acres of land in Oriente province for \$100! Yet all these companies, according to Samuel Shapiro, made an average net profit of 23% a year in the years 1935 to 1957, most of which returned to the U.S. as dividends. Shapiro, Samuel, "Cuba: A Dissenting Report," New Republic, September 12, 1960, p. 12

at that rate ... and remain dependent on sugar. People were short of food and work but land lay idle and factories were not built."³⁶

2. Industry - Agricultural Sector

As the sugar industry was by far Cuba's most important earner of foreign exchange and, in effect, the base for the whole economy, a more detailed examination of agriculture follows.

Unlike most Latin American economies, Cuba lacked an important subsistence sector, and nearly all segments of the population were integrated into the market economy - indeed, as early as 1899 over two-thirds of the rural labour force were engaged in the cultivation of cash crops, while less than one-quarter were subsistence farmers.

By 1950, vast changes had occurred, and the subsistence sector had been totally submerged by specialized agricultural production for export and home consumption. Foreign capital superceded the rural middle class, and large-scale production introduced.

A crisis of surplus production of sugar in 1920 (by which time Cuba was producing 20% of the world crop) ruined the 385 banks created since independence under the influence of sugar, and American banks

³⁶Seers, Dudley, "Economic and Social Problems of Twentieth Century Cuba" in Smith, Robert F., ed., Background to Revolution: The Development of Modern Cuba, Alfred A. Knopf, New York, 1966, pp. 212-213

took control - indeed, an intricate set of relationships began to bind together agriculture and high finance.³⁷ The island's production was organized on monopolistic lines, with output restrictions, set prices, and fixed distribution of earnings. Mill owners, growers, and even wage-workers all had powerful organizations protecting their interests.

Agriculture occupied 41% of the labour force, according to the 1953 Census, and was extremely backward, as the large plantations hoarded half the cultivable land and exploited it inefficiently. Of the tillable land, which was quite fertile, only 21% was cultivated, and agricultural and livestock production was insufficient, the deficit being covered by the annual importation of \$150 million worth of United States agricultural productions. Such were the general conditions in agriculture.

Cuba was a one-crop economy, and that crop was sugar cane. Before 1959, the sugar plantations employed over half the rural labour in Cuba and owned, as mentioned above, 50% (1,700,000 hectares)³⁸ of the total usable land area. They also rented another 760,000 hectares, and thus controlled 70 to 75% of the arable land. The six largest

³⁷It is interesting to note that by the end of World War II, almost all the sugar mills of lesser productivity had passed back into Cuban hands, while U.S. companies retained about 50% of the production, the entire sugar refining industry, and the market. As late as 1939, U.S. owners controlled 70% of all Cuban sugar mills.

³⁸one hectare = 2.47 acres

companies alone occupied 60% of sugarcane land, and close to half of the total sugar production was in the hands of the top 3% of producers. Many latifundia³⁹ larger than 2,500 acres grew crops on no more than 10% of their total area. Not only were the agricultural labourers and millworkers dependent on the latifundia but so were the "colonos"⁴⁰ who operated their own farms independently. A mere 8% of the farm units controlled $\frac{3}{4}$ of the farmland, and in fact $\frac{1}{2}$ of 1% controlled more than one-third! The colonos, who in fact operated 85% of the farms, owned only one-fifth of the farmed land. So, whether they rented latifundia land or owned their own, their production was largely controlled by sugar companies, which transported the cane to the mill, ground it into sugar, and lent them money to finance future crops.

Sugar dominated the economy, and the whole economic structure of Cuba rose and fell with its changing fortunes. Two-thirds of the national income came directly or indirectly from sugar, and the export of sugar represented 82% of the foreign exchange earned by the island. A total of \$650 million was invested in the industry (the U.S. share was \$300 million), involving 161 sugar mills (30 owned by the United States), two-thirds of the railroad trackage

³⁹Refers to sugar plantation. Sugar latifundia took up 22% of the total land area of Oriente province, 27% of Camaguey and 36% of Matanzas; the whole of the Isle of Pines, 3,000 square kilometers, was owned by four landlords!

⁴⁰The colono system refers to people who grew cane either on their land or on land leased from the sugar mills (also called "centrales"). They used wage labour. "Administration cane" refers to cane grown by the sugar mills themselves, with hired labour.

in the country, and many roads and even ports.

As Fernando Ortiz, the Cuban author, noted in 1947, "the principal characteristics typical of the Cuban sugar industry ... are the following: mechanization, latifundism, sharecropping, wage-fixing, super-capitalism, absentee landlordism, foreign ownership, corporate control and imperialism."⁴¹

This all-important source of income fell increasingly under American control. "The history of Cuba, from the days of the conquest ... has been essentially dominated by foreign controls over sugar, and the greater the value of our production, the greater the domination ... This foreign domination ... has always placed its own interests above those of the country."⁴² As Fitzgibbon noted in 1935, "Sugar has undoubtedly been the chief link in the bonds tending to make Cuba the economic as well as the political satellite of the United States."⁴³

In 1896, 10% of Cuba's production of sugar cane came from American-owned mills. By 1914, the proportion was up to 35%, by 1926, 63%; it leveled off to 40% by 1955. In the post-1902 independence period land was bought wholesale by U.S. firms and by 1912 American firms controlled 62%

⁴¹Ortiz, Fernando, "Tobacco and Sugar" in Smith, Op.Cit., p.171

⁴²Ibid., p.173

⁴³Fitzgibbon, Russell H., Cuba and the United States, 1900-1935, Russell & Russell Inc., New York, 1964, p.3.

of Cuban sugar and had built 4,000 miles of railways to transport it to ports. 80% of Cuban sugar was being exported to the United States.⁴⁴ By 1959, U.S.-owned companies owned 40% of the sugar lands, including seven of the 10 largest latifundias.⁴⁵

<u>Company</u>	<u>Holdings (in Caballerias)</u> ⁴⁶
Cuban Atlantic (American)	18,500
Julio Lobo (Cuban)	12,300
Cuban American (American)	10,800
Falla Gutierrez (Cuban)	10,800
American Sugar Refining (American)	10,200
United Fruit (American)	8,600
Vertientes Camaguey (American)	7,900
West Indies Sugar (American)	7,800
Gomez Mena (Cuban)	6,300
Manati Sugar (American)	5,800

The sugar industry was neither pioneering nor adventurous, but rather, in the words of Irving Pflaum of the American Universities Field Staff, it was "notable for its size, cartelization, inefficiency, apathy, and huge profits. It has made many personal and corporate fortunes but has added virtually nothing to man's knowledge of the cane itself ... In its essentials today's equipment is the same as that of a quarter of a century and more ago."⁴⁷

⁴⁴CF. Karanjia, R.K. and Ramesh Sanghvi, Castro: Storm Over Latin America, Perennial Press, Bombay, 1961, p. 35.

⁴⁵Shapiro, Op. Cit., p. 12

⁴⁶One Caballeria = 33¹/₂ acres

⁴⁷Quoted in Zeitlin and Scheer, Op. Cit., p. 27

Cuba's dependence on sugar became more and more a curse as sugar stagnated. From 1900 to about 1924, prices climbed, settling after 1924 at 2 to 3 cents a pound.⁴⁸ From 1929 on prices dropped, and by 1934 the dollar value of sugar exports was less than 25% of what it had been 10 years earlier. A recovery brought exports up again in the 1940's, but the 1950's saw an unrelieved lag downward, relieved only temporarily by sales of \$656 million in 1957.⁴⁹ Even the apparent rise between the 1920's and 1940's in the value of exports was partly due to price rises, and the purchasing power of Cuban exports in 1952-1956 was no more than it had been 30 years earlier, whereas in the period from 1902-1906 to 1922-1926 their purchasing power had more than doubled. The physical output of sugar climbed from about one million tons a year in 1905 to five million in 1925. In the decade preceding Castro, the level generally fluctuated between five and six million tons (except for a seven million ton crop in 1952). Hence, no new sugar mills were built after 1925 - in fact, the number of mills declined from 184 in that year to 161 in 1958.

Stagnation in sugar affected the whole economic picture, as no other major sectors emerged. Mineral output fluctuated in response to American needs, and the index of manufacturing output

⁴⁸ Cf below for the "Dance of the Millions" following World War I.

⁴⁹ In 1958 sales had fallen back to \$594 million, but this was due in part to the guerrilla war being waged by Castro, which caused damage to canefields by government troops.

rose by no more than 20% between 1947 and 1957, falling whenever sugar did.

"The quantity of sugar produced determined how many workers would have jobs and for how long they would work, the traffic on the railroads, the activity in the harbours, the sales in the stores, the attendance at the movies."⁵⁰

As the production of sugar was carefully controlled by the monopoly companies to be in line with their share of the American sugar market (in which Cuba had a preferential quota), large tracts of land owned by the largest companies remained fallow and unused.⁵¹ Large-scale unemployment failed to disappear after the Great Depression, even in "good" years; there was also considerable disguised unemployment. The census of 1953 showed the sugar industry employed 474,053 workers (23% of the total labour force), but in reality it provided year-round work for less than 25,000. Most sugar workers only participated in the harvest, a three to four month period, and were unemployed the rest of the year.⁵²

"Seven hundred thousand unemployed during the slack sugar-season, 300,000 at peak harvest-time. Lands and men, both underutilized, because of the Americans' urge for profit and the connivance

⁵⁰ Huberman, Leo and Paul M. Sweezy, Cuba: Anatomy of a Revolution, Monthly Review Press, New York, 1968, p. 7

⁵¹ René Dumont, in Lands Alive, Monthly Review Press, New York, 1965, p. 96 estimated the number to be nearly 1,000,000 hectares.

⁵² For a description of life during the "tiempo muerto" see Huberman & Sweezy, Op. Cit., p. 8

of Cuban landowners. Even if such a system were profitable for capital in the short - the very short-term, it would certainly not persist indefinitely as far as the national interest of Cuba was concerned. Neither could such a system be tolerated within the world problem of hunger ..."⁵³

Indeed, as the Cuban patriot José Martí said in 1883, "A people commits suicide the day on which it bases its existence on a single crop."⁵⁴

From 1927 to 1940, some efforts were made to diversify agriculture a little and to grow staple foods such as rice, potatoes, vegetables and fruit. But these efforts had little hope in an economy completely warped by speculation in sugar. The American companies were there for different purposes. They had positions of great value in the American sugar market, and to realize the most out of these positions, they needed control of a supply of sugar. The production of diversified products for the Cuban market was irrelevant to this need.

"Though enslaved by sugar, Cuba could not even claim technical supremacy in that field: as against 130 tons of cane per hectare in Peru, Cuban cane fields produced only 39. When the Hawaiian islands could produce 24 tons of sugar per hectare, Cuba with well equipped factories and a favourable climate, did not achieve five, a mere $\frac{2}{7}$ of the productivity of the Indonesian peasant in Java, in 1934, under Dutch control, who obtained 17 tons. Why? Even at 20 tons of cane per hectare, the factory still runs at a

⁵³Dumont, Op. Cit., p. 97

⁵⁴Quoted in Huberman & Sweezy, Op. Cit., p. 10

profit ... The factory still gains, but the country does not, since many of her men are unemployed, and the rest work 135 days a year, while so much food has to be imported."⁵⁵

Other agricultural and livestock activities were also badly run. The forests of Cuba, which before Columbus covered 60% of the island's territory, were in this period reduced to eight per cent. The fishery potential was almost entirely ignored. An extensive livestock raising industry developed considerably, which had the effect of forcing small farmers from the lands they cultivated to join the rural or urban workers. Pastures were improperly fertilized, and much grass was wasted. Dumont notes that "the Infante family was supposed to own 200,000 hectares in Oriente for 80,000 head of cattle; 2.5 hectares per head. This is the Texas method, and once again denotes American influence. But Cuba is not the west of Texas, with a mere one or two inhabitants per square kilometer; in Cuba there are often 60 per square kilometer. It is questionable whether a dense population can survive on ranching techniques which sometimes require only one man per 1,000 hectares; and on a single industry that takes on workers for only a few months in the year, although it slices a good quarter of the best arable lands from the national territory."⁵⁶

A brief outline of Cuba's farmland distribution sums up this section:⁵⁷

⁵⁵Dumont, Op. Cit., p. 96

⁵⁶Ibid, p. 97

⁵⁷Rodriguez, Dr. Carlos Rafael, The Cuban Revolution and the Peasantry and Four Years of Agrarian Reform, both published by the Ministry of Foreign Relations, Havana, undated.

Pre-1959 farm statistics:

159,958 farms in Cuba

- 48,792 managed by owners
- 9,342 managed by administrators
- 46,018 farmed by tenants
- 6,987 farmed by subtenants
- 33,064 farmed by sharecroppers
- 13,718 farmed by squatters
- 2,007 farmed by others

Of nine million hectares of farmland, less than 2,500,000 were occupied by small farmers (those owning less than 67 hectares).

	<u>Number of Farms</u>	<u>Total Area</u>
Up to 5 hectares	32,195	86,033
5 to 10 hectares	30,305	210,706
10 to 25 hectares	48,778	725,071

Of those occupying lands which they farmed themselves, not as hired hands, less than 20,000 were the legal owners of the land. The rest were either tenant farmers (who paid almost 30% of their gross income as rents) or "aparceros" (sharecroppers), who paid in kind (enabling the big companies to get cheap raw materials). Some 200,000 farm families owned no land whatsoever - these were not farmers but a rural proletariat.

<u>Types of Farms</u>	<u>Area (in hectares)</u>	<u>Percent of Total area</u>
farms managed by owners	2,958,700	32.4
farms managed by administrators	2,320,400	25.6
farms in hands of tenants	2,713,900	30.0
farms in hands of subtenants	215,200	2.4
farms in hands of sharecroppers	552,100	6.1
farms in hands of squatters	244,600	2.7

3. Trade Relations with the United States.

Cuban trade relations with the United States in the pre-Castro era reflected its great dependence on its northern neighbour, and trade with the U.S. was more important than the trade relationships with the rest of the world combined. This trade relationship remained consistently unfavourable towards Cuba during this entire period.

In 1900, imports from the United States totalled 45% of all goods arriving to the island. However, in 1903 Cuba signed the First Reciprocity Treaty with the United States. This treaty gave Cuba preferential taxes in the U.S. market on sugar and tobacco imports, and Cuba supplied 53% of the sugar consumed in the United States. However, Cuba in return gave American imports preferential taxes of 20 to 40%, an advantage which resulted in the long run in a complete dependence on the U.S. - 90% of all imports.

The 1930 Hawley - Smoot tariff increased duties on the importation to the U.S. of Cuban sugar by two cents a pound, resulting in a drop in sugar prices and exports.

1934 saw a wholesale rearrangement of Cuban-American trade pacts.

On May 9, the American Jones-Costigan Act went into effect, establishing a fixed system of quotas for the export of Cuban sugar. Washington unilaterally decided on the level of Cuban participation in the U.S. market. The duty on sugar was, at the same time, reduced.

Simultaneously, a new U.S.-Cuban commercial Trade Agreement was negotiated. Cuba granted various American products preferential reductions ranging from 20% to 60% and reduced many import duty rates. The resultant tariffs were to remain unchanged and consolidated, and Cuba was not legally able to alter any item in the tariff without prior American agreement; in case such agreement was made, compensation had to be paid. This held up Cuba's economic development, since every time Cuba wanted to protect an industry, it could do so only at the cost of sacrifices and prolonged talks. Yet while Cuba was obligated to negotiate any advantageous modifications in the tariff structure, the U.S. could vary at will the Cuban sugar quota - as indeed it did, in 1937, when the new Sugar Act fixed a quota of 28.6% on Cuban sugar, a quota in effect until 1960.

Cuba was hereafter flooded with American goods and found it most difficult to establish her own industries.

The benefits of Cuban participation in the U.S. sugar quota worked most of all to the advantage of the American companies, as most of the difference between the world price of sugar and the higher price paid by U.S. refineries went as profits to these corporations. The Cuban farm workers derived no benefit whatever from the quota system. Under the American quota system and the International Sugar Agreement, production of the Cuban crop was tightly controlled and allowable sales rigidly parcelled out, leading to the situation of almost half the cane land being left fallow, with all the detrimental consequences outlined above.

In the pre-Castro era, Cuban exports to the U.S. totalled between 55-70% of all exports, while American imports accounted for between 70-75%, and, as late as 1960, 60%. Most of the remaining exports went to Europe (15-20%) and importation of European goods accounted for 12-14%. Trade with the rest of Latin America or with the socialist bloc was negligible. Blanksten noted that, late in the Batista period, the island's imports achieved an annual average value of \$640 million, and exports were valued at \$766 million, about $\frac{2}{3}$ of each of these figures representing trade with the United States.⁵⁸

"Before the revolution, while Cuba normally exported more commodities than she imported, in no recent year has the export surplus been enough to cover deficits incurred under other headings in what is called the current account. Here is the picture of transactions on current account for 1952-58 (the Batista years), which gave rise to a deficit of nearly half a billion dollars."⁵⁹

Cuba's Current Account
(Millions of dollars)
aggregates for 1952-58

	<u>Receipts</u>	<u>Expenditures</u>	<u>Balance</u>
1. Merchandise	4,818.1	4,636.4	181.7
2. Tourism ⁶⁰	247.7	232.9	14.8
3. Transportation ⁶¹	49.7	480.7	-431.0
4. Insurance	5.5	11.8	- 6.3

⁵⁸Blanksten, George I., "Fidel Castro and Latin America", in Robert D. Tomasek, ed., Latin American Politics, Studies of the Contemporary Scene, Anchor Books, Garden City, N.Y., 1966, p. 372

⁵⁹Huberman & Sweezy, Op. Cit., p. 141

⁶⁰Note that Cubans spent almost as much abroad as did foreigners in Cuba.

⁶¹International shipping was in the hands of foreign companies which loaded sugar at the numerous private embarkation points and unloaded articles needed by the mills.

5. Dividends and interest ⁶²	51.7	369.1	-317.4
6. Government transactions	12.0	9.7	2.3
7. Other services	138.5	33.8	104.7
8. Gifts	17.1	36.5	- 19.4
	<hr/>	<hr/>	<hr/>
9. Total	5,340.3	5,810.9	-470.6

The \$470,600,000 deficit was covered in two ways - capital from abroad (mainly the U.S.) accounted for \$120.9 million, while gold and foreign exchange reserves were drawn for \$513.1 million, a total of \$634 million, \$163.4 million greater than the deficit of \$470.6 million. This surplus disappeared under "Errors and Omissions"! Indeed, as Castro noted in his United Nations speech of September 26, 1960, when commenting on Cuba's unfavourable balance of payments ratio, "This is without taking into account the hundreds of millions extracted from the Treasury of our country by the corrupt officials of the tyranny, which were later deposited in United States or European banks."⁶³

By December, 1959, Cuba's gold reserves had dropped to \$50 million, but rose thereafter, to \$166 million by May, 1960, due to stricter and more effective import controls, the production of import substitutes, and aggressive sugar salesmanship.

To sum up, "Cuba has been obliged, during the past decade, to hunt dollars in other parts of the world in order to wipe out the continuous deficits in its commercial exchange with its powerful neighbour, who is receiving from Cuba more dollars than those sent us annually."⁶⁴

⁶²This went mostly to foreign capitalists.

⁶³Quoted in Karanjia & Sanghvi, Op. Cit., p. 94

⁶⁴Roa, Raul, Cuba's Reply to the Note of the United States of America, Universidad de Oriente, Secretaria de Estado, Santiago de Cuba, 1960, p. 15

As Che Guevara noted at a UN Conference on Trade and Development, March 25, 1964, "Cuba had to vend its main product, sugar, all over the world in order to obtain foreign currency with which to achieve a balance of payments with the United States, and the special tariffs which were imposed prevented producers in European countries, as well as our own national producers, from competing with those of the U.S. During the period 1948 to 1957, Cuba had a persistent debit balance of trade with the United States, totaling 382.7 million pesos⁶⁵, whereas its trade balances with the rest of the world was consistently favourable, totaling 1,274.6 million pesos. The balance of payments for the period 1948-1958 tells the story even more eloquently: Cuba had a positive balance of 543.9 million pesos in its trade with countries other than the United States, but lost this to its rich neighbour, with which it had a negative balance of 952.1 million pesos, with the result that its foreign currency reserves were reduced by 408.2 million pesos."⁶⁶

C. United States Political Control over Cuba

1. General Outline

"For the 57 years of its independence, Cuba has lived more as an appendage of the United States than as a sovereign nation."⁶⁷

⁶⁵The peso was pegged to the dollar on a one-to-one basis.

⁶⁶Quoted in Gerassi, John, ed., Venceremos! The Speeches and Writings of Ernesto Che Guevara, The MacMillan Co., New York, 1968, p. 325

⁶⁷Tad Szulc, New York Times correspondent, April 24, 1960' quoted in Zeitlin & Scheer, Op. Cit., p. 31

John Gerassi notes that "imperialism has always operated in three specific, recognizable and analyzable stages: (1) to control the sources of raw material for the benefit of the imperializing country; (2) to control the markets in the imperialized country, for the benefit of the imperializing country's producers; and (3) to control the imperialized country's internal development and economic structure so as to guarantee continuing expansion of stages(1) and (2)".⁶⁸ This in indeed a good summary statement on the nature of much American activity in Cuba, activity which, though primarily economic in nature, required an ultimate, if not immediate, recourse to political domination and even military violence.

In the entire 1898-1959 period, American military, political and economic power was employed to set limits upon, and control, the economic, social and political development of Cuba, and U.S. power was consistently used to support conservative and even reactionary Cuban governments that thwarted or repressed efforts to effect fundamental social and economic changes.

The United States has always been interested in the Cuba, due to location, resources, size, insularity, economy, etc., and as early as 1823 John Quincy Adams, then U.S. Secretary of State, said:

"Such indeed are, between the interests of that island and of this country, the geographical, commercial, moral and political relations, formed by nature, gathering in the process of time..."

⁶⁸Gerassi, John, "Violence, Revolution, and Structural Change in Latin America" in Horowitz et al, eds., Op. Cit., p. 472

that in looking forward to the probable course of events for the short period of half a century, it is scarcely possible to resist the conviction that the annexation of Cuba to our federal republic will be indispensable to the continuance and integrity of the Union itself."⁶⁹

Post-1898 America did not want a traditional empire, but preferred an economic one. In Cuba, the U.S. decided to exercise only such controls as were necessary to mold the society along the line America wanted. So U.S. control consolidated the one-crop sugar economy, reinforced traditional land and crop control, and tied the trade and service sectors of the Cuban economy to the American market, so that few Cubans could participate in decision-making. American economic prominence thwarted the rise of an indigenous capitalist class⁷⁰ and instead of expansion, American policy limited opportunities.

"Towards Cuba the United States practiced not naked imperialism but a more subtle imperialism, which left to the Cuban people a very considerable amount of self-government, and which sought its profits in the economic prosperity and political stability of Cuba. In precisely those respects the lot of Cuba has been incalculably preferable to that of Persia, Korea or Congo."⁷¹

However, as William L. Schurz pointed out in "Cuba's Economic Isolation", the United States "has no more 'good will' for Cuba than it has for Lithuania or Liberia; the United States is Cuba's friend only so long as she contributes to the end of American national policy

⁶⁹Quoted in Smith, Op. Cit., p. 4

⁷⁰For example, Cuba was not allowed to incur a national debt, which is crucial for economic development in certain phases.

⁷¹Moon, Parker T., Imperialism and World Politics, The MacMillan Co., New York, 1926, p. 422

and does not compete with American business. To ascribe any other motive to the American attitude would be hypocrisy; for the Cubans to assume any other would be only self-delusion."⁷²

The United States government promoted a monetary policy that permitted profits to be taken out of Cuba painlessly. It prevented Cuba from trading with or maintaining relations with the socialist bloc.^{72a} The U.S. government defeated attempts to limit the rights of foreign business, to increase tariffs or taxes, to lower electric or phone rates, to regulate the discharge of workers. If such laws passed, the Americans saw to it that they were not enforced. And of course there was always the ultimate weapon - U.S. troops landed in Cuba in 1906, 1912 and 1917. "Dollar diplomacy meant that American marines were ready to see that Latin Americans accepted gracefully the attention of American business, and that local governments provided adequate protection and security for American interests."⁷³

Earl E.T. Smith, a former ambassador to Cuba, summed up the matter quite succinctly when he admitted that "the United States, until the advent of Castro, was so overwhelmingly influential in Cuba that ... the American ambassador was the second most important man in Cuba, sometimes even more important than the President."⁷⁴

The result of this powerful control was the development of a very virulent nationalism, which will be studied in greater detail

⁷²Quoted in Fitzgibbon, Op. Cit., p. 257.

^{72a}Batista did, however, make limited sales of sugar to the Soviet Union. See below, p. 139.

⁷³Rodell, Katherine Carr, South American Primer, Reynal & Hitchcock, New York, 1941, p. 175.

⁷⁴August 30, 1960; Quoted in Huberman & Sweezy, Op. Cit., p. 205.

further on. As Herminio Portell Vilá wrote in 1938,

"The Cuban revolution of 1868-1898 accomplished its goals of destroying the bases of the political, economic and social structure of the country, in order to reconstruct them to the national advantage ... (The revolutionaries) were preparing the future for a new Cuba when North American intervention re-established and consolidated the economic and social aspects of the destroyed regime with all their political implications. The liquidation of that North American action has weighed like a very heavy load on the republican life of Cuba...

"The frustration of the Cuban revolution ... was the work of the United States, dictated by those with an appetite for annexation. No nation has been so victimized without (developing) a deep resentment in its resistance to the aggressor, a resentment which permeates the organization of its society and its very life."⁷⁵

William Appleman Williams notes that, "due to the length and the nature of American predominance, (Cuban) antagonism had by the end of World War II became far more pervasive than the anti-Americanism in any other Latin American country during the twentieth century with the sole (but revealing) exception of the feeling that existed in Mexico between 1910 and 1941".⁷⁶ Nationalism, anti-imperialism and the urge to social reform finally converged in Cuba in 1958-59, in much the same way as they had done in other dependent or colonial areas since the end of World War II.

2. Cuba's Struggle for Independence

Between 1868 and 1898, Cuba fought a series of wars to obtain her freedom, as the differing social groups of the country formed by

⁷⁵Vilá, Herminio Portell, "The Nationalism of the Cuban Intellectuals," in Smith, Op. Cit., pp. 72-73

⁷⁶Williams, William Appleman, The United States, Cuba and Castro: An Essay on the Dynamics of Revolution and the Dissolution of Empire, Monthly Review Press, New York, 1962, p. 16

aristocratic landowners, powerful sugar manufacturers, and a mass of slaves or free farmers, were restricted by the Spanish colonial regime, which did not favour industrial development, and controlled trade. Three political movements arose in the 19th century - the Reformists, who favoured a certain degree of autonomy, but with continued dependence on Spain; the Annexationists, who wanted Cuba to join the United States; and the Independents, led by José Martí, who proposed total independence, political and economic, accompanied by social reforms.⁷⁷

On October 10, 1868, a declaration of independence by landowners in Oriente touched off the Ten Years War, in which 80,000 Spanish soldiers and 400,000 Cubans died. Spain spent \$500 million on the war, and at one point tried to contract loans with the revenue coming from Cuba as a guarantee.⁷⁸

A large part of Cuba was laid waste, providing an opportunity for American merchants to buy up land. In the last two decades of the 19th century, American ownership increased significantly. Total U.S. investment in Cuba in 1896 stood at \$50 million - \$30 million worth of sugar properties, \$15 million in mining, and \$5,000,000 in tobacco.

⁷⁷ C.A.M. Hennessy, in "Roots of Cuban Nationalism" in Smith, *Op. Cit.*, p.23, calls Martí a nationalist and a populist, who knew little of the notion of class conflict. Martí argued that Cuban democracy must be based on a small-holding peasantry in a diversified economy. Instead, a relentless process of centralization extended the great sugar estates of the colonial period, thus inhibiting the growth of a rural middle class and creating a landless proletariat.

⁷⁸ The Americans disapproved of this. See Alvarez, Alejandro, "An Inter-American Doctrine" in Dozer, Donald M., ed., The Monroe Doctrine: Its Modern Significance, Alfred A. Knopf, New York, 1965, p. 101

On February 24, 1895, Cuba's War of Independence against Spain began. This was transformed into the Spanish-American War with United States' entry into the war on April 25, 1898. The Americans tended to ignore or downgrade the Cuban contribution to the war, and in fact Cuba was not even represented at the signing of the Treaty of Paris on December 10, 1898. The U.S. imposed a military protectorate on Cuba, under General Leonard Wood, until 1902.

Although the prevailing historiographical interpretation in the United States regarding the war of 1898 was that it was fought to liberate Cuba, most Cuban historians have a decidedly different view:

"Cuba does not owe its independence to the United States of America, but only to the efforts of its own people ... to gain liberty, democracy, justice, culture, and civilization...

"The North American state was always the enemy of Cuban independence. It obstructed or annulled the efforts of the Cuban patriots in their attempts to send to the island expeditions with materials of war and medicines. It stubbornly resisted recognizing a state of war. On the other hand, at various times it offered material support to Spain in order to keep the island under its domination, even volunteering to help recover it if the island were lost by Spain. This was in evident contrast to the sympathies for the cause of Cuban liberty demonstrated by the North American people...

"In 1898 national opinion in the United States ... favoured the right of the Cubans to liberty and independence ... The North American government betrayed the people's will when the recognition

which had been accorded by the Senate was suppressed in the Joint Resolution voted by Congress on April 18, 1898 and signed by the President on the 20th."⁷⁹

On March 3, 1901, the Cuban constitutional convention, then in session to draw up a form of government for the island, was handed a set of articles, known as the Platt Amendment, which had been passed by the U.S. Congress and which had to be incorporated into Cuba's new constitution. The Platt Amendment spelled out a series of restrictions on Cuban sovereignty, of which Articles Three and Seven were most important:

Article III: The Government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the Treaty of Paris on the United States, now to be assumed and undertaken by the Government of Cuba.

Article VII: To enable the United States to maintain the independence of Cuba, and to protect the people thereof, as well as for its own defense, the Cuban government will sell or lease to the United States the land necessary for coaling or naval stations, at certain specified points, to be agreed upon with the President of the United States.⁸⁰

⁷⁹de Leuchsenring, Emilio Roig, "A Cuban Historian's View of the Struggle for Independence" in Smith, Op. Cit., p. 54

⁸⁰For the full text of the Platt Amendment, see Blanksten, Op. Cit., in Tomasek, Op. Cit., pp. 370-371n

Rodell also says that the amendment forbade Cuba to make treaties or contract debts without U.S. permission.⁸¹

The Platt Amendment was voted into the Cuban constitution on June 12, 1901, by a 17-11 vote, and was written into a Cuban-American treaty two years later. On May 20, 1902, U.S. troops left Cuba.

"Of politicians who bend the knee not much can be expected in the way of honest, efficient, or democratic government. Following Tomas Estrada Palma, elected the first President ... came a succession of Presidents whose terms were characterized by venality, nepotism, incompetence, graft and despotism. Some were elected to office by ballots, others seized or held power by bullets. Two of the better of a thoroughly bad lot were Dr. Ramon Grau San Martin and Dr. Carlos Prio Socarras; two of the worst, General Gerardo Machado and Sargeant Fulgencio Batista. Machado, who held power from 1924 to 1933, and Batista, who seized control of the army in September 1933 and of the government the following year, were bloody dictators whose regimes were nightmares of repression, assassination, gangsterism, bribery, and corruption."⁸²

As for economic conditions, the Cuban economy fell deeper into control by the United States. One typical example out of many is provided in this paper: the so-called "Dance of the Millions".

European sugar beet areas had not yet been restored to normal production following World War I and thus the Cuban area, with increasing production, was subject to heavy demands which caused violent upward fluctuations in prices and highly speculative conditions.

⁸¹Rodell, Op. Cit., p.170

⁸²Huberman & Sweezy, Op. Cit., p. 17

The New York price for raw sugar on March 2, 1920 was ten cents; by May 12, it was nineteen cents, and on May 19, it reached a peak of 22.5 cents a pound.

With Cuban raw sugar selling at such unheard of prices consumption declined and other parts of the world were exploited. The price fell rapidly, from nineteen cents on June 4 to nine cents on September, until by December 13, 1920, the New York price of Cuban sugar stood at 3.75 cents a pound.

Those who had contracted to buy cane at high prices were now unable to meet their commitments, and banks which had extended credit found they were unable to call their loans. The result was the quasi-intervention by the United States in 1921-23, and Cuban - owned sugar properties fell into American hands, through purchase and foreclosure.

3. The New Deal and After in Cuba.

The coming of the New Deal in America has been taken by most historians to mark the end of "dollar diplomacy" and the "big stick" policy, and to mark the inauguration of the more far-sighted Good Neighbour Policy toward Latin America. More recent interpretations stress the fact that only the style, not the content, had changed.

"On March 4, 1933, the United States officially changed its policy. Beginning with his inauguration address, Franklin D. Roosevelt told the world that American imperialism was at an end ..."

"But, in fact, only the form of America's interventionism changed. Roosevelt was the most intelligent imperialist the United States has had in modern times ... As long as American interventionism for economic gain had to be depended by American Marines, rebellions and revolutions would be inevitable... But ... if the oppressors are the local militia, police, or military forces, if these forces' loyalty to American commercial interests can be guaranteed by their economic ties to (them), it will be difficult ... for local patriots to finger the enemy. That Roosevelt understood."⁸³

In August, 1933, a revolt in Cuba overthrew Machado, and this new technique was tested in Cuba.

On September 10, 1933, Grau San Martin, popular leader of the Cuban Revolutionary Party (PRC), or "Autenticos", became President of Cuba. A nationalist and progressive, he enacted laws such as the Cubanization Law of 1933 (which compelled firms to employ at least 50% Cuban personnel), and he soon fell afoul of Washington. The U.S. refused to recognize him, and Roosevelt sent two personal representatives, Sumner Welles and later Jefferson Cafferey,⁸⁴ to Havana; through extensive plotting and manoeuvring, they succeeded in bringing the social and

⁸³Gerassi, Op. Cit., in Horowitz et al, Op. Cit., p. 47

⁸⁴Cafferey, a Louisianan, liked Fulgencio Batista. He told Carleton Beals in 1934 that "If the white man fails in Cuba, we will fail everywhere in the world"! Beals, Carleton, Latin America: World in Revolution, Abelard-Schuman, New York, 1968, p. 134

economic aspects of the revolution to a halt, and Grau San Martin resigned on July 17, 1934, saying "I fell because Washington willed it."⁸⁵

"The nature of the New Deal and good neighbourliness became clear. Four men in Roosevelt's Cabinet, including the Secretary of the Treasury, had big Cuban sugar and utility holdings or were direct agents of companies with such holdings."⁸⁶

Batista emerged as ruler, supported by the army, American business, and a tamed labour movement. Until 1940 he ruled through a total of seven puppet presidents. In that year, utilizing the old political machines which had supported Machado, he was elected president.⁸⁷ A neo-leftist constitution, revolutionary in form, was proclaimed on October 10, 1940.⁸⁸

In 1944, Grau San Martin won the presidency, to be followed in 1948 by another member of the PRC, Prio Socarras. The Authentic program established a well-designed policy of price stabilization in sugar, started a social security system and expanded education, established a tribunal of accounts and a national bank, and passed various reform laws in relation to the tax laws and the civil service.

⁸⁵Quoted in Gerassi, John, The Great Fear in Latin America, Collier Books, New York, 1965, p. 237

At its most radical, the 1933 revolution saw the formation of "Soviets" in Oriente, the same area where Castro began his fight 23 years later.

⁸⁶Beals, Op. Cit., p. 135

⁸⁷It should be noted that Batista had Communist support during this period.

⁸⁸In May, 1934, following the defeat of the revolution, the U.S. felt secure enough to abrogate the Platt Amendment. However, a secret clause expanded the acreage at the Guantanamo naval base and provided the U.S. with more privileges there .

However, the PRC failed to achieve agrarian reform, became immersed in graft and corruption,⁸⁹ and began witch-hunts against various leftists in the trade union movement.

Disgust with the ~~Auténticos~~ led to the breakaway of its left wing, which formed the Party of the Cuban People (commonly called Ortodoxos).⁹⁰ By 1951, under Eduardo Chibas, it became the standard-bearer for honest government and political liberty. Chibas, however, committed suicide in 1951.

In 1952, Batista formed the Progressive Unitary Action Party and announced he would run in the presidential election. However, on March 10, 80 days before the scheduled elections, he overthrew the government in a coup d'état. (A public opinion poll taken on March 1st showed that, of the three candidates, Batista was running last)⁹¹ Batista suspended the 1940 constitution, dissolved all political parties, and became dictator.⁹² Both the Ortodoxo and Autentico parties were rent asunder by internal fragmentation.

"The point is not that Batista was a 'good guy' who became a 'bad guy', or a liberal who became a conservative, or even a demagogue of the Huey Long variety ... Batista was a socially conscious conservative in the Catholic and Latin tradition who was also driven by

⁸⁹Grau San Martin was himself briefly prosecuted in 1950 for allegedly misappropriating \$174 million in public funds.

⁹⁰Fidel Castro was a supporter and was due to run for Congress under its banner in the 1952 election, never held because of the Batista coup.

⁹¹Huberman & Sweezy, Op. Cit., p. 25

⁹²It is interesting to note that Batista, who stole \$50 million when he fled Cuba in 1944 and between \$200-250 million in 1959, justified his coup on the grounds that his predecessors had misappropriated over \$200 million. Lieuwen, Edwin, "The Changing Role of the Armed Forces: An Analysis" in Tomasek, Op. Cit., p. 82

inordinate ambition. His ambition ultimately destroyed his commitment to the kind of socially responsible corporate state that initially served as his ideal and his model for Cuba."⁹³

D. Initial Attempts at Political Freedom

1. Conditions for Revolution.

C. Wright Mills on Latin America:

"U.S. monopolies skim the cream off and the masses do not share the benefits that elsewhere come with industrialization. Profits go to Swiss bank accounts. The World Bank aids only firms which it considers profitable (often foreign-owned). Latin American governments, to obtain aid, must conform with a 'classical' conception of sound financing that the U.S. Treasury Department no longer applies at home. While the U.S. farmer enjoys stable cartel prices, producers in Latin America are dependent on whimsical commodity exchanges. The U.S. brazenly interferes in the social and economic legislation of sovereign states, while the masses are held in the thralldom of usury. Private investments are highly political and entire industries ... are monopolistic. Managers are indicated as friends of dictators and latifundistas; executives live like masters in a colonial country; and workers with American citizenship receive a multiple of local wages. Their cousins come as tourists to take pictures of poor natives and spend money in casinos."⁹⁴

Not only as we have empirically shown in this chapter were conditions ripe for a revolution in Cuba - indeed, one was long overdue - but, indeed, it was an absolute necessity. Reformism alone could not apply to Cuba.

