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A Chronicle of Dependence: Cuba from the Rise of Sugar until the Failure of the Ten Million Ton *Zafra* of 1970

D. Brian Hunter

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History

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Abstract

A Chronicle of Dependence:
Cuba from the Rise of Sugar until the Failure of the Ten Million Ton *Zafra* of 1970

D. Brian Hunter

Following a demonstration that the Dependency Theory still has much to offer as a vehicle for explaining underdevelopment and development in the periphery (Third World), this study uses the dependency approach as the theoretical framework in an examination of Cuba's pre-revolutionary condition of underdevelopment and dependency, and the socialist path undertaken in the first decade of revolution. The study concludes with a summation of how the interrelation of external and internal forces in pre-revolutionary Cuba resulted in a classic form of dependency, followed by revolutionary victory, and eventually socialism. Finally, the study offers four observations based on socialist Cuba's development effort of the 1960s and the nation's failure to limit external dependence during this period.

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For

Murray C. Hunter (deceased) and Shirley J. Hunter
my parents

Table of Contents

List of Tables and Diagrams

Preface

The great global power has not yet found the weapon of destroying dreams. As long as it does not find it, we will continue to dream, in other words we will continue to triumph.

-Subcomandante Insurgente Marcos of the *Zapatista* Movement in Mexico.[1]

In 1952 economist Paul Baran found one crucial obstacle blocking development for the world's underdeveloped nations. He put it this way: "The economic and political order maintained by the ruling coalition of owning classes finds itself invariably at odds with all the urgent needs of the underdeveloped economies. Neither the social fabric that it embodies nor the institutions that rest upon it are conducive to progressive economic development."[2] And because those who have profited from the status quo have had little or no interest in changing the system from which they have benefited so much, Baron was led to conclude: "The land not given to the peasants legally may be taken by them forcibly. High incomes not confiscated through taxation may be eliminated by outright expropriation. Corrupt officials not retired in orderly fashion may be removed by violent action."[3]

Less than ten years later, Baron's prescription for removing the barriers to development was followed by Fidel Castro and the 26th of July Movement in Cuba, culminating in revolutionary victory on January 1st, 1959. On September 2nd, 1960 Castro triumphantly pronounced before one million people in Revolution Square in the *Declaration of Havana*: "This great people has said: Enough."[4]

In an attempt to radically alter the prevailing economic and social structure of Cuba, the revolutionary regime that came to power in 1959 adopted socialism as the vehicle for development. However, in the 1960s most nations in Latin America did not break with capitalist models of development; rather they remained economically dependent on monoculture economies, the export of raw materials, and a production process dominated by foreign interests. The prominent Latin American economist, Celso Furtado, believed that by 1970 the developmental possibilities for Latin America, reliant on the success of these traditional means of development for underdeveloped nations, "are reaching or have already reached their limits."[5] Furtado, along with Raúl Prebisch, chair of the Economic Commission

of Latin America (E.C.L.A.), were among a group of Latin American structuralists who challenged the wisdom of conventional developmental economic theory that viewed Latin America and other underdeveloped nations as simply farther back on the evolutionary path of development. Prebisch was one of the more distinguished scholars whose work in the 1950s and 1960s, in part, led to one of the most important breakthroughs in Latin American economics, the Dependency Theory. Throughout the 1960s and 1970s a host of scholars questioned the status quo and the very nature of capitalist development in Latin America and throughout the periphery.[6] One of the best known of these scholars was Andre Gunder Frank. He believed development in the industrialized world actually caused underdevelopment in the poorest regions of the world. This group of *dependentistas*, which also included Fernando Henrique Cardoso, Immanuel Wallerstein and Theotonio Dos Santos among others, identified many important structural limitations to development, both internally and externally, in the course of their analyses. Many called for socialist revolution, and all of them believed a fundamental change was necessary in the way Latin American economies worked.

However, the heyday of Latin American structuralists and *dependentistas* was short-lived. By the mid-1970s the Dependency Theory was under heavy attack, both theoretically and by consequence of the policies it had helped put into practice. In 1973, following the overthrow of Chile's united front government led by socialist politician, Salvador Allende, and the alleged failure of its economic policies, 'inward-directed' development strategies were virtually abandoned in Latin America.[7] These strategies, as advocated by most Latin American structuralists and *dependentistas*, argued for import-substitution through economic diversification, growth of internal markets and decreased reliance on exports in order to achieve self-sustained growth. Neo-liberal policies, which emphasize the complete integration of lesser developed countries (LDCs) into the world economy, have since dominated.[8] Protectionist and interventionist policies have thus been dismantled and replaced with anti-inflationary policies, while privatization has been stressed. The allocation of resources has been governed by international prices and the supposed comparative advantages of particular export products. Unrestricted access to most Latin American markets for multinationals has been secured. In an attempt to limit inflation and appease foreign investors, internal demand

has been reduced, often through the reduction of wages that in many cases were already insufficient to meet workers' basic needs. This approach can be thought of as an 'outward-directed' development strategy.

But the results of the neo-liberal policies have been abysmal. Reflecting on present day conditions, the E.C.L.A. has recently stated: "the levels of poverty are still considerably higher than those observed in 1980 while the distribution seems to have worsened in virtually all cases."[9] In Latin America the number of poor has increased by 66 million between 1980 and 1990. Nine out of twenty people live in "critical poverty." One hundred and fifty million children live in poverty, and 15 percent die before the age of five. In 1992, 41 percent of the population in Latin America – 183 million people – lived below the poverty line, with 21 percent in extreme poverty. Between 1980 and 1992 wages lost 42 percent of their purchasing power, while 'informal employment' has been estimated at 50 percent. Despite all of these horrific social indicators, social spending by local governments has decreased by more than 50 percent in the last ten years.[10]

Despite the anti-inflationary aim of the neo-liberals, inflation in Latin America stood at 1185 percent in 1990 and 440 percent in 1992. Meanwhile, multinationals continue the traditional practice of repatriating their profits. During the 1970s for every one dollar invested, $2.20 were repatriated. Between 1980 and 1992 a net negative transfer of 220 billion dollars from Latin America to developed countries has occurred. Foreign debts have risen, despite the massive transfer of wealth from Latin America to developed countries. Between 1980 and 1991 the Latin American total external debt rose from 238.4 billion dollars to 429.8 billion dollars, a 45.6 percent increase. By 1993 the total debt was 478 billion dollars. [11]

Neo-liberals have now come to adapt their economic recommendations to take into account the problem of Latin American debt. They consistently believe that, despite the widespread poverty, the problem in Latin America is excessive internal demand rather than

poor internal distribution and a lack of social development, and thus prescribe polices accordingly. They insist, above all, that inflation must be controlled through the reduction of internal demand, accomplished with the aid of economic policies which maintain low wages and high unemployment. Therefore neo-liberal policies have ensured a most favourable investment climate for foreigners: a large labour market consisting of underpaid workers and low prices for the raw material inputs required by the multinationals. Further, the same people who led these nations into such massive debt orchestrate an insidious blackmail campaign. The International Monetary Fund (IMF), the institutional arm of the neo-liberals, makes aid conditional on further privatization and tariff reduction, along with severe limitations on social spending. The Latin American LDCs in need of this aid simply to continue to service their debt, never mind to institute economic reforms and social programmes, have little choice but to accept these austerity packages known as structural adjustment programmes (SAPs). In an era when an increase in social investment is clearly called for, most Latin American countries have little power to pursue such a course.

Therefore, alternative development strategies that do not accept the conventional wisdom of neo-liberalism must be considered. Since 1959 Cuba has not been under the influence of neo-liberal economic theory. It has attempted to follow a radically different path toward development. And the leader of the revolution, Fidel Castro, has always stressed the importance of economic and social development for his nation. Following lengthy interviews with the Cuban leader, Castro biographer, Tad Szulz, arrived at the following conclusion:

> Above all, it was the obsession of Fidel Castro to do away with social and economic underdevelopment in Cuba. . . . To Fidel and the revolutionary generation, underdevelopment meant illiteracy and disease, economic inadequacy, dependence on the West under the shackles of neo-colonialism, and above all, the thinking patterns of people in poor countries. To him and his disciples, underdevelopment is shame, it is a mental prison, it is third or fourth-class citizenship in the world. [12]

Because of the dismal results of the neo-liberal developmental policies in Latin America and the strong commitment of the Cuban revolutionary leadership to develop the

nation utilizing an alternative approach, a study of socialist Cuba's attempt to develop, especially in the tumultuous first decade of revolution, is clearly warranted. Moreover, if we wish to gain a more complete understanding of Cuban underdevelopment and the challenges which faced the government that assumed power in 1959, we must examine the historical forces and conditions which had shaped Cuban underdevelopment by the time of the revolution. While it will be demonstrated that Cuba was not the most underdeveloped nation in Latin America at the time, it certainly exhibited all the classic conditions of dependency. Therefore, an historical study of pre-revolutionary Cuba can also contribute to an understanding of the difficulties confronting other dependent Latin American nations in their quest to develop. Finally, as we will effectively utilize established dependency paradigms identified by the Latin American structuralist and *dependentistas* from the late 1940s through the 1970s, the issues raised during the discussion on the historical background of Cuban underdevelopment and socialist Cuba's attempt to develop during the first decade of revolution will help to validate developmental analyses which do not accept the logic of neo-liberalism.