⁹³Williams, Op. Cit., pp. 58-59

⁹⁴Quoted in Prachter, Henry M., Collision Course: The Cuban Missile Crisis, Praeger, New York, 1963, p. 124

"What reforms? Would a wage increase for the sugar workers who were unemployed six to nine months a year have solved any basic problems? With such heavy unemployment could a meaningful system of social insurance have been set up? Tax reform? What would it have meant? Economic development? Cuba's need for this could not be met by treating the type of development bank sponsored by the United States - a bank which can lend money only for nonindustrial projects, for projects outside the domain belonging to private enterprise."⁹⁵

There was very little indeed that a Cuban ~~government~~ could have done without touching some American interest. Regulating public utility rates, touching the land, broadening foreign trade, imposing foreign exchange controls, increasing tariffs, raising taxes, subsidizing new industry - Cuba could not do any of these lest it endanger the kind of monetary stability required by the foreign corporations. They could not even enforce laws against racial discrimination, for it would have interfered with the tourist industry. Hence, it was impossible to work slowly, or piecemeal, for as soon as the tiniest move was taken, the country almost immediately came upon the wall of foreign (and some domestic) opposition. And yet all these things needed doing.

O'Connor feels the Cuban revolution, unlike the Mexican, occurred in a capitalist country, and destroyed the old order of foreign-controlled monopoly - a prerequisite for Cuba's further development. The lack of any real counterrevolutionary movement demonstrates how "ready" for revolution Cuba was. "(T)he social revolution in Cuba was inevitable

⁹⁵Boorstein, Op. Cit., p. 14

in the sense that it was necessary for ... further ... development ... (and) rescued the island from permanent economic stagnation. For this reason, Cuban socialism can be explained ... in the context of the social structure of the old society - not as the sour fruit of some 'abnormality' or 'conspiracy'."⁹⁶

The aim of the revolutionary leadership was to get the stagnant Cuban economy moving again; to do this, they began experimenting with socialist forms of economic organization. "From all of this evidence, one can clearly make a case that socialist economic planning in Cuba was less an ideological product than an expression of hard economic necessity."⁹⁷ The "ideologists" failed to have the political initiative, and of course the Communist Party did not make the revolution.

"Once a leadership came to power in Cuba that was really committed to a national solution of her problems ... and would brook no interference ..., the revolution's course was profoundly influenced by the prerevolutionary social structure. Therefore, Fidel led a socialist revolution almost without knowing it and the Communists were virtually dragged into socialism by the fidelistas because history made this possible."⁹⁸

⁹⁶ O'Connor, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 486

Indeed, when Lee Lockwood told Castro in 1965 that he did not realize the revolution would be a Communist one, Castro replied, "You know something? Neither did I." Quoted in Lockwood, Lee, Castro's Cuba, Cuba's Fidel, Vintage Books, New York, 1969, p. 294

⁹⁷ O'Connor, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 492

⁹⁸ Zeitlin, Maurice, "Cuba-Revolution without a Blueprint," Trans-Action, April, 1969, p. 61

More on the relationship between the Communists and the fidelistas in Chapter Four.

Not only was Cuba "objectively" ready for revolution, but also subjectively, in the sense of having specific groups ready to commit themselves.

"The class that made the revolution is the rural population, the Cuban campesinos. This class was driven to revolt by the increasingly insufferable state of poverty, exploitation and backwardness to which it was condemned by the old order. Its success in making the revolution and the direction it gave the revolution were largely determined by its economic, social and ideological structure ... The Cuban campesinos fought not for the ownership of the soil which they tilled, but for essentially working class objectives: steady employment, more human working conditions and more adequate wages."⁹⁹

Baran notes that there were three sets of favourable circumstances in Cuba, for revolution. The first were the campesinos and their demands; the second was the fact that there was a strong sense of national solidarity in all walks of life, since Cuba was essentially a colonial country. "And it was inevitable that the hatred of Yankee domination was not confined to the lower classes but made deep inroads into the ranks of the middle and upper bourgeoisie, which ... had to bear the brunt of U.S. economic competition and had to suffer the chronic humiliation of being second-class citizens in their own country."¹⁰⁰ The third factor and catalytic agent was Batista, "for the criminality ... of that regime,

⁹⁹ Baran, Paul A., "Reflections on the Cuban Revolution", Monthly Review, January, 1961, pp. 465-66

¹⁰⁰ Ibid, p. 468

exceptional even by Latin American standards, greatly strengthened the oppositional tendencies even among the most conservative elements..."¹⁰¹

Thus, this combination of nationalism, anti-Americanism and the acute revulsion against the Batista regime, gave rise to a general political atmosphere of tolerance and even sympathy towards all attempts to rid Cuba of this yoke.

"This consensus on the urgency of a political change led to the neutralization of large segments of the Cuban middle class during the early phases of the struggle. And this neutralization played a decisive role in the success of the revolution."¹⁰²

4. The Fight Against Batista, 1953-1959.

The story of the 26th of July Movement's six year fight against the Batista dictatorship is well-known and is outside the purview of this work, except insofar as it affected future Cuban relations with the United States and psychological perceptions of the U.S. held by the future members of the Cuban elite.¹⁰³

On July 26, 1953, a group of 200 men led by Fidel Castro, 26 years old, and his brother Raul, 22, tried to storm the Moncada army barracks

¹⁰¹Ibid, p. 469

¹⁰²Ibid, p. 469

¹⁰³Related data on this topic, from the more personal viewpoints of the members of the Cuban elite, may be found in the section on the Cuban decision-makers in Chapter Four.

in Oriente province. The plan failed, and most of the participants were jailed or killed. Castro himself came to trial on October 13, and delivered his now famous "History Will Absolve Me" speech.¹⁰⁴ Although sentenced to 15 years in prison, he was pardoned in a general amnesty in May, 1955. Following a year in Mexico, in which he gathered a total of 82 men (including Ernesto Che Guevara), he sailed on the yacht "Granma" to Cuba, landing a December 2. Only 12 of the original group survived to make the trek into the Sierra Maestra.¹⁰⁵

The Rebel Army never numbered more than 3,000 men, as opposed to an Army, Navy and Air Force of 30,000 men in Batista's camp. Batista's army really collapsed more of its own internal rot than through military defeat.

While in the mountains, Castro announced his platform:

- restoration of the Constitution of 1940
- assumption of legislative, executive, and judicial powers by the revolutionary government.
- granting of property in land to all planters, subplanters, lessees and squatters.
- a profit-sharing plan in agriculture and industry
- confiscation of all property of top-ranking Batistianos.

By mid-July of 1958, despite a rather unsuccessful general strike called by Castro in April, the 26th of July Movement was strong enough

¹⁰⁴The text of the speech can be found in Huberman & Sweezy, Op. Cit., pp. 35-47.

¹⁰⁵Castro was supremely confident, nonetheless. "We will go to the mountains. We have arrived in Cuba, and we will be triumphant." Quoted in Ibid, p. 53 . Indeed, he is reported, upon landing, to have said, "Are we already in the Sierra Maestra?" and when answered affirmatively, continued, "Then the Revolution has triumphed." Quoted in Lockwood, Op. Cit., p. 22

to form a united front with a host of other groups, including the Autenticas, Directorio Revolucionario, Labour Unity, Federation of University Students, Civic Resistance Movement, etc. A joint manifesto was issued in Caracas, Venezuela, July 20. (He had rejected a previous unity program set forth by some groups, in Miami, in July, 1957).

The PSP (Communist Party) was not invited to sign, perhaps because of its earlier disdain for Castro as a "putschist" and a "petit bourgeois romantic." The PSP had felt that Batista would be overthrown not by force of arms but by mass actions such as strikes and demonstrations. It mended its fences with the Rebel Army in 1958, though, and began to support Castro.

Attention was now finally turning to American support of Batista, and one paragraph of the manifesto asked the United States "to cease all military and other types of aid to the dictator," and called for "defense of our national sovereignty and the nonmilitary, republican tradition of Cuba."¹⁰⁶

On August 26, 1958, José Miro Cardona, coordinator of the united front, pointed out to President Eisenhower that the agreement whereby U.S. Military Missions were sent to Cuba stipulated "that the said Missions would be withdrawn at any time, and the agreement cancelled,

¹⁰⁶Huberman & Sweezy, *Op. Cit.*, p. 65. The U.S. finally declared an arms embargo to Batista in March 1958, but even after that date continued to supply him with rockets at periodic intervals. The U.S. Military Mission continued to train Batista's soldiers until his defeat.

whenever one of the two countries became involved in domestic or foreign hostilities." He then told Eisenhower "that our country has been involved in a bloody civil war for almost two years. Nevertheless, the (U.S. maintains) those Missions in Cuba, which produces deep resentment, since their maintenance ... is proof of the moral and material backing offered by the government of the United States of America to the dictatorial regime in Cuba. The North American Missions ... are under the direct orders of the Chief of Staff of the Cuban army ... and it is obvious that they train and support the armed forces of the dictatorship to kill Cubans and to fight against those who struggle to liberate the Fatherland."¹⁰⁷

Eisenhower never answered, but the State Department replied two months later. While proclaiming adherence to the principle of non-intervention, it argued that the agreement merely stipulated that the Missions may, not must, be withdrawn, and that the U.S. planned not to do so. It continued:

"The mission agreements were negotiated in conformity with discussions which had taken place between the two governments on hemispheric military co-operation. The United States government believes that its missions in Cuba are serving the purpose for which they were established. Governments and administrations change from time to time in both Cuba and the United States but hemispheric defense needs present a constant problem the solution of which calls for a co-operative program carried out on a steady, long-range basis."¹⁰⁸

¹⁰⁷ Ibid, p. 66

¹⁰⁸ Ibid, p. 67

Arthur Gardner, U.S. Ambassador in Havana from 1953 to 1957, was a great admirer of the dictator. "I'm glad Ambassador Gardner approves of my government, but I wish he wouldn't talk about it so much," Batista once remarked.¹⁰⁹ Gardner believed the U.S. "never had a better friend" than Batista,¹¹⁰ and a much - publicized photograph showed the American Ambassador with both arms around the neck of General Francisco Tabernilla, chief of staff of Batista's army.

In 1957 Earl E. T. Smith became the new ambassador. He received his appointment through the influence of John Hay Whitney, Republican Party National Campaign Treasurer and a large stockholder in Freeport Sulphur, which owned the Moa Bay Mining Company in Cuba. One of Smith's first official acts was to get Moa Bay a substantial tax reduction.

Smith in 1957 tried to persuade Homer Bigart of the New York Times not to go to the Sierra Maestra because Castro was "just a Communist with a small band of thieves and robbers."¹¹¹ Smith also believed Batista would hold honest elections in 1958.¹¹²

United States military officials bestowed medals and honours on Batista and others in his government, and even vice-president

¹⁰⁹Shapiro, Op. Cit., p. 8

¹¹⁰Shapiro, Samuel, "Herbert Mathews" Cuban Story, New Republic, November 6, 1961, p.17

¹¹¹Shapiro, Samuel, "Cuba: A Dissenting Report," New Reupblic, September 12, 1960, p. 10

¹¹²This refers to Batista's attempt to stage rigged elections on November 3, 1958; these elections were never held.

Richard Nixon praised him. In November of 1957 U.S. Air Force Major-General Truman H. Landon awarded the Legion of Merit to Colonel Carlos Tabernilla of the Cuban Air Force, who had only shortly before directed a bombing raid on the city of Cienfuegos. That same month, U.S. Marine Corps General Lemuel C. Shepherd publicly toasted Batista as a "great general and a great president."¹¹³

In December 1958, in Havana, Louisiana Senator Allen J. Ellender urged that arms shipments be resumed to Batista. "It would be a tragedy if civil war were [sic] to take place here. The poor people would be the ones to suffer. And Cuba is too prosperous and too wonderful a little island for such a thing to happen."¹¹⁴

As for private American corporations, they had long ago bought Batista's "co-operation" for \$12 million worth of stocks; Batista also received another \$34 million worth of stocks in foreign and joint U.S. - Cuban corporations.¹¹⁵

In late 1958, as Batista's fall seemed imminent, the U.S. involved itself in schemes to keep Castro out of power by backing a third alternative.

¹¹³Shapiro, Op. Cit., p. 10

¹¹⁴Ibid, p. 10

¹¹⁵Gerassi, Op. Cit., p. 246

William D. Pawley, former U.S. ambassador to Brazil and Peru, in sworn testimony before the U.S. Senate's Internal Security Committee on February 12, 1960, testified that he proposed a plan in the first week of December, 1958, to the State Department and the Central Intelligence Agency, to block Castro's assumption of power. U.S. Secretary of State John Foster Dulles, in early November, seemed to have given verbal approval of this scheme.

Pawley's idea was to persuade Batista "to capitulate to a caretaker government unfriendly to him but satisfactory to us, which we could immediately recognize and give military assistance to, in order that Fidel Castro not come to power."¹¹⁶ Undersecretary of State C. Douglas Dillon apparently cleared the proposal through to Dulles, who approved. Pawley said he flew to Havana to see Batista and "spent three hours with him on the night of December 9."¹¹⁷ Batista refused the offer.

In the final weeks of the guerrilla campaign, General Eulogio Cantillo, a top Batista aide, attempted to impose a new military junta to replace Batista. Raul Chibas (a rebel who later defected to the United States) claimed that "Mr. (Earl E.T.) Smith had played a leading role in the naming of General Cantillo as chief of the armed forces after Batista's flight ... Mr. Smith was working for two-months on a plan to find some conservative, traditional figures to

¹¹⁶Williams, Op. Cit., p. 33

¹¹⁷Ibid, p. 33

take power."¹¹⁸

It appears that Washington became reconciled to Castro only 48 hours before his victory, when, in the words of Arthur Krock in the New York Times, "It was agreed in Washington that the period had passed when United States aid could be depended on to save Batista."¹¹⁹ Added Dana Adams Schmidt, "Washington viewed the collapse of the Batista dictatorship with mixed emotions."¹²⁰

The Batista regime now crumpled. On December 29, 1958, Guevara occupied Santa Clara after a fierce battle, and on the eve of the new year, Batista fled Cuba.¹²¹ Carleton Beals, in very vivid language, described Batista's departure:

"A few hours later, Batista and his wife were flying east over Guantanamo - that U.S. naval base seized long ago by force and fraud and flimsy papers, symbol of an earlier imperialistic era, still stubbornly held as a bulwork of perpetuated imperialism - on over the Windward Passage, over Haiti, where death stalked under the dictatorship of 'democratic' Francois Duvalier, kept in power only by U.S. bayonets and dollars - to seek asylum in that other great 'democracy' of the Free World, that of hangman Generalissimo Almirantisimo Rafael." Leonidas Trujillo,

¹¹⁸Zeitlin & Scheer, Op. Cit., p. 63

¹¹⁹Quoted in Ibid, p. 63

¹²⁰Quoted in Ibid, p. 63

¹²¹Beals is very harsh on the U.S. here: "It was a defeat for Batista. It was a defeat for the U.S. military mission, which advised the dictatorship until the last hour. A colossal bit of bungling, unmatched until they staged the Bay of Pigs invasion of April 1961." Beals, Op. Cit. p. 16

'Benefactor of the Fatherland'. Malicious rumour said that Batista had to shell out a million dollars for the privilege. Quite a bit, if true, but only a postage stamp for the fallen Cuban dictator, who had ridden from rags to riches on the backs of his people."¹²²

On January 3, 1959, Camilo Cienfuegos and Che Guevara occupied Havana, and the next day Judge Manuel Urrutia became provisional president. "Urrutia entered a city [Havana] in the throes of a general strike - that had been called hastily by Fidel from Santiago - to try to prevent a last minute seizure of power by the Smith-Cantillo military junta, still hoping to save the Batista system."¹²³

The United States recognized the Castro regime on January 7, and Earl Smith, now a political liability, resigned as American ambassador on January 10, to be replaced six days later by Philip Bonsal, a career diplomat, who had also served in Bolivia.

The Revolution was finally in power.

¹²²Beals, Op. Cit., p. 17. Castro said that there was \$500 million in the National Treasury when Batista usurped power, but only \$70 million when he was overthrown. C.F. Karanjia & Sanghvi, Op. Cit., p. 95

¹²³Beals, Op. Cit., p. 21

CHAPTER III

THE OPERATIONAL ENVIRONMENT: 1959-1960-

THE RECORD

"The aim of economic development is far more than an increase in per capita income: it is also, and more important, this 'conquest of decision centers', which were previously in foreign hands, and a new ability to strike out on one's own, economically, politically, and intellectually. For this reason, the quest for development is also a quest for self-discovery and self-affirmation, and thus comes to be indissolubly tied to a new nationalism which is so noticeable a feature of the intellectual scene in Latin America."¹²⁴

This chapter will deal with the momentous body of events comprising the initial two years of the Cuban revolution. The Agrarian Reform will be dealt with separately, in part due to its extreme importance to Cuban agriculture, but also because, being the "touchstone" of the philosophy and ideology of the 26th July Movement, its "unity of theory and practice", it embodies the main ideological and economic - developmental ideas of the early stages of the Revolution. The remaining revolutionary laws and events were to a much greater sense inextricably tied to the conflict with the United States; thus, they fall into the category of the external relationship with the U.S. American opposition to the revolution, and Cuba's changing trade relationships and partners in this period, are also seen as being in large consequence a result of this now-hostile relationship.

A. The Revolutionary Process, 1959-1960

1. The Agrarian Reform

Put briefly, the main objectives of the Agrarian Reform were to diversify agriculture and make Cuba less dependent on a one-crop

¹²⁴ Economist Albert O. Hirschman, quoted in Gerassi, Op.Cit., p.398.

economy, to rationally utilize Cuba's land resources, and to establish a sound, employed rural population, a market for goods, so that Cuba could industrialize. "Without an agrarian revolution, not merely reform, that would make possible the assimilation of 20th century technology in agricultural production, any performance of the Latin American economy, maximum or otherwise, is inherently incapable of meeting the growth problems of the region."¹²⁵

A. General Survey

While still fighting Batista, Castro had emphasized that agrarian reforms were high on his list of priorities should he gain power, and he pointed to the Cuban Constitution of 1940, as the legal basis for attacking latifundias, since it theoretically "permitted the fixing by law of the maximum amount of land to be held by a person or entity" and stated that means could be taken to "restrictively limit the acquisition and possession of land by foreign persons and companies and ... to revert the land to Cubans."¹²⁶

¹²⁵ Halperin, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 64. On this point Gino Germani noted that "it may be a coincidence but it is certainly very significant that no military regime ever seriously modified the concentration of landed property and that the only countries that managed to achieve a true land reform dissolved their army and either substituted for it a workers' militia (Cuba and Bolivia) or a new army (Mexico)," Quoted in Delgado, Oscar, "Revolution, Reform, Conservatism", in Petras & Zeitlin, Op. Cit., p. 384, However, in June, 1969, the Peruvian military regime announced its intention of instituting sweeping agrarian reforms.

¹²⁶ O'Connor, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 496

White still fighting Batista, the 26th of July Movement did indeed experiment with various reform schemes. For example, on October 10, 1958, "Law No.3 - Concerning the Peasants' Rights to Land" was signed by Castro and Humberto Sori Marin, who would become Minister of Agriculture later. The law said ownership of the land would be transferred to those tilling it. The land to be granted would not exceed five caballerias. Properties so received could be transferable only by inheritance or the authorization of the State. Farms were to remain indivisible. The State would offer credit facilities, seeds, etc., and would create departments to purchase the crops in order to guarantee a fair price to the farmer and consumer.

The defeat of Batista led to the seizure in early 1959 of 350,000 hectares of land owned by supporters of the fallen dictator, but this was an expression of reformism, not radical ideology, and a comprehensive plan still had to be worked out. This was done, by May, 1959.

The Agrarian Reform Law was promulgated by the Council of Ministers of the Republic on May 17, 1959, and went into effect on June 3.¹²⁷

The law, which tried to eliminate latifundia, had a number of other purposes as well - to assure that all land not directly cultivated by owners would be used for the state economy, that small and middle

¹²⁷ An extensive text of the law may be found in the Appendix.

farmers working land that they did not own would receive title to it, and to create - with the freeing of farmers from exhorbitant rents and state development of the latifundia - an elevation in the rural standard of living leading to the type of internal market needed for industrial development.

The law forbade the ownership of more than 30 caballerias (about 1,000 acres) by any one person or corporation,¹²⁸ but allowed exceptions of up to 3,300 acres in land devoted to sugar cane, rice or cattle raising, if approved by the National Institute of Agrarian Reform (INRA), and provided that yields per hectare were at least 50% greater than the national average. Farms under 30 caballerias were left intact provided they were operated by their owners. If there were any tenants or squatters, they were to receive title to their land and the owner to keep what was left. Future sharecropping agreements were prohibited, as was joint ownership (either directly or through corporations) of cane land and sugar mills. State land also was to be distributed in those areas where it was not being organized into co-operatives by INRA.

Farmers owning between five and 30 caballerias were not affected by this law, but the Second Agrarian Reform of 1962-1963 more or less eliminated this class. Those farmers owning less than

¹²⁸The Legal Department of the National Institute of Agrarian Reform disclosed that 2,873 proprietors owned 3,602 farms comprising more than 30 caballerias each.

five caballerias remained untouched by both reforms, although closely tied in, through their National Association of Small Farmers, to the State-run agricultural economy.

The Agrarian Reform of 1959 also provided for a "vital minimum" of two caballerias (66 acres) of unirrigated fertile land for a family of five, and any agricultural worker with less than this amount of land could apply for an allocation from the lands available.

Hence, land in 1959 was being distributed to three types of owners:

- all expropriated land plus already-owned state land was being handed over, undivided and with no limit to size, to co-operatives and state farms.
- cultivators who had been tenants were being given title to their plots.
- farmers who owned less than two caballerias were receiving additional land.

This entire operation was overseen by INRA. In the future, these redistributed agricultural lands could only be transferred through inheritance or sold to the State, to prevent the growth of new latifundia.

Compensation for expropriated lands was to be in the form of 20-year government bonds bearing $4\frac{1}{2}\%$ interest, the valuation of the

land upon which compensation was based to be determined by the tax valuations made of their property by the owners themselves under the previous regime.¹²⁹

Were the expropriations legal? The revolutionary government said yes, as expropriation is a solidly established legal principle everywhere, and, furthermore, under Spanish law, fee-simple land holdings do not exist, as in Lockian liberal societies, but all property is held on a contingent basis at the pleasure of the sovereign. Finally, Article 90 of the 1940 Cuban constitution at least formally condemned latifundias. In any case, Castro said the new law would be enforced as written.

The major portion of the expropriated land went to various collectivized farms, and under Article 43 of the Agrarian Reform Law, INRA was directed to establish co-operatives whenever possible. The new co-operative system was established to take maximum advantage of modern technology. To have parceled out the former latifundia into small farms would have resulted in a drop in efficiency and would have impeded development. The co-operative system "is the only form of modern production that permits capitalistic utilization of the means of production and an equitable use of the profits..."

¹²⁹ This of course backfired on the owners, since in the corrupt days under Batista, they would often declare only 10 to 20% of the true valuation in order to escape tax payments.

(It is) the most rational system to take advantage of human labour and turn back the fruits of that labour to the benefit of the man who works and the community."¹³⁰ So the co-operatives were to be a way of allowing the workers "a direct share in the product of their work within the framework of a certain measure of self-government, and beyond this of achieving an intensification, an increase and greater variation of agricultural production as a whole."¹³¹

O'Connor notes that, while Lenin had to allow peasants to seize estates in Russia in 1917, delaying collectivization for 15 years, "the Cuban Revolution spared Fidel Castro an analagous problem, since the seeds of a planned rural economy were planted simultaneously with the transformation of land ownership. The fact that the Cuban farm worker never had the political initiative made possible the immediate collectivization of the cattle, rice and sugar sectors of the rural economy. The fact that the better part of these sectors were already organized into large-scale producing units that had long utilized land, labour and capital inefficiently made collectivization practical, feasible and rational."¹³²

There was little land hunger, and only a "few impatient peasants attempted to invade some large landed estates" in 1959,

¹³⁰ Che Guevara, February 28, 1960. Quoted in Zeitlin & Scheer, Op. Cit. p. 157

¹³¹ Victor Mayer; quoted in Ibid, p. 157

¹³² O'Connor, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 491

for example, in May, near the town of Holguin.¹³³

It is well, and saves a good deal of time, to understand that a man working on a large plantation is a worker rather than a peasant. It was for this reason that the new regime expropriated the great estates with hired workers, and converted them into state farms... without going through the stage of small holdings ... On 11 August, 1960, Fidel Castro explained that this direct conversion had been decided as early as 1958 when a farm had been taken over by the maquisards and the cattle distributed among the poor peasants of the Sierra. One month later, the majority of the animals had been eaten by the underfed peasants: the lesson was not wasted."¹³⁴

Castro's early support on the agrarian question was extremely heterogeneous,¹³⁵ and some conflict was, of course, inevitable. For instance, in January, 1959, a struggle began between the sugar cane planters (colonos) and cane cutters, over the issue of wages. Finally, on April 15, the government ordered the planters to increase wage rates by 15%, although they were to be reimbursed by the mill owners to the extent of a third of the extra wage costs. Nonetheless, the planters asked the government to repeal the decree, to no effect, saying it would make their farms nonoperational.

Of course, landlords and the sugar mill operators were opposed to the reforms, as were the cattlemen, who called for "a

¹³³ Fidel Castro, March 26, 1961; quoted in O'Connor, James, "Agrarian Reforms in Cuba, 1959-1963" in Science and Society, Spring, 1968, p. 173 He also says that one of the reasons the reforms were so peaceful was because less than 5% of the island's landowners actually lost their properties.

¹³⁴ Dumont, Op. Cit., p. 98

¹³⁵ Even most of the relatively conservative sugar growers supported seizure of the large estates.

fight to the death," and the National Association of Cuban Rice Growers.¹³⁶ Tobacco and sugar farmers refused to plant new crops and neglected their current ones, there was a stepped-up slaughter rate in the cattle industry, and there developed a general shortage of private credit. INRA was unable to halt the slaughter of beef for a long time, as many ranchers escaped INRA's attention until late 1960 - even as late as spring, 1961, private slaughterhouses not yet absorbed by INRA's Consolidated Meat Enterprise accounted for ²/3 of meat production. Unwilling to compromise with the ranchers, INRA had to seize direct control over more pasture land than was intended.¹³⁷

In an effort to keep what hostility there was down to a minimum, INRA failed to enforce Article 6 of the law, which authorized government expropriation of property leased to a tenant, sharecropper or squatter cultivating less than five caballerias. As nearly 28,000 property owners leased land of this type, and were therefore potential targets of Article 6, this could have forged an alliance between large and middle landlords.¹³⁸ This stopped temporarily the

¹³⁶ O'Connor, Op. Cit., p. 174

¹³⁷ INRA seized 400 of Cuba's largest ranches in July 1959, owned by 40 U.S. and Cuban companies. Another 50 were seized by the end of that year. In 1960, INRA's cattle administration occupied 900 ranches, out of the 1,050 ranches comprising more than 500 head of cattle each, and covering well over 1,000,000 hectares. (In May, 1960, 605,000 head of cattle were under INRA control; in mid-1961, 1,154,000). Cf. O'Connor, Op. Cit., passim.

¹³⁸ A protest of 500 small and middle property owners, led by the National Association of Tobacco Farmers, did take place in Pinar del Rio in May, 1959.

expropriation of 2 million hectares (20% of Cuba's farmland).¹³⁹

On July 5, 1959, Castro said agricultural reform would be applied to sugar lands in 1960, and in February of that year 65,000 caballerias of U.S. sugar land was legally taken over. The General Administration of Cane Co-operatives was formed on March 3, providing an administrative basis for collectivization of sugar lands. February, 1960, saw the formation of the first real cane co-operatives on the San Ramon properties in Oriente, and 26 more were formed on 111,000 hectares of United Fruit Company land in July, 1960, after Eisenhower's cut of the Cuban sugar quota,¹⁴⁰ but the lands had been expropriated in April. "(I)t is obvious that the nationalization of United States sugar properties on July 6th cannot be attributed to United States action against Cuba, except with respect to the precise timing of the seizures ... the expropriations were either ideologically motivated or economically necessary, or both, and would have been carried out had Eisenhower's order never been signed."¹⁴¹

The August and October nationalizations accelerated the process of land distribution.¹⁴² Less than 30% of the redistribution

¹³⁹ About 6 million hectares were actually confiscated, expropriated or purchased by INRA between 1959 and 1963, out of a total of 8,500,000 theoretically subject to expropriation under Articles One and Six, at a total cost of \$8.9 million.

¹⁴⁰ More on this event below.

¹⁴¹ O'Connor, Op. Cit., p. 180

¹⁴² INRA did not remain faithful to its pledge to distribute the "vital minimum" plots of 2 caballerias each to those who needed them; although a total of 100,000 titles were to be distributed in the last four months of 1959 alone, only 30,000 had actually been issued by February of 1961.

completed by the end of 1960 was carried out under the original land reform law. Some land had been obtained by purchase, and some under a law for the recovery of property from officials who had illegally enriched themselves under Batista. Close to 50% of the redistribution resulted from the nationalization decrees.

In August, 1960, when Dumont visited Cuba, he noted that there had been "marked progress. There will naturally be some difficulties, but underproduction was such before the Revolution that Cuban agriculture cannot but advance, even if errors are still committed. One can now say that the Cuban Revolution is in the process of catching up on the economic plane with the very high level it had already attained on the political plane."¹⁴³

Economic diversification was attempted by the agrarian program as well, since, of the 2,039,870 hectares cultivated in 1957, 1,342,020 were planted in sugar, leaving only 697,850 hectares for general crops and forcing Cuba to import foodstuffs. In fact, the largest landowners devoted the majority of their land to pasture - about 1¹/₂ million hectares altogether. Altogether, Cuba's land was utilized as follows; in 1959: ¹⁴⁴

¹⁴³Quoted in Huberman & Sweezy, Op. Cit., p. 195

¹⁴⁴In Rodriguez, Four Years of Agrarian Reform, Op. Cit., p. 23

<u>Use</u>	<u>Hectares</u>	<u>% of Total</u>
Pasture land	3,897,000	42.9
Crops	1,970,000	21.7
Forests	1,266,000	13.9
Other	1,944,000	21.5
	<u>9,077,000</u>	<u>100.0</u>

Besides putting to crop more of this huge amount of pasture land, the Cubans put effort into planting new crops and increasing yields of others.

Some examples:¹⁴⁵

Potato Production (in pounds)

1958-59	138,100,000
1959-60	211,800,000
1960-61	192,800,000
1961-62	200,803,000
1962-63	220,000,000

Tomato Production (in pounds)

1959	82,027,6000
1960	192,563,000
1961	241,600,000
1962	211,000,000

Cotton Production (in pounds)¹⁴⁶

1960-61	30,409,800
1961-62	28,244,467
1962-63	31,600,000

145

Ibid, pp.34-36

146 Very little was grown in Cuba before the revolution.

Cattle (number of head)

1961	5,776,358
1962	6,138,176
1963	6,381,250

There were also increases in the number of hogs, chickens, eggs, etc.

Production of Main Crops (in thousands of metric tons)¹⁴⁷

<u>CROP</u>	<u>1958</u>	<u>1959</u>	<u>% CHANGE</u>
Sugar	5,778.6	5,964.2	+3
Tobacco	41.6	41.2	-1
Coffee	29.1	49.2	+68
Rice (unpolished)	222.7	295.5	+32
Cotton	0.0	1.4	-
Black and red beans	30.0	35.0	+16
Corn	147.0	190.0	+29
Peanuts	7.0	11.0	+42
Potatoes	101.0	113.0	+11
Pineapples	100.0	98.0	-2
Oranges	73.0	81.0	0
Cucumbers	18.0	18.0	0
Tomatoes	69.3	73.1	+5

The total volume of crops increased by almost one-third in the first year of the revolution.

By the end of 1960, INRA controlled 4 million hectares of sugar and grazing land and 2 million hectares of rice and tobacco. Of Cuba's 10 million hectares of farm land, 60% had changed hands in one way or another.

¹⁴⁷In Huberman & Sweezy, Op. Cit., p.138

- Almost 1,000,000 hectares comprising cane land owned by the large mill owners and a few large colonos was incorporated into the Cane co-operatives.¹⁴⁸
- Over 2,800,000 hectares of grazing land, and old rice, tobacco, tomato, potato and other lands, were transferred to the People's Farms (State farms), the "Granjas del Pueblo": (These were formally created by Resolution No.244, on January 12, 1961).
- 400,000 hectares were given to Cuba's smallest farmers.
- 475,000 hectares were purchased by medium-sized colonos.
- 1,425,000 hectares, most of it sugar and pasture land, remained in private hands; rents were abolished and tenants became de facto owners.

This is how the agricultural situation in Cuba looked in August, 1961, at the end of the First Agrarian Reform:¹⁴⁹

Private Farms (60% of land):

Up to 67 hectares	154,703	2,348,150
67-134 hectares	6,062	607,532
134-268 hectares	3,105	610,320
268-402 hectares	1,456	507,551
Over 402 hectares	592	377,456
		4,451,010

Public Sector (nationalized) (40% of land) 2,995,550

¹⁴⁸These were transformed into State farms in the fall of 1962.

¹⁴⁹Rodriguez, Op. Cit., p.9

The Ministry of Agriculture divided agriculture into three areas:

The National Association of Small Farmers (ANAP) was composed of those small farmers -200,000 of them- who owned five caballerias of land or less. This comprised, as noted, about 60% of the arable land.

The Co-operative Sugar-cane farms, with 122,500 members, averaged 1,300 to 1,500 hectares each and owned 12% of the land. There were over 600 of these.

The State Farms, of which there were over 300, were very large, several thousand hectares each, and concentrated on food crops and cattle. They composed 30% of the arable land.

(b) National Institute of Agrarian Reform.

Articles 48 to 53 of the Agrarian Reform Law created the National Institute of Agrarian Reform, a rather unique governmental agency charged with supervising the Agrarian Reform (and much else). It was set up as a type of corporation, an autonomous entity with its own juridical personality - under Article 66, it could punish offenders - and its rulings were final. It was governed by a President (Castro himself) and an Executive Director (Antonio Nunez Jimenez). It was the most important revolutionary agency, a second base (after the Rebel Army) from which the Revolution took control of the state apparatus,¹⁵⁰ it was responsible for most of

¹⁵⁰The Rebel Army set up a number of its own departments between February and June, 1959, including the Department for the Organization of Co-operatives, the Department of Peasant Cultural, Material and Technical Assistance, and the Department of Peasant Housing Construction.

the initial activities of the revolution, and a whole host of new agencies "spun off" from it.¹⁵¹

INRA got into all these activities because neither the new elite nor the Cuban people trusted the old agencies of the government, with their entrenched bureaucrats and narrow vision.

INRA was responsible for rural health, housing and education; establishment of centers for providing machinery and other supplies and services to farmers; gathering and analysis of statistics; research experimentation and development in all branches of agriculture; and provision of credit, especially to co-operatives. Also, since INRA was granted a blanket power "to order and put into practice whatever measures are necessary in order to attain the objectives of the law", which included "the growth and diversification of industry", the Institute branched out into an industrialization program as well.¹⁵²

Long-range INRA goals were:¹⁵³

- to maintain agricultural output
- to diversify crops so Cuba could stop importing of food
- to introduce advanced techniques in farming

¹⁵¹The Ministry of Industry, the Fishing Institute, the Mining Institute, and the Petroleum Institute are three of the most important. The People's Stores, created by INRA, formed a valuable part of the distribution network taken over by the Ministry of Internal Commerce when it was formed. Also, key officials in the banks, planning boards, and other agencies came from INRA.

¹⁵²Huberman & Sweezy, Op. Cit., p.113

¹⁵³Zeitlin & Scheer, Op. Cit., p.90

- to produce new crops for export (including sisal, maize and potatoes)
- to develop underdeveloped areas (such as Baracoa and the Zapata marshes)
- to set up marketing facilities to eliminate unnecessary middlemen and to improve marketing processes in general
- to set up people's stores for rural workers to get consumer goods at low prices
- to carry out "external economic projects"- roads, hydroelectric stations, sanitation, educating and housing
- to train agricultural experts, especially agronomists, co-operative managers, and experts in cultivation methods and animal husbandry
- to carry out scientific experiments for agricultural development

INRA divided Cuba into twenty-eight Agricultural Development Zones.

These zones - midway between municipalities and provinces - were the territorial units through which the Agrarian Reform was carried out. An IRA delegate was set up as Chief of each zone. The authority and responsibility of the Chiefs were broad, without any clearly marked limits; they were to do everything necessary to carry out the land reform and make it work. The INRA provincial and zone leadership had great control, because the INRA headquarters in Havana was understaffed and could not control local officials,¹⁵⁴ and because the Ministry of Agriculture was not trusted by the new leaders of Cuba.

¹⁵⁴ Thus the speed and character of the reform varied from province to province.

"By controlling Cuba's best lands INRA was in an extremely favourable position. The Institute could attempt to raise yields (land productivity), labour productivity, and efficiency in general by large-scale investments in human and physical capital, in order to maintain or even raise the volume of sugar production, while simultaneously releasing land for other crops What is more, with its control of the mills (won in the fall of 1960), and as monopoly supplier of working capital, technical aid, and other resources, INRA was in a position to wield considerable influence over the masses of colonos and other small farmers."¹⁵⁵

Until early 1960, the three most important departments in INRA were the Legal Department, which instituted expropriations proceedings, title revisions, and adjudications; the Department of Land, which distributed properties, organized the early co-operatives, and created the Zones of Agricultural Development; and the Department of Production and Foreign Commerce, which planned rural investments and diversification programs, and provided credit, technical help and other resources.

INRA was modified and also expanded. During 1959 and 1960 the Department of Production acquired the Agricultural Production Committee of the Tobacco Stabilization Fund, together with direction of the Fund itself; the Institutes of Coffee Stabilization and Purchase and Sales of Coffee; the Cuban Sugar Stabilization Institute; and in 1961 the General Rice Administration.

¹⁵⁵O'Connor, Op. Cit., pp.183-184

On November 21, 1959, INRA organized a Department of Industrialization, to manage the growing number of enterprises, related directly or indirectly to agriculture, which it was operating.¹⁵⁶ However, the newly created Ministry of Industries soon took over these plants. Other existing institutions touching on various aspects of agriculture were also absorbed by the Institute, the most notable example being the National Development Bank for Agriculture and Industry (BANFAIC), taken over in March, 1960.

By May of 1960, INRA was operating:-

- 1,329 co-operatives, including 7 coal, 1 lumber, 16 henequen 6 frog and 38 fishing co-operations¹⁵⁷
- 12 expropriated sugar mills and another 24 "intervened"¹⁵⁸ ones;
- 107 business enterprises valued at \$235 million, 81 of which it owned outright, while the rest had been "intervened" by the Ministry of Labour;
- 1,400 People's Stores in the countryside
- 16 radio stations
- 107 rural schools and 19 medical centers

¹⁵⁶The first director of the Department was Che Guevara. Later, when he moved on to become president of the National Bank, the position was occupied by Cesar Rodriguez, an engineer. The Department was very active, and in February 1960, proposed a list of 27 projects which would complement the agrarian reform, ease the pressure on the balance of payments, and provide employment. Huberman & Sweezy, Op. Cit., p.131, provide a breakdown chart:-

<u>Sector</u>	<u>Estimated Total Investment</u>	<u>Maximum Employment</u>
Related to Agriculture and cattle raising	\$16,006,000	2,874
Chemical	\$32,800,000	645
Metallurgical	\$76,230,000	2,787
Mining	\$4,060,000	2,220
Textile	\$22,750,000	2,244

¹⁵⁷Administrators of the co-operatives were not elected members but INRA appointees.