One issue must be clarified, however. In many debates among social scientists on the causes and solutions to underdevelopment the exact meaning of development is not established. It is essential we make it absolutely clear what development means in the context of this study.[13]

In the late 1980s a group of academics and government officials from developing nations around the world gathered to form the South Commission in order to discuss the problems of underdevelopment in the periphery. They defined development as the following: "a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfilment. It is a process which frees people from political, economic or social oppression."[14] This process, according to the contributors to the South Commission, implies individual and collective self-reliance within the developing nation. It is self-directed; that is, it is an "effort by and for the people." The people must be free members of society and

freely choose who governs them. Those who govern must demonstrate accountability while the individual in the society must be able to influence the decisions which affect his or her society. Popular participation through democratic institutions is also a prerequisite, as are respect for human rights and an end to discrimination.[15] However, political and social freedoms are not of great significance to the *campesino* who cannot produce enough to feed his family or to the resident of a Third World shantytown, who virtually never obtains meaningful employment. So we must 'begin from the beginning.' The South Commission recognized this: "[The] first objective [of a developing nation] must be to end poverty, provide productive employment and satisfy the basic needs of all the people, any surplus being fairly shared."[16]

The South Commission chose to understand development in a social and political context. Obviously, though, an economy must also develop in order to create the wealth necessary to improve social conditions. This study accepts the South Commission's definition of development, but it must be noted that economic development in the form of increased industrialization and economic growth must also occur to create and maintain the social ends that are desired

So the question of what it means to develop is perhaps the most confused issue in dependency thought. While obviously all the dependency theorists use the term development, some define it in different ways than others. Some d*ependentistas*, such as Andre Gunder Frank and Immanuel Wallerstein, believe the term development must possess moral value, that is, it must mean more than simply a growing economy and increased industrial output. Others, such as Fernando Henrique Cardoso and Jorge Larrain, deny any ethical distinction between growth and development and tend to view the latter as capitalist industrialization. Larrain labels the branch of the dependency authors, known as the world system theorists, a group that includes Gunder Frank and Wallerstein, as mechanistic and deterministic.[17] Larrain believes these *dependentistas,* because their theories do not recognize the possibility of 'true' development to occur in an LDC, in spite of any economic growth that may have occurred, implicitly erect "the capitalist system in the centre as an ideal paradigm, without noting its

internal contradictions."[18] If, however, in the process of so rigorously applying the ethical distinction between growth and development, these world-system theorists reject the notion that the capitalist industrialization of the centre (with its high rates of crime and unemployment along with considerable racial discrimination) is the ideal, then, Larrain contends, one will be forced to conclude that no nation on earth is developed. He fears the term development will cease to be significant, becoming instead an unrealistic utopia.[19]

The position this study will adopt is that by *not* distinguishing between growth and development, the term development faces a far greater risk of losing importance. The ethical distinction between growth and development is necessary, not to deny the legitimacy of economic growth in the underdeveloped periphery, but rather to note the unsatisfactory and contradictory nature of capitalism in the industrialized centre. If countries of the centre, such as the United States and Great Britain with their long history of capital accumulation, imperialist exploitation and technological progress, still possess the great societal problems of unemployment, poverty, racism, and crime, then surely there must be other roads one can take to develop. Simply because no country can be considered truly developed in an ethical sense does not mean ethical development is an irrelevant, utopian ideal. It only means that in terms of establishing just, equitable societies throughout the world, human beings have not evolved to anywhere near a satisfactory level.

Thus, in the context of this study, economic growth without improving the quality of the lives of the poorest citizens is considered meaningless. Industrialization without employment is a waste. The creation of a great deal of wealth without decent distribution is immoral. After all, the desire for a more egalitarian, humane way of organizing society is essentially the deep-rooted motivation behind this work.

Introduction
The Dependency Theory and Cuba

The Philosophers have only interpreted the world in various ways: the point is to change it.

-Karl Marx.[1]

It is simply insane to deny the gravity of the social problems that have accumulated as a consequence of the achievement of dubious equilibria in the very short run at the cost of other much more serious disequilibria.

-*Dependentista* writer, Theotonio Dos Santos.[2]

Economically and politically the United States had dominated the Cuban republic since its birth in 1901. Cuba's export and import sectors and industrial production had been entirely geared toward the needs of the Americans. American penetration into the Cuban economy and society had been thorough and reinforced Cuban dependence on the United States. By the 1950s large American firms controlled 67 percent of Cuban exports, 75 percent of imports, and 50 percent of the land.[3] Sugar monoculture, the chief characteristic of the Cuban economy by 1959, had become heavily pronounced in the mid-to late-nineteenth century, and since that time its dominance in the composition of Cuban exports never significantly waned, constantly making Cuba vulnerable to variations in the global price of sugar. By the 1950s sugar monoculture and economic dependency had led to dismal economic and social conditions in pre-revolutionary Cuba. The economy had undergone two major periods of crisis since 1920 and had been relatively stagnant for most of the period. Further, the size of the national debt was becoming a major concern. There were widespread marginalization and poverty, especially in areas outside the capital of Havana. Many children were undernourished and most of the population did not have access to decent health care or education. By the mid-1950s future prospects for an improvement in social conditions accomplished solely through an increase in the production of sugar were bleak. While prior to the revolution, Cuba had managed to harvest more than 6 million tons only once and had averaged only 4.07 million tons of sugar between 1935 and 1955, the Cuban National Bank reported in 1956 that to maintain 1947 living standards in 1955, Cuba would have had to harvest more than 7.7 million tons of sugar. By 1965 Cuba would have to harvest more than eight million tons to maintain 1947 living standards. To increase living standards by just 2 percent, thirteen million tons would have had to be harvested in 1965.[4] At the eve of the revolution, as Heinrich Brunner states, "Cuba exhibited all the fundamental characteristics which constitute underdevelopment."[5]

Fidel Castro and the revolutionary leadership that rose to power in 1959 were determined to limit Cuban dependency, both on the capitalist, developed countries of the

centre and on the world market, while leading Cuba on a road toward economic and social development. In the following study we will explore the historical dimensions of Cuban underdevelopment and socialist Cuba's attempt to develop during the first decade of revolution. To better understand Cuban dependency, underdevelopment, and Cuba's development effort of the 1960s, a theoretical framework is needed. While the Dependency Theory has been heavily criticized since the 1970s, a brief historiographical survey of the school and its basic tenets will demonstrate that it still has much to offer as a vehicle for explaining underdevelopment and dependency. Further, as we shift the focus from capitalist pre-revolutionary Cuba to socialist revolutionary Cuba, we arrive at a fundamentally unresolved issue in dependency economics — the viability of socialism as a developing force. We must, though, begin by explaining exactly what the Dependency Theory is.

Writing in 1950s, American economist and neo-Marxist, Paul Baran, questioned the assumption that capitalism is necessarily a developing force in the periphery.[6] He believed that it was in the imperialist nation's best interest to retard the developmental process in the periphery by keeping in power the local bourgeoisie sympathetic to its concerns. He saw imperialism as a permanent obstacle in the developing world which capitalism did not possess the tools to remove. He believed that the monopoly capitalism functioning in the periphery was distinct from the competitive capitalism that had industrialized the centre and was, by then, clearly stagnant.[7] Baran stated: "It is in the underdeveloped world that the central, overriding fact of our epoch becomes manifest to the naked eye: the capitalist system, once a mighty engine of economic development, has turned into a no less formidable hurdle to human development." Finally, he concluded: "The establishment of a socialist planned economy is an essential, indeed, indispensable condition for the attainment of economic and social progress in underdeveloped countries."[8] Such an analysis was further elaborated by Andre Gunder Frank in the late 1960s in his popular work, *Underdevelopment or Revolution: Essays on the Development of Underdevelopment and the Immediate Enemy.*[9]

Gunder Frank introduced the concept of the 'development of underdevelopment.' He

conceived of the world economy as a "chain of metropolises and satellites." The largest metropolis attracts the largest flow of capital, with two consequences. First, the historical process of capitalist expansion continues to produce the form of underdevelopment existent in the satellites. Second, by virtue of this flow of capital, the development of the metropolis requires the underdevelopment of the satellite. Further, the relation between the metropolis and the satellite is "an essential part of the structure and development of the capitalist system on a world scale as a whole."[10] Gunder Frank saw the economies of the metropolis and the satellite as closely linked; the stronger the ties, the more underdeveloped the satellite would be. He concluded that for the periphery, national capitalism and the national bourgeoisie offered no hope for dealing with underdevelopment. Development was only possible under socialism. He called for revolution, not reform, believing that the people of the underdeveloped world "will take the initiative and leadership in destroying the system whose development has caused and still generates their underdevelopment."[11] For Gunder Frank, underdevelopment in the periphery was caused by the dependency on central capitalist economies.

However, not all social scientists felt capitalism was failing the underdeveloped nations. The modernization theories of the 1940s and 1950s, as developed by Walt Rostow among others, had seen the problem of underdevelopment in the periphery as one of evolution. Underdeveloped countries would follow the same path of capital industrialization as the industrialized nations had taken once sufficient amounts of capital had been invested into their economies and proper entrepreneurial attitudes had been exported from the centre to the periphery. Proponents of the modernization theory argued that two societies operated independently of each other in most LDCs: a modern sector and a traditional sector. As the centre and the periphery were connected by an evolutionary process, so were the traditional and modern sectors within the LDCs. Free trade between the centre and the periphery would develop the LDCs' economies and hasten the ideological learning process.[12] Sociologist Cristobal Kay states on the modernization theories: "[T]he key point to stress is that they were impregnated with a profound dualism and ethnocentricity," and notes that the theories were "twice removed from reality," as they were "for other countries in other times." [13]

A major contribution to the emergence of the Dependency Theory was in the Latin American structuralist approach of Raúl Prebisch, chair of the Economic Commission of Latin America (E.C.L.A.).[14] The E.C.L.A. was established in 1947 and the theories it promulgated grew out of the profound dissatisfaction with the then prevailing neo-classical theories and the modernization theories, which, according to its analyses, had merely "perpetuat[ed] the income disparity between the centre and periphery [and] legitimized a development path in the periphery which was detrimental to growth."[15] Prebisch and the E.C.L.A. believed that specialization and international trade were still the best ways to combat global inequalities, but focused on the realities of the 'centre-periphery' system. In the E.C.L.A.'s report, entitled *The Economic Survey of Latin America*, first published in 1950, Prebisch noted that Latin American history had demonstrated how any comparative advantage held by the LDCs in the production of primary products in the nineteenth century had not led to industrialization, nor to an alleviation of the great poverty of the area. This situation, he believed, "destroys the basic premise underlying the schema of the international division of labour," which presumes that since the LDCs held the comparative advantage in the production of primary products, the income differential between the centre and periphery would eventually diminish as the mobility of labour, capital and products distributed the benefits of technological progress more evenly.[16] Prebisch argued, in fact, the opposite was true, that it was precisely the specialization in the production of primary products which had led to deterioration in the terms of trade between the centre and the periphery and consequently resulted in lower prices for primary products and lower wages for workers in the periphery.[17]

Prebisch and the E.C.L.A. came up with several policy recommendations. They included the highly touted import-substitution plan, with the eventual aim of economic self-sufficiency. The plan called for the gradual reduction of the high level of importation of necessary foodstuffs and industrial products by diversifying domestic production, both in the agricultural and industrial sectors. To contribute to this end, they called for peripheral nations to adopt protectionist policies for their infant industries until they were on equal ground with

the developed industries in the centre and to institute land reform in order to expand domestic markets and reduce unemployment. The E.C.L.A. also advocated government intervention in the economy in order to establish priorities, incentives and goals. They did, however, stop short of recommending socialist planning. Prebisch and the E.C.L.A. also felt financial assistance from the developed world was necessary. Finally, regional specialization was promoted to guarantee decent prices and sufficient markets for the LDCs' exports.[18]

However, as economic indicators fell throughout Latin America in the early and mid 1960s, self-criticism began to emerge within the E.C.L.A.[19] Despite the implementation of import-substitution programmes, the E.C.L.A. noted how many LDCs in Latin America continued to depend on the export of primary products. They believed this was because, in order to finance the import-substitution process, exports initially had to be increased. Further, the process itself made imports, which now composed a higher percentage of raw materials, spare parts, and capital goods, as opposed to consumer goods, more crucial for sustainable industrial growth. Industrial output in Latin America had expanded somewhat since World War One, however the industrialization process, according to the E.C.L.A., had become "exhausted" by the 1960s, in great part due to the limited internal markets.[20] The Commission believed that many governments were slow in enacting the land reform programmes, thus, the low purchasing power of the masses was maintained.[21] Debts and balance of payments problems inevitably resulted as economic output could not keep pace with the cost of imports.[22] The E.C.L.A. responded to the economic problems of the period, and its response can be labelled the structuralist current of the Dependency Theory.[23]

Thus, The Dependency Theory grew out of the dissatisfaction with the conceptual tools that, in the case of the modernization theories, were wholly inadequate for explaining underdevelopment in the periphery, and that did not consider the problems of underdevelopment from the viewpoint of the LDCs themselves, nor even question the industrializing capability of peripheral capitalism. Paul Baran's Marxist perspective on underdevelopment and the ideas which emanated from the E.C.L.A. structuralist approach

were the two most important theoretical approaches which the *dependentistas* utilized in the construction of their analyses. Further, the problems of the E.C.L.A.'s import-substitution programmes "led others to think a little more creatively and historically at the relationship between rich and poor countries."[24]

More recently, in 1970, neo-Marxist *dependentista,* Theotonio Dos Santos, formulated the often-cited definition of dependence:

> By dependence we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependency between two or more economies and between these and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-sustaining while the other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a positive or negative effect on their immediate development. . . . [I]t reproduces a productive system whose development is limited by those world relations which necessarily lead to the development of only certain economic sectors, to trade under unequal conditions, to domestic competition with international capital under unequal conditions, to the imposition of relations of superexploitation of the domestic labour force with a view to dividing the economic surplus thus generated between *internal* and *external* forces of domination.[25]

Dos Santos believed that because of the necessity of preserving the foreign-dominated export sector in the LDC, the more advanced production structures drew resources away from developing industries, while responding to the needs of foreign multinationals. As backwardness, social marginalization, economic stagnation and an accumulation of negative balance of payments and debts occurred in this situation of dependent capitalist development, and the conflict between the military and political elite on the one hand, and the socially dispossessed and excluded classes, on the other, intensified, either socialism or fascism would have to be confronted, as "intermediate solutions have proven to be, in such a contradictory reality, empty and utopian."[26]

And so, overall, dependency theorists have covered a wide range of topics,

emphasizing to different degrees the effect domestic conditions (or internal forces) and international relations (or external forces) have had on the LDCs, and advocating solutions that have ranged from nationalist ones of capitalist reform to ones which call for socialist revolution.[27] But in doing so and regardless of their proposed solutions, dependency theorists had taken on the rather ambitious task of constructing a new paradigm by creating a holistic theory. In the heterogeneous periphery this approach is clearly loaded with pitfalls. Since the mid-1970s dependency theorists have undergone a barrage of criticism, which continues to the present day.[28] Many critiques have pointed out some important unresolved issues in the Dependency Theory.[29]

In particular, Gunder Frank's contention that underdevelopment in the periphery is caused by the development of the centre has been criticized as it has been very difficult to demonstrate historically that this has been the case.[30] Further, his hypothesis that the more closely the metropolis and the satellite are linked, the more underdeveloped the satellite will be seems particularly problematic. If Gunder Frank was correct we could have expected Cuba in 1959 to be one of the most underdeveloped nations in the world, given its extremely close ties to the United States. However, as we shall see, while Cuba was one of the most dependent nations in Latin America in 1959, it was not one of the most underdeveloped. Certainly the realities of the trade relationship that existed between the United States and Cuba from the mid-nineteenth century until the victorious Cuban revolution contributed to the economic and social difficulties Cuba faced in 1959. However we must attempt to understand Cuban underdevelopment in a broader perspective. Economist Ranjni Kotheri operates from such a broader perspective:

> The question is whether an unfavourable position in world trade is sufficient in itself to explain underdevelopment. None of the metropolitan capitalisms, with the exception of Britain, escaped their dependency in their formative stages nor are any of them entirely self-sufficient at the present time engaging as they do in the exchange of technologies. The understanding of underdevelopment exclusively in terms of centre-periphery external relations therefore seems partial. The problem should perhaps be posed differently - as an attempt at understanding why external trade has the effect of creating a

dependency which thwarts internal development.[31]

Thus, the danger in overemphasizing external relations is that the approach does not consider the degrees of internal development in the periphery. World system theorists like Gunder Frank and Immanuel Wallerstein have especially been criticized for attempting, as Jorge Larrain puts it, "to provide a general abstract mechanism that explains underdevelopment everywhere as a result of similar exploitative market relations controlled by the developed world, thus giving no important theoretical place to the internal processes of class struggle."[32] This form of mechanistic determinism necessarily had led the world-system theorists to advocate stagnation theories, that is peripheral economies were stagnant and development was impossible under the prevailing conditions of dependence. Although the Cuban economy was stagnant for most of thirty years prior to the revolution, the question still needs to be posed: Did Cuba's pre-revolutionary experience support the stagnation theories of Gunder Frank and Wallerstein or were there internal forces at work which helped to prevent the Cuban economy from attaining sustained growth? It will be shown that internal forces played a significant role in the establishment of a dependent and a relatively stagnant economy in pre-revolutionary Cuba. Further, an opportunity to develop Cuban capitalism did present itself during the 1940s, however this opportunity was squandered through corrupt and repressive policies of the Cuban government.

Thus, as we study Cuban underdevelopment and revolutionary Cuba's attempt to develop during the 1960s, we will not commit the same error as the world-system dependency theorists who have overemphasized the role of external forces in the 'development of underdevelopment' in the periphery. Rather, following the lead of structuralist *dependentistas* like Fernando Henrique Cardoso and Enzo Faletto, we recognize that the explanation of Cuban underdevelopment must "also lie in the different moments at which sectors of local classes allied or clashed with foreign interests, organized different forms of state, sustained distinct ideologies, or tried to implement various policies or defined alternative strategies to cope with imperialist challenges in diverse moments of history." [33] It must be made clear,

though, that it is unfair to apply the criticism that *dependentistas* overemphasize external forces to the entire dependency school. Simply put, most critics have not appreciated the scope of the dependency school. As Cristobal Kay states, "[m]any of these criticisms mistakenly hold the view that external factors are the prime determinants of underdevelopment and dependence, when it was mainly Frank and the 'external dependency' reformist writers like . . . [Celso] Furtado who argued this. Dos Santos distinguishes between 'conditioning' external factors and 'determining' internal factors, and Fernando Henrique Cardoso constantly stressed internal relations as being crucial for the understanding of dependent development."[34]

As we shift the focus of the study from capitalist pre-revolutionary Cuba to socialist revolutionary Cuba, we hope to be able to contribute to the resolution of a fundamental problem in the approach of the neo-Marxist *dependentistas* who have advocated socialist revolution for the developing nations of the world and have recommended socialism without examining its internal and external viability.[35] Larrain has correctly observed that "socialism is certainly a possibility, a political goal for certain classes and parties to struggle for and construct in their country, but there is no guarantee that they will succeed or that it will bring about the kind of development which capitalism apparently failed to produce."[36] Socialist Cuba's experience of the 1960s amply demonstrates that there is indeed, no guarantee; however we hope to gain a deeper understanding of the possibilities of socialism as a developing force based on this experience.

The study of Cuba's pre-revolutionary condition of underdevelopment and dependency and the socialist path undertaken in the first decade of the revolution will be organized as follows. In Chapter One, a fairly lengthy chapter, an in-depth examination of the historical causes of Cuban underdevelopment will be presented. The period covered will be from the beginning of the nineteenth century to revolutionary victory in 1959. The social and economic realities of this underdevelopment will be highlighted throughout, as will the development of Cuban class structure. As well, significant political events will be considered as they relate to the 'development of underdevelopment' and dependency in Cuba. To

conclude the section, a detailed description of Cuban society in 1959 will be presented along with an overview of the ideology of Fidel Castro and his 26th of July Movement in an attempt to understand why revolution occurred and was successful in Cuba.

In the following three chapters we will trace Cuba's attempt at development during the first decade of revolution in an effort to evaluate the effectiveness of socialism as a developing force as well as to contribute to an understanding of the Cuban revolutionary experience. Chapter Two will deal with approximately the period from 1959 to 1963, when Cuban leaders attempted to diversify the island's economy through a strategy of rapid industrialization and import-substitution. Chapter Three will cover the years 1964 to 1966 when Cuba returned to sugar following the failure of the early diversification effort, although certain political events prior to this period that contributed to the development path Cuba followed for much of the remainder of the decade will be discussed in this chapter as well. In Chapter Four the period from 1967 to 1970, known as the Revolutionary Offensive, will be covered and the idealistic pursuit of ten million tons of sugar during the 1970 *zafra* (harvest), the most noteworthy economic activity of the period, will be evaluated. Throughout these three chapters, both the economic and social results of revolutionary policy will be outlined. Significant political events (including the Bay of Pigs and the Cuban Missile Crisis) and their relation to the state of Cuban dependency will be discussed, as we strive to balance external and internal forces in the course of the study. Chapter Four will end with a brief summary of the economic and social conditions prevailing in Cuba in 1970.

Finally we will conclude the study with a summation of the external and internal forces at work in pre-revolutionary Cuba and how the interrelation of these forces resulted in a classic form of dependency, followed by revolutionary victory, and eventually socialism. As well, the conclusion will outline the various lessons that can be derived from a study of revolutionary Cuba's first decade as they relate to the socialist development process and Cuban history. In the end it is hoped that the study can contribute to an understanding of

some of the obstacles to successful development for peripheral nations.

Chapter One
A Classic Case of Dependency:Pre-Revolutionary Cuba

Our goal is not so much a mere political change as a good sound, and just and equitable social system without demagogic fawning or arrogance of authority. And let us never forget that the greater injustice the greater the right to justice, and the prejudices of men and social inequities cannot prevail over the equality which nature has created.

-Jose Martí .[1]

I do not believe that the population is today fit for self-government and that acceptance of a practical protectorate over Cuba seems to me very much like the assumption of the responsible care of a madhouse.

-U.S. Foreign Minister to Spain, Stewart Woodford, to President William McKinley, March 17, 1898.[2]

My countrymen reeled through the streets picking up fourteen-year-old Cuban girls and tossing coins to make men scramble in the gutter. One wondered how any Cuban on the basis of this evidence, could regard the United States with anything but hatred.

-American Arthur Schlesinger, describing a visit to Havana during the 1950s.[3]

In keeping with those dependency tenets we have established as valid, and to delineate the 'development of underdevelopment' in Cuba, we must explain the evolution of Cuban economic and social structures, the particular nature of its class struggles, the characteristics of its colonial and pre-revolutionary economy, and the external causes and ramifications of Cuban dependency. It is by using this historical approach that we can best situate the pattern and evolution of Cuban dependency and thus understand how and why revolution was successful in Cuba on January 1st, 1959. Additionally, we will be able to establish the precise nature and level of underdevelopment with which the revolutionary leaders had to contend.