¹⁵⁸This term was used by the Cuban government to refer to enterprises which, due to labour or other problems, were taken over and run by the government without being officially expropriated or nationalized. Most "intervened" enterprises were eventually formally nationalized.

The Institute had constructed 10 tourist centers, 62 urban and 62 rural schools, 3 new hospitals, 16 highways, and 3 whole new towns. Its two sister organizations, the National Institute of Savings and Housing (INAV) and the National Institute for Tourist Industry (INIT) were respectively engaged in building 10,000 new housing units, financed from the national lottery and social security funds, with another 20,000 scheduled for 1961; and in opening and running formerly private resorts for the public and building a \$15 million, 1,200-unit, tourist center.¹⁵⁹

As O'Connor put it, "INRA expanded and prospered because the social revolution in Cuba was first and foremost in agriculture."¹⁶⁰

¹⁵⁹ Statistics are from INRA's first Annual Report, C.F. Zeitlin & Scheer, Op.Cit., pp.159-160

¹⁶⁰ O'Connor, Op. Cit., p.217. A more detailed look at one specific co-operative will serve to illustrate the gist of INRA's whole conception of land reform and will sum up this section. The farm in question is the 1,400 acre "Cuba Libre", a pilot co-operative established early in 1959. Prior to the revolution, this farm had produced sugar-cane on 800 of its acres, while 600 other acres lay idle. The peasants could not have garden plots or keep a cow, as this would have diminished the owner's profit from the company store. The peasants worked about four months a year (the other eight being the "dead period" when they were reduced to eating roots for much of the time) and the annual income per capita was \$400. There was no school, doctor, running water, electricity, sanitary facilities or books (only 20% were even functionally literate) INRA improvements consisted of:-

- concrete-block housing (with amenities);
- a people's store, operating on little or no profit (the company store worked on a 100% markup, and credit buying involved such high interest rates that there were documented cases of farmers paying interest on debts incurred by grand-fathers!) It was stocked with new semi-luxuries (for rural Cuba) such as toothpaste, light bulbs, shoes and canned goods;
- cows were brought in for milk;
- free medical and dental care, including preventive medicine;
- finally, there was crop diversification, thus eliminating the "dead period" between sugar crops. Added to the 600-acres in cane were 140-acres in potatoes, 70 in black beans, 30 in peanuts, 40 in fruit, 6 in cucumbers and 50 in forage crops for cattle;
- distribution of co-operative profits would take place each December once it repaid its \$65,000 loan to INRA. See Shapiro, Op.Cit., pp.13-15

2. Other Revolutionary Laws and Events

This section will concentrate on the main outlines of the Cuban elite's revolutionary laws and actions in the two-year period under discussions, to be followed, in Part B, by American reactions to these moves (and their own counter-initiatives), from the point of view of this paper deemed to be the most salient factor in Cuban-American relations, 1959-60.

(a) 1959

"The U.S. military missionaries, who had lost the battle along with the Batista forces, settled back in their comfortable apartments, waiting hopefully for the Castro betrayal of the people, waiting for their new day of power with Castro, waiting for the usual quick betrayal by Latin American revolutionary leaders."¹⁶¹ For once, they were mistaken. Fidel Castro set out to revolutionize Cuba, though he knew the hardships that it would entail; for "sovereignty would continue to be an empty abstraction so long as it was not the concrete consequence of economic independence."¹⁶²

¹⁶¹Beals, Op.Cit., p.27

¹⁶²Sartre, Op.Cit., p.156

Castro knew the choices and their consequences:

"..... would he dare touch the great U.S. (properties) and restore ownership to the Cuban people? If he did not, the revolution would be a farce. It would wither away, it would fall into the dust of a bitter memory.

"If he did dare, then the might of dollar diplomacy and economic aggression (and, as it turned out, military force also) would be reaching for his throat. There is never any easy road for a popular revolution. The road that lay ahead of Cuba would be rocky." 163

A fantastic flurry of activity marked the first two years of the revolution, and entire ministries and other agencies were created, modified, abandoned, and recreated.¹⁶⁴ The Fiscal Law of 1959 was completely altered four times, and the Ministry of Labour had three totally new Organic Laws passed for it. By mid-1962, there had been twenty amendments to the 1940 Constitution, over 1,000 new laws, more than 4,000 new presidential decrees, and tens of thousands of Ministry resolutions and orders.¹⁶⁵ "One theme underlines these vast, confusing, and often inexplicable shifts and turns, and the shuffle of personnel which often accompanied them. This is the theme of the search for a rational organization, a system of political economy which would release Cuba's economic and social potential A new political economy would not appear through magic, it could only be constructed through experience and adaptation to change In the context of the growing hostility

¹⁶³Beals, Op. Cit., p.24

¹⁶⁴For example, the Ministry of Social Welfare, created in 1959, was re-organized in 1960 and abolished in 1961. The Bank of Social Insurance, created 1959, was absorbed by the Ministry of Labour in 1961.

¹⁶⁵There were no less than 1,500 decrees, laws and resolutions during the first nine months of 1959 alone.

of the United States toward and revolution (and) the disaffection of the middle classes the margin of error was slight, and mistakes had to be speedily corrected."¹⁶⁶

A brief sketch of a few of these vast changes follows. The first series of laws merely tried to eliminate some of the excesses of exploitation, and could be termed 'reformist' in nature.

In January, 1959, electric power rates for rural areas were cut in half, and in February, mortgage rates were reduced.

A series of "interventions", where the government stepped in, for one reason or another, to run a company, took place in 1959. Otis Elevator Company, International Harvester and Abbott Laboratories were some of the first to be taken over in this manner. The Cuban Electric Company was also "intervened" at this time, and on August 17, in accordance with Law No.502, its rates were reduced drastically by 30.5%.¹⁶⁷

Also in March, the Cuban Telephone Company was taken over (Law No.122) and its rates lowered to its 1957 level.¹⁶⁸ According to Minister of Communications, Oltuski, though the company lost \$15.5 million in revenues due to this decrease, in the fiscal year March 1959 to March 1960, the number of phones in operation expanded from 150,000

¹⁶⁶ O'Connor, Op. Cit., p.192

¹⁶⁷ The precedent for this was the slashing of electric rates by 50% by Antonio Guiteras, Minister of the Interior under President Grau San Martin, in 1933.

¹⁶⁸ At that time they had been markedly raised at the intercession of United States Ambassador Arthur Gardner.

to 190,000, and the company was still able to earn a return of 6.7% on the real value of its investment. The company had in the past made use of devices to inflate both its capitalization and its costs - excessive executive salaries, overpayment for equipment, payment for services allegedly rendered by affiliated companies, etc.¹⁶⁹

On February 11, 1959, the Cuban government established control over imports, and increased its control over foreign exchange transactions, in order to conserve capital. Castro also said, nine days later, that "Cuba will sell sugar to anyone who has the money to buy it", adding that the United States had interfered in Cuban affairs for 50 years and the time had come for Cuba "to solve its own problems."¹⁷⁰ He also noted that "the government must resolve in favour of the great majority in the future, even if we have to take over the sugar mills."¹⁷¹ Nevertheless, although Castro asked various American and Cuban companies to advance part of their anticipated tax payments to help meet the economic crisis, the reforms remained mild. As yet, no restrictions had been placed on the freedom of American companies to transfer their payments to the United States, and Cuba continued to be a member of the World Bank for Reconstruction and Development, and in fact, supported the creation of an Inter-American Development Bank for loans, where the United States was to have 40% of the votes!

¹⁶⁹ Huberman & Sweezy, Op. Cit., p.128

¹⁷⁰ Quoted in Williams, Op. Cit., p.86

¹⁷¹ February 8, 1959. Quoted in Zeitlin & Scheer, Op.Cit., p.77

In the fields of housing and construction, advances were also made in early 1959. The Rent Law, which went into effect on March 6, reduced rents by 50% for those who paid less than 100 pesos a month, 30-40% for tenants in higher brackets. Also, for home owners, the Installment Purchase Law, in effect by April 3, reduced monthly installments by half, doubling the time to pay, with no increase in interest. The Vacant Lot Law, to discourage speculation in land, wiped out any appreciation in the market value of unimproved urban real estate in excess of 15%, and allowed for sales to be completed at the reduced price.¹⁷²

Both INAV and INIT were created, and the first public housing project of 2,000 units for low-income families was begun on March 13. Most hotels, casinos, restaurants, etc. were seized on November 20 (Law No.635) by the Ministries of Labour and Recuperation of Misappropriated Funds, were nationalized, and operated by INIT.

Many private insurance companies were seized during 1959 by the Ministry for the Recuperation of Misappropriated Funds, and severe control measures were instituted.¹⁷³

The government first encroached on American-owned property in late October, 1959, when two of Cuba's largest cattle ranches - the 56,000-acre Pinegree Ranch in Oriente and the 21,000-acre El Indio Ranch in Camaguey - were seized, as was the 5,000-acre henequen fibre plant belong to International Harvester.

¹⁷²Also at this time, medicines were reduced in price by 15-20%.

¹⁷³Insurance companies re-insuring with foreign companies were not permitted to transfer funds abroad.

Another 75,000 acres of land on which U.S. companies held mineral concessions were taken over in Oriente, including 10,000 acres belong to Bethlehem Steel and 30,000 owned by the Cuban Development Company, in accordance with Law No.617 of October 27, which granted a 120-day period in which to re-inscribe all mining concessions, with the Ministry of Agriculture authorized to cancel concessions not in the national interest and to start mines that were. A Mining Development Fund was created, which collected a 5% tax on the value of all minerals exported, and made most mining operations unprofitable to the U.S. firms involved.

The Government also seized the files of nearly 40 American, British and Canadian firms preliminary to the drafting of a new petroleum law. Owners of the claims were given 120 days in which to register their holdings, paying a fee of \$100 a claim. Claimants were to be compelled to pay \$10 per year for every $2\frac{1}{2}$ acres on which they operated, and \$20 for each $2\frac{1}{2}$ acres not in use. Companies were to begin their development work within sixty days of the passage of the law or lose their claims, and a 25% levy on gross receipts from concentrates shipped abroad by the companies was imposed. When the law (No.635) was passed on October 28, it also forbade the granting of any new mining concessions and, while allowing those who owned concessions to extend them for two years, limited concessions to 20,000 acres each.

On November 26, 1959, Che Guevara took over as head of Cuba's National Bank. He reportedly asked his subordinates, "Where has Cuba deposited its gold reserves and dollars?", and when told that they were

in the U.S., he immediately decided to sell, converting the gold reserves into currencies which were exported to Canadian or Swiss banks, so that Cuba would not be caught in case the United States seized her assets.¹⁷⁴

By the end of 1959, mass purchasing power had been created due to the rent reductions, price rollbacks and public investments, and thousands of new jobs had been created. According to Augusto Martinez Sanchez, the Minister of Labour, the total wage bill in 1959 was \$1,056,000,000, up from \$723,000,000 in 1958, while the number of totally unemployed workers fell from 371,000 to 237,000.¹⁷⁵

(b) 1960

The year 1960 saw the first attempts at some governmental regulation of the economy. On February 5, Che Guevara spoke disparagingly of foreign investment and Castro made similar comments. That same month, a Central Economic Planning Board (Junta de Planificacion, or JUCEPLAN) was set up at the ministerial level, to regulate and guide industrial enterprises. As Cuba's Prime Minister, Castro became President. The Board also included the Ministers of Finance, Commerce, and Public Works; the President of the National Bank; a delegate from INRA; and the Minister of the Economy, who was ex-officio Secretary of the JUCEPLAN and headed its technical planning arm, the Secretariat.¹⁷⁶ The Secretariat in turn was divided into three departments: Planning (including the Bureau of

¹⁷⁴Gerassi, John, Venceremos!, Op. Cit., p.14

¹⁷⁵Huberman & Sweezy, Op.Cit., p.136

¹⁷⁶In 1960 the Minister of the Economy, and hence Secretary, was Regino Boti.

the Budget, formerly part of the Ministry of Finance), Statistics, and Economic Organization. Its main task was to work at new budgets for all ministries and agencies; it could also seize companies not functioning well. Also in February, the Government imposed a 4% "voluntary" tax contribution by workers in order to build an industrialization fund of \$150,000,000 a year.

Zeitlin and Scheer feel that, even at this late date, the public sector in Cuba was still subordinate to the private and that Cuban leaders still had little intention of expropriating all American-owned property or creating a socialist economy.¹⁷⁷ The Wall Street Journal of February 24 seemed to agree, observing that "Cuba's Revolutionary Government hopes to blend state-owned concerns, private U.S. and Cuban investment under strict government control, and Russian equipment and know-how¹⁷⁸ in an industrialization program aimed at doubling national production within ten years."¹⁷⁹ The two major catalysts for the rapid escalation in Cuban-American animosity and in the consequent expropriations of American (and also Cuban) properties were the controversies over the oil

¹⁷⁷ They quote Che Guevara, on February 9, as saying, "Those who wish to work constructively for the country will be welcomed with open arms." Zeitlin & Scheer, Op.Cit., p.158

¹⁷⁸ This refers to the Soviet trade delegation that came to Cuba that month and will be covered in detail below.

¹⁷⁹ Quoted in Zeitlin & Scheer, Op. Cit., p.159

refineries and the cut in the Cuban sugar quota.¹⁸⁰

On March 24, 1960, Law No.768 empowered the Mining and Petroleum Department of the Ministry of Agriculture to purchase from and sell minerals to the Soviet Union.

The big battle finally came on June 7, when the U.S.-owned oil refineries in Cuba refused to process Soviet oil, which had begun arriving following the visit of Soviet First Deputy Minister Anastas Mikoyan in February and the consequent signing of a five-year trade treaty between the two nations. Cuba paid for the oil in surplus sugar that it could not sell to the United States or on the world market, and, although the Soviets paid a lower price for it, the Cubans got the oil for \$2.10 a barrel, as opposed to the \$2.90 which Standard Oil (New Jersey), Royal Dutch Shell and Texaco charged for Venezuelan crude.

Castro demanded on June 10 that the three oil giants, who supplied all of Cuba's needs, refine the oil, and on June 18, Guevara hinted that "another power" might help out. On June 29, when Texaco refused to refine Soviet crude at its Santiago plant, Cuba told Texaco President Clifford Drake that its plant was "intervened." The next day, Shell cut off oil supplies to Cuba, and the other corporations followed. On July 1, all Western oil companies were intervened,¹⁸¹ and four days later the first of a group of 17 oil tankers from Russia arrived, to begin to

¹⁸⁰The latter topic is discussed in the section on Cuba's trade relations, below.

¹⁸¹Castro said on seizing the refineries, "We will take and take until not even the nails of their shoes are left." Quoted in Meyer, Karl E. and Ted Szulc, The Cuban Invasion, the Chronicle of a Disaster, Praeger, New York, 1962, p.62.

supply Cuba's oil needs, now that Western sources were cut off.

The Cubans claimed that they were justified in seizing the firms, because under the 1938 Mineral Fuel Law, the oil companies were legally obligated to refine all oil coming to Cuba. Zeitlin and Scheer say the law is rather vague, with the specific article in question supporting the Cuban view, but with the general article at the beginning of the law, stating its purpose, buttressing the U.S. claim that the refineries were under no such obligations.¹⁸²

The oil dispute finally led to the cut, by the United States Congress, of the Cuban sugar quota. Until that time, most seizures of U.S. properties were "interventions", not expropriations. This now changed drastically. Said Castro on June 24, "We can lose our sugar quota and they can lose their investments. We will exchange the sugar quota for American investments."¹⁸³ The National Federation of Sugar Workers alerted its members to seize U.S.-owned sugar mills if and when the sugar quota was cut, and Castro ordered reprisals. Thus began the final stage in the nationalization procedure.

"(1) During the summer and autumn of 1960, a year and a half after coming to power, the Castro regime was forced for a mixture of economic and political reasons, to nationalize all large and medium sized business. With experienced managerial and administrative personnel already desperately short, this confronted the regime with enormous and seemingly insoluble problems.

¹⁸² For the relevant two articles, see Zeitlin & Scheer, Op.Cit., p.176

¹⁸³ Quoted in Ibid, p.183

"(2) The economic war with the United States accelerated an outward flow of technically trained cadres, which are just as important as managers to the functioning of a modern economy.

"(3) At about the same time, the United States severed trade relations with Cuba, thus cutting off the supply of spare and replacement parts which are so vital to the upkeep of a country's basic capital equipment, most of which was of United States origin.

"(4) The necessity to shift trading partners from the neighbouring United States to the far-away socialist countries entailed a whole series of problems

"(5) The suddenness of the changes in 1960 forced the Cuban leaders to improvise all at once a totally new system of economic organization and administration"

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Despite all these obstacles, the Cubans pressed ahead to break once and for all the umbilical cord with the United States.

On July 6, 1960, Law No.851 empowered Cuba to decree the nationalization through forced expropriation of property of U.S. citizens which was located in Cuba, if the President of Cuba found it necessary in "defense of national sovereignty." The preamble noted that the law was passed in response to the "..... amendment recently accorded by the Congress (of the United States) to the Sugar Law through which the President (of the United States) is authorized to have exceptional powers to reduce the participation in the sugar market of said Country of Cuban sugar, as a weapon of political action against Cuba"¹⁸⁵

¹⁸⁴Sweezy, Paul and Leo Huberman, "Cuba's Economic Future", in Monthly Review, April 1964, p.634.

¹⁸⁵Quoted in Zeitlin & Scheer, Op.Cit., p.183

Cuba began expropriating United States corporations in Cuba not just for the sake of retaliation, but to prevent any future harm they might do to Cuba and to eliminate their strategic role in the economy.

On July 11, the Cuban-owned Reca Petroleum Company was expropriated. The Matahambre copper mines, largest in the country, were also intervened.

On August 7, Castro announced plans to seize \$913 million in United States property,¹⁸⁶ including twenty-six major American companies. Included in the nationalization process were the Cuban Electric Company, worth \$300 million, plus all other electric and gas companies;¹⁸⁷ the Cuban Telephone Company, worth \$100 million;¹⁸⁸ the oil refineries; and the sugar mills. On August 17 (Law No.866) the Cuban Petroleum Institute was founded, to take over all gasoline and oil activities.¹⁸⁹

¹⁸⁶Saying, "What does it matter if the Organization of American States condemns us?" Quoted in Meyer & Szulc, Op. Cit. p.72

¹⁸⁷These were placed under the control of INRA and later the Ministry of Industries.

¹⁸⁸Control over the telephone corporation passed to the Ministry of Communications.

¹⁸⁹Though Royal Dutch Shell was "intervened" like the other oil firms, and run by the petroleum institute, being European-owned, it was not officially nationalized.

The nationalizations left untouched, temporarily, 600 U.S. properties worth \$400 million, including the banks, tire companies, Du Pont interests, and the U.S. Government nickel plant at Nicaro. Nonetheless, the Cuban Government now owned most of the nation's strategic interests.

Payment was to be in 30-year bonds, bearing 2% annual interest, amortized from a fund established for such compensation. The fund would receive 25% of the foreign exchange earned by Cuba annually from the sale of sugar to the U.S., at a minimum price of 5.75 cents a pound, in excess of 3,000,000 Spanish long tons a year. In years in which no purchases in that amount occurred, no interest would accrue to the bonds.¹⁹⁰

Nationalization proceeded more slowly in September, but it assumed a much more ideological, as apart from purely nationalistic, form, as the first large Cuban companies were expropriated as well.

On September 1, the Cuban subsidiaries of the three big U.S.-owned rubber companies - Firestone, U.S. Rubber and Goodyear - were nationalized, as well as the Minimax chain of grocery stores. On September 17, the Chase Manhattan Bank, First National City Bank of New York, and the First National Bank of Boston, with assets estimated at \$35 to \$40 million, were all seized, the Cuban government claiming that the survival of American banking in Cuba was an obstacle to national development.

¹⁹⁰ Since the United States has of course not bought any sugar from Cuba since 1960, no payments have been made.

The first large Cuban-owned enterprises were affected on September 12, when the Ministry of Labour "intervened" the radio and television circuit, CMQ, and the Radio Reloj station. Two days later, the Treasury Department confiscated three sugar mills, because their owners had had close relations with Batista. Finally, on September 15, the Ministry of Labour "intervened" all the major tobacco companies, most of which were Cuban-owned.

On October 13, Law No.890 nationalized most remaining U.S. and Cuban property, in the largest single move of this kind yet carried out by the revolution. The official statement read as follows:

"Whereas, many of the large private enterprises of the country have followed policies contrary to the interests of the Revolution and to economic development, as evidenced by their sabotage of production; extraction of capital without adequate reinvestment; the exaggerated use of financing without use of their own capital, with the manifest purpose of accumulating money and investing it abroad; and frequently, the abandonment of the responsibility of the direction of factories with the result that the Ministry of Labour on many occasions has had to intervene to prevent a crisis for the workers ...

"Whereas, the revolutionary process imposed the necessity of proclaiming laws which in their content of popular benefit tended toward the liquidation of the privileges of certain economic groups, who, reacting violently, have ignored and violated those laws, going so far as to use their money, wrongfully obtained, to finance groups of counter-revolutionaries in clear alliance with international finance imperialism

"Therefore, it is the duty of the revolutionary government to take measures that will put a definite end to the economic power of the privileged interests that conspire against the people; and to proceed to the nationalization

of the large industrial and commercial enterprises, which have not adapted and can never adapt to the revolutionary reality of our country; and at the same time to give effective guarantees and to facilitate in various ways the normal development of all those small and medium enterprises whose interests can and should coincide with the great interests of the nation."¹⁹²

All told the new nationalization decree swept in 382 big businesses,¹⁹³ worth about \$2 billion. The list included all remaining 105 of the 161 sugar mills in Cuba not yet in government hands, the railway system and all railway enterprises,¹⁹⁴ 61 textile factories, 13 department stores, 16 rice mills, and a disparate numbers of distilleries, flour mills, food processing plants, coffee manufacturers, cigar and tobacco enterprises, chemical factories, drug factories, port facilities, printing presses, construction companies and even movie houses. Many of these had previously been "intervened", and JUCEPLAN was now authorized to proceed with the nationalization of all other major intervened enterprises; those of less importance were to be returned to their respective owners.¹⁹⁵ The question of compensation was left for later consideration. The decree also gave the government authority to nationalize any further industry necessary to the "radical transformation of our foreign commerce"¹⁹⁶ and the Wall Street Journal of October 17 speculated that "the radical transformation - which amounts to a basic

¹⁹²Quoted in Morray, Joseph P., The Second Revolution in Cuba, Monthly Review Press, New York, 1962, pp.154-155.

¹⁹³Some 20 of these were American.

¹⁹⁴These were assigned to the Ministry of Transportation.

¹⁹⁵The October 13 nationalizations also affected 6 million acres of land, more than half of it American-owned.

¹⁹⁶Quoted in Zeitlin & Scheer, Op.Cit., p.192

re-orientation of the Cuban economy to the Soviet block--apparently was the main reason for bringing so many companies under the Government's thumb."¹⁹⁷

Through nationalization, the government was able to acquire the liquid assets of these firms, about \$200 million, to be redirected into vital areas of the economy, and to plan production rationally. Cuba would have to provide herself with industry not dependent on U.S. imports and the government found it necessary to adjust the economy to that of Soviet technology and to integrate her trade with the Communist countries.¹⁹⁸

Also on October 13, all Cuban-owned banks were nationalized under the Bank Nationalization Law, which proclaimed banking to be "a public function, and henceforward only the state may exercise it."¹⁹⁹ Owners and shareholders were indemnified in cash up to 10,000 pesos per person, the balance to be covered by bonds maturable in 15 years.

Continuing the domestic revolution, the Urban Reform Law was promulgated on October 14. This law wiped out all private investment in urban real estate and annulled all rental contracts. The State, in effect, nationalized the rights of landlords and paid them compensation. The law turned tenants into purchasers, obligated to continue their usual monthly payments (as lowered by the earlier Rent Law) for five years, where the house had been built before 1940, up to 20 years, for newer housing. These monthly payments, now regarded as purchase payments, were made to the State as the vendor. The Government compensated the

¹⁹⁷Quoted in Ibid, p.192

¹⁹⁸More on this topic in Part C of this chapter.

¹⁹⁹Quoted in Morray, Op. Cit., p.154

former landlords with monthly payments for life (of up to 600 pesos a month), equivalent to those due from the tenants.²⁰⁰

The law also said that "whereas, the Cuban Revolution considers housing to be an inalienable human right, the state, at some distant future time, will construct housing from its own resources and make its use available to every family free of charge."²⁰¹

On October 19, the United States applied an embargo on all exports to Cuba except medicines and some food²⁰² and, justifying it as retaliation, the Cuban government nationalized 166 more American companies on October 24, thus virtually eliminating all major investments by United States citizens in Cuba. Included in this group were all American-owned insurance firms, which were absorbed by the Social Security Bank of Cuba (BANSESCU).²⁰³

Maritime transport and airliners had also been nationalized by the end of 1960. The merchant marine was collectivized and consolidated in a new company, Navigation Lines Mambises, which was to co-ordinate

²⁰⁰Big landlords lost rental income in excess of 600 pesos monthly without compensation. This net gain of 80 million pesos a year was used as a fund for new housing.

²⁰¹Quoted in Morray, *Op.Cit.*, p.156. Recent reports suggest that the Cuban government plans to introduce free housing in the near future.

²⁰²A total trade embargo was not introduced until February 3, 1962.

²⁰³BANSESCU at this time also took over all "intervened" and nationalized Cuban-owned insurance companies, operated until then by the Ministry of Commerce.

its operations with the Empreso Cubana de Fletes, created by a resolution of the Ministry of Foreign Trade. Airlines were regrouped into Transportes Nacionales, S.A., operated under the Ministry of Transportation.

On November 14, 1960, Cuba formally withdrew from the international capitalist monetary system by resigning from the International Bank for Reconstruction and Development (the World Bank) and its affiliate, the International Finance Corporation. Morray calls it "a system designed to promote development by giving international investors the prospects of high profits at low risk."²⁰⁴

The final act in the drama came on January 3, 1961, when the United States severed diplomatic relations with Cuba.

Boorstein sums up the nationalization procedure:

"The hold of American imperialism on Cuba was so great that the break with the United States had effects that went beyond American-owned property.

"The large Cuban-owned enterprises, so enmeshed with the United States economy as to be almost American, also had to be nationalized. They had been separated from their markets, their sources of raw materials and equipment, and their commercial and financial connections. It would have been almost impossible to operate the Cuban as half public, half private. Could these enterprises have been left in old hands while Cuba fought the United States?"

"Nationalizing large industry meant nationalizing the railroads and ports. Nationalization of sugar alone took in the bulk of railroad lines and ports

²⁰⁴Morray, Op. Cit., p.159

"The break with the United States also struck the final blow at the big importers. Many of the goods in which they specialized were no longer being imported; their trade connections no longer counted

"Foreign trade had to be nationalized. What role was there for private export and import houses sandwiched between the nationalized enterprises of Cuba and the socialist countries?

"And so with hotels, department stores, etc. What could be done with hotels set up for American tourists who no longer could come? With stores geared to American goods?"
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By the end of 1960, between 80 and 90% of Cuba's industrial capacity had been socialized. The State held the most strategic industries - sugar, petroleum refining, telephone and electric power, and cement - as well as the larger, more modern plants in all industries - plants producing beer, paper, fibre, condensed milk, evaporated milk, tires, wheat flour, chemical products, detergents, fertilizers, tanned leather, soap, perfumes, paint, liquors, etc. The State also controlled the banking system, railroads, ports, airlines, department stores, various hotels, casinos, and movie houses. "In effect, Cuba was a socialist country."²⁰⁶

After October, 1960, almost all industry was assigned to the Industrialization Department of INRA. This department grouped these enterprises by line of production. On October 10, the Commercial Department of INRA

²⁰⁵Boorstein, Op. Cit., p.34

²⁰⁶Ibid, p.32

was organized to direct and control all the collectivized commercial sectors.²⁰⁷

"..... (a) movement which began in the form of a putsch, saw its objectives disappear one after another, each time discovering new objectives, more popular and more profound, in a word, more revolutionary. And the Cuban people understood that the order of their goals had been presenting itself inversely: in order to arrive at the most immediate, and apparently most simple objectives, they had, from the beginning, to aim at the most complicated and distant ones. But the opposite is also true; in order to carry along the entire nation, they had to propose in the first place universal objectives which would not be achieved until the end."²⁰⁸

"The political objective had vanished before the economic objective and the latter, in turn, has vanished before the social objective."²⁰⁹

B. United States Opposition to the Revolution, 1959-1960

A most prominent element of the operational environment was America's covert, and later, overt opposition to the aims and methods of the Cuban revolution in the 1959-1960 period. As noted above, United States opposition had been noticeable as early as the 1953-1959 period, when the fight against

²⁰⁷In February, 1961, under Law No.933, this department was converted into the Ministry of Domestic Commerce, replacing the Ministry of Commerce. The Ministry organized the "Commercial Consolidated Enterprises", which grouped and controlled these enterprises by type of activity.

²⁰⁸Sartre, Op. Cit., pp.152-153

²⁰⁹Ibid, p.157

Batista was going on, and in reality it was merely intensified once the new elite was in power.

1. 1959

Although Batista fled Cuba on January 1, the United States delayed recognition of the new government for seven days; in fact, on New Year's Day the United States, fearful of the spontaneous popular demonstrations on the streets of Havana, dispatched three destroyers and two submarine tenders to Havana harbour, and the next day, American officials referred to their "apprehension" about Cuba's future under Castro.²¹⁰ Nevertheless, although Castro dismissed the United States military mission on January 9, saying the Rebel Army had nothing to learn from those who trained the losers in the civil war and noting that "nothing it taught the Cuban Army had any value, it merely assured the triumph of the Revolution,"²¹¹ he still seemed optimistic about relations with the U.S., and when Ambassador Earl E.T. Smith resigned on January 10, Castro approved: "I am still under the impression that the United States is changing its attitude toward Cuba and will remove things that caused friction (in the past), but that is for the United States to say."²¹²

However, the picture began to darken almost immediately. A huge outcry arose in the United States concerning the shootings of Batistianos, and on January 12, Senator Wayne Morse, Chairman of the Senate's

²¹⁰Quoted in Williams, Op. Cit., p.35

²¹¹Quoted in Beals, Op. Cit., p.27

²¹²Quoted in Williams, Op. Cit., p.35

Sub-committee on Latin American Affairs, said he deplored the mass trials in Cuba. Castro and other Cubans were outraged that the United States condemned anti-Batista trials (which, they claimed, actually prevented popular-inspired bloodshed) but had remained silent about Batista's crimes.

Also, many of Batista's henchmen fled to the United States, with the help of Earl Smith, who was still in Cuba until January 10. Included in this group were Lieutenant-Colonel Esteban Ventura, Batista's intelligence chief, Senator Rolando Massferrer who had controlled a private 1,500-man army; and General Francisco Tabernilla, who had ordered civilians strafed during the war. Not only did the United States refuse to extradite these men, but two of them, Tabernilla and Colonel Manuel Antonio Ugalde Carrillo one time commander of the Isle of Pines military prison, testified before the U.S. Senate's Internal Security Committee in May, 1960.²¹³

On January 14, U.S. Secretary of State, John Foster Dulles appeared before the Senate Foreign Relations Committee and said he wanted "a government of law and order and justice" in Cuba.²¹⁴ The next day, he had a special session with Wayne Morse and other congressmen, and with Roy R. Rubottom, the State Department's advisor on Latin

²¹³Said the Cuban newspaper Prensa Libre at that time: "To receive and hear war criminals is not only an offence against Cuba, but a lack of respect for the United States and a shameful insult to the cause of democracy and freedom." Quoted in Zeitlin & Scheer, Op. Cit., p.71.

²¹⁴Quoted in Williams, Op. Cit., p.37

American affairs. Dulles there decided to delay sending a new American ambassador to Havana, to show displeasure with Castro, and so Philip W. Bonsal, who had been appointed at that time, did not arrive in Cuba until February 19.

Harsh criticism of Castro continued in Congress and on January 16, Representative Victor L. Anfuso of New York, a member of the House Committee on Agriculture, said, "We will not stand for a Nasser or a Hitler so close to our shores. We demand respect from him", and went onto to suggest that if this were not forthcoming the Cuban sugar quota might be reduced²¹⁵ so this threat, finally carried out one and one half years later, was first voiced within a month of Castro's acsesion

The Castro's regime's requests for a \$4 million loan for road - building equipment and a \$1 million barter deal of Cuban chrome for U.S. corn, to meet a food shortage,were both turned down. And in February, a mission headed by Dr. Justo Carillo, head of the Cuban Development Bank, was sent back empty-handed.

When Castro said he would like to visit the United States, no official invitation was forthcoming, and finally the American Society of Newspaper Editors in invited him. President Eisenhower arranged to be on vacation and never met him, while Acting Secretary of State, Christian Herter met him, not in the State Department, but in a hotel room. Vice-President Richard Nixon also spoke to him:

²¹⁵Quoted in Ibid, p.39

"I had a three-hour conference with Castro when he visited Washington in April, 1959. After that conference, I wrote a confidential memorandum for distribution to the CIA, State Department and White House. In it I stated flatly that I was convinced Castro was either incredibly naive about Communism or under Communist discipline, and that we would have to treat and deal with him accordingly."²¹⁶

Castro had taken along his top economic advisors, and sought a loan from the International Monetary Fund (IMF) on April 22, while in New York. After two rounds of talks, his request was rejected. The IMF, on which the United States had 30% voting rights, said that the Castro Government has not shown itself prepared yet to accept a stabilization program proposed by the Fund, "and thus making (Cuba) eligible for United States aid."²¹⁷ In effect, the IMF said Castro could have a loan only if he gave up his social revolution.

The only aid he finally got was a minor Point Four technical agreement, signed on May 2.

In April, middle-class opposition to Castro increased, especially among those elements concerned with the American sugar market, and many wanted Castro to make a deal with the United States. They increased the economic pressure on the Revolution by freezing their capital.

²¹⁶Nixon, Richard, Six Crises, Pocket Books Inc., New York, 1962, p.379

²¹⁷Quoted in Zeitlin & Scheer, Op.Cit. p.83 and Williams, Op. Cit., p.101. Williams notes that Argentina took a loan with similar strings attached in December, 1958, causing serious political unrest and hardships among the lower classes.

"Money has tightened and no investments are being made." ²¹⁸ Thus, Castro was forced to begin "intervening" enterprises.

On March 22, the Costa Rican reform liberal, Jose Figueres, who was president of that nation, warned Castro to slow up and remain friends with the United States. He felt the premier was subject to Communist influence and that the coming agrarian reform would "cause difficulties."²¹⁹ In April, all U.S. Caribbean ambassadors met in San Salvador, in central America, to consider "increasing Communist activity in Cuba."²²⁰

An important milestone in the growing Cuban-American dispute came on May 2, 1959, when Castro addressed the Economic Conference of the Organization of American States in Buenos Aires. He said private investment offered no solution to the problem of economic development in Latin America, as the creation of a necessary climate could never be achieved through a democratic government, but only by dictators no longer to be tolerated, since it was otherwise impossible to exercise that extensive a control over the social and political weather in poorer countries, where the situation was inherently dynamic. He then offered three other possibilities:

As the answer to the problem of industrialization was accumulation of large enough amounts of capital to undertake tremendous development

²¹⁸ Phillips, Ruby Hart in the New York Times, April 4, 1959; quoted in Williams, Op. Cit., p.88.

²¹⁹ Quoted in Morray, Op. Cit., p.30

²²⁰ Ibid, p.30

programs, three ways of obtaining this money - by saving, through trade, and through loans - had been suggested.

Saving was impractical and dangerous for backward countries. Being poor to begin with, they had no real reservoir of current profit which could be tapped for the kind of capital required to finance major changes. Even if the wealthy overcame their narrow interests and revived the old Latin tradition of noblesse oblige, taking responsibility for development, it would still be, at best, a benevolent despotism of the Right, at worst, a tyranny.

As for financing development through trade, Castro speculated that "if Cuba, for example, could sell eight million tons of sugar, we would be able to obtain the capital needed for our industrial development."²²¹ This, however, would require changes in United States trade policy, "changes (that) would imply a change in the structure of the United States. I am not going to be Utopian."²²²

High pressure tariff policies and reliance on export surpluses made it impossible for the United States to engage in genuine free trade. "We are aware that such a change on a scale large enough really to allow a considerable increase in our exportation of primary products, would be one of the most difficult ways for the United States to co-operate with us."²²³

²²¹Quoted in Williams, Op. Cit. p.107

²²²Quoted in Ibid, p.107

²²³Quoted in Ibid, p.107

As for stabilization loans, they also failed to solve the problem, as Castro found out from the IMF.

The only satisfactory way to obtain development capital, then, said the Cuban premier, was through a massive - since all Latin American countries had to develop together - and long-term - as these nations needed time to develop - strictly business loan, so as not to infringe on the sovereignty of the Latin Americans-Castro said this would help make the inevitable revolutions in the area less costly, painful or tyrannical.

Castro then proposed that the United States government should advance a \$30 billion loan, repayable in 10 years, to the Western Hemisphere countries, payable through an international bank which would give control over the investment of these American dollars to local agencies in each country.

Williams notes that the sum Castro requested was very probably too small. Even so, the United States dismissed his request as ridiculous,²²⁴ and Castro withdrew the idea in great embarrassment.

"..... up to this time the United States had not committed any overt act against Castro and the Cuban Revolution. It had merely decided to stand by and let both of them go through the wringer.

"Accompanied by the Cuban people."²²⁵

²²⁴Yet the Alliance for Progress formula devised two years later was in large part based on this proposal.

²²⁵Williams, Op. Cit. p.109

The United States became more open in its opposition to Castro as the revolution gained momentum, with the passage of the Agrarian Reform Law.

On May 27, Assistant Secretary for Inter-American Affairs Rubottom spoke to Cuban Ambassador Ernest Dihago in Washington about the law, and on June 1, Castro and U.S. Ambassador Bonsal met to discuss it. Then, on June 11, the United States sent an official note of protest regarding the law, and expressing grave concern that American investors had not been consulted.²²⁶ At first Washington claimed not to be opposed to the reform, claiming instead that it would have diverse effects on productivity, prove harmful to the economy, and discourage investment. Then it said that the method of compensation²²⁷ for the expropriated property was inadequate under the Cuban Constitution and under international law, and that such expropriation would be legal only with the fulfillment of the "corresponding obligation on the part of a state that such taking will be accompanied by payment of prompt, adequate and effective compensation."²²⁸

²²⁶This caused the immediate resignation of five cabinet members, including Minister of State Roberto Agramonte, Minister of Agriculture Humberto SoríMorín, and Minister of the Interior Louis Orlando Rodríguez.

²²⁷For details on this, see the section on agrarian reform above.

²²⁸Quoted in Williams, Op. Cit., p.127. Williams says that though there is, under international law, the obligation to pay compensation, the demand that it be "prompt, adequate, and effective" is an American invention, first put forward by Franklin Roosevelt's Secretary of State, Cordell Hull.