Because Cuba lacked precious metals and a large indigenous population to exploit at the outset of New World colonialism, Spain largely ignored the island during the sixteenth century and most of the seventeenth century.[4] However, the successful Haitian slave rebellion that began in 1791 and ended in independence in 1804, causing the disruption of sugar production by the world's foremost sugar-producing colony, permitted sugar production in Cuba to rise dramatically, and economic and social expansion occurred.[5] In 1762 Cuba produced only 500 tons of sugar, but by 1815 the figure reached 4,200 tons, and by the 1820s Cuba had become the world's largest sugar producer. With the aid of emerging steam technology in the 1830s, which greatly facilitated the sugar production process, by 1840 Cuba had produced 161,248 tons annually. At the beginning of the first battle for independence in 1868, Cuba's sugar production had reached 720,250 tons, approximately 20 percent of the world total.[6] The population also rose dramatically during this period, going from 171,620 in 1774 to 704,487 in 1827 to 1,396,530 in 1861. In the early 1800s whites represented approximately 46 percent of the population, while slaves and free blacks made up 54 percent.[7] By 1817, 58 percent of the population were blacks or mulattoes, of which 66 percent were slaves, while whites accounted for 42 percent. By the late 1850s, however, the number of whites in Cuba surpassed the number of blacks for the first time since early colonial times, while by 1886, the year Cuban slaves finally gained their freedom, blacks only accounted for 32 percent of a population of 1,652,493, of which only 25,381, or 4.8 percent were still

slaves.[8]

Cuban creole sugar planters took advantage of the increase in sugar production during the 'golden age of Cuban sugar' to amass great fortunes.[9] The rapid rise in prosperity of Cuban creoles set the stage for the emergence of sugar monoculture. Although coffee had been a major Cuban crop during the eighteenth century and early part of the nineteenth century, with 2067 coffee farms in 1827, the figure dropped to 1670 in 1846 and dwindled to 782 by 1862.[10] As the production of sugar grew, so did its percentage in the composition of exports. By 1855 sugar constituted 84 percent of Cuban exports and by 1862 accounted for 58 percent of all agricultural output.[11] World prices were favourable for sugar into the 1840s, and this accentuated the Cuban creoles' desire to concentrate on the production of sugar.[12] By virtue of the wealth accumulated through rising sugar production and enhanced by favourable conditions of the world market, "the planters were able clearly to influence and direct the shape taken by the sugar industry."[13] Thus, the establishment of an export-oriented monoculture economy in Cuba was based on self-serving policies implemented by the Cuban creole planters themselves. One result of the emerging monoculture economy in Cuba was the destruction of the colony's self-sufficiency in food production, which hastened Cuba's dependence on foreign trade.[14]

The roots of Cuban trade concentration with the United States, which had led Cuba to the economic and political dependency that was characteristic of the late nineteenth and twentieth centuries, can actually be found in the early nineteenth century. By the late 1810s, following the purchase of Louisiana from France in 1803 and the acquisition of parts of Florida from Spain a few years later, some U.S. politicians publicly speculated about annexing Cuba.[15] By 1825 the United States government announced it would never allow Spain to hand over Cuba to another colonial power. In May of that year President John Quincy Adams explained that "Cuba was to the United States an object of paramount commercial importance. The capital employed in the trade was greater than that with all the dominions of France, the tonnage employed nearly equal to that of Great Britain," and he advocated the

status quo.[16] During the 1820s the United States received up to 20 percent of Cuban sugar.[17] The trade between Cuba and the United States momentarily declined in the late 1830s, though, following Spain's enactment of a new customs duty on American flour entering the Cuban market, and Washington's response to Spain's new trade policy of placing a duty on Cuban coffee. In Cuba the result was the decimation of the coffee industry, and thus, the unchallenged predominance of sugar. While Cuban planters directly influenced the course Cuban sugar production would take, this small trade war between the United States and Spain demonstrated how external forces contributed to emerging monoculture in colonial Cuba. By the end of the decade the trade dispute had been settled. By 1840 Cuba was producing 50 percent of all Latin American exports to the United States and receiving 43 percent of all U.S. exports to Latin America, figures which constituted a higher volume of trade with the United States than any other Latin American country.[18] By 1850 Spain only accounted for 17.4 percent of all Cuban trade, while the United States constituted 28 percent of Cuban trade, including 34 percent of Cuban exports.[19]

American interest in actually acquiring Cuba became pronounced following its victory in the Mexican War of 1847, when the United States entered an expansionist stage. In 1848 U.S. President James K. Polk offered Spain 100 million dollars for Cuba.[20] In 1851 the U.S. consul in Havana declared Cuba a *defacto* American economic dependency. During the administration of President Franklin Pierce (1852-1856), the Americans tried to buy Cuba three times from Spain, including an offer of 130 million dollars in 1853 by the American ambassador to Madrid, Pierre Soule, but were continually turned down.[21] The winner of the 1856 presidential election, James Buchanan, stated in 1858, 1859 and in 1860 that he was "in favor of the acquisition of Cuba by fair purchase."[22]

Initially, Cuban creoles had been content with Cuba's colonial relationship with Spain. Throughout Latin America during the 1810s and 1820s battles for political independence had been waged, and by 1828 nearly all of Latin America had broken free of Spanish colonialism. Cuba, though, remained the significant exception for forty years for a number of reasons. In

areas like Argentina, Venezuela, parts of Mexico and Chile, the creoles had already experienced varying degrees of freer trade in the late eighteenth and early nineteenth centuries and were increasingly frustrated with the remaining Spanish colonial trade restrictions.[23] In the early 1800s in Cuba the creoles were capitalizing for the first time on a prosperous economic environment and had no desire to challenge the status quo.[24] Further the creoles in Cuba were a far more loyal group than in the rest of Latin America. The American and Haitian revolutions had driven many loyalists, whether English, Spanish or French, to Cuba, as had the battle for independence in Venezuela.[25] As historian Leon Campbell states, "these loyalists had suffered greatly in their former revolutionary circumstances, and gave steadfast support to the authority of the Spanish crown, which, regardless of its shortcomings, provided some certainty in an otherwise uncertain world."[26] And there was another reason Cuban creoles remained loyal to Spain. The nature of sugar production required a large, servile supply of labour.[27] As mentioned, by 1817 slaves, mulattoes, and free blacks made up a substantial proportion of Cuba's population. Further, even though Great Britain had begun exerting great pressure on Spain in the same year to curtail the slave trade, which was officially banned in 1821 by the colonial powers, at least 500,000 slaves entered Cuba illegally between 1820 and 1865.[28] Cuban creoles were very much aware of what had happened in Haiti, and slave rebellion concerned them greatly. Thus, they were very much in need of the Spanish military to control the slaves.[29] In fact, the Spanish authorities had helped put down slave revolts in 1810, 1812, 1825 and 1843. [30] Given descriptions of the work conditions in the sugar mills of nineteenth-century Cuba such as this one by Manuel Moreno Fraginals: "The mills were like huge grinders which chewed up blacks like cane. Growing old was a privilege as rare as it was sad, especially in the super-barbaric stage of slavery," it is little wonder that the Africans should have continually risked their lives in confronting the inhumane colonial system.[31] In 1844 colonial authorities responded to the slave revolts with "torture, executions and senseless terror." The last resort for the slaves was suicide, and by 1845 Cuba had the highest suicide rate in the world at 6.1 for every 10,000 people, with the ratio of black to white suicide at six to one.[32]

But although Spain had rewarded Cuban creoles' loyalty in the 1820s during the Latin American wars of independence by permitting it freer trade with the rest of the world, its colonial authority was becoming increasingly harsh.[33] Beginning with the tenure of governor-general, Miguel Tacón (1834-38), Spanish colonial policies became quite oppressive, as taxes and tariffs were raised and press censorship and political repression became commonplace. Cuban creoles were removed from the leadership positions they had come to occupy and, in 1837, Cuban representatives were removed from the Spanish *Cortes*.[34] However in the 1830s and 1840s Spain's colonial policies did not yet result in a full-fledged Cuban independence movement.

By the 1850s conditions within Cuba began to change. Economic growth resulting from rising sugar production persisted until 1848, when global sugar prices began to drop, the first demonstration of the realities of a monoculture economy. In 1848 the price of sugar dropped below five cents per pound for the first time in more than thirty years, and the price never rose above 5.6 cents per pound for the rest of the century.[35] In the 1850s Cuban growers responded by producing more sugar, which only further contributed to the fall in world prices while worsening the lot of the slaves.[36] As more credit became necessary, Cuban creoles were forced to borrow from peninsular merchants. By 1855 these merchants began to come into possession of Cuban cane lands. Further, Great Britain's ban on the slave trade made the acquisition of slaves more difficult and costly, a factor which created additional indebtedness for the creole planters. [37]

In 1853 Spain responded to American aims on Cuba with an 'Africanization' policy. Captain-General, Juan de la Pezuela, confiscated and freed 2699 slaves who had been illegally transported to Cuba in that year in an attempt to 'darken' the population. The rationale behind this policy was that anti-slavery initiatives in Cuba would enervate American designs on the island, while an increase in the number of blacks would maintain the Cuban creoles' fear of a black revolt and ensure their loyalty to Spain.[38] While this policy was abandoned the next year, the long-term results were predictable. Many planters began to adopt anti-slavery

positions in order to cut down the risk of a Haitian-style revolution and reduce their dependence on the protection of the colonial authority. This was especially true for the eastern tobacco farmers who were much less reliant on slavery than the wealthy cane growers of the western provinces.[39] Some planters increasingly began to favour annexation to the United States to protect themselves and their supply of labour.[40] The annexation movement, though, was not ideologically based nor was it a constant consideration for Cuban planters; rather support for annexation rose and fell in response to external stimuli, and for the most part "outbursts of annexation occurred because of perceptions by the planter class, sometimes accurate and sometimes inaccurate that Spain could not guarantee the subordination of slaves in a state of equilibrium, not too harsh and not too lax."[41] Thus, the desire to foster a closer relationship with the United States resulted from an interaction of internal forces – the planters did not want a disruption of their sugar industry – and external forces – in their desire to maintain their labour supply, the planters looked to their neighbour to the north "whose military strength was needed to tip the balance in case of a possible confrontation of the masses."[42]

Annexation became a far less enticing option for Cuban creoles following the conclusion of the American Civil War in 1865. As the victory of the North resulted in the abolition of American slavery, the rationale for closer integration with the United States disappeared for many Cuban creoles.[43] In 1865, a Cuban delegation arrived in Spain to discuss Cuba's future role within the commonwealth of Spain. No agreement could be reached.[44] By 1868 many Cuban creoles, especially the more liberal eastern tobacco farmers who managed smaller operations than those of wealthy sugar planters of the west, and thus were not as reliant on the slave labour system, realized slavery was on its way out. Thus, one of the last reasons for continued colonial status, the need for colonial military protection, ceased for many Cuban creoles. Another factor making slavery less essential for the creoles was the emerging demographic pattern following a wave of immigrant Chinese and Yucatan native workers during the late 1850s and 1860s. For the first time since the early colonial days, the Cuban censuses of 1859 and 1861 revealed that whites outnumbered blacks.[45]

Finally, and what is most important, the creoles realized that any independence movement that still called for the continuation of slavery would not receive vital recognition from the United States.[46] Thus, one of the first proclamations of the planters in calling for Cuban independence was the abolition of slavery, a strategy by which the creoles were able to recruit slaves into the Liberation Army. Therefore, the aspiration of the creoles to end slavery was based more upon the pragmatic need to enrol the slaves into the ranks of the independence movement, the planters' recognition that slavery's time had come, and the reality that the independence movement needed the support of the United States government, than it was based upon a desire to end the inhumane practice and improve overall social conditions within Cuba.