"..... the American note of June 11, 1959 was deceptively short and formal. It was in many ways a bit of a masterpiece in its own peculiar idiom: facile, tough and intimidating. It gave obvious support and meaning to the continuing demands in the Congress for using the sugar quota to discipline Castro and mute his Revolution." 229

Private American corporations also reacted unfavourably to the Agrarian Reform Law and its companion Tax Reform Law. Said the Manati Sugar Company:

"The effects of the Tax Reform Law on the operation of the corporation as a whole has not yet been determined. It repeals some old taxes, imposes new ones, and generally raises rates of taxes. It would appear probable that the law will increase the Corporation's overall tax burden." 230

Similarly, the Vertientes-Camaguey Company:

"The Company's cattle business may be drastically reduced or entirely discontinued depending on the manner in which the provisions of the Agrarian Reform Law may be applied All the laws and regulations required for the implementation of the Cuban Agrarian Reform Law have not yet been promulgated. Your Company under the Agrarian Reform Law may be precluded from growing and cultivating sugar-cane, and after June 3, 1960, its sugar activities may be limited to the industrial operation of producing and marketing." 231

The June 8 edition of the Wall Street Journal reported that B. Rionda Braga, president of the Francisco Sugar Company, stated in letters to shareholders that the company, along with other American sugar interests, had made "representations to our

229 Ibid, p.129

230 Quoted in Zeitlin & Scheer, Op. Cit., p.91

231 Quoted in Ibid, p.91

Government and have taken and will continue to take whatever appropriate action may be possible to protect our stockholders' interests."²³²

George A. Braga, president of Manati Sugar Company, sent a similar letter to his shareholders.

A spate of counter-revolutionary assaults on Cuba began at about this time, causing further deterioration in relations with the United States, as the latter was putting on pressure around the world to prevent Cuba from buying arms to defend herself.

On June 9, fourteen conspirators were arrested in Santiago de Cuba; twelve more were picked up in Havana a day later. On the 15th, another plot was discovered, in Camaguey, and on June 17, terrorist bombs exploded in Havana. The Cubans captured a plane ten days later, bringing arms from the United States, and a whole series of minor bombings was carried out by airplanes flying out of Florida.

On June 30, Major Pedro Luis Diaz Lanz, head of the Cuban Air Force, defected to the United States, and many felt it had been arranged with American officials in Cuba, as two weeks later he spoke to the Senate's Internal Security Committee and was warmly received by Senators James Eastland and Thomas Dodd. Diaz testified that Cuba was well on its way to becoming a Soviet satellite, the Cuban government being dupes, allies and victims of the Communists.

²³²Quoted in Ibid, p.92

Castro interpreted the whole affair as direct American intervention in the affairs of the Revolution. "..... Castro saw the Dodd-Eastland performance as a move by the United States, or at the very least an important segment of the policy-making community, to support (resistance to the revolution) by labelling the revolution 'Communist' and thus involving all the antagonistic emotions and fears associated with the Soviet Union."²³³ Castro did not wish to be forced to prove his non-communist credentials at the call of American senators.

On August 11, the government broke a conspiracy involving wealthy landowners, former members of Batista's army, and other Cubans opposed to the Agrarian Reform.

Nevertheless, Castro continued to appeal for United States friendship, and on July 26, he said that "we want the best understanding and best relations between the people of the United States and Cuba."²³⁴ There is even some evidence that, in early August, Castro tried again to obtain economic assistance from the United States, including private bankers and IMF. But "the United States would make such a loan only if the Castro regime agreed to the kind of stabilization program that the International Monetary Fund has worked out with other nations in similar trouble."²³⁵ So once again, Castro was confronted with the existential choice of carrying forward the revolution, or aborting it. The United States allowed no middle course, and, in a very real sense, there was none.

²³³Williams, Op.Cit., p.124

²³⁴Quoted in Zeitlin & Scheer, Op. Cit., p.99. Yet the very next day Senators Kenneth Keating and Karl Mundt warned against Communist penetration of the Cuban regime.

²³⁵New York Times, August 9, 1959; quoted in Williams, Op. Cit., p.131.

On September 4, Ambassador Bonsal met with Castro in what was described as a "very cordial" meeting, and the Cuban leader said he believed Bonsal "demonstrated good intentions" toward Cuba, but "his work is hampered by attitudes in the (United States) Senate and other factors".²³⁶ Yet Bonsal was recalled to Washington the very next day, and stayed away for two weeks, in order to underscore American displeasure with the agrarian reforms and the revolution in general, including the "interventions" of the Cuban Telephone Company and the further reduction of rates charged by the Cuban Electric Company. Also in September, Cuba's call in the United Nations for action on Castro's \$30-billion development plan for Latin America was ignored by the United States. And on October 14, the United States fired off a second note opposing expropriations through the Agrarian Reform Law, warning that economic sanctions might otherwise be used.

There were increasing air attacks on Cuba, and on October 8 Cuba protested against what it called counter-revolutionary preparation in the United States.²³⁷ Yet the United States not only maintained the embargo on arms to Cuba, imposed in the last months of the Batista regime, but protested a British decision to sell jets to Cuba, forcing the United Kingdom to cancel the sale on October 16.

²³⁶Quoted in Zeitlin & Scheer, Op. Cit., p.101

²³⁷A new anti-revolutionary group called White Rose, and headed by Castro's former brother-in-law, was organized that month.

A big turning point for the worse came with the Huber Matos affair, in October.

Matos joined Castro in March 1958 and became a major in the revolutionary army. By the summer of 1959 he increasingly opposed the appointment of individual Cuban Communists to government positions, and also resisted the tempo of radical measures.²³⁸ As more Communists joined the government, Matos became more disquieted, finally resigning on October 19, a few days following the new American note regarding the agrarian laws and in the midst of a flurry of air raids staged by Florida-based exiles. He also convinced a nucleus of trained military and political leaders to quit as well.

On October 20, Castro himself went to Camaguey to arrest Matos for treason, based on the argument that Matos had abused and exceeded his official responsibility in a way that threatened an already embattled regime. He also denied at this time that either he or the government was Communist. "Ours is not a communist revolution. Ours is, I admit, a radical revolution - probably the most radical in Cuban history."²³⁹ And his brother Raul, at the trial, said "we will fight the Communists" if they "place themselves against the Revolution."²⁴⁰ Matos got a 20-year prison sentence.

²³⁸ For example, he tried to slow down the application of the Agrarian Reform Law on the cattle industry in Camaguey Province.

²³⁹ Quoted in Williams, Op. Cit., p.135

²⁴⁰ Quoted in Ibid., p.135

Also in October 21, Diaz Lanz flew over Havana from Florida, dropping leaflets and bombs. Castro felt the United States was partially responsible for this, and also said that Diaz Lanz had been in touch with Matos.

A militia was formed to answer Cuba's increasing needs in the fight against counter-revolutionaries.

On October 27, Castro questioned the American inability to prevent flights from Florida:

"This is the limit! We do not know whether it is due to cynicism or helplessness; we do not know whether it is due to shamelessness or absolute carelessness ... How is it possible that the authorities of such a powerful country with such immense economic and military resources, with radar systems which are said to be able to intercept guided missiles, should confess to the world their inability to prevent small planes from leaving their country to bomb a defenseless country like Cuba...?"

"Why this tolerance by United States authorities?..... What is one to think of such conduct, such negligence?"²⁴¹

The United States at this point still pretended that it was not involved in any schemes to overthrow Castro, and President Eisenhower especially was extremely cynical or naive, as witness this rather incredible statement of October 28:

"I have no - no idea of discussing possible motivations of a man, what he is really doing, and certainly I am not
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²⁴¹Quoted in Zeitlin & Scheer, Op. Cit., p.103

²⁴²Referring to Castro,

qualified to go into such abstruse and difficult subjects as that. I do feel this: Here is a country that you believe, on the basis of our history, would be one of our real friends It would seem to make a puzzling matter to figure just exactly why the Cubans would now be, and the Cuban government, would be so unhappy, when, after all, their principal market is right here I don't know exactly what the difficulty is." 243

The United States tried to impress on Cuba it was doing all it could to prevent illegal flights over Cuba. Yet, when the Cubans, reasonably enough, doubted this, the State Department called it evidence of a "deliberate attempt to inflame world opinion against the Government of the United States."²⁴⁴

On November 29, Senator Ellender fired yet another volley on the sugar quota question, and on December 10, Secretary of State Herter made it known that Castro's offer on compensation for seized American property was no more acceptable than the earlier and similar Guatemalan proposal of 1954.²⁴⁵

By the end of 1959, most American companies were demanding immediate cash payment on any orders from Cuba, and all nine American passenger ship lines serving Cuba announced the cancellation of the customary winter cruises to the island.

²⁴³Quoted in Meyer & Szulc, Op. Cit., p.39

²⁴⁴November 9, 1959; quoted in Zeitlin & Scheer, Op. Cit., p.106

²⁴⁵The inference is rather obvious, as the Guatemalan regime of Jacobo Arbenz was overturned in 1954 with United States aid.

2. 1960

The year 1960 began exactly as the previous one had ended, with a Cuban land seizure and a United States note of protest.

On January 6, Cuba took over 70,000 acres of American-owned sugar land, prompting Ambassador Bonsal to issue a note condemning the "seizure and occupation of land and buildings of United States citizens without court orders and frequently without any written authorization whatever, the confiscation and removal of equipment, the seizure of cattle, the cutting and removal of timber, the plowing under of pastures, all without the consent of the American owners." He said these acts were "considered by the United States government to be in denial of the basic rights of ownership of United States citizens in Cuba."²⁴⁶ The United States also demanded payment in dollars, rather than pesos or 20-year bonds. But Cuban foreign exchange reserves were dropping, and this was a demand impossible to meet. So, on January 13, the government rejected the note. Two days later, Cuban exiles bombed sugar fields from a United States registered airplane.

On January 20, Castro made a speech that Secretary of State Herter called the "most insulting ever, and this was used as a pretext for recalling Ambassador Bonsal."²⁴⁷

²⁴⁶Quoted in Zeitlin & Scheer, Op. Cit., p.126

²⁴⁷Quoted in Ibid, p.128. It also upset many Congressmen, and Senator John Butler of Maryland called for re-examination of policy toward Cuba, "paying special attention to Teddy Roosevelt's maxim to speak softly and carry a big stick." Quoted in Meyer & Szulc, Op. Cit., p.60

February saw more incidents involving air bombings, including a plane that bombed a suburb of Havana. However, the government offered full co-operation to a United States investigating team which came to Cuba, and, in other ways as well, there was somewhat of an upturn in relations with the United States. As Herter put in on February 8:

"Insofar as existing relationships between ourselves and Cuba are concerned, there has certainly been a very considerable damping down of the very violent attack which, during the middle week in January, was so apparent.

"The answer to the President's note with regard to Cuba came to us through the statement of the President of Cuba That statement had certain conciliatory passages in it, particularly (those) which dealt with his views that all outstanding questions between us could be settled through normal diplomatic channels.

"However, we are not quite clear yet that the situation (warrants) the resumption of normal diplomatic negotiations through the Ambassador We are still waiting and no decision has been made with regard to Mr. Bonsal's return."
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The Cubans kept trying to re-establish better relations, and on the 22nd Foreign Minister Raul Roa asked the United States to "renew diplomatic relations through diplomatic channels."²⁴⁹ Cuba was at this time trying to prevent a U.S. cut in the sugar quota,

²⁴⁸Quoted in Ibid, p.139. Herter's reference is to Eisenhower's note of January 26, which told Cuba the U.S. would not intervene in Cuba's domestic affairs and would recognize the right of the Cuban government to undertake economic and political reforms deemed desirable.

²⁴⁹Quoted in Ibid, p.140

and Roa added that "the renewal and subsequent development of said negotiations must necessarily be subject to no measure being adopted by the Government or the Congress of your country of a unilateral character which might prejudice the results of the negotiations or cause harm to the Cuban economy and people."²⁵⁰ Another note retracted Cuban charges of United States implications in the plane bombings.

But the United States replied negatively, on February 29:

"The Government of the United States cannot accept the condition for the negotiations. As set forth in President Eisenhower's statement of January 26, the (United States) must remain free, in the exercise of its own sovereignty, to take what steps it deems necessary, fully consistent with its international obligations, in the defense of the legitimate rights and interests of its people. The Government of the United States believes these (to) have been adversely affected by the unilateral acts of the Government of Cuba."²⁵¹

On March 4, the French munitions ship "Le Coubre", carrying Belgian arms to Cuba, blew up in Havana harbour, killing seventy-five people and wounding three hundred. Castro suspected U.S. sabotage and was very harsh at first:

²⁵⁰Quoted in Ibid, p.140

²⁵¹Quoted in Ibid, p.140

"Functionaries of the United States government had repeatedly tried to prevent our country from obtaining these arms. This is something they will not be able to deny. And this is a fact that demonstrates their interest in preventing us from acquiring these arms. It is among the interested parties that we must look for the parties responsible for the explosion. We are justified in believing that when, through diplomatic channels, they failed in their efforts to prevent the sale of these supplies, they might have tried other methods to prevent us from receiving them."²⁵²

After a few days, however, the Cuban government apologized for the tone of Castro's statement and declined to lay charges against the United States. Ambassador Bonsal returned to Havana on March 19, an element in the decision, according to the New York Times, being "the fact that in the last few days, the United States charge d'affaires in Havana, Daniel M. Braddock, has been able to talk with Cuban officials on problems of compensation for United States-owned properties seized under the agrarian reform program."²⁵³ The United States also announced more stringent control of flights leaving Florida airfields, on March 23.²⁵⁴

²⁵²Quoted in Ibid, p.144. The U.S. State Department had said: "We have indicated to a number of friendly governments our concern over arms shipments to the Caribbean which increase tension in the area." Ibid, p.146. Sartre says that while the ship was in Belgium, the U.S. Consul at Antwerp, flanked by a military attache, was attempting to take last-minute steps with the representatives of the arms factory and the port authorities, to stop the shipment.C.f. Sartre, Op. Cit., p.145

²⁵³Quoted in Zeitlin & Scheer, Op. Cit., pp.148-149

²⁵⁴Yet, on the 16th the U.S. Department of Commerce revoked a license for the sale of helicopters to Cuba. These might have been useful in combatting raids of this sort.

Yet, secretly, on March 17, Eisenhower gave the order to begin training Cuban counter-revolutionary exiles "so that they could act at the proper time" against Cuba.²⁵⁵ By May 1960, they were being organized in Guatemala, and in the summer of 1960, the CIA began building an air-ground base at Retalhuleu in that country.

This decision had been made at a time when most of the population supported the regime,²⁵⁶ when diplomatic relations with the Soviet Union were yet to be established, and anti-government publications still operating. "In short, the United States was working to overthrow a popular, non-Communist nationalist government And the more right-wing the counter-revolutionaries, the more CIA support they got."²⁵⁷

By the end of March Eisenhower spoke of Latin American anxieties with regard to Cuba and the State Department rejected a mediation offer by Brazil.

On April 9, Eisenhower charged the Cuba leadership with betrayal of the revolution's ideals:²⁵⁸

²⁵⁵Quoted in Zeitlin & Scheer, Op. Cit., p.151. This was only disclosed a year later, by Philip Bonsal.

²⁵⁶A private Princeton University survey taken at about this time showed that 86% of the population supported the revolution. C.F. Lumsden, Ian in The Canadian Forum, January, 1969, p.222

²⁵⁷Zeitlin & Scheer, Op. Cit., p.205

²⁵⁸This thesis is also advanced by Theodore Draper. C.F. Draper, Theodore, Castro's Revolution: Myths and Realities, Praeger, New York, 1962 and Castroism, Theory and Practice, Praeger, New York, 1965.

"Many old friends of Cuba in the United States and other places, who had been favourably impressed by the ideals expressed by the present leaders of the Cuban people when they first took control of the Government, feel seriously disappointed by what is believed to be a betrayal of those ideals insofar as such questions as freedom of expression, equality before the Law and the right to freely elect a representative government are concerned.

"No officials of this Administration have ever made any public statements or committed any acts which may be reasonably construed as unfriendly toward the Cuban government and people. It is regretted that the same cannot be said for the leaders of the Cuban Government who seem to have intentionally made derogatory and most hostile statements regarding the United States Government and people, designed to disrupt our traditionally amicable relations."²⁵⁹

On the 20th, Herter appeared before the OAS and proposed an "alternative" to the Cuban agrarian reform program - the establishment of "adequate credit facilities" to enable private individuals to purchase small plots of land, referring to the "importance of land ownership to the man who works the land." He added that "it is contrary to all reasonable supposition to conceive that the voter of the Americas in any considerable number would ever willingly enslave himself to a monolithic economy, surrender his individual freedom, renounce whatever religion he may hold, or relegate himself to the status of a landless servitor to a new bureaucratic aristocracy."²⁶⁰ Of course, Herter was equating freedom with private property, although most Cubans, having never owned anything of value, knew nothing of its benefits! In any case, most Cubans had been rural wage labourers, not peasants, and preferred higher wages to land ownership.

²⁵⁹Quoted in Zeitlin & Scheer, Op. Cit., p.151

²⁶⁰Quoted in Ibid, p.156

Also on that same day, the United States House of Representatives passed a law prohibiting aid to Cuba except in the case that the President judged it necessary in the interests of the United States. In late May, the United States cancelled all aid programs to Cuba.²⁶¹

Opinion in many sectors of the United States elite and its opinion-making and disseminating agencies hardened with regard to Cuba in the spring of 1960. On May 4, for example, the Executive Council of the United States' largest trade union federation, the AFL-CIO, called Cuba an advance Soviet post, while the United States Information Agency felt it was part of a larger Communist conspiracy. United States submarines patrolled outside Cuban waters constantly, and in one incident that month, a Cuban patrol vessel fired on one. Nonetheless, Herter denied that the United States had "plans for aggression against the government of Cuba."²⁶² But he knew otherwise.²⁶³

²⁶¹They were already very limited, amounting to only \$200,000 worth.

²⁶²Quoted in Boorstein, Op. Cit., p.29

²⁶³"In the early spring of 1960, CIA agents on the island busied themselves with delivering weapons and radio transmitters" to counter-revolutionaries. "All these new anti-Castro groups had contact with the American embassy in Havana The CIA and the United States government had thus firmly entered the conspiracy to oust Castro." Meyer & Szulc, Op. Cit., pp.54 and 56. Some of these schemes were rather clever. In June, the Cuban government arrested a group, headed by one Chester Lacoyo, that was preparing, as a provocation, an invasion of Nicaragua from Cuba, to be used as an excuse to attack Cuba. The Cuban government called him a State Department lackey and published a photograph of him leaving the Department of State Building in Washington and a letter written by him, quoting an interview he had had with Herter and Rubottom. C.F. Boorstein, Op. Cit., p.30

On June 3, the United States accused Castro of a "campaign of slander", and Havana "categorically" rejected the American note.²⁶⁴ Cuba ejected two United States diplomats in mid-June, and the United States did the same to two Cubans on the 17th.

The month of July saw the expropriation of American-owned refining installations and the Cuban law authorizing general nationalization. Ambassador Bonsal referred to the expropriations as "arbitrary and inequitable, without authority under Cuban law, and contrary to commitments made to those companies."²⁶⁵ Four days later the United States filed "a most solemn and serious protest" against the general nationalization law.²⁶⁶

On July 10, Eisenhower said the United States would never permit "the establishment of a regime dominated by international Communism in the Western Hemisphere",²⁶⁷ and the campaign against Cuba in the media reached new heights, ranging from journalists like Dorothy Killgallen in the popular press to more influential opinion makers like A.A. Berle, who said, in the July, 7, 1960 issue of The Reporter, that, for all practical purposes, Cuba was as much a satellite of Russia's as was Hungary.

²⁶⁴Quoted in Meyer & Szulc, Op. Cit., p.61

²⁶⁵Quoted in The New York Times, July 6, 1960, p.2

²⁶⁶Quoted in Williams, Op. Cit., p.144. Many people still refused to take the Cubans that seriously. Said one United Fruit Company vice president in August, 1960, "This sort of nutty thing has happened before and finally someone with better sense gets control of the government." Quoted in Martin, Op. Cit., p.654

²⁶⁷Quoted in The New York Times, July 10, 1960, p.1

Footnote 268 has been deleted in revision.

He called its leadership 'Communists' or 'Communist-controlled', and said it was a base for Soviet and Chinese power, intending direct aggression against the rest of Latin America. Berle suggested, in so many words, Castro's overthrow.

On July 9, Soviet Premier Nikita S. Khrushchev said he would defend Cuba with rockets, if necessary, and, though he soon later insisted he was speaking figuratively, the Cubans took him at his word. Raul Castro on July 21 noting that the Soviet Union would use all means at its disposal to prevent an armed intervention by the United States against Cuba.

In August, an OAS meeting in Costa Rica produced, on August 29, the San Jose Declaration, which condemned, by a vote of 19-0,²⁶⁹ Sino-Soviet interference in the Western Hemisphere. The Cubans walked out of the meetings. Although the United States talked about a proposed \$600 million program for Latin America, Cuba was excluded.²⁷⁰

²⁶⁹ Neither Cuba nor the Dominican Republic voted but instead left the conference.

²⁷⁰ The State Department also produced extensive documents at the sessions, charging Cuba with introducing Communism into the Western Hemisphere. For extensive quotes from these documents, see "The State Department's Case" in Zeitlin & Scheer, Op. Cit., pp.263-282.

On September 29, the United States notified Cuba of its intentions to totally suspend operation of the United States government-owned Nicaro nickel facility, citing the imposition of confiscatory taxes, an embargo on export of the product, a general lack of co-operation as the reasons for the move.

The presidential election campaign then ongoing in the United States produced new heights of rhetoric, as both candidates vied with each other as to who was "tougher" on Communism. John F. Kennedy, in Cincinnati, Ohio, on October 6, 1960, blamed the Eisenhower administration for allowing Cuba to become "Communism's first Caribbean base",²⁷¹ while Richard Nixon, in Miami Beach, Florida, on October 18, said that "this Communist-Cuban regime" had become an "intolerable cancer" and that the time was at hand "when patience is no longer a virtue. I say that our goal must be to quarantine the Castro regime. A number of steps can be taken to do this and are planned."²⁷²

The sweeping United States embargo on trade with Cuba went into effect the next day, and Ambassador Bonsal was again recalled to Washington for consultation. That same day, the Cuban delegation at the United Nations notified that body's General Assembly that Havana expected "a large-scale invasion" shortly,²⁷³ the first time that Cuba formally charged the United States with taking part directly in operations against the island.

²⁷¹Quoted in Meyer & Szulc, Op. Cit., p.67

²⁷²Quoted in Ibid, p.67

²⁷³Quoted in Ibid, p.67

On January 2, 1961, at the UN, Cuba formally charged the United States with planning an invasion of Cuba.²⁷⁴ It called the United States Embassy in Havana "the center of counter-revolutionary intrigue"²⁷⁵ and ordered its staff reduced to eleven people - the same number Cuba had in their Washington embassy. The next day, Eisenhower said, "There is a limit to what the United States in self-respect can endure. That limit has now been reached."²⁷⁶ The United States then terminated diplomatic and consular relations with Cuba.

3. The Guantanamo Naval Base and the Monroe Doctrine

Of the many pinpricks which the Cubans felt in their relations with the United States, both before and after the revolution, two of them - one specific and concrete, the other more abstract - clearly stand out: the United States naval base at Guantanamo (or Caimanera), and the so-called Monroe Doctrine.

The Guantanamo base was acquired at the time Cuba acquired its independence, and was part of the Platt Amendment. When that document was abrogated in 1934, the base did not disappear with it, but was instead enlarged, after 1959 confronting Cuba as a kind of "cactus curtain." During the first two years of the revolution, it was the scene of

²⁷⁴The CIA did, of course, finance and organize the Bay of Pigs invasion of Cuba by Cuban exiles on April 17, 1961. It was defeated within three days by the Castro regime.

²⁷⁵Quoted in Zeitlin & Scheer, Op. Cit., p.196

²⁷⁶Quoted in Ibid, p.196

many confrontations and sporadic incidents, and was never far from the mind of the sovereignty-minded Cubans, as illustrated by this quote:-

"Study of the problem puts into sharp relief a great truth : the relations of (the U.S.) with other countries are only those of domination and subjection, of oppression of the weak by the strong; imperialism bases international relations on imposition and threats, violence and arbitrariness."²⁷⁷

Tabio, as well as most other Cuban writers, especially since the revolution, feels the United States has no real legal rights to the Guantanamo base, which it imposed on the Cuban nation at a time when it was weak, and that it provides one more example of United States hostility to the Cuban revolution. He sums up the argument against United States occupation in this way:

"(1) The perpetual lease for the territorial land and water area of the Caimanera Base lacks legal and juridical validity, since it is vitiated in its essential elements: a) incompetency of the government of Cuba to grant a portion of the national territory in perpetuum; b) for the same reason, the subject and the considerations are illicit; c) consent was forced through irresistible and unjust moral violence.

"(2) A lease is temporary by nature, and the leased object must be destined for the contracted purposes. Cuba has the right to cancel the contract - even if it were considered valid - due to the time that has elapsed and the new purposes given to the Base, an instrument against the principles of sovereignty and self-determination.

²⁷⁷ Tabio, Fernando Alvarez, "The Guantanamo Naval Base in the Light of International Law", in The U.S. Naval Base at Guantanamo: Imperialist Outpost in the Heart of Cuba, no editor, Editorial En Marcha, Havana, 1963, p.3

"(3) Since the considerations for the contract have disappeared (as the naval base is employed to threaten the security and independence of the Republic of Cuba) the latter has the right to demand the application of the "rebus sic stantibus" clause.

"(4) The treaty on the Guantanamo Base, in its national character, can be impugned for unconstitutionality in the Court of Constitutional and Social Guarantees.

"(5) Cuba has the right to present its argument on the interpretation of this treaty before the International Court of Justice; the Court is obliged to enforce the general principles of law recognized by civilized nations, and its decisions will be binding on the parties concerned.

"(6) An unconstitutional treaty, void in juridical application, does not provide protection, it is an inoperant as though it had never been passed. Judicial decisions do not turn a valid treaty into one that is invalid; the treaty has always been invalid. The function of the Court is merely to confirm that invalidity, and the effect of the decision is absolute and retroactive.

"Of course, this entire article may be labeled as mere legal speculation in the face of an imperialist power for whom international law and diplomacy have been and continue being simple instruments employed to impose its will upon other peoples; nevertheless, it is fit to clarify the legal status of Caimanera Base."

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The Monroe Doctrine, first proclaimed by the president of that name in 1823 as a way of preventing renewed colonization of the Americas by European powers, has since been more or less used to justify the creation of an American sphere of influence, a subordinate

system dominated by the United States, in the Western Hemisphere.²⁷⁹

"I only know two things about the Monroe Doctrine: one is that no American I have met knows what it is, the other is that no American I have met will consent to its being tampered with I conclude that the Monroe Doctrine is not a doctrine but a dogma ... not one dogma, but two, to wit: the dogma of the infallibility of the American President and the dogma of the immaculate conception of American foreign policy."²⁸⁰

After 1948, the legal instrument through which the United States imposed the Doctrine was the OAS,²⁸¹ and this led to Cuban quarrels with that organization and, finally, their withdrawal. The OAS had also been used to justify the overthrow of the Guatemalan regime in 1954, and later in the United States occupation of the Dominican Republic in 1965. The Monroe Doctrine was invoked on both these occasions.²⁸²

Fitzgibbon writes that "an American commentator once observed that as the Monroe Doctrine involved Cuban-American relations its initials might have been interpreted in the middle of the nineteenth century as signifying Manifest Destiny; that under the first Roosevelt

²⁷⁹For a full exposition of the Doctrine and all its so-called corollaries, see the Appendix.

²⁸⁰Madariaga, Salvador de, Latin America between the Eagle and the Bear, Praeger, New York, 1962, p.74

²⁸¹The text of the Charter of the OAS can be found in Bailey, Norman A., Latin America in World Politics, Walker & Co., New York, 1967, p.185

²⁸²Henry Cabot Lodge, at a meeting of the UN Security Council in 1954 discussing the Guatamala issue, told the Soviet Union, "Stay out of the Western Hemisphere Don't try to start your plans and conspiracies here." Quoted in Jobin, Danton, "An International Agreement", in Dozer, Op.Cit. p. 176

they meant Masterful Domination: that Taft's administration gave them a connotation of Money Diplomacy; while in Wilson's time they seemed to mean Much Deception."²⁸³ In the Eisenhower-Kennedy era, it might be added, they almost came to stand for Mass Destruction!

On the same day he promised to defend Cuba with rockets, Khrushchev said that "the only thing left to do with the Monroe Doctrine is to bury it, just as you bury anything dead, so it will not poison the air."²⁸⁴

The State Department made known its views on this matter on July 14:

" the Monroe Doctrine's purpose of preventing any extension to this hemisphere of a despotic political system contrary to the independent status of the American states is supported by the inter-American security system through the Organization of American States. Specifically, the Organization of American States Charter and the Rio Treaty provide the means for common action to protect the hemisphere against the interventionist and aggressive designs of international communism!"²⁸⁵

On Khrushchev's call for an end to the Rio Treaty and the return of Guantanamo to the Cubans, the State Department release continued:

²⁸³ Fitzgibbon, Op. Cit., p.264

²⁸⁴ Quoted in Meyer & Szulc, Op. Cit., p.72. C.F. Dmytryshyn, Basil and Jesse L. Gilmore, "The Monroe Doctrine: A Soviet View" in Dozer, Op. Cit., pp.197-204.

²⁸⁵ Department of State, "The United States Reaffirms the Monroe Doctrine", in Dozer, Op. Cit., p.186

"In this particular instance it was not only the Rio Treaty but also the treaty between the United States and Cuba covering Guantanamo which he (Khrushchev) has sought to abrogate (This is) another example of Soviet intervention in the affairs of other countries.

"Mr. Khrushchev's latest references to United States-Cuban relations are of a piece with his threat of July 9, (for which) he conjured up the straw man of a non-existent menace of United States aggression against Cuba.

"The principles which the United States government enunciated in the face of the attempts of the old imperialism to intervene in the affairs of this hemisphere are as valid today for the attempts of the new imperialism. It consequently reaffirms with vigour the principles expressed by President Monroe"²⁸⁶

On August 10, 1960, referring to the Monroe Doctrine, Eisenhower excluded from its provisions for action those Communist - dominated governments which were freely elected. Otherwise, added the State Department, "its principles are as valid today as they were in 1823, when the Doctrine was proclaimed," adding that its principles were now "supported by the inter-American security system through the Organization of American States."²⁸⁷

Be that as it may, most Cubans saw the Doctrine in the light of American efforts to dominate them and others in the Hemisphere, and would agree with this view of Gerassi's:

²⁸⁶Quoted in Ibid, pp.186-187

²⁸⁷Quoted in Dozer, Op. Cit., p.32

"To Latin Americans, we are warmongers. We arm their repressive armies, train their political generals, and blackmail their foreign ministers. And we justify all this on the pretense of a Communist menace. Latin Americans have very seldom suffered from Communism, but very often from capitalism." 288

C. Cuba's Changing Trade Relationships

1. Control of Foreign Trade.

Cuba's rather unsatisfactory trading relationship with the United States, described earlier, prompted the elite to try to improve the country's trading position. The first thing was to control foreign trade.

Che Guevara became president of the National Bank in November, 1959, and a Monetary Stabilization Fund was established on the 27th. A system of import licenses was established and, in order to save foreign exchange, the importation of non-essential and luxury goods was forbidden. Included in this list were cars, bicycles, motorcycles, tires, radios, televisions, air conditioners, cosmetics, refrigerators, washing machines, record players, jewelry, and luxury soaps. The National Bank began to control foreign exchange.

In April, 1960, the state Bank for Cuban Foreign Commerce was founded, to help plan international trade, and on July 16, it became the sole and exclusive importer of numerous commodities, including

288 Gerassi, John, The Great Fear in Latin America, Op. Cit., p.382

a special list of basic products. The government also assumed control of the export trade in sugar and tobacco. Finally, by February of 1961, Cuba's external as well as internal trade became enmeshed in the beginnings of a planned economy, and the bank was abolished, replaced by a Ministry of Foreign Trade, tied in with JUCEPLAN, the central planning board. Cuba now rigidly controlled her foreign trade, and all transactions took place at a state level.

2. The Sugar Quota Controversy.

"There is the threat to take away the quota, to hold back part of the price of sugar, for they have begun giving the name subsidy to the price difference between the world ; market and the United States market (which is) the result of the United States policy of protecting... United States sugar producers, since they could not produce (efficiently enough to compete) at world prices ... The friendship of our people is not to be gained by reducing our sugar quota but only by a policy of sincere friendship. All the notes and declarations are part of a plan to incite a few people here who become emboldened when they feel they are supported from the North"²⁸⁹

January of 1960 saw renewed attacks in the United States on the preferential prices granted Cuban sugar through its special quota of 3,000,000 tons a year, and many of these statements were reviewed above, in dealing with American opposition to the revolution.²⁹⁰

²⁸⁹ Fidel Castro, January 22, 1960; quoted in Zeitlin & Scheer *Op. Cit.*, pp.129-130;

²⁹⁰ The examples are endless. On January 22, Senator Styles Bridges of New Hampshire called for a review of the quota system. Senator Keating and Representative Ross Adair wanted the quota cut in an attempt to apply economic sanctions to Cuba. And on January 16, Nixon himself observed that the quota might be cut as a result of the agrarian reform confiscations.

The quota was finally cut in June of 1960, the State Department claiming it was the result of the signing of the Cuban-Russian trade pact in February, and the oil controversies of June-July. However, E.W. Kenworthy in The New York Times said that as far back as January 22, "the Administration had decided to ask Congress for authority to cut the sugar quota of any foreign country when this was necessary in the national interest, and to use language blatant enough to make plain to Premier Castro why it was seeking this authority."²⁹¹ And on February 22, the United States told Cuba it reserved the right to take unilateral action on the quota.

As the dispute with Cuba mounted in intensity, Eisenhower called Congress into special session to deal with the three million ton sugar quota.²⁹²

On June 1, the House of Representative's Agriculture Committee reported out the Cooley Bill, named after Chairman Harold D. Cooley. This bill merely granted the president authority "to reduce the quota of any country when he found it necessary to do so in the national interest."²⁹³ It would have extended the 1948 Sugar Act by one year and denied the president power to cut the Cuban quota altogether. Amid charges of being "pro-Castro" and "soft on Communism", the bill was withdrawn, and on June 27 the Committee, by a unanimous vote, passed a bill giving the president the power to cut the quota at his

²⁹¹Quoted in Zeitlin & Scheer, Op. Cit. p.177

²⁹²Actually, in March the Congress had already reduced the quota by 192,000 tons.

²⁹³Quoted in Zeitlin & Scheer, Op. Cit., p.177

discretion. The bill passed both houses of Congress with nary a dissenting vote, and became law on July 3. Three days later, Eisenhower cut the Cuban sugar quota by the unfulfilled balance of 700,000 tons out of the three million allotted for the year, completely eliminating Cuban sugar from the American market for the rest of 1960.

On July 10, Cuban President Osvaldo Dorticos called this economic warfare, warning that military warfare might soon follow, and on July 18-19 Cuba told the UN Security Council that the United States was committing economic aggression against her. And on August 13, Minister of Commerce Raul Cepero justified the seizures of United States properties that month by citing the reduction of the sugar quota.²⁹⁴

Trade between the United States and Cuba fell off rapidly, until the United States imposed a trade embargo in October, "in order to

²⁹⁴It is interesting to note this dichotomy in Cuban elite perceptions of the sugar quota. Though calling it unjust, neo-colonial, a brake on Cuban's development and a form of economic imperialism, and claiming they wanted to rid Cuba of it, the same leaders seemed most angry at its elimination. Many Cubans did, however, react favourably, saying "Sin cuota, pero sin amo - without a quota, but without a master." Boorstein, *Op. Cit.*, p.27

Actually, the Cubans were rather lucky, as the Soviet Union on July 20 agreed to purchase the 700,000 tons of sugar cut by the United States, at 3.25 cents a pound, lower than the price paid by the United States but higher than the world price. And on July 23, China agreed to purchase half a million tons at the world price. In both cases, 80% of the price was to be paid in manufactured goods.

carry out the responsibility of the Government to defend the legitimate economic interests of the people of this country against the discriminatory, aggressive and injurious policies of the Castro regime."²⁹⁵

Che Guevara called the United States economic blockade aggressive, saying it was causing shortages and difficulties in importing goods and raw materials.

In December, 1960, the United States government suspended the entire Cuban sugar quota for 1961.

"The shift of the great part of Cuba's trade from the United States to the socialist countries and the re-orientation of Cuba's foreign policy are questions related to the transition from capitalist to socialist economy, but they seem to have had an independent character as well On one level of analysis, it is obvious that the United States refusal to trade with Cuba drove the island to the Soviet Union. Looking deeper, one is compelled to inquire into the nature of the relationship between the United States and Cuba for clues to its deterioration. Clearly, the rapid socialization of the Cuban economy contributed to the severance of ties between the two governments."²⁹⁶

²⁹⁵ The Wall Street Journal, October 20, 1960; quoted in Zeitlin & Scheer, Op. Cit., p.189. This embargo, of course, pushed Cuba yet further into dependence on the Communist countries as trading partners.; A total trade embargo was put into effect in early 1962. Cuban imports from the United States, worth \$577 million in 1957, were down to \$23.7 million in 1961 and less than \$1,000,000 in 1962. Exports to the United States were less than 1% of Cuba's total by that year as well.

²⁹⁶ O'Connor, James, "On Cuban Political Economy," Op. Cit., in Petras & Zeitlin, Op. Cit., p.487

3. Trade with the Socialist Bloc.

Sweezy and Huberman note that "Cuba would not have been able to survive, let alone reorganize her economy and launch an ambitious development program, if it had not been for generous assistance, in the form of both trade and aid, from the socialist countries. In the short space of one year, they replaced the United States as buyer and supplier of about four-fifths of Cuba's exports and imports respectively."²⁹⁷

Even before the celebrated Cuban-Russian trade agreement of February, 1960, Cuba had sold sugar to the Soviet Union. Sugar sales to Russia were a routine part of Cuba's efforts to market that portion of its crop not sold to the United States. In 1955, 442,915 tons were sold to the U.S.S.R; in 1956, 206,361; in 1957, 347,673; and in the last of the Batista years, 182,148 tons. On August 12, 1959, Castro sold 170,000 tons of sugar to the Soviets. Nonetheless, at the end of that year, Cuba had a sugar surplus of 1,272,000 tons, and international sugar prices stood at an 18-year low:²⁹⁸

²⁹⁷Sweezy & Huberman, Op. Cit., p.648. Detailed statistics illustrating the transition in Cuba's trading relationships may be found in the appendix.