On October 19th, 1868 in Eastern Cuba, a group of eastern landowners consisting of small tobacco farmers, intellectuals and nationalist, military figures, proclaimed Cuban independence from Spain in what was known as the *Grito de Yara.** The Ten Years War, Cuba's first struggle for independence, had begun.

While the creoles fighting for independence offered slaves their freedom if they joined the rebel army, Spain countered with the 'free birth law' in 1869-70, giving all slaves born after 1869 their immediate freedom. As well, in an attempt to appease the Cuban landowners, Spain made Cuba a full-fledged Spanish province in 1869. That same year a fundamental change in the nature of the independence movement occurred when the United States turned down a request for annexation by the Cuban insurgent leader, Carlos Manuel de Céspedes. The United States had sided with the Spanish colonial authorities against the Cuban independence movement. While the abolition of slavery remained a demand of the rebels, the idea of annexation was temporarily abandoned. Historian Luis Martinez-Fernandez notes that "because of the United States' systematic sabotage of the Cuban struggle, annexationist sentiment abated after mid-1869."[47] The movement now had turned into a full-fledged battle for independence. When the leadership passed from Céspedes to professional soldier and

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* 'Cry at Yara', a small town in Eastern Cuba.

dedicated *independentista*, Maximo Gomez, the more radical eastern elements acquired greater influence. Contributing to Gomez's climb to a position of leadership in the Liberation Army was his successful raid into the sugar-producing western regions of Cuba, "far enough to reach the rich sugar triangle of Matanzas, Cárdona and Colón."[48] Victory would not be attained, however, as Spain was determined to hold onto its last important colony. The battle raged for ten years, confined mostly to the east where independence support was the strongest, with Spain eventually persevering against an exhausted Cuban rebel force. Finally peace was declared in the *Pact of Zanjon* in 1878.[49] In this settlement Spain's pronouncement of 'free birth' for Cuban slaves was put into law and compulsory servitude for slaves was reduced to the age of twenty-two.[50] On July 29th, 1880 Spain pronounced a law which abolished slavery, freed unregistered slaves and set an eight-year tutelage for slaves still in bondage. Due to internal pressures in Cuba and agitation in the Spanish *Cortes*, this eight-year period was cut short. Slavery in Cuba was finally and completely terminated in 1886, with a law ending the patronage system that freed the remaining twenty five to thirty thousand blacks.[51]

The abolition of slavery was a double-edged sword for Cuban landowners, however. The inefficiency of a productive system reliant on slave labour was making Cuban sugar far too uncompetitive with sugar produced elsewhere by wage labour and improved technology. However, its removal meant economic ruin for landowners, as Cuba had been unable to build up an adequate supply of replacement labour.[52] And there were other problems facing Cuban planters. Following the war this class was generally in a state of devastation, as sugar mills had been destroyed throughout the island.[53] As well, increased competition from the development of beet sugar in Europe resulted in the loss of many international markets. From the 1860s to the 1890s worldwide production of beet sugar increased ninefold.[54] As more countries began producing sugar from beets, and thus more beet sugar entered the market, the price of sugar dropped.[55] Between 1885 and 1889 the price of sugar on the world market averaged only 2.8 cents per pound.[56]

With the purpose of expanding their economic interests in Cuba, Americans took advantage of the Cuban planters' woes, as they began to replace Spanish merchants as the main benefactors of the debts and financial problems of the Cuban creole planters.[57] One way the Cuban planters ensured their survival was the exchange of titles of property for shares in American corporations.[58] By the 1890s the United States market comprised 51 percent of all Cuban trade and garnered 72 percent of all Cuban exports. Spain, in the same period, accounted for only 21 percent of the total Cuban trade.[59] Cuban economic dependence on the United States was further entrenched in 1890 when the U.S. Congress enacted the McKinley Tariff Act. Latin American countries that wished to take advantage of lower American tariffs that the act provided for their primary exports were required to lower their tariffs on incoming American-made manufactured goods to corresponding levels. Cuban planters vehemently petitioned Spain to agree to this provision. In 1891 the wish of the Cuban planters was granted when Spain and the United States signed the Foster-Cánovas Treaty, "whereby Cuba and Puerto Rico received the full benefits of the 1890 bill in exchange for Spanish tariff concessions to U.S. exports."[60] In a pattern which would be followed in the future reciprocal trade agreements between Cuba and the United States, the McKinley Tariff Act and the Foster-Cánovas Treaty meant that emerging Cuban industries, without tariff protection, could not compete with American industries, given their wide array of cheaply produced goods entering the Cuban market duty free. The treaty did bring the prospect of increased Cuban sugar production with the aid of rising American investment in Cuba; however the production of Cuban sugar would now necessarily be controlled from abroad.

Thus, it was a combination of world-market influences, the pursuit of self-serving economic policies by Cuban creoles, American economic interests, and the internal disruption of production caused by the termination of slavery and the physical aftereffects of the Ten Years War that, as historian Benjamin Keen states, hindered "the formation of a traditional Latin American landed elite."[61] Because Cuba lacked an effective national bourgeoisie, American domination of the Cuban economy was made that much easier.

By the mid- to late-1880s, the Cuban economy was reeling. The 1889 production total of sugar was 569,367 tons, the third lowest total in twenty-two years.[62] The value of Cuban exports had dropped almost 30 percent from the 1870s including a 53 percent drop in sugar revenue due to the fall in world market prices and decreased production.[63] During this period many small farmers, in their economic despair or because of their frustration with Spanish colonial authority, turned to 'political banditry.' These farmers were to contribute considerably to the independence movement of the 1890s. Led by Manuel García, these rebels officially began their struggle for independence in 1891, when García declared war on Spain, one year prior to Jose Martí's formation of the *Partido Revolucionario Cubano*. Rosalie Schwartz succinctly describes the complex nature of this movement:

> The patriot-brigands who operated in and around Havana and who worked to gain Cuba's independence were not necessarily poor, benevolent champions of the oppressed. Nor were they peasants with little political understanding who were displaced by changing agricultural patterns. . . . Rather, they were individuals seizing a chance to move ahead, embroiled in a sophisticated struggle played out among the diplomats who sat at well-polished desks in capital cities of Europe and America. . . . [W]ith their anger well focused on Spain and its representatives in Cuba, they robbed and kidnapped to support political change; and they hoped to benefit from its outcome." [64]

With increased American investment and trade brought upon by the McKinley Tariff Act and the Foster-Cánovas agreement, Cuban sugar production had rebounded by 1892. Consequently the Cuban economy momentarily recovered and the outbreak of a widespread independence movement was delayed.[65] In 1892 the production total of sugar surpassed one million tons for the first time, reaching 1,000,797 tons.[66] However, an American recession and a global economic downturn in the mid-1890s caused Washington to withdraw the McKinley Act in 1894 in order to protect domestic producers, and the Foster-Cánovas agreement expired the same year.[67] Spain responded to the economic crisis by putting up a protectionist wall around Cuba, which only contributed further to the alienation of the Cuban creoles who had wanted freer trade with the United States. By 1894 the Cuban economy again was in recession, with Cuban sugar workers hit hardest.[68] In 1878, following the Ten Years War,

Cuban creoles had founded the Autonomist Party, in a hope to work out a form of Cuban autonomy that could satisfy the economic needs of the planter class. By 1894 this option had clearly run its course, as Spanish colonial trade policies "offered dramatic if not final proof of the insolvency of the Spanish colonial system."[69] Independence was now the only option.

Thus, two elements of the independence movement of the mid-1890s were the economically and politically frustrated creoles, on the one hand, and the Cuban plantation workers on the other, many of whom were ex-slaves and were still enduring brutal working conditions. However, with independence aspirations still not satisfied sixty-five years after the majority of Latin America had attained its political freedom, and with the increasing foreign domination of Cuban society by the United States, a third more nationalist element of the independence movement had emerged under the leadership of Jose Martí. Martí, a middle class intellectual who had always fervently supported Cuban nationhood, was exiled to Spain in 1870 after a short period of imprisonment during the Ten Years War. In 1881 he had arrived in New York to resume the struggle for Cuban independence. He brought profound social considerations to the independence movement, as well as his strong nationalist inclinations. One of the resolutions of the *Partido Revolucíonario Cubano* (PRC), founded by Martí in 1892, stated:

> Revolutionary organization must not overlook the practical needs derived from the constitution and history of the country, nor must it work directly for the present or future predominance of any one class; rather it must work, in conformity with democratic methods, for the assembling of all the effective forces in the country; for the brotherhood and unified action of Cubans living on foreign soil; for the creation of a just and frank republic — unified in territory, laws, work, and cordiality, built by all for the benefit of all.[70]

In a response to two articles favouring the annexation of Cuba by the United States that appeared in American newspapers in 1889, Martí demonstrated his nationalist sentiment, along with a strong disdain of American attitudes toward Cuba:

> It is probable that no self-respecting Cuban would like to see his country

> annexed to a nation where the leaders of opinion share towards him the prejudices excusable only to vulgar jingoism or rampant ignorance. No honest Cuban will stoop to be received as a moral pest for the sake of the usefulness of his land in a community where his ability is denied him, his morality insulted and his character despised. [71]

As well, Martí made his fears known regarding the intentions of the United States in Cuba in a letter to his friend, Gonzalo Quesada, on October 29th, 1889:

> The nation we need to know more thoroughly is the United States, for it stands at our doorstep like an enigma, to say the least. A nation as anguished as ours must solve the riddle, must extract from anyone who might disregard the rights we have acquired through our own enterprise the promise to respect these rights. We need to know the position held by the avaricious neighbor who admittedly has designs on us before we rush into a war that appears to be inevitable, and might be futile, because of that neighbor's quiet determination to oppose it as a means of leaving the island in a state enabling it to lay hands on Cuba at a latter date. [72]

The three distinct groups mentioned above which mounted Cuba's last struggle for formal nationhood in 1895 also occupied three separate geographical locations. Under the leadership of Martí, a group of nationalist expatriates operated from within the United States. They concentrated on organization and the collection of funds to finance the war effort.[73] In western Cuba a group of landowners, lawyers, doctors, engineers and teachers set up a provisional government. This group sought civilian over military authority and was more concerned with political goals of national autonomy rather than the desire to alter social and economic structures.[74] In the east, where the revolutionary tradition was the strongest and most of the actual fighting occurred, the soldiers of the Liberation Army were more radical and "rarely lost sight of social and racial dimensions of the war."[75] The social and nationalist components of the Cuban War of Independence contrast sharply with those of other Latin American wars of independence. Clearly, the Cuban struggle was much more a challenge to the prevailing economic and social order.[76] The delay in attaining independence, the weakened state of the Cuban creoles, the protracted length of Cuban slavery, and discontent among the

sugar workers all were factors that contributed to this reality. The nature of Cuba's battle for independence, as we will see, would have profound implications for twentieth-century Cuba.