²⁹⁸Zeitlin & Scheer, Op. Cit., p.135

<u>Year</u>	<u>Production</u>	<u>Exported to the</u> <u>U.S.</u>	<u>Exported to</u> <u>others</u>	<u>Total</u>	<u>Year-end</u> <u>Inventory</u>
		(in thousands of tons)			
1957	5,670	2,884	2,531	5,415	588
1958	5,779	3,197	2,438	5,632	547
1959	5,964	2,902	2,050	4,952	1,272

In 1960, Cuba, by dint of sheer economic necessity, needed new markets. There was no hope of expanding her United States sugar market and in fact, a danger that it might collapse. Other consumers could not ease the burden, and new markets, such as Japan, did not buy enough to take up the slack. Hence, she turned to Russia. "European and United States credit sources are cracking down on Cuba and the Cubans have no other place to go than to Russia ... Russia probably will extend credit or barter because she is aggressively seeking markets."²⁹⁹

On February 4, the Soviet Union's First Deputy Minister, Anastas I. Mikoyan, arrived in Havana, and on February 13, he signed a five-year trade treaty with the Cubans, committing the U.S.S.R. to buy five million tons of sugar, at one million tons a year, until 1964, at the world price of 2.78 cents. Twenty percent of payment was to be in

²⁹⁹The Wall Street Journal, February 5, 1960, quoted in Ibid, p. 136

dollars, the rest in merchandise.³⁰⁰ The U.S.S.R. also gave Cuba \$100 million in credits for the purchase of equipment and machinery for its steel industry, electric plants and oil refineries. This was repayable over a 12-year period at two and one half percent, and could be partly covered by sugar. "The agreement says specifically that Russia will trade heavy machinery to the Cubans. The island nation needs tractors, farm equipment and industrial machinery which it has been unable to purchase on credit terms from American companies."³⁰¹

The treaty with Moscow was the first of a series with eastern bloc countries, and other deals followed in rapid succession.³⁰² On February 20, Cuba signed a trade agreement with East Germany, and on April 1 with Poland, the latter providing for an exchange of Cuban foodstuffs and ores for Polish heavy industrial equipment. On June 10, a pact was made with the Czechs, and on July 23, as mentioned above, China signed a five-year treaty obligating her to buy 500,000 tons of sugar annually. Deals with Balkan nations followed - with Hungary,

³⁰⁰It is true, as some Americans pointed out, that the Soviets were paying less for the sugar than the United States did, but then, Russian products also cost Cuba less - for example, Cuba was paying only \$2.10 a barrel, as against the \$2.90 a barrel charged by the American oil companies. In any case, the benefits of the higher United States price went not to the Cuban people but to the sugar companies. The deal with the U.S.S.R. gave the money to the Cuban government.

³⁰¹The Wall Street Journal, February 15, 1960; quoted in Zeitlin & Scheer, Op. Cit., p.137

³⁰²In fact, a Cuban-Chinese trade agreement, whereby China bought 50,000 tons of sugar, was concluded as early as December, 1959.

on September 15; Bulgaria, on October 7; and Romania, on October 26.³⁰³ Also in October, Cuba negotiated a pact with China, by which the latter was to purchase 1,000,000 tons of Cuban sugar per annum and give Havana a credit of \$60 million for the construction of twenty-four new factories in Cuba. Finally, in December of 1960, Cuba signed a new sugar pact with the Soviet Union by which the Communist countries, already committed to buying 2,000,000 tons of Cuban sugar for 1961, would double that to 4,000,000 tons, with the U.S.S.R. taking the bulk of the increase. The deal, at four cents a pound, 20% in cash and 80% in bartered goods, was contingent on the continued refusal of the United States to grant Cuba a sugar quota in 1961 and would change, should the United States once more start buying Cuban sugar. They also promised to build 100 new industrial plants in Cuba and send technicians to operate them.³⁰⁴

³⁰³ These were signed by Che Guevara, who was on a trade and political tour of Eastern Europe, the U.S.S.R., and Communist nations in Asia. While in Czechoslovakia, he got \$40 million in credits for an automobile factory, doubling the amount stipulated in the June pact.

³⁰⁴ On the question of trade with the east, Tad Szulc in The New York Times of April 2, 1960 said that "Cuba's shorage of dollars - her reserves stood at \$67 million on March 1 - and the refusal by the United States and most Western European exporters to grant credits leaves her with virtually no alternative. Last month a syndicate of West European bankers decided not to grant Cuba the loans she had requested and for which she was ... willing to float a special bond issue". On the question of oil shipments by the U.S.S.R., Szulc noted that "a large share of the Soviet credit will go for petroleum purchases to save Cuba exchange for purchases from the dollar area. Cuba is believed to be as much as \$50 million in arrears in payments for oil imports from United States and British companies." And the United States and British companies refused to extend government-to-government aid. Quoted in Zeitlin & Scheer, Op. Cit., p.154

And, of course, "the flag followed trade", to turn the old saying around, and the Cubans began to integrate themselves politically, as well, into the socialist bloc. On May 8, 1960, diplomatic relations were established with the U.S.S.R. and Czechoslovakia, on June 15 with Poland, on September 23 with North Korea, on October 26 with Romania and on December 2 with North VietNam. The Declaration of Havana, published September 2, included formal diplomatic recognition of the Peking government and broke relations with Taiwan, which it called a United States puppet regime kept in power by the Seventh Fleet. Castro also abrogated the 21-nation mutual defense hemispheric pact of 1947 and, on December 19, indicated his solidarity with the Soviet bloc.

Sixty percent of Cuban sugar had, by 1961, been bartered off in deals with the Communist bloc, and trade with the socialist countries constituted over 70% of Cuba's foreign trade in 1961, 80% in 1962. By August, 1961, the Soviet bloc had given Cuba a total of \$357 million in credits: \$200 million from the U.S.S.R., \$60 million from China, \$40 from Czechoslovakia, \$15 million each from Hungary and Romania, \$12 million from Poland, \$10 million from East Germany, and \$5 million from Bulgaria. Nonetheless, Cuba experienced a deficit in 1961, with a 271 million peso gap between imports and exports.

"If capitalist countries had made such an investment in Cuba they would ... have secured ownership of the plant and equipment involved and would have (withdrawn) in the form of profits a large part of the additions to Cuban production, made possible by the investments. Not so with the credits granted by the socialist countries ...

all the factories, plants, equipment, etc granted by the socialist countries will belong to Cuba, rather than serving ... the purpose of foreign domination. Now they are going to finance and support the economic independence and sovereignty of Cuba." 305

³⁰⁵ La Experiencia de Cuba en Comercio Exterior (1958-1962), Ministry of Foreign Trade, Havana, 1964; quoted in Sweezy & Huberman, Op. Cit., p.648

CHAPTER IV

THE CUBAN DECISION-MAKING ELITE AND ITS
PSYCHOLOGICAL ENVIRONMENT

A. The Cuban Elite

1. At the Time of Assumption of Power

The Original 26th of July Movement seems to have been composed mainly of Latin American-style populists of middle class origin. They were, as Che Guevara himself admitted, non-ideological in an explicit sense at first, and certainly non-Marxist. "The principal actors of this revolution had no coherent theoretical criteria; but it cannot be said that they were ignorant of the various concepts of history, society, economics and revolution which are being discussed in the world today.³⁰⁶ If anything, they were nationalistic Jacobins who adhered to the 1940 constitution, though their agrarian-populistic base also give them the appearance of an Aprista party.³⁰⁷ These type of movements stress the theme of peasants as martyrs, with a less generous attitude towards urban labour, and demand the integration of the rural lower classes into the political process. They also seek far-reaching social and economic changes in rural areas, including land reform, but otherwise place more stress on the themes of social justice and social equality and less on purely economic issues.

The immediate post-Batista government, although already dominated by Castro, Guevara, and Raul Castro, who became head of the armed forces, was still very middle-class in composition.

³⁰⁶Quoted in Williams, Op. Cit., p. 51

³⁰⁷So-called after the APRA of Haya de la Torre in Peru. Others parties of this genre are the Accion Democratica of Venezuela, the PRI of Mexico, and the National Liberation Party of Costa Rica.

Manuel Urrutia Lleo, a judge, became president of the republic. He had been a justice during the Batista period and legalized Castro's insurrection by his decisions, calling the old regime illegitimate. Castro, without having ever seen him, offered him the presidency while still in the Sierras. When he met Urrutia, he was rather dismayed, finding the man to be all abstract principles, but by then he had committed himself.

Others in the Cabinet included the Prime Minister, José Miro Cardona, head of the Havana Bar Association and secretary-general of the united front which had helped Castro fight Batista; Foreign Minister Roberto Agramonte, who had been the Autentico candidate for president in the abortive 1952 election; Minister of the Interior Luis Orlando Rodriguez, a newspaper owner; Minister of Agriculture Humberto Sori Marin, a lawyer; Minister of Public Works Manuel Ray, an engineer who had built the Havana Hilton hotel; Minister of Finance Dr. Rufo Lopez Fresquet; Minister of Economics Dr. Regino Boti, who had an M.A. in Economics from Harvard University and had served on the UN Economic Commission for Latin American affairs; and Minister of Commerce Raul Cepero Bopilla, a former newspaperman who had attacked the sugar policies of the Batista regime. Of the 17 cabinet ministers, only six had been active workers in the anti-Bastista underground, and of these only three were actual "barbudos." This was a situation which could not last.³⁰⁸

³⁰⁸ Indeed, like Ray, many of these men later became anti-Castro exile leaders in Miami.

As President of the National Bank of Cuba, Castro picked Dr. Filipe Pazos, at 47 years old a top economist who had been president of the bank before 1953, resigning because of Batista.³⁰⁹

Paralleling these people were the leaders of the guerrilla movement, many of whom had no official positions in early 1959 - indeed, Castro himself had no governmental office at first.³¹⁰

The first two ideological leftists to enter government service were Major Ramiro Valdes and his deputy, Major Manuel Pineiro, who took over the army's G-2 (Secret Service) agency on the day Batista fled.

Also, in May, Antonio Nunez Jimenez, former geography professor at the University of Las Villas, became head of INRA, with Oscar Pino Santos, another old leftist, as his second-in-command. Other than this, a middle-of-the-road bureaucracy ran Cuba for the first few months after the revolution.³¹¹

³⁰⁹Pazos was replaced by Guevara as president of the bank in November, 1959. Some months later he went to the U.S. and became a leader of MRP, the farthest left of the various exile groups.

³¹⁰Castro only became Prime Minister on condition that legislative and administrative authority (at that time concentrated in the presidency) be transferred to that office.

³¹¹It is interesting to note just how young the Cuban elite was, both those moderates in the government at the time and those rebels waiting to take power in the wings. In 1959, Castro was 32 years old; Guevara was 31; Raul Castro, 27; Armando Hart, 28; Osmany Cienfuegos, 29; Camilio Cienfuegos, who was killed in an airplane crash that year, 27; Augusto Martinez Sanchez, 33; Enrique Oltulski, a leader in the urban resistance, 28; Faustino Perez, coordinator of the 1958 general strike and leader of the urban resistance, 28; Antonio Nunez Jimenez, 36; Raul Cepero Bonilla, 37; and Dr. Regino Boti, 35. Dr. Felipe Pazos was 47 that year, and perhaps the oldest member of the government with any real influence. In 1960 the average age of the members of the Council of Ministers (the cabinet) was 33.

Though this elite composition changed drastically, "the record suggests that what happened in Cuba was as much a surprise to Moscow as to Washington - notwithstanding Dr. Castro's confession that he had long ago become a Marxist-Leninist. If any conspiracy existed, it was a conspiracy of circumstance that pitted a large, affluent nation led by complacent men who had forgotten the meaning of a revolution against a proud, small country led by gifted and intolerantly zealous men."³¹² In effect, the resultant inter-elite conflict was a byproduct of the struggle with the United States and differing views on economic and social development in Cuba.

2. Inter-elite Conflict and the Ideological Movement toward the Left.

The struggles and conflicts within the ruling bodies of the Cuban government basically reflected the ideological dispute with the United States, and became a conflict between those moderates, both within the cabinet and elements of the Fidelistas, who wanted to compromise with the U.S., and the more hard-line elements, who wished to confront the U.S. and carry out the full measure of economic and social reforms promised. This second group increasingly allied itself with the Cuban communists, the PSP, and by 1962, with the defeat of the moderate faction, began to merge with it, first within the Integrated Revolutionary Organizations (ORI) and later, the United

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³¹²Meyer & Szulc, Op. Cit., p. 9

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Revolutionary Socialist Party of Cuba (PURSC). In 1965, this became the Communist Party of Cuba, and more than 80% of its 100-man central committee were former members of Castro's 26th of July Movement, rather than the old PSP. Hence, this following section covers the CE (competing elite) variable, as the PSP provided more and more support on a wide variety of issues and attempted to supplant the more moderate Fidelistas as the revolution intensified.

There was much initial animosity between the Communists and the Fidelistas, basically due to the rather ambivalent position the PSP had taken with regard to the 26th July Movement during their fight to overthrow Batista.

In the first place, the PSP supported Batista in his first reign of office between 1934 and 1944, insisting he was "democratic and progressive,"³¹³ and even helped to write the 1940 Constitution with him. The Communists in effect maintained that there were "two Batistas," the one they had collaborated with and the tyrant of the 1950's.

After the 1952 coup the Communists, after some vacillation, opposed Batista, and their party was outlawed. Nonetheless, some PSP members served the Batista regime, including Julian Soto Longo, the party's former provincial secretary in Camaguey; Guillermo Perez Lamy, a lawyer, who became legal advisor to the Ministry of Labour; and

³¹³Quoted in Zeitlin & Scheer, Op. Cit., p. 115

Arsenio Gonzales, who became undersecretary of Labour.

The Communists condemned the attack on the Moncada barracks in 1953:

"We repudiate the putschist methods, peculiar to bourgeois political factions, of the action (at Moncada), which was an adventurist attempt ... The heroism displayed by the participants in this action is false and sterile, as it is guided by mistaken bourgeois conceptions... "

"The entire country knows ... that the Communists had nothing to do with it. The line of the PSP and of the mass movement has been to combat the Batista tyranny and to unmask the putschists and adventurist activities of the bourgeois opposition as being against the interests of the people. The PSP poses the necessity of a united front of the masses against the government for a democratic way out of the Cuban situation ..."³¹⁴

In fact, as late as May 1958, the PSP still referred to the guerrillas as "those who count on terroristic acts and conspiratorial coups as the chief means of ousting Batista,"³¹⁵ although they did concede that the movement was the most progressive sector of the non-Communist opposition.

When Castro organized the April 9, 1958 general strike, the PSP leadership, although not officially opposing it, said it did not have enough support to succeed. In effect this helped Batista, who circulated the PSP's declaration throughout Cuba, and the strike was

³¹⁴Quoted in Ibid, pp.117-118

³¹⁵Quoted in Ibid, p. 118

indeed aborted.³¹⁶ The 26th of July Movement condemned the PSP for this, and expressed mock surprise that Communist leaders Blas Roca and Juan Marinello were living peacefully in Havana, unhindered by Batista's police. The PSP was not included in the united front hammered out between various anti-Batista factions in Caracas, in July.

Finally in late summer, Carlos Rafael Rodriguez, a top Communist leader, went to the Sierras to confer with Castro, and in September Luis Mas Martin joined the Fidelistas in the mountains. Both groups remained suspicious, though, and no precise accords were reached.

The PSP continued to misjudge the strength of the Castroites. In November, 1958, a mere month before Batista's downfall, they noted that, while Batista had failed to crush the uprising, "it would be wrong to suppose that this alone implies the imminent possibility of its overthrow, since domestically its principal basis of sustenance is the disunity of the opposition forces. Hence, our effort to fight for national unity, to do away with tyranny, and pave the way for a democratic coalition government shall be unremitting."³¹⁷

³¹⁶The only positive statement the PSP made was to declare the strike as "a step toward organization of the masses and away from excessive reliance on heroic but indecisive guerrilla warfare, futile bombing and sabotage." Quoted in Ibid, p. 118

³¹⁷Aguilar, Luis E., ed., Marxism in Latin America, Alfred A. Knopf, New York, 1968, p. 43

Conrado Bequer, an anti-Communist labour leader who had been a guerrilla, was quoted in The New York Times of May 31, 1959, as saying, "The Communists never helped or cooperated with the 26th July (Movement) during its two year fight against Batista ..." and only began to show signs of doing so when it was obvious to everyone that Batista was in imminent danger of defeat."³¹⁸

"The Communists mounted that Castro bandwagon so late in its parade to success that their motives should have been suspect for that reason if for no other."³¹⁹

The animosity between the Fidelistas and the PSP lasted well into 1959, and many of Castro's initial advisers were anti-Communist.

After an initial four-month truce, Castro, upon his return from the OAS Economic Conference in Buenos Aires in May, 1959, moved to head off what he considered an incipient challenge to his leadership by the Communists, and in two speeches, on May 8 and 16, disassociated himself from the PSP, its ideas and programs. Although the Communists had been agitating for higher wages, etc., they had given little other basis for attacks on them by the 26th of July Movement. The Communists had tailored their program to co-incide with that of the revolutionary

³¹⁸ Quoted in Zeitlin & Scheer, Op. Cit., p. 119

³¹⁹ Fitzgibbon, Russell H., "The Revolution Next Door; Cuba" in Annals of the American Academy of Political and Social Science, March, 1961, p. 117

government's, and the attacks on them seemed to stem from traditional distrust of the Communists. As for the PSP, they seemed to have also still been wary of Castro at this stage, for had they believed he intended to fulfill his promised social revolution, they would not have agitated for wage increases. They still considered him to be a typical Aprista-type reformer who would soon enough "sell out" the revolution.

Said Castro on May 8, "I don't know why the slanders against our revolution that it is Communist, that it is infiltrated with communism. Can anyone think that we conceal obscure designs? Can anyone say that we have lied at any time to the people?"³²⁰ And on the 16th, Revolucion, organ of the 26th of July Movement, denounced the Communists as "divisionists", referring to a joint statement put out by a Fidelista and a Communist:

"The manoeuver of the Communists is very clear. It is to force an underhanded political pact ignoring the 26th of July Revolutionary Movement and its maximum leader, Fidel Castro We are neither with Communism or capitalism, as Fidel Castro has said. This is a humanist revolution against right and left dictatorship."³²¹

On May 22, Castro accused the PSP of being counterrevolutionary because of its agitation for higher wages and for inciting land seizures by peasants near Holguin. He denounced them as extremists with no

³²⁰ Quoted in Aguilar, Op. Cit., p. 42

³²¹ Quoted in Zeitlin & Scheer, Op. Cit., p. 107

place in the revolution. In reply, on May 23, the Communist newspaper Hoy attacked Castro's remarks, and on May 26, the Communists admitted they had been hurt by Castro's open opposition. They claimed the revolution could not succeed without their support.

A group of 26th of July labour leaders, headed by David Salvador, formed a "labour humanist front" against Communism and announced that they expected to gain the support of 29 of 33 labour federations.³²²

On May 25, the National Federation of Sugar Workers elected as its general-secretary the anti-Communist Conrado Bequer, by 885 to 11 votes, and also voted 883 to 13 to censure Hoy for its attacks condemning the convention as being undemocratic. The Communists in turn condemned the union.

In union elections held throughout Cuba during May, Castroites scored a virtually complete victory over the Communists.

As late as July 22, the Communists held a demonstration outside the offices of Revolucion to protest that newspaper's anti-Communist line, and Revolucion in turn printed a strong warning to the Communists. And Herbert Mathews wrote on July 16, 1959 in The New York Times that "this is not a Communist Revolution in any sense of the word and there are no Communists in positions of control... There seem to be very few

³²²Quoted in Ibid, p. 108

in Cuba ... who believe Fidel Castro is a Communist . The only power worth considering in Cuba is in the hands of Premier Castro, who is not only not a Communist but decidedly anti-Communist."³²³ Whether or not this is true, the turn of events in the post-Agrarian Reform period brought a rather quick conciliation between the two groups, which, whether or not guided by expediency, assumed an air of permanence. However, one may agree with O'Connor that "the PSP never had the political initiative either before or during the key stages of the social revolution; the party, in fact, at first even opposed those sections of the May, 1959 Agrarian Reform Law, which encouraged collective production of agricultural commodities."³²⁴

As the revolution confronted with each passing day increasing American, and internal, opposition to its programs, it was forced to seek allies among those who would support it, including the Communists, and thus through an inexorable process the U.S., ironically enough, began to push the Cuban elite toward the Left, both in terms of personnel and changing ideology.

The U.S., by constantly invoking the spectre of Communism, almost forced Castro to show his independence by becoming milder on the PSP. "One feature of Premier Castro's attitude is typical of Cuban leaders.

³²³Quoted in Ibid, p. 110

³²⁴O'Connor, Op. Cit., in Petras & Zeitlin, eds., Op. Cit., p. 492

This is that, however anti-Communist they feel, they will not ... humiliate themselves by acting as if they were under American orders, pressures or threats. The attacks and suspicions in the United States are considered here to be strengthening the Communists..."³²⁵

It was the conservatives who, by constantly identifying the revolution with Communism, made it seem counterrevolutionary to oppose the PSP. Blas Roca, general-secretary of the party, on May 26, chided Castro for attacking the Communists, and repeated the PSP claim that anti-Communism was being used to divide the forces of the revolution, and that those that raised the issue were traitors. "All of this threatens to degenerate into a breaking of the general revolutionary solidarity, which would be fatal for the development of the revolution, for its forward development..."³²⁶

The Communists now began to support the Castroite reforms unreservedly, without any additions or substitutes. Thus, the Fidelistas began to take a more sympathetic attitude toward the PSP, especially as American pressure increased.

The period between May and October saw the 26th of July Movement split into its moderate and extreme wings, on the issue

³²⁵ Herbert Mathews in The New York Times, July 16, 1959; quoted in Zeitlin & Scheer, Op. Cit., p. 111.

³²⁶ Quoted in Ibid, p. 108

of cooperation with the Communists, using such opposing slogans as "Humanism" and "Cubanism" (by the moderates) and "Unity" (by those who wished to ally with the PSP).³²⁷ The moderate social democrats, who were opposed to class struggle and ambiguous about capitalism, were defeated by the more radical Jacobins such as Castro, his brother Raul, and Guevara. Even Carlos Franqui, editor of Revolucion and a former anti-Communist, joined them.

In April, 1959, moderate government ministers still thought the outcome of struggle within the Fidelista movement would be a swing toward the Right. Minister of Finance Lopez Fresquet assured the U.S. that the revolution was taking a hopeful course, and Felipe Pazos, head of the National Bank, explained that Castro was in the "Moncada Barracks" phase of economic thinking. First Castro tried to unseat Batista by a wild, frontal assault in 1953, then went into the Sierras for a more patient siege. "Castro is still attacking economic problems the way he attacked Moncada. We're hoping that he will go into the Sierra soon."³²⁸

The first big inter-elite crisis came at the time of the agrarian reform, when five ministers, including the Foreign Minister, Roberto Agramonte, resigned after failing to convince Castro to make the law more acceptable to the United States. Agramonte was replaced by Raul

³²⁷C.F. Morray, Op. Cit., pp. 68-78, passim

³²⁸Quoted in Meyer & Szulc, Op. Cit., p. 37

Roa, former Dean of Social Sciences at the University of Havana and a man who, while at odds with the PSP, advocated socialism for Cuba and was a defender of Marxism.

The next crisis came with the enforced resignation of President Urrutia. Urrutia, increasingly concerned about Communist influence in the government, thought his suspicions confirmed when Pedro Diaz Lanz, chief of the Air Force, resigned and later fled to the U.S., claiming that "Communists occupy prominent positions in the rebel army and in other dependencies of the government."³²⁹ On June 27, Urrutia publicly condemned the Communists, and on July 13, he said they had done "horrible damage" to Cuba and that "true revolutionaries should reject the support of Communists."³³⁰

Three days later, Castro publicly resigned as prime minister on television, calling Urrutia "a Diaz Lanz raised to the fifth power."³³¹ This forced the president's hand, and he vacated the presidency, to be replaced by Osvaldo Dorticos, a lawyer who had been driven into exile by Batista for his clandestine activity as a member of the 26th July Movement during the civil war.³³² He was friendly to the PSP

³²⁹Quoted in Zeitlin & Scheer, Op. Cit., p. 94

³³⁰Quoted in Morray, Op. Cit., p. 57

³³¹Quoted in Ibid, p. 58

³³²Ray Brennan, Chicago Sun Times correspondent, noted that Urrutia had been fired for other reasons as well as his opposition to the Communists. He had been, on a salary of \$10,000 a month, enriching himself at public expense, and had acquired a \$40,000 mansion in the country. His replacement, Dorticos, immediately cut his own salary to \$2,500. Also Castro alleged that the president had been implicated with Diaz Lanz, the defector, and had also delayed the action of the revolution by impeding the land reform and refusing to sign many death penalty warrants for counterrevolutionaries.

and had in fact reportedly belonged to one of its organizations when younger. Castro now resumed the prime ministry.

The fall of 1959 saw a purge of most moderate factions in the elite, especially those in the trade union movement, and they were pruned out quickly.

Faustino Perez, an anti-Communist leader of the former Havana underground, was ousted from the government. He was followed by Manuel Ray, who resigned as Minister of Public Works. Also, in November, Che Guevara succeeded Felipe Pazos as head of the National Bank.³³³ During a cabinet session, Minister of Education Armando Hart demanded that Finance Minister Lopez Fresquet be fired; he wasn't, but in practice his powers were transferred to Guevara's National Bank. He confided to a friend later that Castro had become "a maniac, a dictator."³³⁴

On October 17, Manuel Fernandez was removed as Minister of Labour, to be replaced by Augusto Martinez Sanchez, a former Rebel Army commander

³³³ Pazos left for the U.S. and in August, 1961, headed a committee of experts studying sanitation problems, at the OAS conference held in Punta del Este, Uruguay. His stop-gap solution was to be sanitary outhouses for Latin America. Che Guevara, representing Cuba at the conference, sarcastically remarked, "We are sorry we no longer have Dr. Pazos' able assistance. Cuba by now could boast of being a nation of outhouses instead of the schools and factories of the revolution." Quoted in Beals, Op. Cit., pp. 301-302

³³⁴ Quoted in Meyer & Szulc, Op. Cit., p. 25 Lopez Fresquet was finally replaced in March, 1960, by Rolando Diaz Astarain.

who was a strong advocate of unity with the Communists.

The Tenth Labour Federation Congress opened on November 18, and a move began by more moderate Fidelistas to exclude Communists from the Executive Committee to be elected by the Congress. The secretaries-general of about 25 labour federations supported this. The Congress seemed ready to pass this, and David Salvador, president of the Federation, seemed unable to prevent it. Martinez Sanchez and his two assistants, Jesus Soto and José Maria de Aguilera, declared their support for a "unity" slate (with the Communists). Finally, Castro himself made an unscheduled appearance at the congress, calling for a "unity" slate, which passed, and a purge of more right-wing elements then began in this last bulwark of anti-Communist opposition.

Williams says that during this period "Castro's neo-populist outlook certainly led him to Marxism once the circumstances confronting the Revolution became so difficult and threatening. So, to, did the intellectual and emotional Marxism of close associates like his brother Raul and Guevara."³³⁵ Thus, by the end of 1959, the main struggle, save for mopping up operations,³³⁶ was complete, and a PSP - 26th of July amalgamation had begun on an ideological level, and would start a year later on an organizational level.

³³⁵Williams, Op. Cit., p. 137

³³⁶For example, José Miro Cardona, first prime minister in the revolutionary government, was supposed to become Cuban ambassador to Washington in May, 1960, with U.S. approval, as he was a respected moderate. But he never took up his post, instead in July finally broke with Castro and sought asylum in the Argentinian Embassy. He later became an anti-Castro exile in Miami.

On February 25, 1960, Che Guevara became head of the new Ministry of Industries, created to carry out a four-year industrialization plan, and Alberto ~~Mora~~ Becerra became Minister of Foreign Trade. Dr. Raul Cepero Bonilla replaced Guevara as head of the national bank, and became a cabinet minister.

On May 1, 1960, Castro named his brother Raul as his successor, and, should the latter be unable to become prime minister, the other leaders, headed by Dorticos, were to select a new leader.

In June, INRA chief Antonio Nunez Jimenez, said in Moscow, that "the Communist Party of Cuba, which is called the Popular Socialist Party, is basically a party made up of the very poor classes. There are no big capitalists in it, no imperialists, no big landowners ..., no war criminals. That is, it is the party whose members are receiving the benefits of the Revolution."³³⁷

And a State Department paper presented to the OAS conference of August, 1960, quoted the head of the student group called the Revolutionary Directorate, Fauré Chomon, as saying, in answer to the question of who was ruling Cuba:

"... the revolution is led by a group of revolutionary comrades ... But what party do they represent? These comrades belong to the revolutionary party. The several revolutionary groups have united in order to make the revolution a success. Our revolutionary party is composed

³³⁷Quoted in Zeitlin & Scheer, Op. Cit., p. 264

of the 26th of July movement, the Socialist Party (Communist Party of Cuba), the Revolutionary Directorate, and other groups. We have become convinced that we must march together ..."³³⁸

³³⁸Quoted in Ibid, p.265. Actually, things had not been quite that simple, and in fact there was an at first uneasy alliance, and later a struggle, between the Fidelistas, especially those moving toward the Left, and the Revolutionary Directorate.

The Directorate, the student group fighting Batista, was based at the University of Havana, which was seized by the Federation of University Students (FEU) in the first days of the Revolution. The Directorate, which had political control over the FEU, refused to surrender the university to Che Guevara when the rebel leader arrived in Havana, and Castro attacked Chomon as an opportunist and a demagogue, as the latter demanded inclusion in the new government of all groups which had been fighting Batista and called for elections as soon as possible. An uneasy truce between the two groups lasted for about one year.

The Directorate, being composed of many petty-bourgeois elements, split, as did the 26th of July Movement, on the issue of the Revolution's collaboration with the PSP. It was during the summer of 1960 that purges took place at the University of Havana, and these were initiated by the non-Communist leadership of the Directorate, men who preferred unity with the PSP in order to defeat internal and external enemies.

Three men played the primary role in integrating the students into the revolutionary advance. Chomon himself, the leader of the Directorate; Rolando Cubela, his second-in-command and later general secretary of the FEU; and Angel Quevedo, another leader of the Directorate who had fought in the underground against Batista.

Cubela, who was FEU president in 1960, felt that the university, with its bourgeois majority of students and faculty, and its tradition of autonomy, might become a center of counter-revolution, especially at a time when U.S. opposition to the Castro regime was on the increase. Indeed, a majority of the conservative faculty backed a Catholic conservative student leader, one Alberto Muller.

Thus, on July 1, the FEU began an attack on the governing council of the University and demanded educational reforms. After two weeks of progressive deterioration, the Directorate-inspired FEU, on July 15, overthrew the council and set up a new governing body in the name of the Revolution. This act, in effect a type of coup, was legitimized by Castro himself on August 5, and a purge of anti-Communist and other conservative professors began. Indeed, the rector of the university was himself replaced, by none other than Juan Marinello, president of the PSP. Muller was imprisoned and over 80% of the faculty replaced.

The leaders of the FEU and the Directorate were well rewarded for the help given the revolutionary regime. Chomon became a major in the Rebel Army and later Cuba's ambassador to the Soviet Union; Cubela and Quevedo also received commissions as majors in the army and continued holding top-echelon posts in the FEU; both were also said to have received ranking governmental positions. The right-wing elements of the FEU were thus split off, many of them either leaving Cuba or joining anti-Castro organizations, while the leftist leadership was integrated into the new Fidelista-PSP alliance.

By September, 1960, the Cuban elite, collectively, had adopted a more or less Marxist-Leninist world-view, as these excerpts from the First Declaration of Havana, issued on September 2, will illustrate:³³⁹

- 1) This section condemned the OAS's Declaration of San Jose, issued the previous month, since it was "a document that offends, under dictation from the imperialism of North America, the sovereignty and dignity of the other peoples of the Continent and the rights of each nation to self-determination."
- 2) The second part condemned North American domination in general, as it was "built upon superior military power, upon unfair treaties and upon the shameful collaboration of traitor governments, (and) has for more than 100 years made of our America a zone of exploitation, a backyard in the financial and political empire of the United States, a reserve supply of votes in international organizations ..."
- 3) The third section rejected attempts to perpetuate the Monroe Doctrine, "until now utilized to extend the dominion in America of greedy imperialists ... and to inject more easily the poison of loans, of canals and railroads ..." It rejected further a "false Pan-Americanism which is merely prostration of spineless governments before Washington and rule over the interests of our people by the monopolies of the United States ..."
- 4) The fourth section approved acceptance of Soviet aid to help in warding off U.S. aggression.

³³⁹The text of the Declaration is quoted in its entirety in Morray, Op. cit., pp. 147-153.

The Declaration condemned the latifundia system, underpayment of wages, the concession of natural resources to foreign companies, and governments subservient to the U.S. and indifferent to the fate of their populations. It also condemned "the exploitation of man by man and ... of underdeveloped countries by imperialist finance capital",³⁴⁰ and therefore proclaimed "the right of states to nationalize imperialist monopolies as a means of recovering national wealth and resources."³⁴¹

Blanksten says "the place of Communism in fidelismo is both crucial and subtle. It seems likely that this role is far more negative than positive, that is, that it is motivated more by rejection of the United States than it is by acceptance of the Soviet system."³⁴²

B. Fidel Castro.

1. Personal Information.

"Fidel is the most charismatic figure produced by Latin America, at least in this century ... Castro's domination of Cuban events is virtually unique ... The history of Cuba in the last two or three years is the biography of Fidel."³⁴³

Dr. Fidel Castro Ruz was born in 1927 in Oriente province, the son of a wealthy sugar plantation owner. He attended the University of

³⁴⁰Quoted in Ibid, p. 151

³⁴¹Quoted in Ibid, p. 152

³⁴²Blanksten, Op. Cit. in Tomasek, Op. Cit., p. 375.

³⁴³Fitzgibbon, Op. Cit., pp. 114, 116-117

Havana, where he was a student leader and was graduated with a law degree.

In 1947, Castro was involved in an unsuccessful invasion of the Dominican Republic, the so-called Cayo Confites affair, and in 1948, in Bogota, Colombia, took part in the rioting which followed the assassination of Jorge Elicer Gaitan, head of Colombia's Liberal Party, at the time of the meetings of the Inter-American Conference which set up the OAS.³⁴⁴

As a student, Castro spoke out against the corrupt administration of President Carlos Prío Socarras, joined the Ortodoxos, a left-of-center reform party, and was nominated by them to run in the 1952 Congressional elections (which, because of the coup, never took place).

In 1952, Castro, then 25 years old and still working through legal channels, filed a brief with the Court of Constitutional Guarantees, asking it to declare the Batista regime illegal. He submitted a brief showing that Batista and his cohorts had violated six articles of the

³⁴⁴Beals says that Castro and Rafael del Pino, another Cuban, were student delegates to the Bogota conference. On April 3, 1948, they were removed from the balcony of the Colon Theatre for tossing down leaflets calling for the liberation of European Colonies in the Americas. They were ordered to present themselves at secret service headquarters the following Monday, but instead vanished. When Gaitan was shot, the Cuban students were advanced by one school of thought as the conspirators, but nothing has ever been proven, and Beals feels any evidence involved was manufactured by the secret police. CF. Beals, Op. Cit., p. 242.

Code of Social Defense.

Said Castro to the justices, "Logic tells me that if there exist courts in Cuba, Batista should be punished, and if Batista is not punished and continues as master of the State, President, Prime Minister, senator, Major General, civil and military chief, executive power and legislative power, owner of lives and farms, then there do not exist courts, they have been suppressed. Terrible reality?

"If that is so, say so as soon as possible, hang up your robe, resign your post."³⁴⁵ The Court refused to consider Castro's plea.

He then attacked the Moncada barracks, and at his trial, already demonstrated some of his strengths - including oratorical mastery and supreme self-confidence - in his three-hour "History Will Absolve Me" speech.

At his trial, he said that "the problems concerning land, the problem of industrialization, the problem of housing, the problem of unemployment, the problem of education, and the problem of the health of the people; these are the six problems we would take immediate steps to resolve along with the restoration of public liberties and political democracy." He emphasized that "the need to industrialize the country is urgent."³⁴⁶ Thus, as early as 1953, the basic tenets of Castro's

³⁴⁵Quoted in Huberman & Sweezy, Op. Cit., p. 25

³⁴⁶Quoted in Williams, Op. Cit., p. 75

world view could be found in nascent form.

Following his release from prison, and after a year of organizational activity, he launched a second attack on Batista in 1956. "Fidel Castro, the son of rich parents, had learnt law from his professors at the university, but in the Sierra Maestra his teachers were the hungry peasants of the Oriente. It is therefore not surprising that the conquest of independence should have culminated hardly four and one half months after the taking over of government, in the agrarian reform of the 18 May 1959."³⁴⁷

Blanksten feels Castro is a charismatic leader, a "personalismo":

"Convinced that he is the only figure on the scene who can 'save the country', the charismatic leader feels an 'inner call'. He is recognized by his followers as a "natural" leader of men. They 'do not obey him by virtue of tradition or statute, but because they believe in him.", Max Weber has pointed out..."

"Personalismo is clearly central in fidelismo and Fidel Castro is one of Latin America's leading case studies in charismatic leadership."³⁴⁸

Castro's leadership in the struggle against Batista and in the first two years of the revolution were unchallenged, and he was indeed an extraordinary and complex man. It was a combination of his own intelligence and the complete disorientation of Cuba society that pushed the scion of a wealthy family into revolutionary activity.

³⁴⁷Dumont, Op. Cit., p. 97

³⁴⁸Blanksten, Op. Cit., in Tomasek, Op. Cit., p. 358.

Castro was almost singlehandedly responsible for the fidelista movement's transcendence from a group carrying out a coup d'état to one bringing about a social transformation of the country. He was able to identify with the revolution, grow with it, grasp its inner logic and interpret it to the Cuban people. Fagen says of Castro that "he is ... very intelligent, energetic, proud, an astute politician and a gifted orator. On the other hand, he has yet to prove himself either an able administrator or a realistic economist. Seemingly without interest in material gain, intolerant of self-indulgence in others, he is relentless in his pursuit of political power ... (H)e has been extremely consistent in reasserting his dominance over the shifting revolutionary power structure.

"... the most important attribute to Castro is his charisma... the call to associate oneself with Fidel and through him with the miracle of the Granma the glories of the Sierra Maestra, the defeat of Batista ... continues to stir the Cuban masses ... For many, the revolution remains incarnate in Fidel, and his right to command remains unquestioned.

"The stamp of Castro is on the Cuban effort. It could not be otherwise, for Fidel dominates the revolution. He is Sidney Hook's 'event-making' man par excellence."³⁴⁹

³⁴⁹Fagen, Op. Cit., p. 13

2. World View

A study of the speeches and statements of Fidel Castro during the period under review can isolate and highlight some of the most salient elements of his psychological world view as they pertain to his perceptions of Cuba, the United States, and their interrelationship, and these psychological variables can be tied to the objective realities of the Cuban-American dominant - bilateral relationship, the political philosophy of the revolution, and attempts to develop Cuba economically.

It is interesting to note the development and change in Castro's thinking from that of, basically, humanistic Jacobinism and aprista-ism to full-fledged Marxism-Leninism, during the 1959-1961 period.

Castro's own attitudes and ideology were quite vague, even unformed in the first days of the revolution, and he surrounded himself with as varied a group of advisors as any politician in memory-careerist politicians, Keynesian economists, bureaucrats, sincere liberals, professional revolutionaries and Marxist tacticians. It took the events of the next two years to solidify and make explicit in his own mind those ideological perceptions which were only partially formed in 1959. "We were like a man with a vocation for music. But a man's vocation for music does not grant him the right to call himself a musician if he has not studied musical theory. When we started our revolutionary struggle, we already had some knowledge of Marxism-Leninism and we were in sympathy

with it. But, by virtue of this, we could not call ourselves Marxist-Leninists ... We were apprentice revolutionaries."³⁵⁰

In 1957, Castro wrote a book called Revolucion, in which he said, "The Revolution is struggling for a total transformation of Cuban life, for profound modifications in the system of property and for a change in institutions ... The Revolution is democratic, nationalist, and socialist."³⁵¹ So nationalism still definitely preceded socialism in his weltanschauung at this point.

Zeitlin and Scheer feel nationalism, rather than socialism, was the basis of the expropriations of U.S. property. In April, 1959, when in the U.S., the premier said, "We are against all kinds of dictatorships, whether of a man, or a country, or a class, or an oligarchy, or of the military. That is why we are against Communism."³⁵² He called his revolution a humanistic one interested in liberty and bread, without terror. On the day the Agrarian Reform Law was passed, Castro noted that "we are only trying to move from feudalism to enlightened capitalism. This is a necessary measure, a surgical operation, that must be carried out in the interests of the national economy."³⁵³ So he still talked in terms of Jacobin nationalism.

³⁵⁰Fidel Castro, January 29, 1962; Quoted in O'Connor, Op. Cit., in Petras & Zeitlin, Op. Cit., p. 498.

³⁵¹Quoted in Williams, Op. Cit., pp. 77-78

³⁵²Quoted in Zeitlin & Scheer, Op. Cit., p. 81. When Castro appeared before the Senate Foreign Relations Committee in Washington, he was asked, "What is your connection with communism." "None," he replied. Quoted in Meyer & Szulc, Op. Cit., p. 35

³⁵³Quoted in Williams, Op. Cit., p. 112

Four days later, on May 21, Castro elaborated:

"Our revolution is neither capitalist nor Communist! Our revolution has a position of its own and is in all its characteristics a revolution which is distinctive. We, in our humanist doctrine, are intensely concerned with the people and we are mobilizing all our forces in benefit of the majority. We want to liberate man from dogmas, and free his economy and society, without terrorizing or binding anyone. We have been placed in a position where we must choose between capitalism, which starves people, and Communism which resolves the economic problem but suppresses the liberties so greatly cherished by man. I know that Cubans ... desire a revolution that may meet their material needs without sacrificing their liberties... Without social justice without the satisfaction of man's necessities, neither liberty nor democracy is possible; men are slaves of misery... That is why we have said we are making a humanist revolution, because it humanizes man... Capitalism sacrifices man; the Communist state sacrifices man. It is for this reason that we are trying to make our own revolution ... Ours is an autonomous revolution, as Cuban as our music... Our revolution is not red, but olive green, the colour of the rebel army that emerged from the heart of the Sierra Maestra."³⁵⁴

Here we see an ideological struggle within Castro between his Jacobin nationalism and populism, and Marxism, and the latter became more and more prominent as the months passed. He became more of a historical materialist, de-emphasizing the individualistic aspects of the war against Batista and the revolution that followed:

"Revolutions, real revolutions, do not arise through the will of one man or one group ... Revolutions are remedies - bitter remedies, yes. But at the time revolution is the only remedy that can be applied to evils even more bitter."³⁵⁵

³⁵⁴Quoted in Zeitlin & Scheer, Op. Cit., p. 109

³⁵⁵May 1, 1960;Quoted in Ibid, p. 53

And:

"To satisfy his material needs, man does not have to sacrifice his liberty, which is his most precious possession." But, "the most essential freedoms are meaningless for men who cannot satisfy their material needs."³⁵⁶

By April of 1960, Castro was referring to the original 26th of July Movement as a petty bourgeois one, which could not keep up with the radicalization process. He became ever more of a formal theoretical Marxist, and in April, 1961, for the first time referred to Cuba's revolution as officially a socialist one, and on December 5 of that year, proclaimed himself a Marxist-Leninist. By this time he had an orthodox class, as against nationalistic, position on the former exploitation in Cuba:

"The working class is the creative class; the working class produces what material wealth exists in a country. And while power is not in their hands, while the working class allows power to remain in the hands of the monopolies, in the hands of foreign and national interest groups, while armaments are in the hands of those in the service of these interest groups and not in their own hands, the working class will be forced to lead a miserable existence no matter how many crumbs those interest groups let fall from their banquet table."³⁵⁷

Castro himself was quoted in The New York Times of November 7, 1964, as saying, "Had I understood the imperialist phenomenon, I would then (at an early stage in the conflict with Batista) have truly become a Marxist-Leninist. But to reach that point, I had to have two years of

³⁵⁶Quoted in Dumont, Op. Cit., p. 95

³⁵⁷Quoted in Gerassi, John, Venceremos! Op. Cit., p. 131

armed conflict ..."³⁵⁸

A closer study of Castro's world view in the 1959-1960 period can examine in greater detail some of the ideological and attitudinal strands running persistently through it, and see how they influenced and affected his perceptions and views of the objective situation in this period.

The first subjective variable, which might be termed "nationalism-historical legacy," was the perception that Cuba had been a colony of the United States, and exploited. This affected Castro's attitudes toward (DB), the relationship with the U.S.

Castro told Lockwood in 1965 that, "In spite of having read theoretically about imperialism as a phenomenon, I ... didn't thoroughly appreciate the relation that existed between the phenomenon of imperialism and the situation of Cuba."³⁵⁹ He was referring to his outlook in the pre-1953 period here.

His views on this point developed, though, so that by January 15, 1959, he could tell a Rotary Club luncheon in Havana that "Cuba was not free, because when a foreigner arrogates for himself the right of intervening in the affairs of a country, that country is not free."³⁶⁰ He differentiated between formal political and actual economic independence, and said in June, 1960, "when you come down to it, our fight for independence began way back in 1868 and it has taken us almost 100 years

³⁵⁸ Quoted in Kling, Merle, "Violence and Politics in Latin America," in Horowitz et al, Op. Cit., p.205

³⁵⁹ Quoted in Lockwood, Op. Cit., p. 156

³⁶⁰ Quoted in Williams, Op. Cit., p. 30

of continuous struggle to achieve the freedom we have today."³⁶¹ He also noted in March 1961 that, "For us, the revolution signifies total liberation, political, economic, social and cultural. For the first time in history, the dignity, independence and sovereignty of our people have been asserted and established. Today we may claim to be politically free and masters of our destiny in every respect, a primary factor which our former enslavers refuse to accept or understand.

"Political freedom is however, not worthy of the name without economic liberation and social justice."³⁶² So elements of the (PS) political ideology and (E), economic development, also enter into the mosaic.

A very good summary of Castro's subjective view of the historical relationship between Cuba and the United States was given in his speech to the UN General Assembly, September 26, 1960:

"For many years, Cuba was a colony of the United States. As far as the map was concerned, this was not the case; our country had a different colour from that of the United States. But in reality Cuba was a colony of the United States."³⁶³

Castro then goes on to mention that, in 1898, after three years of struggle for independence, "the ripe apple" fell into U.S. hands, and political affairs were dominated by the Americans. Also, Cuba was being exploited.

³⁶¹Quoted in Zeitlin & Scheer, Op. Cit., p. 30

³⁶²Quoted in Karanjia & Sanghvi, Op. Cit., p. 58.

³⁶³Quoted in Let the Philosophy of Plunder Disappear and War Will Disappear, Ministry of Foreign Relations, Havana, 1962, p.8

"Public utilities, electricity and telephone services all belonged to the United States monopolies. A major portion of the banking business, of the importing business and the oil refineries, the greater part of the sugar production... The balance of payments ... from 1950 to 1960 had been favourable to the United States with regard to Cuba to the extent of one thousand million dollars."

"This is without taking into account the hundreds of millions of dollars that were extracted from the treasury of the country by corrupt officials of the tyranny and were later deposited in United States or European banks."

"This poor and underdeveloped Caribbean country, with 600,000 unemployed was contributing greatly to the economic development of the most highly industrialized country in the world."

"Let note be taken here of the wonders the Revolution found when it came to power. They were ... the usual wonders of imperialism... as far as we, the colonies, are concerned !"364

As far as Castro was concerned, the OAS and all its agencies were a sham, one more institution being used by the U.S. against Cuba, and the governments of his fellow Latin American countries which sat on it were lackeys of the United States.

A related strand was the perception that Cuba's poverty and underdevelopment were due to this U.S. domination. Again, this variable was an ideological prism for viewing the DB and E segments of the operational environment.

364 Quoted in Ibid, p. 11

"What did the Revolution find when it came to power ...? First of all ... 600,000 able Cubans were unemployed ... That was our permanent unemployment. Three million out of a population of over six million did not have ... the advantages ... of electricity. Three and one half million ... lived in huts, shacks and slums, without the slightest sanitary facilities. In the cities, rents took almost one third of family incomes.."365

Castro goes on to note the high rates of illiteracy and disease, and the unequal distribution of land. He also noted, in March, 1961, that, "We imported from abroad all the food which could easily be produced here. There was nothing like industrialization. Our economy was tied to the single market of the United States, which absorbed all our sugar and other exports and controlled the bulk of our imports. Our foreign exchange was consequently going down every year as the resources of the nation were being wasted... Such was the price of our economic slavery."366

Indeed, Castro's view of the U.S. record in Cuba was totally negative. "We are still amazed and stunned when we hear it said ... that extraordinary concern is shown by the United States government for the fate of the countries of Latin America ... We cannot overcome our

365 Quoted in Ibid, p. 11

366 Quoted in Karanjia & Sanghvi, Op. Cit., p. 61

amazement, because after 50 years we have seen the results."³⁶⁷

This subjective view of Cuba's past was one of his main incentives to build a better society. "The Republic that we are building ... will not be a ~~paradise~~ for vested interests, as it was in the past, but rather a home where humble people can find happiness."³⁶⁸

Related to this very real feeling for Cuba's past fate was an intense pride, the pride of a man who has decided to break the old chains and stand up to old oppressors. This of course very much affected the confrontation with the U.S. and Cuba's constant fear of compromise, lest it once again became enslaved. As early as Castro's trip to Washington in April, 1959, he said "We have not come here after money.

³⁶⁷Quoted in Ibid, p. 95. Castro was quite precise about the economic binds that tied Cuba to the U.S. "If we plant rice, we interfere with foreign interests; if we produce cotton, we interfere with foreign interests; if we cut down electric tariffs, we interfere with foreign interests; if we carry out land reform, we interfere with foreign interests; if we make a petroleum law or a mining law for our own benefit, we interfere with foreign interests; if we build a merchant marine of our own, we interfere with foreign interests; if we cancel dishonest concessions given to American cartels, we interfere with foreign interests; if we put an end to racialism and the colour bar, we interfere with foreign interests; if we start our own cooperatives, we interfere with foreign interests; if we seek to protect our monetary reserves in order to make funds available for our program of industrialization, we interfere with foreign interests; if we insist on importing tractors instead of Cadillacs, we interfere with foreign interests; if we try to find new markets for our country, we interfere with foreign interests; if we attempt to sell at least as much as we buy, we interfere with foreign interests; and, I suppose, if we try to stop pimps and prostitutes and gambling and lotteries, we interfere with foreign interests. The whole basis of our independence and sovereignty is a contradiction in terms of the practical interests of the Americans in our country. It is because our revolutionary laws and changes have an adverse effect on their colonial privileges that they attack us. They seek only some justification for their aggression against us." Quoted in Ibid, pp.68-69

³⁶⁸March 22, 1959; Quoted in Morray, Op. Cit., p. 31

It so happens that people here are used to seeing all rulers who come here ask for money. Many men come here to sell their souls. We want only understanding and sympathy. Cuba has become an American hope."³⁶⁹

An especially important variable in the related elite images which can be grouped around the historical legacy of Cuba was the perception that the United States had supported, as part of its political domination, various Cuban tyrants, including Fulgencio Batista. This, again greatly affected the DB variable.

"When Cubans were being murdered in great numbers ... when our streets were being stained with the blood of workers and youth ... it never occurred to the powerful Yankee oligarchy to tell the American tourists not to come to Havana ... nor to have its press write of the horrors in which Cuba lived, or to cut the Cuban sugar quota."³⁷⁰

Castro has always been certain that the U.S. kept Batista in power. "(T)he tyranny unquestionably counted on the support of the United States ... Batista managed to keep his troupes in action for so long by telling them that he had United States backing."³⁷¹ Indeed, Castro told Lockwood in 1965 that this was the reason he did not proclaim himself a Marxist in the Sierras. "It would have caused the formation of a solid front among the North American imperialists, Batista, and the ruling classes. In the end, they would have called

³⁶⁹Quoted in "Ten Years of Revolution" in News From Cuba, Ministry of Foreign Affairs Bulletin, Havana, December, 1968, p. V; and Zeitlin & Scheer, Op. Cit., p. 81

³⁷⁰Fidel Castro; Quoted in Shapiro, Op. Cit., p. 22

³⁷¹Quoted in Ibid, p. 11

upon the troops of the United States to occupy the country."³⁷² For this same reason he threw out the U.S. Military mission in January, 1959: "So there was no more Military Mission ... that instrumentality usually employed by them (the U.S.) to establish and maintain liason with the local army commanders who, at a given moment, in the face of an adverse political situation, were used by them for their own ends ... In other words, they could not count on any army in Cuba for a coup d'état."³⁷³

Castro made his views on U.S. ties with Batista very clear in his UN speech of September 26, 1960:

"Independence was finally attained after seven bloody years of tyranny. Who forced this tyranny upon us? Those who in our country were nothing more than tools of the interests which dominated our country economically."

"The military group which tyrannized our country was supported by the most reactionary elements of the nation, and above all, by the foreign interests that dominated the economy ... Everyone knows ... that was the type of government favoured by the monopolies. Because by the use of force it was possible to check the demands of the people ... to suppress strikes for improvement of living standards ... to crush all movements of the peasants ... to curb the greatest and most deeply felt aspirations of the nation."

"That is why governments of force were favoured by the ruling circles of the United States."³⁷⁴

³⁷²Quoted in Lockwood, Op. Cit., p. 161

³⁷³April 23, 1961; Quoted in Castro, Fidel, Playa Giron: A Victory of the People, Ministry of Foreign Relations, Havana, 1961, p. 14

³⁷⁴Quoted in Let the Philosophy of Plunder Disappear ..., Op. Cit., p. 10

On U.S. assistance to Batista:

"Fifty tanks or armoured cars and a few outmoded aircraft cannot defend a continent... But on the other hand they are good enough to oppress unarmed people. They are good for what they are most used for : to intimidate people and to defend monopolies."³⁷⁵

Castro called the old regime "a government of crooks, of swindlers, of embezzlers, and of murderers; a barbaric government allergic to education and culture!... the government of the bootleggers, of the gamblers and racketeers,,... of the looters of public funds, and the government that served the interests of (the various large U.S. corporations)."³⁷⁶

He noted at the UN that "the first unfriendly act perpetrated by the (U.S.) was to open its doors to a gang of ... blood-thirsty criminals, ... who had killed right and left. Why this unfriendly act? Now we clearly see the reasons."³⁷⁷

Another factor in the subjective images which formed Castro's world view as it related to the nationalization of American property was his perception that the U.S. was opposed to the economic and social achievements of the Cuban revolution. This thus affects that DB and PS variables.

Castro spoke vituperously and incessantly about U.S. sabotage and aggression against the revolution, ranging from economic to political to military actions, and the number of times he spoke about, or at least touched upon, this all-important topic is endless, as, of all the strands running through the psychological environment, this is the

³⁷⁵Quoted in Ibid, p. 14

³⁷⁶Castro, Op. Cit., pp. 21-22

³⁷⁷

most notable.

Castro, noted, on October 26, 1959, that, "On one hand, Cuba is being threatened by economic strangulation, that is to say, the loss of the sugar quota which provides our principal income. On the other hand, we are being subjected to aerial attacks that have the objective of terrorizing us so that we will renounce our magnificent revolutionary reform program and give up our hopes of creating social justice here in our island. What has the Revolutionary Government of Cuba done to deserve this aggression against us? Our internal problems and our international problems simply result from opposition to the Revolution itself. It is our process of revolutionary reform that has caused aggressions from outside Cuba as well as treason inside Cuba."³⁷⁸

On January 20, 1960, in justifying the need to create a militia, the premier noted "the obvious international plot that exists against Cuba; the ever more insolent threats to our sovereignty; the plans of the Revolution's enemies; of the monopolies, the war criminals, the international oligarchies. They are trying to create a state of seige of Cuba with the intention of destroying us if possible ... At present, defense of the Revolution and defense of national sovereignty are one and the same."³⁷⁹ We must understand that we are a small nation fighting alone."³⁸⁰

³⁷⁸ Quoted in Fidel Castro Speaks with the People of Cuba, Ministry of Foreign Relations, Havana, 1960, p. 8

³⁷⁹ It is interesting to note here the equation of nationalism and socialism, so common to small countries of this type, like North Vietnam and perhaps Algeria.

³⁸⁰ Quoted in Zeitlin & Scheer, pp. 128-129

Castro noted in 1961 that, as soon as the government began to introduce reforms, "it was not long before these revolutionary laws clashed with the monopolistic interests of the United States, and a collision with the monopolistic interests of the United States means a head on collision with the Government officials of the United States, because, after all is said and done, in the United States the Government and the big trusts are about the same thing: there is no difference."³⁸¹

Castro said that "it was one step after another, and all designed to block us, choke us, to drive us to a shortage of everything, to a desperate economic situation.

"And why go to all that trouble? Simply to defeat, to knock out the Revolutionary Government, because it was enacting laws in the interests of the poor classes, of the common people..."³⁸²

The U.S. also started to "conduct a well-orchestrated campaign to cajole or bully Latin American states to break off relations with Cuba", said Castro in March, 1961. "Nothing has been left undone to isolate us and to deprive us of the fraternal support and goodwill of the Latin American peoples..."³⁸³

³⁸¹Castro, Op. Cit. p. 12, Castro viewed the government as an agency of the ruling class, in strict Marxist terminology. Thus, he said of Nixon and Kennedy in September, 1960, that they were "ignorant, beardless kids... puppets who are toys of the big interests." Quoted in Meyer & Szulc, Op. Cit., p. 73

³⁸²Castro, Op. Cit., p. 21

³⁸³Quoted in Karanjian & Sanghvi, Op. Cit., p. 65

Related to this perception was the idea that the United States dared attack Cuba because of the latter's weakness. This variable is a specific one connoting "anti-imperialism" as well as Jacobin nationalism, and relates, again, to the DB variable in the operational structure.

On April 23, 1961, Castro described the various U.S. attempts to overthrow and otherwise harrass him, and launched into a rather typical speech counterposing the powerful U.S. and little Cuba:

"What right does the United States have to interfere in our internal affairs? What right does the United States have to rule our country? What right does the United States have to set our standards?"

"We have a different tradition; we have a different culture, we have a different way of thinking ... The profile of our nationality is clearer and more precise. What right does the United States have, because of being a big country, to commit this whole series of villainies, of aggressions, of brutalities, against the Cuban nation and the Cuban people?"

"In the name of what does it assume that attitude of aggression? In virtue of what moral principle? How can the thieves be more moral than honest men? How can the exploiters... be more moral than the exploited? What morality can be maintained be maintained by a country, ... a circle of powerful monopolies, that wishes to impose its insolent and haughty will, to impose its yoke upon our people?"

"So they lack the slightest reason, and do it in virtue of only being rulers without principle and morality, and rulers, simply, because they have cannons, because they have war ships, because they have a navy, because they have all that."³⁸⁴

³⁸⁴Castro, Op. Cit., pp. 24-26

The naval base at Guantanamo made explicit Cuba's weakness vis-a-vis the U.S., and was a favourite target of Castro's:

"How is it possible that in return for the risks we run with the presence of that military base in our country, the cottages of our farmers, our sugar mills, and our civil population are exposed to incendiary bombs and to machine gunning from airplanes that come here from the United States?"³⁸⁵

And again:

"You... have seen how the Yankee base - the base they hold by force, because they took possession of the base during the intervention and they have that base against the will of our people - is a piece of our territory that they hold by force ... They have used that base as a center of corruption, they have used that base to harbour criminals, to prepare counterrevolutionary gangs, they have used that base to murder Cubans."

"This base is a knife thrust in the heart of Cuba."³⁸⁶

Another attitudinal image in this series was Castro's faith in the irreversibility of the revolution, the confidence that, though enemies attack, Cuba would not surrender, that the revolution had united Cubans. Thus, it fits both into the PS and DB variables, and combines, as do many of these variables, socialism, extreme nationalism and Jacobinism, and anti-Americanism.

Castro, on January 8, 1959, said of the 1958 general strike, that it "proved to be a decisive factor in defeating tyranny. Divisionists as well as those who ignore the strength of the people must be opposed."³⁸⁷

³⁸⁵ Quoted in Fidel Castro Speaks with the People of Cuba, Op. Cit., 6

³⁸⁶ Quoted in "Statements of the President of the Republic and the Prime Minister on the U.S. Military Base at Caimanera" in The U.S. Naval Base at Guantanamo, Op.Cit. p. 32

³⁸⁷ Quoted in News From Cuba, Op. Cit., p. 1

On the 16th, he added, "If seen united we will command the respect of the enemy. No one has the right to set patterns for Cuba from abroad."³⁸⁸

At the time of the signing of the Agrarian Reform Law, the premier asserted, "The union between the country and the city is what makes this Revolution unconquerable,"³⁸⁹ and on August 27, he said that "the hour has arrived to fight and work for the triumph of the country, since we must all triumph or we will all go down together."³⁹⁰

On October 26 and 27, Castro made speeches further outlining his views about the unity of revolutionary Cuba. "Cuba will not accept absolutely anything detrimental to Cuban sovereignty and dignity. We shall not attack but if attacked we will defend ourselves in our territory."³⁹¹ He added the next day:

"The more they attack us, the more we shall defend ourselves to the last drop of blood. Cuba will never surrender. Every house shall become a fortress. We shall start training our farmers and workers immediately. Let the revolutionary courts be set up again and let the pilots who may be forced down here know that a firing squad awaits them."³⁹²

³⁸⁸Quoted in Ibid, p.II

³⁸⁹Quoted in Ibid, p.VII

³⁹⁰Quoted in Williams, Op. Cit., p.131

³⁹¹Quoted in News From Cuba, Op. Cit., p. VIII

³⁹²Quoted in Zeitlin & Scheer, Op. Cit., p.104

He asked, "What do our enemies expect to accomplish with these bombings? ... they think they can finally bring about such a state of fear and cowardice among our people that we might abandon our Revolution and (turn) the government over to mercenaries and reactionaries ..."393

He then explains why this is impossible:-

"Why are the people of Cuba with us? Not just for purely sentimental reasons. The people support the Revolutionary Government because we have passed revolutionary reform laws.

"Who do the farmers support the Revolutionary Government?

"Why do the workers support the Revolutionary Government?

"Why do the immense majority of the people support the Revolutionary Government?

"Why do the people defend the Revolutionary Government?

"Simply because we have been defending the people, because we have been carrying (out) our reforms in Cuba." 394

When the ammunition ship "Le Coubre" blew up in Havana harbour Castro said, "The Revolutionary Government will purchase whatever armament it needs for its defence in any market willing to sell it,"395

393

Quoted in Fidel Castro Speaks with the People of Cuba, Op. Cit. pp.7-8

394

Quoted in Ibid, p.8

395

Quoted in News from Cuba, Op. Cit., p.IX

and also used the term "Patria o Muerte" - "Our Country or Death" for the first time. He also told the enemies of the revolution, in May:

"The most reasonable, the most sane, the most intelligent thing that could be done by those who do not want to resign themselves to this revolution, would be exactly to resign themselves, because this revolution is a reality. It would be intelligent of them to leave us in peace. Otherwise, in a senseless attempt to destroy the revolution, they will lose much more than they have already lost."³⁹⁶

On the day the United States broke diplomatic relations with Cuba, Castro observed, "The imperialists will never forgive us for the dignity, the integrity, the bravery, the ideological firmness, the willingness to sacrifice and the revolutionary spirit of the Cuban people."³⁹⁷ And a short time later, he noted the revolution, besides expending energy on all the massive tasks confronting it, "has enough courage left to face ... aggression with brave determination. Because the unusual merit of this Revolution is that all that work is being done in the midst of all sorts of aggressions, of attack after attack."³⁹⁸

Castro, like most members of the Cuban elite, definitely believed that Cuba was reacting to prior American aggression and was always in the role of victim, since even any moves she may have initiated were

³⁹⁶Quoted in Zeitlin & Scheer, Op. Cit., p.153

³⁹⁷Quoted in News from Cuba, Op. Cit., p.XIV

³⁹⁸Castro, Op. Cit., p.22

forced upon the elite, due to the existential circumstances in which Cuba found herself; hence, it was the United States' countermove which became the initiating aggressive move.

Castro claimed he did not want to confront the United States when he came to power. "What a revolutionary government wants to do is concentrate its efforts on solving its own problems; what it wants to do is carry out a program for the people."³⁹⁹ However, this was not to be. On January 23, 1959, when on a visit to Venezuela, he said, "The Cuban people are in need of aid by Venezuela because our nation is being criminally and cowardly attacked in the most despicable campaign ever launched against any people."⁴⁰⁰

Castro explained his method of payment for lands taken over during the agrarian reform this way:

"Can you ... understand or conceive of a poor, under-developed country ... whose reserves have been sapped, that has contributed to the economy of a powerful country to the tune of one billion dollars in ten years - can you conceive of this country's having the wherewithal to pay for the lands that will be affected by the agrarian reform ... on the conditions on which they wanted them paid for?

"We were not 150% communists at that time. We were just pink at that time - slightly pink. We were not confiscating lands. We simply proposed to pay for them over a period of twenty years ... by bonds - bonds which would mature in twenty years at 4 $\frac{1}{2}$ percent which would be amortized yearly."⁴⁰¹

³⁹⁹ Quoted in Let the Philosophy of Plunder Disappear ..., Op.Cit. p.13

⁴⁰⁰ Quoted in News from Cuba, Op. Cit., p.III

⁴⁰¹ Quoted in Karanjia & Sanghvi, Op. Cit., pp.100-101

When the oil companies refused to refine Soviet oil in June 1960, Castro said they would have to accept the consequences. "Don't let them say afterward that we attacked them, confiscated or occupied them. The Government accepts the challenge and the companies must decide their own fate."⁴⁰² And when the United States cut the sugar quota, he promised retaliation the same day:

"For every pound they take from the quota, we will take a sugar mill ... We will take and take until not even the nails of their shoes are left."⁴⁰³

Hence, Castro was always able to justify any actions he took as retaliations for prior American aggressions, even when the Cuban government forced the United States into untenable positions - as sometimes happened. However, he did realize there was a certain larger inevitability in this clash of political, economic and social systems:

"I believe that the United States ... constitutes part of the contemporary facts and circumstances that make revolutionaries out of people ... It could be said that in the way that the United States ... had to continue being imperialistic, we were destined inevitably to become Communists."⁴⁰⁴

⁴⁰²Quoted in Zeitlin & Scheer, Op. Cit., p.175

⁴⁰³Quoted in Shapiro, Op. Cit., p.23

⁴⁰⁴Quoted in Lockwood, Op. Cit., pp.214-215

The above subjective variables could all be subsumed, really, under the heading of "revolutionary nationalism" and one would have to say that the DB element seems to predominate over PS. It is sufficient to see the differences between the "national Communism" of the Castro variety and the more orthodox forms of Marxism-Leninism by contrasting him with, say, Lenin, who never spoke about "Russia" with the type of concern for her sovereignty that Castro lavished on "Cuba". Castro's Communism stemmed from his nationalism, rather than vice-versa, as he had in fact led a "national liberation movement" rather than a class struggle, and thus his very great concern with the United States.

The last element in Castro's world view was his desire for economic development and diversification, and this variable of course, while important to his perception of the DB relationship with the United States, had the greatest impact on E.

Castro saw early that lack of purchasing power and mass unemployment were holding back the efforts to industrialize Cuba. In early 1959 he said, "Many speak of unemployment, but few say what the remedy is ... Many speak of industrialization but also do not provide a solution. With public work, it is not possible to solve the problem of almost a million unemployed."⁴⁰⁵ To get rid of unemployment, it

⁴⁰⁵Quoted in Boorstein, Op. Cit., p.25

was necessary to eliminate latifundias. "The United Fruit Company and all the companies which have thousands and thousands of caballerias of land will cry to the heavens when they have to part with them and then they will really be writing against us."⁴⁰⁶

He said on March 22 that consumer industries would be impossible "unless there is purchasing power. The agrarian reform will increase many times the purchasing power of the farmer and it will be the base for industrial development in Cuba."⁴⁰⁷

At the OAS Economic Conference in Buenos Aires in May, he told the delegates that "the time has come for the peoples of Latin America to make a real effort in searching for a true solution to uproot evils which are of an economic nature."⁴⁰⁸

"The trouble is fundamentally in our economic and social conditions ... All of us are conscious of our economic backwardness ... Latin America faces dangers that the United States does not face. We have problems that the United States does not have Therefore, it is sometimes difficult for the United States to understand the problems of Latin America."⁴⁰⁹

⁴⁰⁶Quoted in Ibid, p.25

⁴⁰⁷Quoted in Williams, Op. Cit., p.92

⁴⁰⁸Quoted in News from Cuba, Op. Cit., p.VI

⁴⁰⁹Quoted in Williams, Op. Cit., p.105

For Castro, industrialization was the most important phase of development. "We in Cuba are confronted with this problem and we know there is only one way to provide jobs for our 700,000 unemployed ... We are not going to give them worthless currency ... nor can we feed them air ... And we are not going to employ them in some unproductive work tantamount to digging one hold to fill another." Neither could it be done under existing trade patterns: that "barely suffices to pay for the consumer goods we import, and, in many cases, not even for that."⁴¹⁰

Thus, diversification and expansion of trade was another element in his views on economic advancement:

"We have a splendid future if we hold open all doors to the commerce of the world ... Because the last straw is to demand that a people not sustain relations with the rest of the world and at the same time threaten her without buying what she produces ⁴¹¹ ... This is to put a country in a position of political and economic subordination to another, since the truth is that there can be no political independence without economic independence."⁴¹²

The Cubans thus began to trade with the socialist countries. "American goods are more expensive than their Russian counterparts",

⁴¹⁰Quoted in Ibid, p.106

⁴¹¹Castro is here referring to early threats made in the U.S. to cut the Cuban sugar quota.

⁴¹²October 21, 1959; Quoted in Boorstein, Op. Cit., p.26

said Castro.⁴¹³ He also pointed out other forms of aid provided by the Communist bloc:

"The U.S.S.R. loaned us \$100 million to help us put up factories, while the United States has deprived us of credits ... Russia and other socialist ... countries have come forward to buy our sugar when America threatens to cut our traditional quota as a measure of the economic war her government is waging against our people. Then again, while the Russians supply us with oil and other necessities at reasonable prices, the Americans take petroleum from us to sell it at a dollar higher per barrel in other markets; and now their oil companies challenge our sovereignty itself by impudently refusing to refine government oil."⁴¹⁴

"The U.S.S.R. respects our revolution ... and wants to deal with us on a basis of equality and friendship; on the other hand, the United States shows contempt for our independence and insists on continuing the old economic relationship based on a colonial system of domination and aggression."⁴¹⁵

At the UN on September 26, 1960, Castro once again reiterated that "there can be no political independence unless there is economic independence; political independence without economic independence is a lie ... Freedom does not consist in the possession of a flag, a

⁴¹³Quoted in Karanjin & Sanghvi, Op. Cit., p.74

⁴¹⁴On the question of the oil crisis, Castro noted that it provided "an illustration typical of the colonial and fascist mentality of the American government dominated by its piratical big business cartels. These companies dare to challenge the sovereignty of the nation in which they operate by refusing to refine government oil. A Cuban law dating back to 1938 ... clearly states that the refineries are obliged to refine State petroleum whenever the government so desires." Quoted in Ibid, p.75

⁴¹⁵Quoted in Ibid, pp.74-75

coat of arms and representation in the United Nations."⁴¹⁶

Castro recognized "the right of the underdeveloped countries to nationalize their natural resources and the investments of the monopolies" in their respective countries without compensation.⁴¹⁷ "How long must Latin America wait for its development? Who is going to industrialize Latin America? The monopolies? Certainly not."⁴¹⁸

Castro summed up his feelings on economic development in this period in March, 1961:

"Our first concern is the fullest development of our natural resources and the solution of the economic and financial crisis we inherited from the past regime. To meet this necessity, we are rapidly increasing our agricultural production and expanding it ... to a multi-crop one ... we are laying the foundations of industrial development, a sector of production almost totally neglected in the past Thus, a base is being laid for an independent, self-sufficient economy. We propose to grow and produce all the food and consumer goods we need, to enable ourselves to replace imports of consumer products with capital goods and to create as many new export items and crops as possible."⁴¹⁹

Finally, there is Castro's own view on the elite that transformed Cuba so completely:

⁴¹⁶Quoted in Let the Philosophy of Plunder Disappear ..., Op. Cit., p.43

⁴¹⁷Quoted in Ibid, p.43

⁴¹⁸Quoted in Karanjia & Sanghvi, Op. Cit., p.125

⁴¹⁹Quoted in Ibid, p.58

"Ours is the generation for which no one set a good example ... but it drew upon itself for the idealism, virtue and courage necessary to save the country ... It is the best generation that the nation has had. It grew up in the midst of negation and bad examples. But the coming generation will be better than ours. It will be inspired not only by the generations of '68 and '95 but also by the generation of 1953."⁴²⁰

And on Guevara:

"Che was an incomparable soldier ... (and) leader. Che was, from a military point of view, an extraordinarily capable man, extraordinarily courageous, extraordinarily aggressive."⁴²¹

He said, "Che was one of those people whom everybody liked on sight for his simplicity, his character, his naturalness, his sense of comradeship, his personality and originality, even before finding out all (his) other fine qualities. His political formation had already attained a high degree of development."⁴²²

C. Ernesto Che Guevara

1. Personal Information

Dr. Ernesto Guevara de la Serna⁴²³ was born in Rosario,

⁴²⁰Quoted in Zeitlin, Maurice, "Political Generations in the Cuban Working Class", in Petras & Zeitlin, eds, Op. Cit., p.267

⁴²¹Quoted in Gerassi, Op. Cit., p.13

⁴²²Quoted in Alexandre, Marianne, ed., Viva Che! E.P.Dutton & Co., New York, 1968, p.20

⁴²³The name "Che" was a nickname given the Argentinean Guevara by his Cuban compatriots in the 26th of July Movement.

Argentina on June 14, 1928, the son of an old aristocratic family which had lost most of its holdings and had become middle class. His father was an entrepreneur who made and lost minor fortunes in building, etc.

The family had left-wing leanings, Guevara's uncle having served with the Republican side in 1936-1939 Spanish Civil War, on which he wrote a book which seems to have influenced Guevara's later conversion to Communism. Even when in high school, he was already a radical fighting Argentinean dictator Juan Peron, having joined the Comando Civico Revolucionario Monteagudo, a nationalist youth group.

Following graduation as a medical doctor from the University of Buenos Aires in March, 1953, he set out to see Latin America with various friends, and these travels, especially since he always seemed to be in areas of turmoil, helped shape his world view.

In 1953, he was in La Paz, Bolivia, which had just had a revolution the year before, and he considered the MNR, the revolutionary party, to be betrayers of their own ideals. "The question is one of fighting the causes and not just being satisfied with getting rid of the effects. The revolution is bound to fail if it doesn't manage to break down the spiritual isolation of the Indians ... and giving them back their stature as human beings."⁴²⁴

⁴²⁴Quoted in Rojo, Ricardo, My Friend Che, Grove Press, New York, 1968, p.28

He next travelled to Guatemala with Ricardo Rojo,⁴²⁵ a fellow Argentinean, arriving on December 25, 1953, in the midst of the crisis between the government of Colonel Jacobo Arbenz (who had expropriated 225,000 acres of land from the United Fruit Company), and the United States. Always an opponent of "bureaucratism", he told Rojo, "Let's not get carried away by Guatemalan officialdom, shall we? I say this because your reformers are specialists in bureaucracy."⁴²⁶ Indeed, although already a Marxist, he refused to have anything to do with "official" Communism, as this story illustrates:

⁴²⁵He first, however, spent a brief period in San Jose, Costa Rica, which was run by an Aprista-type politician, Jose Figueres. Various leftist exiles, later to become leaders of their respective countries, lived there and used to congregate in cafes for long talks. Guevara had meetings with Romulo Betancourt and Raul Leoni of Venezuela, and Juan Bosch of the Dominican Republic.

"Guevara felt an immediate attraction for Bosch and an equal dislike for Betancourt", due to disagreements on the subject of Latin American-United States relations. *Ibid*, p.51. Bosch said of Guevara, "He was intensely preoccupied with what he saw. He seemed dissatisfied with all solutions proposed up that time, and ... he criticized all parties, but never defined his own position. However, I am convinced by the way he answered questions that he was not a Communist then." Quoted in Gerassi, *Op. Cit.*, p.10. It was also in San Jose that he first met Cuban students belonging to the 26th of July Movement.

⁴²⁶Quoted in Rojo, *Op. Cit.*, p.40

When Guevara was in Guatemala, he wanted to work for the Department of Public Health, but the minister in charge asked, "By the way, do you have your card?"

"What card?" Guevara answered.

"What do you mean, what card? The PGT (Guatemalan Labour Party, or Communist Party) membership card."

"No, I'm a revolutionary and I don't believe affiliations of this kind mean anything ..."

"I'm sorry, but it's part of the usual procedure."

"Look friend," replied Guevara, "the day I decide to affiliate myself, I'll do it from conviction, not through obligation ..." And he never did get the job.⁴²⁷

On June 18, 1954, right-wing invaders from Honduras attacked Guatemala. In Guatemala City, Guevara advised the young revolutionaries to arm the peasantry, and also to take over the city and isolate the invaders. Arbenz, however, refused to distribute arms to the people, instead he resigned on June 25. Guevara said later:

⁴²⁷This exchange is quoted in Ibid, p. 56

"I was and still am an ardent admirer of the Arbenz government, though I never occupied a position in that government. When the United States intervention occurred, I made attempts to organize a group of young men like myself to confront the United Fruit interests. In Guatemala, it was necessary to fight, and yet almost no one fought. It was necessary to resist and almost no one wanted to do it."⁴²⁸

Guevara later said that Arbenz "failed as a result of the cold premediated aggression carried out by the U.S.A., hiding behind the smokescreen of its ... propaganda. Its visible head was the Secretary of State, Dulles, a man who, through a rare coincidence, was also a stockholder and an attorney of the United Fruit Company."⁴²⁹

Guevara found out he was on the list of people to be executed by the new regime, and so he sought asylum in the Argentinean Embassy. He then slipped out and went to Mexico, in 1955. He was very critical of Mexico as well; as he told Rojo on May 1, 1955:

"The Mexican revolution is dead, it has been dead a long time, and we hadn't even noticed. Let's go watch the parade of the organized workers. It's like a funeral."⁴³⁰

Guevara read voluminously and continued to develop an explicit and well-formed outlook on the world:

⁴²⁸Quoted in Gerassi, Op. Cit., p. 11

⁴²⁹Quoted in Alexandre, Op. Cit., p. 19

⁴³⁰Quoted in Rojo, Op. Cit., p. 64

"His ideas took shape from the outside world. First, he saw the cruelty, the exploitation and the misery of Latin America. Then he looked for the causes. To conduct his investigation Guevara gave up everything that had previously attracted him.