On February 24th, 1895, the Cuban War of Independence officially began, when its three most notable leaders, Martí, Gomez, and mulatto general, Antonio Maceo, landed in eastern Cuba. The war, contrary to Martí's hopes, did not end quickly. Martí himself was killed on May 19th, 1895, at *Dos Ríos*. As we will see, his death would have a profound influence on the course of Cuban independence. Tomas Estrada Palma, a moderate nationalist, replaced Martí as head of the PRC. [77]

In 1895, Spain appointed General Valeriano 'Butcher' Weyler to the post of military governor of Cuba. His appointment was in accordance with Spain's early war policy of trying to crush the rebellion through brute repression. Many Cubans were killed simply for being suspected of having sympathetic attitudes towards the movement for nationhood, while, by virtue of a "decree ordering the rural population to evacuate the countryside and relocate to specially designated fortified towns," thousands more were placed in these "reconcentration" camps.[78] If there had been any doubts about the support the majority of Cubans had held prior to war of independence, these repressive policies removed them. As well, the relocation of the huge numbers of peasants shut down Cuban agriculture, causing further economic strife, while uniting the Cuban population in its opposition to Spain. The guerilla style warfare employed by the tenacious Cuban insurgents, combined with the quiet support of the population, took their toll on Spanish forces. By mid-1896 Spanish armies were on the retreat throughout the island.[79] In 1897 Weyler was removed from his command after conservative Spanish prime minister, Antonio Cánovas del Castillo, was killed during a coup and replaced by a liberal. Colonial reforms were instituted, but they were too little, too late. Even Cuban conservatives abandoned Spain and now looked to the United States for protection. By 1898 Spain was in deep financial trouble and could no longer finance the war. By the summer of that year, the Spanish army in Cuba was on the brink of collapse.[80]

Thus, it was a rather fortuitous time for the Americans to declare war on Spain and intervene in the conflict. In August 1898 American forces landed in Cuba. Under the guise of protecting the Cubans from the immoral Spaniards, the United States had little trouble in assuming military command of most of Cuban territory. Clearly, however, "[i]ntervention in 1898 was directed as much against Cuban independence as it was against Spanish sovereignty." [81] There were several factors involved in the United States' concern over Cuba. Newspapers across the land fueled public sentiment for intervention by publishing stories of Spanish atrocities. The American authorities also believed in their own racial and cultural superiority and hoped to help Cuba establish a 'responsible' government, something they had been unable to do with other Latin American nations during the Latin American wars of independence.[82] However, the two primary considerations were related to economic and territorial hegemony. Military imperialists like Theodore Roosevelt and Henry Cabot Lodge viewed Cuba as vital to U.S. security.[83] Moreover, with the increased economic significance Cuba had for the American economy, the United States did not relish the prospect of an independent Cuba conducting foreign and economic policy without the domineering influence of either the United States or Spain.[84] By 1897 the Americans had 50 million dollars invested in Cuba.[85] The previous year President Grover Cleveland ominously warned Spanish government officials that "higher obligations would fall upon the United States if Spain should lose Cuba."[86]

Nevertheless, there was significant collaboration between some leaders of the Cuban independence movement and the United States government following Martí's death. After 1895 the expatriates continually sought U.S. intervention, despite the objections of the military leaders, Maceo and Gomez. In 1895 PRC leader, Estrada Palma, publicly advocated American intervention, while ignoring the military's request for arms.[87] Following the landing of the American forces in 1898 Estrada Palma placed the Liberation Army under the command of the American military. Despite the objections of the provisional government in Cuba that Estrada Palma had overstepped his authority, it eventually accepted the arrangement. As historian Louis Perez states, "the expatriate representation effectively placed

the armed *independentista* sector of the separatist polity under the control of a powerful anti-independence third party."[88] Thus it was only the Cuban elite who welcomed the American triumph in 1898. For the Cuban soldiers and their military leaders who had fought so valiantly, the American intervention captured 'defeat at the jaws of victory.'[89] Martí's vision of a free, independent Cuba was not realized; instead the onset of extensive American domination in Cuba began. American occupation lasted from 1898 until 1902, during which time American economic concerns were protected through a series of political maneuvers.

In the later stages of 1898 the provisional government in Cuba was hesitant to recognize American authority. Washington responded by withholding recognition of this government, and the provisional government relented. As well, the U.S. government used the split between the civilian and military authority within Cuba to further its own interests.[90] The United States co-opted military hero, Calixto Garcia, by offering him financial compensation for his rebel army. Garcia, who hated civilian authority and trusted American intentions in Cuba, helped dissolve the Liberation Army, the only force on the island which could present some form of internal opposition to the U.S. government's designs of hegemony over Cuba.[91] The opportunities for the retired soldiers, though, were few and far between, and many suffered greatly during the American occupation. Perez summarizes the situation by the turn of the century:

> A casual survey of the political landscape after 1899 revealed a pattern of administration not unlike the Spanish regime. Important political positions were held by official representatives appointed by a distant authority, allocating in judicious and measured calculation lesser political office to those deserving by virtue of political compatibility. In the bleak and devastated countryside, uncompensated and unthanked veterans, now perceived as rabble and potential troublemakers, muttered aimlessly, 'what have we gained by this war?' All that remained for the unemployed and penniless separatist legions was a scramble for jobs - work simply to exist.[92]

The ultimate American deed, however, was still to come. In 1898, in the U.S. government's declaration of war against Spain, a joint resolution of Congress, known as the

Teller Amendment, stated: "The United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island [Cuba] except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people."[93] But as Leo Huberman and Paul Sweezy concisely state, "[t]hat was a promise. Now came a maneuver which made the promise hollow."[94]

In February, 1901, the infamous Platt Amendment was created in the U.S. Congress to secure future American political and economic control over the island. The provisions of the amendment included barring Cuba from entering treaties with other nations "which will impair or tend to impair the independence of Cuba." The new Cuban government would be not be allowed to contract public debt of which "the ordinary revenue of the island. . . . shall be inadequate." As well, "the government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuba independence, the maintenance of a government adequate for the protection of life, property, and individual liberty. . . ." Further, all acts of the U.S. military occupation were validated. In a particularly hypocritical segment of the amendment, certain lands the United States deemed vital for the security of Cuban independence would be sold or leased to the United States.[95] Finally the Cuban government would be forced "to embody the foregoing provisions in a permanent treaty with the United States." [96] Thus, the role of internal factors in the evolution of Cuban dependency coincided with the external forces of U.S. imperialist aims. Dependency on the United States was established firmly and decisively through the forms of American military and political intervention prescribed by the Platt Amendment.

American pressure led to Cuba's acceptance of the legislation. An elected[97] assembly was installed in Cuba 1901, and most of its representatives were hostile to the provisions of the Platt Amendment. However, the Americans threatened to prolong the military occupation without the acceptance of the amendment by the assembly. In June, 1901, it was passed by a vote of 17 to 11.[98] In December, 1901 Cuba's first president, the pro-American Tomas

Estrada Palma, was 'elected.'[99] On May 20th, 1902, the Cuban republic was formally inaugurated.

Two vital consequences of the American occupation would shape Cuba's economic and social history for years to come. First, Martí had brought social vision to the independence movement and turned rebellion into revolution. The desire for social change to accompany independence became more pronounced after the revolutionaries saw their revolution hijacked by the American interventionists and their Cuban collaborators. Further, the failure to achieve independence on their own terms left a legacy in Cuba "that served as a mandate to revolution for the next three generations of Cubans."[100] Second, unlike in the rest of Latin America, foreigners continued to own the majority of the property in post-independence Cuba following the removal of Spanish rule. Whereas in the greater part of Latin America, the indigenous creoles perpetuated their role as major owners of property following independence, in Cuba the United States government delayed the development of a Cuban landowning bourgeoisie by maintaining as landowners the Spaniards that had come into possession of cane lands following the economic turmoil after the Ten Years War, or simply by encouraging U.S. investors to acquire property in Cuba.[101] Further, following the proclamation of the Cuban republic, a wave of Spanish immigrants entered Cuba.[102] Eventually what emerged was a Cuban political class that inherited the belief from the Spanish that public office entitled one to personal enrichment and that became dependent on American support to stay in power.[103] We will see that a native Cuban bourgeoisie did develop by the 1920s, however the political power that they had been denied in 1898 resulted in an increased nationalism for many and the advocacy of nationalist economic policies that would necessarily conflict with established American economic interests.