"He discarded Freud's ... works and Spengler's theories on the superiority of the white man. He cut himself off from everything of European culture that did not serve the liberation of the Latin American: mestizo, Indian, Negro or white.

"The day his intelligence made contact with the reality around him, he became perfectly tuned, like a well-balanced machine. His creative, quiet capacity for work had found its true outlet, ... He became a complete man when the Cuban revolutionaries asked him to join their cause." 431

In Mexico, Guevara met Castro and other Cubans involved in the 26th of July Movement and set off with them on November 25, 1956, in the "Granma", to attack Batista. By 1957, Guevara considered himself a Communist.⁴³² As a military commander he was in large measure responsible for the downfall of Batista.

On February 9, 1959, Guevara was made a Cuban citizen. He then went on an extended tour of Afro-Asian countries, including Egypt, Indonesia, Pakistan and Japan.

He returned on September 7, and exactly one month later, was appointed head of INRA's Department of Industries.

⁴³¹Ibid., pp.91-92

⁴³²In August, 1957, when asked if he was religious, he told a young woman, "No, ... because I'm a Communist." Quoted in Alexandre, Op. Cit., p.28

On November 26, he became head of the National Bank of Cuba.

At the end of February, 1961, he was appointed Minister of Industries in a cabinet shakeup. He retained all his former duties, now under one ministerial post. He was given plenary powers over all industries in the hope that he would be able to unify, orient, direct and execute the various plans for industrial development. He was also ... in charge of petroleum exploitation, ~~of~~ deposits and the industrial development section of INRA.

"You know how much I admire Che Guevara. In fact, I believe that the man was not only an intellectual but also the most complete human being of our age: as a fighter and as a man, as a theoretician who was able to further the cause of revolution by drawing his theories from his personal experience in battle." 433

2. World View.

Although in many ways similar to Castro's, Guevara's world view also exhibited sharp differences. He was an ideologue and theoretically well-formed at a much earlier date than Castro, and his perceptions of Cuba and the United States did not change as markedly as Castro's did during the 1959-1960 period. His Marxism was of a much more theoretical variety, and stemmed more from an orthodox class analysis than from the Jacobin nationalism Castro exhibited initially. Guevara was much more economically oriented than Castro, and placed much less emphasis on the question of formal national sovereignty. Not being a Cuban, and having travelled much more than Castro, his horizons were much broader

and, if he did exhibit any nationalism or a desire for national liberations, it was within the larger context of Latin America;⁴³⁴ Guevara always considered Cuba not an end in itself, but a vehicle for wider revolutions, and of course it is for this reason that he went to Bolivia, where he met his death in 1967.

"Guevara was in many ways the moral conscience of the Cuban Revolution (and is today). In the important area of ideology, Che's position was invariably to the left of Fidel's and in almost every case Castro himself ultimately came to take Che's position ..."⁴³⁵

Guevara's more orthodox Marxism was evident from the first.

"... there is a great difference between the two types of development, free enterprise development and revolutionary development. In one of them, wealth is concentrated in the hands of a fortunate few, the friends of the government, ... the wheeler-dealers. In the other, wealth is people's patrimony. It can be developed much more quickly and can, at the same time, be unified within the total industrial panorama ... There will not be any delivery of our wealth to foreign monopolies ...

"Those are the basic differences between the two roads ... We, the Cuban people, have chosen the revolutionary road. Our firms are the ones Fidel once called 'People Company, Inc.'"⁴³⁶

This, of course, led him to view with favour friendship with the Soviet Union. "If we plan to redistribute the wealth of those who have too much in order to give it to those who have nothing; if we

⁴³⁴Indeed, by 1965, it also included Africa, as evidence now exists that Guevara spent the greater part of a year in the Congo, helping the rebels fighting the Leopoldville (Kinshasa) regime.

⁴³⁵Lockwood, Op. Cit., p.354

⁴³⁶June 18, 1960: Quoted in Conrad Op. Cit. p. 102

intend to make creative work a daily, dynamic source of all our happiness, then we have goals toward which to work. And anyone who has the same goals is our friend ."⁴³⁷

At the First Latin American Youth Congress, September 12, 1960, Guevara said, "What is our ideology? If I were asked whether our revolution is Communist, I would define it as Marxist. Our revolution has discovered by its methods the paths that Marx pointed out."⁴³⁸ And on October 8, he said, "The laws of Marxism are present in the events of the Cuban Revolution, independently of what its leaders profess or fully know of those laws from a theoretical point of view ..."⁴³⁹ He also noted that "our Revolution, which has been heterodox in its forms and manifestations, has nevertheless followed the general lines of all the great historical events of this century characterized by anti-colonial struggles and the transition toward socialism."⁴⁴⁰

By the end of 1961, Guevara, although still claiming that "we are pragmatic. Where our revolution will lead, what new institutions we will create, we cannot know now", nonetheless felt that "you cannot be for the revolution and be against the Cuban Communist Party. The revolution and the Communist Party march together."⁴⁴¹ He also called Marxism "a science in development, just as, say, biology is a science. One biologist adds to what others have done while working in his own special field. Our specialty is Cuba."⁴⁴²

⁴³⁷ August 19, 1960, quoted in Ibid., p.118

⁴³⁸ Quoted in Shapiro, Op. Cit., p.21

⁴³⁹ Quoted in Lavan, Op. Cit., p.21

⁴⁴⁰ April 9, 1961; Quoted in Gerassi, Op. Cit., p.131

⁴⁴¹ Quoted in Zeitlin & Scheer, Op. Cit., pp.340-341

On August 8, 1961, he told the OAS Conference:

"It is an agrarian, anti-feudal and anti-imperialist revolution, transformed by its internal evolution and external aggressions into a socialist revolution, and it so proclaims itself before the Americas; it is a socialist revolution."⁴⁴³

Although primarily interested in the problems of industrialization, Guevara considered the agrarian reform to be the first real revolutionary step, and he said that it was the heart of the revolution and Marxist, since it did away with speculative profits, social distinctions and economic exploitation. He said it "meant the destruction of monopolies which prevented the peasantry from working the land, ... (helped) them to grow produce without the fear of getting into debt and being squeezed by the land-owners ... (and) guaranteed to both farmers and agricultural workers the ownership of the land."⁴⁴⁴ He noted that it eliminated the latifundia and allowed for diversification of production. Comparing it with other great agrarian reforms in the Americas, in Mexico, Bolivia and Guatemala, he said that "the most important characteristic (was) the decision to carry Cuban reform all the way, without any concessions or exceptions of any kind. This total Agrarian Reform respects no rights that are not rights of the people nor singles out any class or nationality for discriminatory treatment: the force of the law falls equally on the United Fruit Company and on the King Ranch,

⁴⁴³Quoted in Gerassi, Op. Cit., p.161

⁴⁴⁴Quoted in Alexandre, Op. Cit., p.31

as on the big Cuban landowners."⁴⁴⁵ Hence, this law fits both the PS as well as DB variables in the objective environment, according to Guevara, being concerned more with socialization of property than mere anti-Americanism.

However, he was also aware of its "anti-imperialistic" aspects. "With the banner of Agrarian Reform, ... these men confront imperialism. They know that the Agrarian Reform is the basis upon which the new Cuba must build itself. They know also that the Agrarian Reform will give land to all the dispossessed, but that it will also disposses its unjust possessors; and they know that the greatest of the unjust possessors are also influential men in the State Department or in the government of the United States of America."⁴⁴⁶

He also thought highly of INRA, the agency carrying out the reform:

"The Agrarian Reform Law was a tremendous jolt. Most of those who had been hurt now saw clearly ... That brash and complex child that hid the initials INRA for its familiar name was treated at the beginning with peevish and touching paternalism within the ivory towers of learning, pervaded with social doctrines and respectable theories of public finance, to which the uncultivated and absurd mentalities of the guerrilla fighters could not arrive. But INRA advanced like a tractor or a war tank, because it is (both) at the same, breaking down the walls of the great estates as it passed and creating new social relations in the ownership of land."⁴⁴⁷

⁴⁴⁵ Guevara, Che, Guerrilla Warfare, Vintage Books, New York, 1961, p.119

⁴⁴⁶ October 8, 1960; Quoted in Lavan, George, Che Guevara Speaks: Selected Speeches and Writings, Grove Press, New York, 1968, p.23

⁴⁴⁷ Guevara, Op. Cit., p.118

For Guevara, one salient strand of his world view was the belief that capitalism was, by its very nature as an economic system, harmful, and by implication harmful to Cuba. This view affected his perception of all three of the main objective factors - DB, PS, and E.

"The whole country was controlled by foreign capital, especially North American, which, when it installed industries, did so in such a way as to force us to depend on North American technology, ... raw materials, ... and spare parts. They profited from our effort and our cheap labour, and they exported their profits ... to their territory to the north.

"The structure of the capitalist neo-colonial state was intact; we had to work to destroy it and rebuild our society on new bases." 448

Guevara noted the chronic unemployment in Cuba, the colonial pattern of trade - primary goods to the metropolis, manufactured goods to the colony - and concluded that reform was not possible, but that a complete transformation was the only solution. For Guevara, underdevelopment was a product of the colonial relationship with the United States, which distorted the Cuban economy to complement that of the United States, and reduced Cuba to specializing in primary goods and raw materials, with the resultant one-crop economy. Indeed, Guevara would argue that United States capitalism even exploited its own country:

448 Quoted in Gerassi, Op. Cit., pp.258-259

"... the government of the United States represents, as its army also does, the finances of the United States. But these finances do not represent the North American people; they represent a small group of financiers, the owners of all the big enterprises ... who also exploit the North American people. Clearly they do not exploit them in the same manner that they exploit us, the human beings of inferior races ... for we have not had the good fortune of being born from blond, Anglo-Saxon parents. But they do exploit and divide them, they too are divided into blacks and whites, and they too are divided into men and women, union and non-union, employed and unemployed ...

"Because of this it is good to see that (in Cuba) the first stage of imperialist division ... has been absolutely conquered." 449

Hence, the Cuban revolution was necessary to break this stranglehold:

"Thus the Cuban Revolution liquidates the latifundia, limits the profits of the foreign intermediaries that dedicate themselves with parasitic capital to the commerce of importation, launches upon the world a new policy in America, dares to break the monopolist status of the giants of mining ... 450

449 September 17, 1960; Quoted in Lavan, Op.Cit., p.17

450 Here Guevara is referring to the law recovering Cuba's sub-soil for the state. "This law ... responds to Cuba's irresistible necessities, to urgent demands of a people that wishes to be free, that wishes to master its economy ... But for this very reason it is an example for the continent and feared by the oil monopolies ... (B)y its law Cuba gives a palpable example to the brother peoples of America ... At the same time Cuba shows the possibility of acting in America ... The great monopolies also cast their worried look upon Cuba; not only has someone in the little island of the Caribbean dared to liquidate the interests of the omnipotent United Fruit Company, legacy of Mr. Foster Dulles to his heirs; but also the empires of Mr. Rockefeller and the Deutsch group have suffered under the lash of intervention by the popular Cuban Revolution." Guevara, Op.Cit., p.120.

"This signifies a powerful new message to the neighbours of the great stronghold of monopoly, and causes repercussions throughout America. The Cuban Revolution breaks all the barriers of the news syndicates and diffuses its truth like a shower of dust among the American masses anxious for a better life. Cuba is the symbol of nationality renewed and Fidel Castro the symbol of liberation."⁴⁵¹

This is one of the rarer moments when Guevara slips into a more nationalistic tone.

Related closely to this element is his view of the United States as an imperialist power and external enemy, forced to oppose Cuba because of her neo-colonial needs.

"... the young and charming Yankee capitalists, (in the 20th century, imposed) their sovereign domination over every one of the twenty republics.

"This is the colonial realm of North American monopoly, its reason for being and last hope, the 'backyard of its own house'. If all the ... peoples should raise the flag of dignity, as Cuba has done, monopoly would tremble; it would have to accommodate to a new political situation and to substantial prunings of profits. Monopoly does not like profits to be pruned...

⁴⁵¹Ibid, p.121. It is interesting to see that Guevara tends to concentrate on economic aspects of Cuba's former misery and does not dwell on more specific, nationalistic complaints regarding the Batista and other Cuban tyrannies. His view is a more general one, of Cuba being just one of many countries exploited in this way.

"This Cuban example is bad ... and monopoly cannot sleep quietly while this bad example remains at its feet, defying danger ... It must be destroyed ... it is necessary to intervene in this bastion of 'Communism'... 'The Cuban situation is very disturbing', say the artful defenders of the trusts ... meaning (that) it must be destroyed."⁴⁵²

As early as April 18, 1959, Guevara declared that "the only foreign enemies who oppose the Cuban Revolution are the people who monopolize capital and who have representatives in the United States State Department. The victory ... has caused these people to panic ... and (they) are doing everything possible to maintain their control over the Cuban government and economy and to block the great influence of the ... Revolution on the people's struggles in other Latin American countries."⁴⁵³ He felt the United States would intervene and destroy the revolution, using Communism as a pretext and utilizing various means of economic and political warfare, including "certain international organizations they control."⁴⁵⁴

This fear of United States imperialism and aggression in the world view of Guevara and others led to the desire to seek protection from the threat, and thus the DB relationship began to have wider global ramifications, with the Soviet offer of help on July 9, 1960.

⁴⁵² Ibid, p.123

⁴⁵³ Quoted in Lavan, Op. Cit., p.13

⁴⁵⁴ Ibid, p.13

Guevara noted the day after that the United States threatened Cuba "more and more violently, with the impotent rage of the wild beast, who ... wishes to maintain in the backyards of all her colonial possession, each and every sinecure upon which the American way of life was erected."⁴⁵⁵ However, Cuba now had friends:

"Let them take heed, those sons of the Pentagon and of North American monopolies who until now have paraded their arrogance up and down the lands of America ... Cuba is no longer a solitary island ... defended only by the vulnerable breasts of her sons ... Cuba is now, in addition, a proud Caribbean island defended by the missiles of the greatest military power in history."⁴⁵⁶

Unlike Castro's speeches, therefore, Guevara's always emphasize the Cuban Revolution's role as vanguard of a much greater revolt against the United States still to come in the rest of Latin America. He also juxtaposes Cuba's weakness with the might of the United States, and has the same view of Cuba as being hindered and attacked by the United States at every step of the way. However, Guevara felt that, despite the differences in strength, the United States must inevitably lose in the Americas:

⁴⁵⁵Quoted in Gerassi, Op. Cit., p. 109

⁴⁵⁶Quoted in Ibid, p. 110

"The two adversaries - this tiny champion of the Caribbean⁴⁵⁷ and the immense imperialist hydra - are face to face and aware that one of them is going to end up dead in the fight.

"The North Americans are aware ... that the victory of the Cuban Revolution will not be just a simple defeat for the empire ... The victory of the Cuban Revolution will be a tangible demonstration before all the Americas that peoples are capable of rising up, that they can rise up by themselves under the very fangs of the monster. It will mean the beginning of the end of colonial domination in America ...

"That is why the imperialists do not resign themselves, because this is a struggle to the death."⁴⁵⁸

Hence, Guevara, by placing the revolution in its wider Latin American context, was aware of its "demonstration effect" and saw this as a main reason for United States opposition. Castro, who was more Cuba-oriented, perceived American opposition as resulting mainly from rage, resulting from the loss of properties and profits in Cuba.

Guevara being much more economically oriented than Castro, he saw the specific forms of United States opposition as being in the realm of interfering with attempts at self-sufficiency through industrialization and diversified trade relations, whereas Castro tended to concentrate more on political and military threats. Hence, this fits in with both

⁴⁵⁷It is interesting to note how Guevara always places Cuba within the larger geographical context of Latin America.;

⁴⁵⁸March 28, 1961; Quoted in Lavan, Op. Cit., p.24. Guevara's views are even more apocalyptic than Castro's.

the DB and E variables in the operational decision to nationalize American properties.

As far as trade was concerned, Guevara was convinced that "Cuba will have a great future once its doors are open to world trade."⁴⁵⁹ He also noted, on June 19, 1960:

"What are our primary goals? Our greatest goals? The great lines we must follow? From the political point of view, the first thing we want is to be masters of our own destiny, a country free from foreign interference, a country that seeks out its own system of development without interference and that can trade freely anywhere in the world. And then, or perhaps earlier ... we want to improve the people's living standard ... as much as possible."⁴⁶⁰

On the question of sales of sugar to the United States at preferential prices, Guevara felt this was in reality a form of economic enslavement.

On June 18, 1960, at the height of the sugar controversy, he noted that "because we have governments that did not fight hard enough to sell our product but sold out to the economic system dominated by the ... United States ... we never looked for new markets for our sugar. Although a large part of the world eats less sugar than it might, ... (and) is greatly increasing its buying buying power and is ready to buy sugar, we were blind to reality.

⁴⁵⁹September 8, 1959; Quoted from News from Cuba, Op. Cit., p.VIII

⁴⁶⁰Quoted in Gerassi, Op. Cit., p.98

"We had the quota system, (which) gave the latifundistas more land than was necessary. That kept agricultural technique from advancing at all, because the latifundista did not have to do anything but leave his fields along ... (and) renew them every seven years.

"For this reason, a country with Cuba's wealth ... (and) exuberance, particularly suited for sugar cane, has a completely second-class yield", he concluded.⁴⁶¹

Also:-

"Our potent sugar industry ... did not fall from the sky, nor did it develop because of North American goodness, but because they dominated the great centrales, those of greatest productivity, and dominated the entire market and paid us a preferential price. The last they did because, sheltered by these prices, they would introduce into our country, by means of a law falsely called the law of reciprocity, all of the manufactured consumers' articles used by this people; the conditions were such that the competition of other countries, also producers of consumer goods, was impossible ..."⁴⁶²

Guevara also felt the United States was trying to strangle supplies to Cuba and to prevent development of self-sufficiency in resources, as witness the oil embargo.

⁴⁶¹Quoted in Ibid, p.97

⁴⁶²September 17, 1960; Quoted in Lavan, Op. Cit., p.16

"Industrialization is built on sacrifices. A process of accelerated industrialization is no lark, and we will see this in the future. The monopolist companies have already struck a blow ... The petroleum affair is something that would have marked the weakening of the revolutionary government, or its total downfall, only a few years ago."⁴⁶³

However, he continued, the U.S.S.R. was willing to sell this oil to Cuba.

"That is, the present division of world power is what has let Cuba cross the dividing line between colonies and free nations, to gain control of her natural resources and of her basic industries."⁴⁶⁴

Thus, we note here a perception of the whole global situation as influencing Cuba's decision as well. After noting the extreme importance of oil to the process of generating electrical power in a country like Cuba, he perceived that "petroleum was the strategic point from which a great battle had to be launched. We knew that sooner or later this battle would be launched, but we approached the companies through legal channels, and they showed us their monopolistic sovereignty, trying ... to create a problem, just as they will try to create other, more serious problems, later."⁴⁶⁵

⁴⁶³ June 18, 1960; Quoted in Gerassi, Op. Cit., p. 95

⁴⁶⁴ Quoted in Ibid, p. 95

⁴⁶⁵ Quoted in Ibid, p. 96

Guevara tied this perception of the E variable in with DB, United States economic control over other Latin American countries:

"When the Yankees blackmailed us and stopped oil delivery, we turned to Venezuela and Argentina. And do you know what Frondizi⁴⁶⁶ answered? Almost nothing. That we form joint study committees to decided how to carry out the sale of the oil. A question of months, at a time when we had to have the oil in a matter of hours. A stab in the back that necessarily put us in the hands of the Soviet."⁴⁶⁷

Guevara also felt the United States tried to stop Cuban development of her own resources:

"Until now, Shell, Esso and Texaco, all of which belong to our American friends, had set up only refineries in Cuba. They brought the oil from Venezuela, refined it here, and sold it throughout the Caribbean. When we took over the government, our own oil didn't amount to one per cent of the national consumption. That's why we're so busy looking for it now ... (O)il will occupy an important place in Cuba's total economy."⁴⁶⁸

This perception of course affected the E variable of the objective environment.

For all of the above reasons, Guevara, like Fidel Castro, always subjectively saw Cuba as reacting to prior aggression, both by the United States and by internal enemies allied with it. This of course affected the attitudinal prism through which he viewed Cuba's DB relationship with the United States.

⁴⁶⁶President of Argentina in 1960.

⁴⁶⁷Quoted in Rojo, Op. Cit., pp. 114-115

⁴⁶⁸Quoted in Ibid, p. 114

There is some evidence that Guevara wanted Cuba to make an uneasy peace with the United States, but found it impossible. For example, he said in 1960, "We are going to be the Tito of the Caribbean. You (the United States) get along with Tito and you will gradually reconcile yourself to getting along with us."⁴⁶⁹ He also tried to keep Cuba out of different camps. "Neutralism is a position of more or less equidistance. We are neutrals in the sense that we are not belligerents. But, unfortunately, the United States is at war with Cuba, and for that reason whatever is bad for the United States is - at the moment - good for Cuba."⁴⁷⁰ For Guevara, the conflict was inevitable, and all due to the United States:

"What lies ahead depends greatly on the United States ... all our radical measures have been a direct response to direct aggression by powerful monopolists. United States pressure on Cuba has made necessary the radicalization of the revolution. To know how much further Cuba will go it will be necessary to know how far the United States government plans go."⁴⁷¹

For this very reason, paradoxically enough, the Cubans must take the initiative, lest the United States attack yet more strongly:

⁴⁶⁹Quoted in Stone, I.F., "The Spirit of Che Guevara" in the New Statesman, October 20, 1967, p.501

⁴⁷⁰September 14, 1961, Quoted in Zeitlin, Maurice and Robert Scheer, Cuba: An American Tragedy, Penguin Books, London, 1964 (Revised edition of Cuba: Tragedy in our Hemisphere, Op. Cit.), p.338

⁴⁷¹December, 1960; Quoted in Huberman & Sweezy, Op.Cit., p.175

"Dark days await Latin America ... Once the anti-imperialist struggle has begun, it must be continuous, and it must hit hard, where it hurts, constantly, and never take one step back; always forward, always striking back, always answering every aggressive act with stronger pressure from the popular masses. It is the only way to triumph."⁴⁷²

Guevara was thus able to justify all Cuban measures in the name of prior aggression by the United States:

"Our first measures annoyed the (United States) somewhat, but our real struggle began with the agrarian reform ... That brought reaction at once from the empire, which did not seek to compromise. Rather it at once sought to make this government knuckle under. So the dilemma arose immediately. Either we would go ahead on this path or we would kneel. Continuing on this road brought more imperialist pressure, and then there were in quick succession the mining law, the oil law, the oil seige, and the confiscation of the oil companies. They took away the sugar quota, and we nationalized the sugar mills ... It was a fast and spectacular exchange of blows, and at the beginning of this year our Premier was able to announce that we had entered a socialist era."⁴⁷³

Also:

"For a while ... we were in combat, body to body, with the enemy, anxious not to lose an inch of our newly won terrain, and having to defend ourselves constantly against new threats from the enemy."⁴⁷⁴

⁴⁷²Quoted in Debray, Regis, "Latin America: Some Problems of Revolutionary Strategy" in Horowitz et al, Op. Cit., p.499

⁴⁷³April 30, 1961; Quoted in Gerassi, Op. Cit., p.151

⁴⁷⁴Quoted in Ibid, p.259

And on the bank nationalization, September 17, 1960:

"The more that the imperialist forces ... and the reactionary forces ... increase their pressure against the Cuban Revolution, the more profound will it become, responding to the voice of the people and adopting measures each time more drastic."⁴⁷⁵

As a true Marxist, Guevara was not much impressed by formal changes of government in the capitalist economic system, and reserved some invective for the incoming Democratic administration as well, in spring, 1961:

"Mr. Kennedy's words, so full of profound conviction of a special destiny, of fascist conceit as well as arrogance and concentrated rage, because for the first time in America he has not been able easily to accomplish his designs, make it impossible to know what the future attitude of the United States will be ..."⁴⁷⁶

For all of the above reasons - United States opposition, Cuba's weakness, etc - a persistent theme in Guevara's writing and speeches, affecting mainly the E variable in this decision, was the need for industrialization as a real answer to Cuba's problems.

"... I have only one theme, at least one central theme, which is the industrialization of the country.

"The two elements of revolution are inter-related - the goal of those countries fighting for their freedom is to become industrialized in order to gain that freedom."⁴⁷⁷

⁴⁷⁵Quoted in Lavan, Op. Cit., p.15

⁴⁷⁶Quoted in Ibid; pp.39-40

⁴⁷⁷May 20, 1960; Quoted in Gerassi, Op. Cit., p.89

In 1959 he noted that "we must work for national industrialization without neglecting any of the problems that arise therefrom", noting that it required protective tariffs, an internal market - hence the agrarian reform - and control of foreign trade, including establishment of a merchant marine.⁴⁷⁸

In his famous speech "On Underdevelopment" given on May 20, 1960, he noted that "the main task of the revolutionary government is not to industrialize for the mere sake of industrialization, but rather because industrialization means a better standard of living ... One has to begin with those who have the lowest standard - the unemployed. Thus, the importance of small industry ... which with a small investment provides work for a (great) number of people ... We are now embarked on that effort that will mark our liberation for the onerous label of 'underdevelopment': the great leap to achieve full employment in record time.

"Now you see the little we have in the way of industries. But try to see (into) the future ... and carry yourselves into the industrialized country of the future ... that great industrialized nation of the Caribbean which will be the Cuba of tomorrow."⁴⁷⁹

He went on to note the number of industries being established

⁴⁷⁸Quoted in Pike, Frederick B., ed., Latin American History: Select Problems - Identity, Integration and Nationhood, Harcourt, Brace & World, New York, 1969, p.403

⁴⁷⁹Quoted in Gerassi, Op. Cit., p.91

in line with plans elaborated entirely in Cuba, calling it astounding.

On June 18, 1960, he proclaimed that the peasants had completed their historical stage by winning their rights to the land. However, as the agrarian reform had to come first, in order to lay a basis for industrialization, the working class still had not received the fruits of this development. This would now begin:

"... we are starting, with hopes for a great effort, on the road to industrialization. At this moment the role of the working class defines itself. Either the working class completely comprehends all its duties and all the importance of this moment, and we triumph, or it does not ... and industrialization becomes one more of the lukewarm attempts America has made to save itself from the colonial yoke." 480

In May of 1961, Guevara declared that the industrialization program was about to wipe out unemployment in Cuba, noting that this was without precedent in Latin America.

Of course, to a Marxist, mere industrialization was not enough - it had to include the concept of economic planning, hopefully under the aegis of Cuba's working class. This E variable in the psychological environment very greatly affected the Cuban elite's decision to nationalize United States, and domestic, industry.

On February 9, 1960, when Cuba's new planning board was created,

480 Quoted in Ibid, p.93

Guevara noted the various problems involved in planning, in terms of priorities, especially as "the country does not have enough capital to support a large assortment of plants so we must limit ourselves to the essential ones."⁴⁸¹

He also outlined the two methods by which the Cuban state was acquiring the means of production. One was a result of a conscious course toward the defined goals of socialism; the other was the result of sabotage by a defeated class, and acquisition of property acquired previously through corrupt means.

"... when the great split occurred in the petty bourgeoisie, one part ... took the side of the state, of the revolution, of the people, and began to take up their tasks and integrate themselves into the revolution. The other part, however, remained subservient - especially ideologically, and frequently economically - to the bourgeoisie, which was in the process of being defeated, (and) began to plot or to flee directly abroad. And through this process it left a string of small enterprises that (the government) had to take over in order to provide work for the employees."⁴⁸²

Guevara felt workers must participate in decisions:

"(T)oday, in the process of industrialization, which gives such power to the state, the workers consider the state as just one more boss, and treat it as a boss. And since this is a state completely opposed to the State as Boss, we must establish long, fatiguing dialogues between the state and the workers ..."⁴⁸³

⁴⁸¹Quoted in Zeitlin, Maurice and Robert Scheer, Cuba: Tragedy in Our Hemisphere, Op. Cit., p.159

⁴⁸²April 30, 1961; Quoted in Lavan, Op. Cit., p.34

⁴⁸³June 18, 1960; Quoted in Gerassi, Op. Cit., p.94

Also:

"We believe ... that the prior condition for true economic planning is that the political power be in the hands of the working class. This is the sine quonon of true planning for us. Furthermore, it is necessary that the imperialistic monopolies be completely eliminated and that the basic activities of production be controlled by the state. With these ... ends well tied together, one can begin planning for economic development; if not everything is lost in words, speeches and meetings.

"Naturally, in order to have all the people participate in planning, the people must own the means of production; otherwise, it will be difficult for them to participate. The people will not want to, and the owners of the companies where they work won't either ..."⁴⁸⁴

Finally we have Che Guevara's views on the elite itself.

He admired Castro as soon as they met in Mexico, in 1955:

"In reality, after my experiences all over Latin America, and the coup de grace in Guatamala, it didn't take much to arouse my interest in joining any revolution against tyranny. But my overall impression of Fidel was that he was an extraordinary man. He confronted and solved the most impossible problems. He had an unshakeable faith that once he left Mexico and arrived in Cuba he would fight and that fighting, he was going to win. I shared his optimism. It was imperative to do something, to struggle, to achieve. It was imperative to stop crying and fight."⁴⁸⁵

When fighting Batista, Guevara said that "the one who had the greatest faith in the people, who at all times showed his extraordinary powers of leadership, was Fidel."⁴⁸⁶ He sums up his views on "that

⁴⁸⁴ August 8, 1961; Quoted in Ibid, p.168

⁴⁸⁵ Quoted in Ibid, p.12

⁴⁸⁶ Quoted in Alexandre, Op. Cit., p.22

telluric force called Fidel Castro, a name that ... has attained historic significance and whose merits we consider worthy of comparison with those of the most outstanding figures in Latin American history"⁴⁸⁷ in this way:

"Fidel is a man of tremendous personal magnetism, destined to assume the role of leader in any movement in which he takes part. He has all the characteristics typical of a great leader: audacity, force, the desire to keep his ear attuned to the will of the people. But he has other important qualities: the capacity to absorb knowledge and experience, a grasp of the overall picture in a given situation, boundless faith in the future Fidel Castro did more than anyone else in Cuba to construct the now formidable apparatus of the revolution ..."⁴⁸⁸

Referring to the failure of the PSP to foment revolution, Guevara in 1964 noted that while "we consider the Marxist-Leninist party to be the ideal one to make the revolution", in the specific instance of Cuba, the PSP "did not see the problem clearly. The analysis by the Party, therefore, was mechanical. The Party regarded coldly the possibility of taking power."⁴⁸⁹

D. Osvaldo Dorticos

Dr. Osvaldo Dorticos Torrado, 39 years old when he replaced

⁴⁸⁷ April 9, 1961; Quoted in Aguilar, Op. Cit., pp.173-174

⁴⁸⁸ April 9, 1961; Quoted in Ibid, p.174

⁴⁸⁹ Quoted in Ibid, p.45n. Aguilar also quotes one of the leaders of the PSP, Blas Roca, as saying that "it is the first socialist revolution that was not made by the Communist Party." Quoted in Ibid, p.44n.

Urrutia as President of Cuba in July 1959, had graduated in Law from the University of Havana and was a leader of the underground during the Batista regime.

As President, Dorticos tended to limit his pronouncements to the field of foreign policy and relations with the United States, that is, to the DB variable, and in these remarks he was very similar to Castro in outlook. Although said to have been a Communist in his youth, nonetheless his speeches emphasize the Jacobin nationalistic aspects of a small, weak but sovereign Cuba confronting a United States seeking at all costs to destroy its revolution, if not the state itself. "The United States is a hemispheric problem because of its lack of respect for the sovereignty of other states."⁴⁹⁰ In his psychological outlook on the problem, there was nothing but certainty that the dispute was entirely the United States' fault. "It is well to recall that the tense situation existing ... between the United States and Cuba began a long time before our revolutionary process acquired the socialist characteristics which it displays today."⁴⁹¹ Hence, United States intervention was responsible for socialization. "Cuba sought peace, but the United States wished for war The situation today is the lamentable consequences of that stubbornness, pride and arrogance of those who had aggressive intentions against my country."⁴⁹² He mentioned such activities as "insolent diplomatic notes,

⁴⁹⁰October 8, 1962; Quoted in The New York Times, October 9, 1962, p.14

⁴⁹¹Quoted in United Nations Review, November, 1962, p.40

⁴⁹²Quoted in Ibid, p.41

piratical incursions into the airspace over our territory,"⁴⁹³
 the cutting of the sugar quota, and diplomatic activities aimed at
 the isolation of Cuba in the Western Hemisphere.

Dorticos, of course, considered the OAS an American agency
 for dominating the other countries of the hemisphere, and he also
 had harsh words for United States occupation of the Guantanamo Naval
 Base, in a speech in Belgrade, Yugoslavia, September, 1961:

"When our country was militarily occupied by forces
 of the United States of America, it was forced to tolerate
 the Guantanamo Naval Base, and after the victory of the
 Revolution on the first of January, 1959, that base is
 still held in our national territory against the will
 of the people and the Revolutionary Government of Cuba.
 This base does not even serve the strategic plans for
 the military defence of the United States. It has only
 served to hurt our national honour, to shelter counter-
 revolutionary forces, to smuggle arms into the country
 with which to fight the liberating Revolution, to concentrate
 troops whenever the liberation movements of the Caribbean
 countries have endangered imperialist domination.

"Our national independence and our historic revolutionary
 achievements every day suffer the threat of military
 aggression organized in the United States of America
 and in the territory of that military base."⁴⁹⁴

Dorticos' references to wounded national pride, independence
 and outside military aggression might have been uttered by any bourgeois

⁴⁹³ Quoted in Ibid, p.40

⁴⁹⁴ Quoted in "Statements of the President of the Republic"
Op. Cit., in The U.S. Naval Base at Guantanamo, Op. Cit., p.31

politician in pre-1914 Europe. His extreme preoccupation with the purely "national independence" aspects of the revolution are also evident in this speech made in October of 1960:

"Today I read something that made me think a great deal about the happy fate of the young generation in Cuba. It was an interview that depicts the sad reality of our country before the revolutionary victory. I am referring to an interview in the United States Senate ... involving a former Ambassador to Cuba, Mr. Smith ... The Ambassador said that in general the United States Ambassador was the second figure in Cuba - and sometimes was more important than the President of Cuba. That was the country where the young people of a generation before you had to live and develop. That is why I said you have the privilege of living in a country where the United States Ambassador means little."⁴⁹⁵

Dorticos, on January 27, 1960, said, "The Cuban people desires to maintain and strengthen ... relations (with the United States) and believes that upon such a basis the traditional friendship between the people of Cuba and North America is indestructible."⁴⁹⁶ He lamented "the progressive deterioration of relations" which, he felt, resulted from United States' "misunderstanding" of Cuban ideals.⁴⁹⁷ His views hardened considerably in the course of that year, so that by November 25 he was quoted as saying that the United States had tried to wreck the revolution from the start, driving Cuba to seek Soviet aid. He still insisted all along however, that "from the beginning of the deterioration of Cuban-United States relations Cuba has constantly been ready to

⁴⁹⁵ Quoted in Zeitlin & Scheer, Op. Cit., p.30

⁴⁹⁶ Quoted in Ibid, p.132

⁴⁹⁷ Quoted in Ibid, p.132

negotiate."⁴⁹⁸

E. Raul Roa

Dr. Raul Roa became Foreign Minister in June, 1959. He had been a Dean of Social Sciences at the University of Havana, a Marxist sympathizer who had been anti-Communist.⁴⁹⁹

Economic considerations predominated to a greater extent in Roa's mind than in Dorticos', and, like Che Guevara, he saw United States political domination of Cuba as flowing from its economic preponderance on the island. "It is not ... out of place to recall that the source of political despotism, social backwardness and widespread infraconsumption in our America is economic sub-development, in great measure maintained by foreign interests for their own benefit."⁵⁰⁰ United States investments have" contributed to give the Cuban economy a semi-colonial character, which is reflected in its total subordination to the sugar production, in the insufficiency of agricultural production

⁴⁹⁸October 8, 1962, Quoted in The New York Times, October 9, 1962, p.14

⁴⁹⁹Zeitlin and Scheer say that Roa "was well known before the revolution as a staunch anti-communist liberal." They also quote the United States State Department's White Paper of April 3, 1961, as saying: "Though in 1956 (and, in fact, as late as the end of 1959) Raul Roa, the Cuban Foreign Minister, attacked the 'crimes, disasters and outrages perpetrated' by the Soviet 'invaders' in Hungary, the Hungarian Revolution, as well as the rebellion in Tibet are now 'reactionary fascist movements'. Quoted in Zeitlin & Scheer, Op. Cit. p.280

⁵⁰⁰Quoted in Roa, Op. Cit., p.11

for the needs of consumption and in competitive advantages which many foreign industrial products have over similar Cuban products."⁵⁰¹ He also noted that "more than half the value of North American properties represented reinvested profits. The great part of recent North American investments in Cuba ... has been paid off, many years ago, with the big profits they obtained. During the past three centuries, North American investments have amounted to \$700 million, of which \$458 million were transferred to the country of the investors and \$163 million were reinvested in ours. In short, North American investments in Cuba have been characterized by highly lucrative yields."⁵⁰² Hence, there is the perception, very important for the E variable in the operational environment, that United States investments and trade have been not a benefit but a positive hindrance and a drawback to Cuba's development. "It is logical that Cuba should try to solve the matter of growing deficits in its commercial balance by increasing its cash reserves through diversification in production, the opening of new markets, and commercial expansion to all countries of the world."⁵⁰³ Finally, during the sugar quota controversy, Roa, on June 10, 1960, said that Cuba had decided to break economic ties with the United States.

A related variable, but more salient for the DB variable in the objective environment, was the perception of United States aggression

⁵⁰¹Quoted in Ibid, p.15

⁵⁰²Quoted in Ibid, pp.15-16

⁵⁰³Quoted in Ibid, p.16

against Cuba, both before and after 1959, as a way of preserving their privileges. "(The U.S.) in flagrant transgression of the spirit and letter of the Joint Resolution (of 1898), imposed the Platt Amendment, which protected bankers and businessmen in obtaining facilities and privileges to the detriment of our economic development, social progress and democratic stability."⁵⁰⁴

Following the Cuban revolution, Roa told United States Ambassador Bonsal, United States opposition to Cuba became more direct:

"It is a public and notorious fact that for many months the war criminals who have taken refuge in Florida ... have been conspiring ... openly, against the sovereignty, security, progress and welfare of the Cuban people. It is a public and notorious fact that there exist Cuban counter-revolutionary organizations operating in your country with entire impunity

"Cuban criminals of war gathered in Florida have done definite acts in violation of North American laws and the Treaty of Reciprocal Aid. It is painful to contrast the legal scruples now set forward with the conduct followed during the titanic struggle against the totalitarian dictatorship of Batista."⁵⁰⁵

⁵⁰⁴Quoted in Ibid, p.10

⁵⁰⁵Quoted in Ibid, p.17. Roa also scored the U.S. for its part in the Pedro Diaz Lanz affair. "The difficulties of all kinds set forward by the North American authorities in order to determine the participation of the traitor Pedro Diaz Lanz ... have served to enkindle the existing anger of the people The traitor ... has been enjoying strange immunities and privileges for the carrying out of his aerial aggressions on Cuba In no other way can it be explained that a reporter of a Cuban magazine, and not FBI agents ... should have discovered at the Pompano Beach airport the 'mysterious' whereabouts of the B-25 plane ... used by ... Lanz." Roa noted there was enough evidence to arrest both Lanz and his partner, "the adventurer Frank Fiorini", yet they remained free. Quoted in Ibid, p.19

He told Bonsal that the refugees fleeing Batista often had the Neutrality Act invoked against them, though they were engaged in the "patriotic task of overthrowing the most savage, corrupt and voracious regime ever known in America."⁵⁰⁶ Yet the United States left untouched the new exiles, though they had "the base purpose of reinstating a regime which mowed down 20,000 lives, besmirched the sovereignty of the nation, organized contraband, ... embezzled public funds, pillaged institutions of credit, and pushed the Republic down the slope of chaos."⁵⁰⁷ So there is the psychological perception here of active United States support of the old regime.