Following the enactment of the Platt Amendment, the United States set out to accomplish economically what it had done politically. Its first major step in this direction was to launch the Commercial Treaty of Reciprocity in December, 1902, the first treaty for the independent Cuban republic. In exchange for a 20 percent reduction in tariffs on Cuban

agricultural products entering the United States, tariffs were lowered on a number of American exports to Cuba. While most American products were lowered by 20 percent, tariffs on iron and steel production were lowered by 24 percent. Some food staples, cotton, linen, chemicals, paper, and canned vegetables had tariffs lowered by 30 percent, while the tariffs on luxury items, wool, rice, and cheese were dropped by 40 percent.[104]

A greater reliance on the American economy and the reestablishment of sugar monoculture were direct results of the reciprocity treaty. Domestic industries in Cuba without tariff production could not compete with cheaply produced American goods. Shortly after the enactment of the treaty, 357 Cuban firms failed.[105] Between 1902 and 1907 American exports to Cuba nearly doubled, rising from 28.6 million dollars to 51.3 million dollars.[106] As the volume of trade between the United States and Cuba rose, the Cuban economy became more vulnerable to American political decisions made with regard to domestic concerns. By 1915, 83 percent of Cuban exports went to the United States while American goods entering Cuba constituted 64 percent of total imports.[107]

Sugar was the only Cuban industry to expand immediately after independence. This expansion, at the expense of economic diversification, is what a *dependentista* writer like Theotonio Dos Santos would expect, as the advanced monoculture export sectors in the lesser developed countries historically have drawn resources away from developing industries.[108] While many sugar mills were destroyed during the War of Independence, and production dropped to only 300,000 tons in 1900, by 1907 sugar production had rebounded. The total of 1.431 million tons for that year was an all-time Cuban high. By the end of the 1920s, Cuba was consistently producing between 4.5 and 5.2 million tons of sugar.[109] The percentage sugar held in the composition of exports returned to former levels. Between 1900 and 1910 Cuba's exports, as a share of total export value, rose from 37 percent to 73 percent. Between 1912 and 1933 this percentage never dropped below 71 percent and reached an all-time high of 92 percent during the precipitous rise in world sugar prices of 1920, known as *The Dance of the Millions.*[110] As well, U.S. investment poured into Cuba following the birth

of the republic. By 1906, the total U.S. investment in Cuba rose to 197 million dollars. In 1924 the total was 1.36 billion dollars, and leveled off by 1929 at 91.9 million dollars.[111]

One result of the increased investment was the domination of the sugar sector by the United States. By 1933 the United States owned seventy of the one hundred and seventy-six sugar mills in Cuba.[112] American investment did contribute to the eradication of diseases, the construction of highways, ports, railroads and hotels, the development of a modern army, and a national police force.[113] However, the American presence did not result in sustained economic growth, only unbalanced growth and high unemployment.[114] In 1907 and 1919 the unemployment rates were 40.6 percent and 43.01 percent respectively, as "unemployment, underemployment and depressed wages became the central features of the Cuban labor market."[115] As sugar dominated production, the nature of Cuban sugar production would also contribute to the rapid development of a Cuban proletariat, whose economic livelihood would be dependent upon the success of Cuban sugar exports. As large farms were economically efficient and thus produced greater yields, Cuban sugar producers sought even greater expansion of their lands. Therefore there was little land to purchase or lease for smaller farmers.[116] Further, the specific nature of sugar production itself meant that the Cuban planters required a large, servile supply of labour if they wished to continue to expand their operations. For one thing, sugar cane must be harvested once it has ripened, usually between twelve and sixteen months after planting, as the quantity of sucrose* begins to diminish in plants left out in the field too long. In addition, after the cane is cut it must be hauled or transported to the milling site rapidly, after which the juice can be processed into sugar through the boiling process. Therefore, producers needed large factory-type installations and integrated operations to control both the harvesting and milling, and a large supply of cheap labour to guarantee that the extremely labour-intensive tasks of cutting, hauling and milling the cane would be carried out on time. As well, because centralized milling led to increased productivity through greater economic efficiency, the size of cane holdings expanded and sugar producers put practices into place which would ensure them an adequate supply of

* The cane juice which is eventually turned into processed sugar.

cheap labour. Sugar producers induced workers to go into debt, which forced the workers to return to labour for them each harvest season merely to pay off their debts. As well, some landowners allowed smaller farmers to grow cane on the plantations, in order to keep these smaller farmers concerned about labour unrest. Finally, small settlements (or *bateyes*) were encouraged to help create permanent working class communities.[117] Paul Baran notes that "the Cuban *campesinos* longed and fought not for the ownership of the soil they tilled, but essentially working class objectives: steady employment, more humane working conditions, and more adequate wages."[118] As we will see, these working class objectives, as Raúl Prebisch of the E.C.L.A. would predict, became increasingly difficult to attain during periods of international economic downturns.[119] It was not the working class, though, that would first create a sufficient level of social disruption to cause the United States to intervene under the auspices of the Platt Amendment.

In 1906, following the fraudulent reelection of Estrada Palma (of the Moderate Party) in 1905, the opposition Liberals revolted. Many of these Liberals had been heroes of the wars of independence yet had been systematically excluded from positions of power.[120] Their exclusion led to revolt. Estrada Palma appealed for American intervention and got his wish. The second American intervention in Cuba lasted from 1906 to 1909, during which the Liberals, led by Miguel Gomez, won the American-supervised election of 1908. After being denied the spoils of power for nearly a decade, they now quickly took advantage of their victory by increasing the public payroll and looting the public treasury. However, they did institute national development projects and promoted Cuban capital over American capital; consequently the American State Department protested virtually every bill which involved the allocation of public funds favouring Cuban over American capital.[121]

In our analysis of economic and social structures of pre-revolutionary Cuban society, it is important to consider the racial dimensions of the new republic, especially considering that the most inhumane of social systems, slavery, had persisted for so long. Nearing the end of the Gomez administration, an event occurred which dramatically signified that *Cuba Libre*

still had severe underlying racial tensions within its society. At the proclamation of the Cuban republic, blacks made up approximately one-third of the Cuban population.[122] The Afro-Cubans had embodied a significant force in the Liberation Armies during the Ten Years War and the War of Independence. Obviously, in the first instance, the promise of emancipation accounted for the high number of blacks in the Liberation Army, while during the battle for independence, the prospect of social reform, as articulated by Martí's PRC, prompted the black population to take up arms. However, after independence, blacks in Cuba had been denied not only political power – or access to it – and thus the prospect of improving their social situation, but became victims of increasing racist attacks, both in the printed press and through violent actions.[123] Racist attitudes prevailed in Cuba in great part due to the influence of the American military occupation and the influx of white immigrants from Spain, despite the myth of Cuban racial equality.[124] In an attempt to achieve social aims through political mobilization, the *Partido Independiente de Color* was formed under the leadership of Evaristo Estenoz and Pedro Ivonnet. The party "rapidly achieved nationwide membership [and] brought day labourers, peasants, workers, artisans, and a few middle-class individuals together in a program focusing on racial equality and working-class demands."[125] However, operating with the belief that whites were racially superior and feeling threatened by possible violent action by these 'barbarians,' the Gomez government forced the party underground when it banned all political parties based on race in 1910. In a bid to regain their political status in time for the 1912 election, the *independientes* organized small, virtually non-violent, yet armed, protests in the eastern province of Oriente in June and July of that year. Labelling this demand for political equality and social justice a "race war," Cuban authorities organized units throughout the island, as numerous, white civilians volunteered their services to put down the black insurgent movement. The United States, while not becoming directly involved in the repression of Cuban blacks, contributed to the panic of whites in Cuba by sending U.S. battleships ready to intervene militarily if peace and order were not guaranteed for U.S. citizens and businesses. On June 5th, 1912 the U.S. Marines landed to protect American interests, which allowed the Cuban government to focus exclusively on suppressing the revolt. And the Cubans were ruthless. The French consul of the time, Henri Bryois, observed: "The roads are strewn with dead bodies. Short swords,

called machetes, cut off limbs at random. One cuts ears and one severs heads; above all, one shoots.... [The white Cubans fighting blacks] are reviving the sinister time of the Spanish repression, ferocious and barbarian."[126] The end result was the indiscriminate massacre of thousands of blacks throughout the island (even though, as mentioned, the protest was in Oriente). Estimates ranged as high as 6,000 dead, including Estenoz and Ivonnet.

As historian Aline Helg concludes in her detailed study of race relations in post-independence Cuba, *Our Rightful Share*, "[t]he "race war" of 1912 was, in reality, an outburst of white racism against Afro-Cubans." There were two significant ramifications of the massacre of 1912.[127] One, the black population in pre-revolutionary Cuba would never again present itself as a distinct political entity that could challenge the prevailing social order.[128] Two, as Helg states, the white Cuban elite "showed their dependency on the United States and failed to unite all Cubans, regardless of race, at a key moment of the nation-building process."[129] Clearly, while slavery had been outlawed for over twenty-five years, racist attitudes were still predominant in the Cuban republic.

Later in 1912 American forces were again present to help bolster the campaign and triumphant bid for the presidency of Conservative candidate, Mario Menocal.[130] In 1916, Menocal won reelection in another fraudulent suffrage which led Gomez to institute another rebellion in 1917. American forces once again landed in Cuba to preserve political stability. In order to prevent a civil war, U.S. general, Enoch Crowder, supervised the election of 1920.[131] Alfredo Zayas eventually emerged as the new president. The American rationale for intervention was straightforward. For the United States: "the best of circumstances were those in which political stability endured and order prevailed, when access to local economies remained unobstructed, and authority over the national political system passed unopposed."[132]

It was international market developments, though, and not American intervention, that would further contribute to American hegemony in Cuba. Following World War One and

the subsequent disruption of worldwide sugar production, world sugar prices rose dramatically. In February, 1920 the price of sugar was 9.125 cents per pound; by May, the price stood at 22.5 cents per pound. However, *The Dance of the Millions* was short-lived. By December, 1920, the price had plummeted to the prewar level of 3.75 cents per pound as sugar flooded the global market.[133] The value of Cuba's crop fell from 1.2 billion dollars in 1920 to 292 million dollars in 1921.[134] Small and middle-sized sugar producers were devastated. In the summer of 1920, Cuban producers had borrowed 80 million dollars against sugar at 20 cents per pound.[135] Many producers defaulted while many Cuban banks failed. In 1921, U.S. banks took over sixty bankrupt sugar mills.[136] The economic disaster which followed *The Dance of the Millions* is a classic example of the *dependentistas'* contention that international competition among primary producers can have devastating consequences when this competition results in dramatic drops in world prices.[137] The United States relished the opportunity to use the financial crisis as a rationale for dealing with what they felt was the root cause of so many of Cuba's problems: "two decades of maladministration and misgovernment."[138] The Zayas government had inherited an empty treasury in 1920 and by June, 1922, had a foreign debt of 4.5 million dollars. Zayas had little recourse but to accede to American demands, which included "a major reorganization of virtually every key aspect of national, provincial and municipal administration."[139] In 1922 Zayas was forced to accept the imposition of Crowder's 'honest cabinet', whose members were highly sympathetic to American political and economic concerns.[140] This cabinet cut Cuba's budget by 50 percent, and many public works projects were halted.[141] Louis Perez believes that in this period, the Americans "had the most influence over Cuban internal affairs, including setting limits on Cuban budgets . . . , collection of trade and commerce data, electoral reform," and "claimed authority to appoint honest politicians."[142]

By 1923 the Cuban economy had somewhat recovered, and Cuba's annual deficits had been eliminated.[143] Sugar prices had risen to above five cents per pound, and American banks had lent the Zayas government 50 million dollars. Zayas, responding to the economic revival, sacked the 'honest cabinet' and invoked more nationalist economic policies, much to the

dismay of the United States. However, the Zayas administration was also corrupt and soon lost internal support.[144]