As foreign minister, Roa had occasion to represent Cuba at OAS meetings, and his opinion of that body, as he declared in August, 1960, was that it was merely a disguised colonial agency of the United States government.

Roa felt that the Cubans had found their mission and role, and were developing their own ways of political, economic, cultural, and social expression. "They are ready to rear ... a democratic system in which the classical formula of Lincoln may be translated into an effective, full and affluent reality."⁵⁰⁸

⁵⁰⁶Quoted in Ibid, p. 17

⁵⁰⁷Quoted in Ibid p.18

⁵⁰⁸Quoted in Ibid, p.24

The concluding chapter will contrast and make more explicit those strands of thinking separating, yet at the same time making similar, the world-views of Castro and Guevara, the two most important decision-makers and ideologists of the Cuban elite, in relation to the nationalization procedures.

CHAPTER FIVE:

CONCLUSION

This study has been an attempt to delineate, at length, the actual historical and legal-institutional processes of the Cuban nationalizations of 1959-60 and the resultant effect this had on that country's external relationships, especially with the United States. Thus, in the first two chapters, we examined in detail and obtained an overview of conditions in pre-1959 Cuba and the methods whereby these were changed by the new revolutionary elite. Hence the entire operational environment for the period under question was closely scrutinized, in order that the psychological world-view of the elite be placed in proper perspective.

Chapter Four attempted to illustrate the means by which the Cuban elite transformed both itself and its ideas, in relation to the internal political culture of Cuba, the relationship with the U.S., the concepts of economic development and industrial self-sufficiency, and, to a lesser extent, relations with the PSP.

It was in this chapter that the variable categories of the Brecher model were alluded to. We found the model helpful in the limited capacity in which it was used in this paper - it helped to logically organize the entire body of material, and, especially in the fourth chapter, to focus on the problem of redefinition of various concepts by the Cuban elite. As such, it was a useful tool in categorizing the disparate elements of the world view of the Cuban elite.

The model facilitated the separation of the actual operational environment described in chapters two and three from the subjective interpretations of this held by the elite. Thus we were able to trace the psychological world view as a separate entity, in terms of the four Brecherian variables used.

At this point we wish to make more explicit our findings regarding the differences in the world views of Fidel Castro and Ernesto Che Guevara, the two major actors, although always emphasising that these differences were in the ultimate sense just differences of emphasis within a similar all-encompassing ideological framework, especially after mid-1960.

As pointed out earlier, Guevara developed ideologically at a much earlier time than did Castro and was a much more theoretical Marxist.⁵⁰⁹ And not only was he more developed ideologically, but his visions and breadth extended far beyond the horizons of Cuba itself.

For Castro, the term revolution was used in its nationalistic Jacobin sense, as an uprising of the armed and aggrieved citizenry against a corrupt ancien regime supported by an external power for its own selfish needs. He saw the 26th of July Movement as an attempt

⁵⁰⁹ Indeed, it is doubtful whether the term Marxist, in the full meaning of the word, can be applied to Castro for some of the period under review.

to purify Cuba of its internal rot, a rot caused by corrupt and obedient governments bowing to foreign wishes at the expense of "the people".⁵¹⁰

For Castro, the revolution was a nationalistic uprising against Batista, primarily political in its inspiration, and basically confined to the problems of the Cuban nation-state. In this sense, Castro was the "Stalin" of the revolution; even when he became more aware of the economic aspects of exploitation and the relationship of this to the concept of imperialism, he still tended to subsume socialism under nationalism. He saw socialism as being good for the Cuban nation, rather than seeing the island of Cuba as the first example of class warfare in Latin America. Thus, Castro seemed to favour a type of "socialism in one country" approach.

For the Argentinian Guevara, Cuba was but a steppingstone for the greater revolution yet to come, when the Andes would be the Sierra Maestra of Latin America. Guevara was an internationalist in the true sense who later fought in the Congo and finally died in Bolivia, and for him, Cuba was the "First Free Territory of the Americas". He was always careful to define the country in relation to its fellow, not-yet-liberated neighbours in the Hemisphere. In this sense he was the "Trotsky" of the revolution.

⁵¹⁰In true populist style, attention was always focused more on the agrarian elements of the populace - as indeed, they still are today.

Guevara was also more economically-oriented in his definition of the revolution - it was to be a fight against an internal bourgeoisie and an imperialist overseer, the United States. The framework within which he saw the causes of Cuba's ills was an economic one. The island was in a colonial relationship with the U.S., economically, as was the rest of the continent. Hence for Guevara a class struggle was necessary within and an anti-imperialist struggle without, in order to liberate the Cuban proletariat from economic exploitation. This was his basic definition of the revolution.

In relation to the dominant bilateral relationship, Castro tended to be anti-American only insofar as that country had stunted Cuba's political (and economic) development and had supported dictators like Batista. In other words, his hostility toward the U.S. was the more normal one of the leader of a small nation which had spent half a century under the shadow of a giant neighbour and now wished to assert itself. Hence it was a left-wing nationalistic reaction - the U.S. was seen as evil only insofar as it prevented Cuban political and economic development and the exercise of national sovereignty.

For Guevara, the United States, as the leading capitalist power on earth, was by its very nature and economic form of organization an exploiter, both in Cuba and elsewhere. It was not merely

a question of the U.S. hindering Cuban development - the U.S. was per se responsible for this lack of development, through its economic controls and political machinations. Guevara, with a more developed view of the global ramifications of the Cuban-American struggle and with a more explicitly socialist world-view than that of Castro's, was not merely anti-American. He was also one of the first to guide Cuba into economic and political relations with the Soviet Union and the socialist bloc.

On the question of political culture and ideology, Castro seemed quite unformed ideologically when he assumed power, though he did have certain predilections. It was only the basic existential confrontation of the ever-unfolding dynamism of the Revolution with an increasingly hostile American power that finally made him draw the links between U.S. political control of Cuba and its lack of proper development - that is, an appreciation of the socialist thesis that increase in economic capability is fundamentally impossible in a neocolonial situation. Castro was in this curious sense a prisoner of events; nonetheless, it is to his credit that he was able to keep abreast of these. He was always aware of the internal exigencies and necessities of the Revolution, and in this way finally became a Marxist by the end

of 1961.⁵¹¹ He thus created, almost unintentionally, that combination of Marxism and nationalism termed "Fidelismo", and this was one of the most important factors in the decision to nationalize U.S. property.

Guevara was, of course, a Marxist and perhaps even a communist, by the time he joined the Fidelistas in 1956. Thus his ideological case for nationalization of industry was a more classical one - that of putting the means of production and distribution in the hands of the State and, by implication, the working class. Thus his conception of political ideology (PS) was certainly a very left-wing version within the 26th of July Movement in this period.

As for the economic variable, Castro, due to his populist base, put the emphasis originally on agrarian reforms. It was only in 1960, after what he considered intolerable provocation by the United States and as a response to this, that Cuba expropriated and nationalized industry. Guevara was, of course, an early and persistent

⁵¹¹Huberman & Sweezy would agree, in their own way, with this assessment. "Isn't Fidel's defiance of the United States, both in word and in deed, a sure sign of mental derangement? Isn't his deviation from the norm of Latin American statesmanship too persistent and too blatant to be put down to anything but some form of insanity?"

"Our answer ... will bring cold comfort to the powers that be in Washington. In their book, Fidel's disease is much worse than mere insanity. He defies the United States ... and deviates from the norm ... because he knows that those who adhere to it are selling out the interests of their own people. To put it bluntly and colloquially, Fidel acts the way he does because he knows the score. The disease from which he suffers ... is Marxism ... (T)hrough his own rich experience, and by using his own sharp and fertile mind, he has arrived at an interpretation of the world ... which, in its essentials, is unmistakably Marxist. And he is acting on it in a way that would have made Marx himself proud to acknowledge him as a disciple." Huberman & Sweezy, Op.Cit., pp.178-179.

advocate of nationalization, as he considered this an absolute necessity in order to increase Cuba's economic capability. Whereas Castro saw it as a way of punishing the U.S. for its interference in Cuban affairs, in Guevara's world view the dominant bilateral variable was firmly tied in with the economic one - it was imperative that Cuba nationalize property, U.S. and domestic, in order to enable the State to determine industrialization policy through proper socialist central planning.⁵¹² In this sense Guevara was always more economically oriented than Castro.⁵¹³

Finally, in regard to competing elites, Castro tended to be extremely hostile to the PSP at first, and only in late 1959 did he make the first serious moves toward reconciliation. Guevara was, of course, always more sympathetic to their aims, even when critical of their bureaucratic inclinations.

We have emphasized, and perhaps overly so, the differences in the world views of the two main Cuban ideologues and leaders. It should again be emphasized that, given the objective conditions of the Cuban situation in the 1959-1960 period - economically, politically,

⁵¹²This differing view of the type of economic capability and self-sufficiency Cuba should attempt to achieve was never really resolved between the two men. For a time, until approximately 1964-1965, Guevara's ideas of a crash industrialization program predominated, to the fatal neglect of agriculture. This has now been reversed, with renewed emphasis placed on agriculture, and Castro is himself supervising the current sugar harvest, in which Cuba anticipates a bounty of 10 million tons.

⁵¹³And, indeed, all his governmental functions were concerned with the economic and financial aspects of the revolution.

and ideologically - and its ever-increasing and spiraling confrontation with the hostile superpower, the U.S. - the distinctions between them tended to blur and were indeed soon overshadowed by the common goals and ideas they shared in the ever-intensifying struggle. Action does determine essence and ideology in many ways, and thoughts and subjective views are not formed in a vacuum - hence, it was natural that their ideological similarities should become more pronounced and almost mesh. Guevara, for a time, at any rate, became more of a Cuban nationalist, while Castro, of course, moved much further left, to become a full-fledged socialist, and not merely a left-wing nationalist and "anti-imperialist". This existential coming-together was accomplished in the two-year period under review, and by the end of 1960, an overriding common framework was noticeable in both men, in that both perceived the necessity of the nationalization procedures in terms of ideological requirements, an overthrow of U.S. domination, and an increase in Cuban agricultural and industrial capabilities. Hence, despite these differences, we can briefly summarize the perceptions of the Cuban elite in these terms:

Political structure (PS) - the perception that nationalization would be necessary in the interests of the social and economic revolution being put through by the 26th of July Movement. (This was the main rationalization for the Agrarian Reform).

Dominant bilateral relationship (DB) - the perception that the United States, through its companies which controlled much of the Cuban economy, was responsible for a large part of the poverty and inequality in pre-Castro Cuba, ailments which could only be eliminated through nationalization.

Economic capability (E) - the perception that, with the Cuban economy in the hands of the revolutionary government, Cuba could achieve economic development and diversification through planning, thus raising living standards. This was, for Cuba, a total redefinition of the concept of economic capability.

Finally, there was also the perception of the PSP as a friendly group, also urging these reforms, and the corollary that anti-communists were opposed to the revolution.

In the Cuban elite's general world view, it could be stated that, in most instances, the PS and DB variables were intertwined; in fact one, DB, could in a sense almost be subsumed under the other PS, despite its greater importance in the operational environment, since distrust and even hatred of the United States was almost an integral part of the political culture of Cuba and the ideology of the post-1959 elite. Fidel Castro wanted, basically, a socialist Cuba (albeit a rather unique version) freed from U.S. economic and political domination. The revolution combined nationalism (which enabled the Fidelistas to oust the old rulers with close ties

to the United States) and socialism. Socialism (the PS variable) was aimed at property reform and even expropriation. Yet the Cuban elite could claim that the Americans (the DB variable) were trying to block the introduction of socialism in Cuba. Hence, in the constantly intensifying spiral of action and reaction in the two year period under study, the Cuban elite was always able, by introducing the United States as being a priori guilty of trying to block Cuban social experiments, to claim that it was only reacting, at any given time, to prior American initiations which were contrary to Cuba's interests.

Thus, we can now sum up with a few general comments derived from the study.

The purpose of the Cuban elite's decision to nationalize was the double one of overthrowing foreign dominance and creating internal control of resources. However, all this does not hide the fact that Cuba, because of its size, population and tropical location, cannot become self-sufficient, and in that sense, cannot become totally economically independent, as the country is forced to trade with the Soviet bloc. This carries with it a tacit pressure toward some ideological homogeneity with the Soviet line - in this sense,

Cuba now has a new DB relationship.⁵¹⁴ Sugar remains the prime

⁵¹⁴Nevertheless, Boorstein, for one, feels the new trading arrangements are vastly different:

"Economic independence cannot simply depend on self-sufficiency. If it did, most countries would be doomed never to enjoy it - and the term loses its meaning. Economic independence means that the people of the country control its economy and its destiny themselves, free of interference from abroad; they control its resources, its markets, its trade, its policies. They decide. They may decide to engage in certain forms of cooperation with other countries, or they may decide not to. But they decide.

"Imperialism by its nature precludes such independence for the underdeveloped countries with which it deals. When the large corporations go into an underdeveloped country, they get control of resources, take over markets, and dominate trade. They cannot avoid doing this and still function. And together with the governments that back them politically and militarily they cannot help but exercise political domination.

"The socialist economy does not by its nature drive towards domination. Socialist countries do not invest in other countries and acquire ownership of land, mines, factories, railroads, docks, warehouses, stores, hotels, nightclubs, and gambling casinos. A socialist country may make a loan to another, but it does not thereby acquire property. When one socialist country exports to another, it does not get control of the internal market with a whole system of retail outposts. There are no private monopolies to bully foreign governments, and no external properties for the socialist state to defend.

"This does not mean that there could be no abuses in the economic relations between socialist countries. There can be many. There is no iron guarantee against a socialist country overcharging another. Or trying to use its trading strength or economic aid to get a weaker country to follow its political line. But even at the worst, there can be no comparison with the situation under imperialism. The abuses are not inherent in the system. They can be guarded against and corrected.

"Self-sufficiency cannot be set up as a simple formula which will automatically solve the problems. For certain countries at certain times a high degree of self-sufficiency may be possible and desirable. Even in countries for which general self-sufficiency is not possible, it may be worthwhile to strive for self-sufficiency in a certain specific item. But the possibilities for self-sufficiency have to be assessed realistically. Self-sufficiency is one factor to be considered - to be balanced against others - in determining economic policy. It cannot be made into an absolute, a general policy for all socialist countries ..."

Boorstein, Op.Cit., pp.221-222.

export, forcing the Cubans to make an ideological virtue of an old necessity. Thus, on the question of whether reliance on sugar is again indicative of a subservient economy, the Ministry of Foreign Commerce, in its 1964 report, had this to say:

"Mono-exportation acquires an entirely different character when society has control over the fundamental exporting sectors and when the markets in question are qualitatively and quantitatively different from the rigged, monopolized and distorted markets of the capitalist world."

"The exporting sectors of the country are now correctly based on the particular qualifications of its natural resources and have a comparative high degree of productivity. These objective factors provide the basis for the accelerated economic development of the other sectors of the economy.

"In Cuba we underestimated the importance of sugar and, remembering only the problems created by the domination over this enclave by North American capital, we ignored the advantages which the change in control would signify."⁵¹⁵

Thus, while in many ways a totally different state, Cuba remains, in a sense, inextricably tied to outside sources for survival.

Finally, we may extrapolate from the lessons of the Cuban Revolution and its relationship with the United States by noting that the foreign policy of a small, rather underdeveloped state, when in control of an elite dedicated and committed to increasing its economic

⁵¹⁵Quoted in Sweezy & Huberman, Op.Cit., p.650.

capability and independence in terms of socialist theory, for ideological and political, as well as economic reasons, will tend to quickly develop a relationship of hostility with a former economic and/or political colonial power, especially when that power continues to retain massive investments in the country.

This is especially true in the case of the United States, currently the most powerful and influential of all the developed capitalist states, and thus the most feared.⁵¹⁶

The Cuban elite was quick to see that this tendency would develop, almost inevitably, in its relations with the United States and thus, subjectively as well as in the objective sense, anticipated this situation and prepared Cuba for its now-hostile relationship with its former ally.

⁵¹⁶Examples of this type of confrontation by a socialist elite with the U.S. across ideological, political and economic lines are North Korea, North Vietnam and, to a lesser extent, Algeria.

APPENDIX

I

THE AGRARIAN REFORM LAW OF 1959

The Council of Ministers,
Republic of Cuba

Dr. Manuel Urrutia Lleo, President of the Republic of Cuba.

Wherein: The Council of Ministers has approved and I have sanctioned the following:

Whereas: The progress of Cuba involves both the growth and diversification of industry in order to facilitate the most effective utilization of its natural resources, by its citizens as well as the elimination of dependence on the one-crop system of agriculture, which still basically persists and is one of the symptoms of our inadequate economic development;

And Whereas: To those ends the Revolutionary Government proposes to pass laws that will safeguard and stimulate private industry by means of protective tariffs, fiscal policies, and the sound handling of public and private credit as well as other forms of industrial development, and at the same time guide Cuban agriculture on the road to essential development and progress;

And Whereas: In all the studies that have been made for the purpose of promoting economic development, especially those undertaken by the United Nations, special attention has been given to the importance of carrying out an Agrarian Reform, insofar as economic matters are concerned with two main goals: (a) to facilitate and increase the growing of new crops to provide the nations's industries with raw materials and to meet food consumption requirements; to develop and expand those items of agricultural production intended for export, a source of foreign exchange for essential imports; and (b) at the same time, to increase the consumer market by means of progressive improvements in the standard of living of those people in the rural areas, which in turn will contribute, by expanding the domestic market, toward the establishment of industries that are not very profitable in a limited market and to develop other lines of products that are limited for the same reason;

And Whereas: According to the opinion repeatedly expressed by the technical experts, in the case of Cuba the goals set forth in the preceding clause are attainable and, as an additional stimulus for those necessary changes in the present agrarian set-up in our country, it has become urgently necessary to rescue the great majority of the rural population of Cuba from the state of poverty in which it has traditionally struggled;

And Whereas: In Cuban agriculture frequent use is made of the sharecropping agreement and of the system of ground rents, which discourage the farmer by placing inequitable, uneconomical, and in many cases extortionary obligations upon him, thus preventing the best utilization of the land;

And Whereas: The National Agricultural Census of 1946 showed that the great majority of the farms now being cultivated are being worked by persons who do not own the land and who work it as sharecroppers, tenant farmers (including sugar-cane growers), and squatters, while the ownership rights are vested in absentee landlords, which in many cases constitutes a social injustice and in all cases represents a factor that discourages productive efficiency;

And Whereas: In the said Agricultural Census the extreme and undesirable concentration of land ownership in a few hands also became evident, and it was found that 2335 farms represent ownership of an area of 317,000 caballerias of land, which means that 1.5 percent of the owners possess more than 46 percent of all the farm land of the country, a situation that is still more serious if it is kept in mind that some owners possess several very large farms;

And Whereas: In contrast to the situation described in the foregoing clause, we have the phenomenon of 111,000 farms of less than two caballerias each, which comprise an area of only 76,000 caballeria, which in turn means that seventy percent of the farms occupy less than twelve percent of the nation's farm land and in addition there is a large number of farms, about 62,000, that occupy an area of less than three fourths of a caballeria each;

And Whereas: It is obvious that in large farms there is detrimental failure to utilize the natural resources, the soil, the cultivated areas being used in ways that produce a low yield, and too much space being devoted to large-scale cattle raising, and other areas that could be reclaimed for productive activities being left completely fallow and in some cases covered with marabu bushes;

And Whereas: It is unanimously agreed that the existence of large landholdings, as shown by the foregoing data, not only runs counter to the modern concept of social justice but constitutes one of the factors that shape the underdeveloped, dependent structure of the Cuban economy, as can be demonstrated by pointing out various characteristics, among which are the following: the fact that the national income depends on production for export, considered the "strategic variable" of the Cuban economy, which is thus highly vulnerable to the cyclical depressions of the world economy; the strong propensity to import, including goods that under other conditions could be produced in Cuba; the consequent lessening of opportunity for profit from local investments and the reduction in our own exports; the technical backwardness of the methods of cultivation and of operating the cattle industry; in general, the low standard of living of the Cuban people and in particular of the rural population, with the consequent low purchasing power to the domestic market, which is unable, under such conditions, to encourage the development of national industry;

And Whereas: The Constitution of 1940 and the Organic Law of the Revolutionary Government prohibits large landholdings and provides that measures to abolish them permanently shall be provided by law.;

And Whereas: The constitutional provisions in force provide that private property may be expropriated by the State, provided it is established that such expropriation is in the public interest;

And Whereas: It is preferable to replace the production from large landholding, which is uneconomical and based on extensive cultivation, by cooperative production, based on intensive cultivation and the use of technical methods, which brings with it the advantages of large-scale production;

And Whereas: It is essential to establish a technical body that can apply and carry out in every detail the aims of economic development, with the resulting improvement in the standard of living for the Cuban people, in accordance with the letter and the spirit of this law;

And Whereas: It is advisable to take measures to prevent the future alienation of Cuban Land to foreigners, while at the same time we hereby attest our remembrance and admiration of the patrician figure of Manuel Sanguily, the first Cuban who, as early as 1903, foresaw the terrible consequences of large landholdings and introduced a bill in the Congress of our Republic to prevent the control of Cuban resources by foreigners;

Therefore: In exercise of the powers vested in it by the Organic Law of the Republic, the Council of Ministers resolves to enact the following law to be known as the

AGRARIAN REFORM LAW OF THE REPUBLIC
OF CUBA

Chapter 1

Land in General

Article 1. Large landholding is hereby prohibited. The maximum area of land that a natural or juridical person may own shall be thirty caballerias. Land owned by a natural or juridical person in excess of that limit will be expropriated for distribution among the peasants and agricultural workers who have no land [....]

Article 3. The land of the State, the provinces, and the municipalities shall also be subject to distribution . [...]

Article 5. The order of priority in each Agrarian Development Zone, for expropriation, when necessary, and for the redistribution of land shall be as follows:

- (a) The lands of the State and those privately owned lands on which farmers are established as tenants, subtenants, tenants growing sugar cane, subtenants growing sugar cane, sharecroppers, and squatters;
- (b) The excess areas of lands not protected by the exemptions contained in Article 2 of this Law;
- (c) All other lands that may become subject [to this Law]. [...]

Article 6. Privately owned lands up to a limit of thirty caballerias per person or entity shall not be subject to expropriation unless affected by contracts with tenant farmers who grow sugar cane, subtenant farmers who grow sugar cane, tenant farmers, subtenant farmers, and sharecroppers, or occupied by squatters, who hold parcels not larger than five caballerias in which case they also shall be subject to expropriation pursuant to the provisions of this Law.

Article 7. The owners of lands subject to this Law, once the expropriations, grants, and sales to tenant farmers, subtenant farmer [sic], tenant farmers who grow sugar cane, subtenant farmers who grow sugar cane, and squatters established on the farm have been made, many retain the remainder of the property in so far as it does not exceed the maximum area authorized by the Law. [...]

Article 12. Beginning one year after the promulgation of the present Law, corporations may not operate sugar plantations if they fail to meet the following requirements:

- (a) That all shares of stock shall be registered;
- (b) That the holders of those shares shall be Cuban citizens;
- (c) That the holders of those shares shall not be persons who appear as owners, stockholders, or officers of companies engaged in the manufacture of sugar.

After the aforementioned time limit, lands owned by corporations that do not meet the foregoing requisites may be exprop[r]iated for the purposes established in the present Law. Likewise the said corporations shall forfeit their right to such grinding quotas as they may have had when this Law as promulgated.

Article 13. Nor may natural persons who are owners, stockholders, or officers of corporations engaged in the manufacture of sugar operate sugar plantations. The lands belonging to such persons operating sugar plantations may be exprop[r]iated for the purposes established in the present Law. [...]

Article 15. Rural property may in the future be acquired only by Cuban citizens or companies formed by Cuban citizens.

Farms not larger than thirty caballerias which, in the judgment of the National Agrarian Reform Institute, are suitable for conveyance to foreign companies or entities for industrial or agricultural development considered beneficial to the development of the national economy are exempt from the foregoing provision.

In cases of hereditary conveyances of rural properties to heirs who are not Cuban citizens, such properties shall be considered to be subject to expropriation for purposes of the Agrarian Reform, regardless of their size.

Chapter II

Redistribution of Lands and Indemnification of the Owners

Article 16. An area of two caballerias for fertile land, without irrigation, distant from urban centers, and devoted to crops of medium economic yield shall be established as a "vital minimum" for a peasant family of five persons.

The National Agrarian Reform Institute shall be the agency charged with establishing and deciding in each case what the necessary "vital minimum" is, starting from the aforesaid base and taking into consideration the average level of annual income it is hoped to attain for each family.

The lands that make up the "vital minimum" shall enjoy the benefits of not being subject to attachment or transfer as referred to in Article 91 of the Organic Law of the Republic.

Article 17. Private lands subject to exprop[ri]ation under the provisions of this Law and lands of the State shall be transferred undivided to the cooperatives recognized by this Law or distributed among the beneficiaries in parcels no larger than two caballerias, without prejudice to the adjustments that the National Agrarian Reform Institute may make in order to determine the "vital minimum" in each case. [...]

Article 19. Owners of parcels of land smaller in area than the "vital minimum," who cultivate them personally, shall also be awarded free of charge the land necessary to complete it, provided it is available and the economic and social conditions of the region so permit. [...]

Article 22. The lands that are available for distribution shall, in accordance with the provisions, of this Law, be distributed in the following order of priority.

- (a) Farmers who have been dispossessed of the land they were cultivating;
- (b) Farmers residing in the region where the lands to be distributed are located, who lack land or who cultivate only an area less than the "vital minimum";
- (c) Agricultural workers who habitually work and reside on the lands to be distributed;

- (d) Farmers of other regions, who lack land or who have an area less than the "vital minimum," preference being given to those of neighboring regions;
- (e) Agricultural workers of other regions, preference being given to those of neighboring regions;
- (f) Any other person who makes proper application, preference being given to applicants who show that they have knowledge of agricultural matters;

Article 23. Within the groups mentioned in the preceding article the following shall be given preference:

- (a) Veterans of the Rebel Army or dependent members of their families;
- (b) Members of the auxiliary corps of the Rebel Army;
- (c) Victims of the war or the repression of the tyranny;
- (d) Dependent members of the families of persons who have died as a consequence of their participation in the revolutionary struggle against tyranny.

In all cases, heads of families shall have priority. [...]

II

THE MONROE DOCTRINE AND ITS COROLLARIES

The No-Transfer Resolution (1811)

Taking into view the peculiar situation of Spain and of her American provinces; and considering the influence which the destiny of the territory adjoining the southern border of the United States may have upon their security, tranquility and commerce: Therefore,

RESOLVED by the Senate and House of Representatives of the United States of America, in Congress assembled, THAT the United States under the peculiar circumstances of the existing crisis, cannot, without serious inquietude, see any part of the said territory pass into the hands of any foreign power; and that a due regard to their own safety compels them to provide, under certain contingencies, for the temporary occupation of the said territory; they, at the same time, declare that the said territory shall, in their hands, remain subject to future negotiations.

The Monroe Doctrine (1823)

.... The American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers.

.... we would consider any attempt on their part to extend their system to any portions of this Hemisphere, as dangerous to our peace and safety ... with the governments who have declared their independence, and have maintained it, and whose independence we have, on great consideration, and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner, their destiny, by any European power, in any other light, than as the manifestation of an unfriendly disposition toward the United States.

The Polk Corollary (1845)

The United States, sincerely desirous of preserving relations of good understanding with all nations, cannot in silence permit any European interference on the North American continent, and should any such interference be attempted will be ready to resist it at any and all hazards.

The Hayes Corollary (1889)

The policy of this country is a canal under American control. The United States can not consent to the surrender of this control to any European power, or to any combination of European powers.

The Olney Declaration (1895)

Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition ... its infinite resources combined with its isolated position render it master of the situation and practically invulnerable as against any or all other powers..'

The Roosevelt Corollary (1904)

All that this country desires is to see the neighboring countries stable, orderly, and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. If a nation show that it knows how to act with reasonable efficiency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrongdoing, or an impotence with results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power.

The Lodge Corollary (1912)

RESOLVED, THAT when any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another Government, not American, as to give that Government practical power of control for naval or military purposes.

The Clark Memorandum (1928)

The Doctrine states a case of United States vs. Europe, not of United States vs. Latin America.

Such arrangements as the United States has made, for example, with Cuba, Santo Domingo, Haiti, and Nicaragua, are not within the scope of the Doctrine as it was announced by Monroe. They may be accounted for as the expression of a national policy which, like the Doctrine itself, originates in the necessities of security or self-preservation - a policy which ... was outlined in what is known as the "Roosevelt Corollary" to the Monroe Doctrine ...; but such arrangements are not covered by the terms of the Doctrine itself.

The Dulles Doctrine (1954)

... the domination or control of the political institutions of any American state by the international communist movement, extending to this Hemisphere the political system of an extracontinental power, would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America, and would call for a Meeting of Consultation to consider the adoption of appropriate action in accordance with existing treaties.

The Johnson Corollary (1965)

The American nations cannot, must not, and will not permit the establishment of another Communist government in the Western Hemisphere.

III

CUBAN TRADE PATTERNS, 1956-1964

CUBA - EXPORTS

1956-1958

(MILLION DOLLARS)

	1956	1957	1958
Sugar and by-products	523.2	653.6	587.7
Tobacco	43.8	47.9	49.6
Coffee	21.5	12.5	7.1
Minerals	34.4	36.4	28.1
Miscellaneous	43.2	57.3	61.1
TOTAL	666.1	807.7	733.6

SOURCE: Ministry of Foreign Relations, Development of Cuba's International Trade, Havana, undated; pp. 32-37

SOME IMPORTED LUXURY ARTICLES

1956 - 1958

(THOUSAND DOLLARS)

	1956	1957	1958
Automobiles	20565	28607	25608
Auto spare parts	2980	6040	4119
Raw material for rubber industry ..	1473	1676	1916
Television sets	4105	3634	3259
Radios	1563	2063	1778
T.V. and radio spare parts	1742	1389	1920
Air conditioning units.....	1915	1844	2232
Record players, records and spare parts	987	693	1135
Washing machines	341	448	345
Porcelain and clay articles	5975	5800	6699
Silk and textiles	309	245	179
Fresh and dry fruits	3273	3229	3969
Preserved fruits	2327	2543	3025
Cheese	759	795	891
Canned soup	408	413	581
Tomato sauce (Ketchup)	946	892	955
Alcoholic beverages	4868	5402	3560
Chiclets	1051	1038	1131
TOTAL	58971	70225	67171

SOME IMPORTED LUXURY ARTICLES

1959 - 1962

(THOUSAND DOLLARS)

	1959	1960	1961	1962
Automobiles	14155	3439	2920	133
Auto spare parts	5170	2426	2225	1404
Raw material for rubber industry..	1900	2274	2700	2920
Television sets.....	3575	154	6	115
T.V. and radio spare parts	1434	134	11	657
Radios	1071	187	556	475
Air conditioning units	2748	124	33	
Record players, records, and spare parts	672	78		94
Washing machines	109	88		
Porcelain and clay articles	4138	1874	3796	1639
Silk and textiles	287	48	1344	778
Fresh and dry fruits	3406	1167	371	137
Preserved fruits	1590	2719	1001	1484
Cheese	732	99	310	899
Canned soup	648	101	124	293
Tomato sauce (Catchup)	378	25	23	
Alcoholic beverages	3578	692	509	262
Chiclets	1107	104		
TOTAL	49054	19763	17523	12354

GROSS DOMESTIC OUTPUT, POPULATION, IMPORTS, EXPORTS AND SUGAR CROP

1949 - 1958

(MILLION DOLLARS)

Year	Gross Domestic Output	Cuban Population Million Inh.	Per Capita Domestic Gross Output	Imports	% of Domestic Output	Exports	% of Domestic Gross Output	Sugar and By-products Export	% of Domestic Gross Output	Sugar Harvest (Million Tons)
1949	\$ 1.847	5.3	347.9	\$ 451.4	24.4	\$ 578.3	31.3	\$ 511.5	27.8	5.1
1950	2.000	5.4	369.3	515.1	25.8	642.0	32.2	572.3	28.6	5.1
1951	2.392	5.5	432.8	640.2	26.8	766.1	32.0	675.2	28.2	5.5
1952	2.474	5.6	441.0	618.3	25.0	675.3	27.3	579.1	25.4	7.7
1953	2.131	5.8	365.5	489.7	23.0	640.3	30.0	530.1	24.9	5.1
1954	2.171	6.0	361.7	487.9	22.5	539.0	24.8	432.9	19.9	4.8
1955	2.269	6.1	370.4	575.1	25.3	594.2	26.2	474.4	20.9	4.5
1956	2.478	6.2	396.9	649.0	26.2	666.2	26.9	525.0	21.2	4.7
1957	2.836	6.4	445.1	772.9	27.3	807.7	28.5	656.3	23.1	4.6
1958	2.629	6.5	403.8	777.1	30.0	733.5	27.9	593.6	22.6	5.7

GEOGRAPHIC DIRECTION OF CUBA'S EXPORT TRADE
(THOUSAND DOLLARS)
1958-1962

	1958	1959	1960	1961	1962
UNITED STATES					
Exports	489956	442749	326500	30249	4169
Imports	542509	458493	281521	23742	639
Balance	52553	15744	44779	6505	3530
REST OF AMERICA					
Exports	36452	41765	22368	16545	7995
Imports	103128	84494	58449	47405	25874
Balance	66676	42729	36081	30860	17879
REST OF AMERICA (Less Canada)					
Exports	20480	31367	14612	12561	5282
Imports	85053	71706	42211	11794	13954
Balance	64573	40339	27599	767	8672
CANADA					
Exports	15972	10398	7736	3984	2712
Imports	18075	12888	16238	35611	11919
Balance	2103	2490	8482	31627	9207
EUROPE (Less Socialist Countries)					
Exports	112705	85470	67790	51506	28036
Imports	108747	101576	103778	73025	44848
Balance	3958	23106	35988	21519	16812
ASIA AND OCEANIA (Less Socialist Countries)					
Exports	59977	38232	26333	30237	26230
Imports	19473	20717	23691	34020	26643
Balance	40304	17521	2642	16217	417
AFRICA					
Exports	15545	15694	25508	19260	27316
Imports	1240	710	3859	13663	19354
Balance	14301	14984	21649	5597	7962
SOCIALIST COUNTRIES					
Exports	18884	13894	149927	458115	426900
Imports	1997	1850	108603	446847	641900
Balance	16887	12044	41324	19268	215000
TOTAL EXPORTS	733519	637804	618226	625910	520645
TOTAL IMPORTS	777094	674834	679901	638702	759258
BALANCE	43575	37039	38325	- 13792	238613

DISTRIBUTION PER CONTINENT OF CUBA'S FOREIGN TRADE
(MILLION DOLLARS)

Year	T O T A L		A M E R I C A		E U R O P E		A S I A		A F R I C A	
	Expt.	Impt.	Expt.	Impt.	Expt.	Impt.	Expt.	Impt.	Expt.	Impt.
1959	637.8	742.2	484.5	597.3	98.6	121.4	38.9	22.4	15.7	0.8
1960	618.2	637.9	348.7	374.0	183.9	221.4	60.0	38.3	25.5	4.2
1961	624.9	702.6	46.8	78.2	413.5	473.3	145.3	135.9	19.2	15.1
1962	520.6	759.2	12.1	26.5	363.2	579.9	118.0	133.4	27.3	19.4
1963	542.9	866.2	20.2	53.6	372.1	672.1	106.2	115.5	44.4	25.0
1964	713.7	1014.7	5.8	63.2	470.2	948.1	150.1	161.7	87.6	41.7

IV

A BRIEF CHRONOLOGY OF EVENTS PERTAINING
TO THE NATIONALIZATION PROCEDURES

- October 10, 1958 - 26th of July Movement, while still fighting in Oriente, proclaims "Law No.3 - Concerning the Peasants' Rights to Land". Law says that ownership of the land should be transferred to those tilling it.
- January, 1959 - Electric power rates for rural areas cut in half.
- March - Law No.122 - Cuban Telephone Company is "intervened" and rates lowered to 1957 level. Otis Elevator Company, International Harvester, Abbott Laboratories, and the Cuban Electric Company are also taken over at about this time.
- May 17 - The Agrarian Reform Law is promulgated by the Council of Ministers and enters into effect on June 3. The National Institute of Agrarian Reform is established to oversee land distribution and collectivization.
- July - INRA seizes 400 of Cuba's largest ranches.
- August 17 - Law No.502 - Cuban Electric Company rates are drastically reduced.
- October 27 - Law No.617 - 75,000 acres of land held for mineral exploitation by various companies is taken over in Oriente province.
- November 20 - Law No.635 - Most hotels, casinos and restaurants are seized and nationalized.
- February, 1960 - Central Economic Planning Board is created. 65,000 caballerias of U.S.-owned sugar land is expropriated.
- June 29 - The oil refineries, U.S.-owned, refuse to refine Soviet oil in Havana. Texaco "intervened".
- July 1 - All other western oil companies are "intervened".
- July 6 - Following the cut in the U.S. sugar quota for Cuba, Law No.851 empowers Cuba to decree the nationalization through forced expropriation of U.S.-owned property in Cuba.

- July 11 - Cuban-owned Reca Petroleum Company and Matahambre copper mines are seized.
- August 7 - 26 major American companies worth a total of \$913 million are nationalized.
- September 1 - Cuban subsidiaries of large U.S.-owned rubber companies are nationalized, along with the Minimax grocery store chain.
- September 15 - Cuban-owned tobacco companies are "intervened".
- September 17 - United States banks in Cuba are seized.
- September 29 - The U.S. suspends operation of its Nicaro nickel facility.
- October 13 - Law No.890 - nationalization of most remaining big businesses, both domestic and U.S.-owned, with a total worth of about \$2 billion. Six million acres of land, more than half of it American-owned, also seized.
- October 19 - U.S. trade embargo with Cuba goes into effect.
- October 24 - 166 more U.S.-owned companies are nationalized, thus virtually eliminating all American holdings in Cuba.
- November 4 - Cuba withdraws from the World Bank.

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