By the 1920s the structure of Cuban society was becoming increasingly complex. The political class, supported by the United States, had dominated Cuba since the birth of the republic. Now, this class was being challenged internally on two fronts, as a national bourgeoisie and progressive forces originating from a budding working class and from middle sectors of Cuban society began to emerge.[145] The bourgeoisie was comprised of three elements: those Cuban landowners, planters and mill owners who had been fortunate enough to survive the economic crisis following *The Dance of the Millions* until the economy recovered in 1923; various former members of the political class, both in and out of political office, who had begun to invest in Cuban agriculture and developing industries with the fortunes they had generated while in power, and who thus now had a stake in the success of native Cuban capitalism; and finally, children of the foreign bourgeoisie who had remained in Cuba following the American military withdrawal.[146] As well, import-substitution policies were implemented during World War One, and this had led to some Cuban manufacturing, thus to the evolution of the Cuban bourgeoisie as a whole.[147] Corrupt policies or policies which favoured foreigners over Cubans were now increasingly intolerable to this emerging national bourgeoisie. Meanwhile labour and other opposition groups from the left, while still relatively "weak and divided" in 1920, became more of a force as the decade progressed and also began to challenge the absolute hold of the political class on power within Cuba.[148] There was major protest at the University of Havana in January, 1923, organized by dissatisfied students.[149] The *Partido Socialista Radical* (PSR) and the *Partido Communista Cubana* (PCC) were founded in 1920 and 1925 respectively.[150] Union membership expanded and, while it would be premature to label the working class a self-conscious entity at this point, workers' militancy did grow.[151]

Thus, by the early 1920s, three distinct elements battling to promote their individual interests could be identified in Cuban society. In power stood the Cuban political elite

supported by its class allies, the foreign (i.e., American) bourgeoisie. Out of power were a growing nationalist bourgeoisie, and increasingly militant opposition groups from the middle sector and working class elements of Cuban society. By the mid-1920s tensions had surfaced between all three elements.[152] While in times of economic prosperity these tensions could be muted, when severe economic problems arose, as they did in the late 1920s, only widespread and dramatic social upheaval could be expected.

By the 1924 Cuban presidential election, the United States government would no longer support Zayas because of his government's policies favouring Cuban over American economic interests. Instead it backed Gerado Machado's successful bid for the presidency. Machado portrayed himself as an economic nationalist, despite having previously worked for an American firm in Cuba.[153] He was an ideal president for the Americans, someone who would protect foreign property using 'strongman' tactics and therefore preempt the need for a politically costly American military intervention.

Internally Machado was not nearly as popular as he was with the United States government. In autumn of 1925 labour began to demonstrate its growing dissatisfaction with the Machado government by conducting a series of strikes. Machado responded with force, and the strikes were "beaten by bullets."[154] However, as Perez aptly notes, "Machado could crush labour, but he could not control the world price of sugar."[155] By 1928 the price of sugar had fallen to 2.46 cents per pound and by 1932 was only 0.72 cents per pound.[156] The great depression had hit Cuba early and very hard. By 1932 wages for sugar cane cutters had fallen to less than one-third their 1929 level.[157] In 1930 the Americans, in order to protect domestic farmers during the depression, had legislated the Smoot-Hawley Tariff Act, which raised the tariff on Cuban sugar by one cent per pound. Cuban sugar producers were crippled further. By 1933 Cuba's share of the American market had fallen to half of its 1930 level, and the Cuban economy was devastated.[158] *Dependentista* writer, Celso Furtado, states that "[f]ollowing the announcement of protectionist measures by the United States the bottom fell out of the sugar market. With prices plummeting to incredible levels . . . the country's

economic life was almost paralyzed and the resultant unemployment rate can seldom have been paralleled in any other country."[159] Cuba's position in the international division of labour was clearly causing considerable economic and social strife.

The Americans were convinced Machado could control any internal protest and were pleased that Machado continued to service the Cuban debt to the Americans, despite the withering Cuban economy.[160] Machado, especially by the late 1920s, met opponents within Cuba with repression and brutality, notwithstanding the Cuban population's capacity to resist the terror of his regime, as strikes occurred everywhere and student groups organized protests.[161] By 1927, Machado had lost even the support of the Cuban bourgeoisie.[162] In 1933 an island-wide strike was called. After a massacre of the strikers in the streets by Machado's henchmen, support for the regime completely crumbled, including even the support of the U.S. government.[163] By August, 1933 Machado fled into exile and was replaced by Carlos Manuel de Céspedes, the choice of the American ambassador, Sumner Welles.[164] However the Cubans were not appeased and strikes continued. In the Sergeant's Revolt of September, 1933, Fulgencio Batista led the overthrow of the regime.[165] Later that month, Professor Ramón Grau San Martín assumed the presidency of Cuba in the first government not sponsored by the United States. Grau San Martín's first significant gesture after becoming the president was to deny the legitimacy of the constitution of 1901, because it contained the Platt Amendment.[166]

Several social and economic reforms, including the introduction of the eight-hour workday, the creation of a labour department, limits on foreign imports, minor land reform, enfranchisement of women, and greater educational access for the poor, were enacted by the Grau San Martín administration. In addition, Grau San Martín suspended payment on an American loan and expropriated two large Cuban-American sugar mills.[167] In general, though, he "chose regulation over expropriation, the distribution of public lands over the redistribution of private property, the defense of trade union objectives over workers' party objectives."[168]

In the United States, however, the American Congress perceived any infringement on American economic interests as too radical, and it withheld recognition of the Grau San Martín government. Ambassador Sumner Welles' factious reporting with regard to the radical nature of the Grau San Martín government further increased the tensions between the United States and the new Cuban government.[169] By December, 1933 Welles convinced Batista to lead a coup against the reformist government. Without the support of Batista's army, Grau San Martín was easily overthrown in January, 1934, and replaced by Carlos Mendieta, a president much more favourable to the United States.

There are several lessons that can be drawn from the Cuban 'revolutionary' experience of 1933. First, Cuba's lack of industrialization and economic self-sufficiency, combined with excessive monoculture production, made its economy extremely vulnerable to world market fluctuations. Second, U.S. domestic economic policies, such as the Smoot-Hawley Act, could have severe economic and social consequences within Cuba. This reality demonstrated the danger of excessive reliance on the American market. Third, within Cuba, repression was becoming increasingly the only way to control an expanding, militant working class. Once world prices or internal corruption had alienated the emerging Cuban middle class, there remained little support for any government which, as Machado's, relied solely on repression. However, in 1933, when Grau San Martín assumed the presidency, there was not yet a significant degree of cohesion among opposition groups that could sustain a government that was frowned upon by the United States. Finally, the hostility with which the moderate policies of the Grau San Martín government were met by the United States demonstrated to many future Cuban revolutionaries that reformist positions were wholly inadequate for the preservation of a nationalist government.[170]

To ensure that political stability would be achieved in the new administration, President Carlos Mendieta met a strike in 1935 with great brutality. By March of that year, any support within Cuba the Mendieta government may have had, with the exception of Batista's military, quickly vanished, and Mendieta resigned.[171] Batista, with the support of the United States government, then ran the country under the cover of successive puppet

presidents until 1940, when he assumed the presidency himself. He was a not a typical conservative dictator, alternating between repressive and populist, and between pro-American and nationalist, policies. Historian Samuel Farber notes: "even at the height of his repressive activity, he was still speaking in almost reformist terms about the rights of labour and the evils of working-class exploitation."[172] Batista attempted to follow the repression of 1935 with reform, which led to the constitution of 1940.

The Cuban constitution of 1940 was remarkably progressive. It provided for universal suffrage, free elections, four-year term limits for the presidency, maximum eight-hour workdays, a minimum wage, the right to strike, pension and worker compensation programmes, and a range of political and civil liberties. Unfortunately, there were few enforcement provisions included in the new constitution.[173] Many of the high-minded principles were supposed to be implemented through subsequent legislation that never happened. As historian Hugh Thomas notes, "it [the constitution] was . . . rarely read after it was written."[174] Moreover, because of the combination of the apparent progressive nature of Batista's constitution of 1940 and the initial 'scare' tactics used in the late 1930s, the Cuban working class did not pose a threat to the regime in the early 1940s. The lack of significant leftist opposition was only accentuated by the strategy of the Communist International (Comintern) of the period, which resulted "in the transformation of the radical and independent workers' movement into a reformist movement under Communist leadership, which inaugurated an era of government-labour collaboration."[175]

Meanwhile, the United States attempted to reassert its economic hegemony, which had been reduced following the increase in Cuban manufacturing of the 1920s and the fallout after the Smoot-Hawley Act, that had led to a decline in U.S. influence in Cuba. In 1934 a new reciprocal trade agreement between the United States and Cuba was reached. In exchange for opening Cuban markets to American producers, Cuban sugar growers were guaranteed a sugar quota of 28 percent in the U.S. market, which lasted until 1960.[176] This treaty, like the one in 1902, saw sugar monoculture reinforced. The result was that American

imports were too competitive for Cuban domestic industries other than sugar to attract domestic investors. As Cuban specialist, Susan Eckstein, explains, "The wealthy, under the circumstances, sent much of their money abroad and spent it on luxury consumption rather than investing it in non-sugar related productive ventures at home."[177] In fact, during the 1950s, between 200,000 and 300,000 tourists visited Cuba, yet there was a net loss of income in tourism during these years, as Cubans spent more abroad than tourists spent in Cuba.[178] Celso Furtado's assertion that the elite of the periphery emulate the consumption patterns of the bourgeoisie of the centre seems more than accurate in the Cuban case.[179] Moreover, as historian Thomas Skidmore states, the sugar quota "tied Cuba to the will of the U.S. Congress, which could change the legislation at any time. . . . It symbolized all the vulnerability which 'independence' had brought Cuba in the era of American dominance."[180] A rise in the American tariff during times of domestic or international economic hardship would certainly once more severely damage Cuban sugar producers and consequently the entire Cuban economy, as it had done in 1930 with the American imposition of the Smoot-Hawley Tariff Act. As well, when the Americans sought economic expansion in 1890 and 1903, Cuban sugar production quickly reached all-time highs. This pattern of economic expansion and contraction was consistent throughout the history of pre-revolutionary Cuba's relationship with the United States. Thus, to paraphrase Dos Santos, the Cuban economy was conditioned by the development and expansion of the American economy and only expanded as a reflection of U.S. expansion.

Although overall sugar production did drop initially during the depression years, output nevertheless recovered by the early 1940s. In 1934 sugar production had fallen to 2.26 million tons. By 1944 the total was 4.17 million tons. Between 1947 and 1959 production only fell below five million tons three times, and reached a high of 7.01 million tons in 1952.[181] Sugar remained dominant in the composition of exports from the 1930s until the revolution in 1959, despite varying production totals. In 1933 sugar accounted for 73 percent of Cuba's export value. From 1935 to 1958 the percentage fell below 79 percent only four times, with a high of 90 percent in 1948 and an average of 81.1 percent for the twenty-four-

year period.[182] By 1955 Cuba was the fourth most dependent country out of twenty Latin American nations on a single export crop.[183] And so trade dependency with the United States continued to be a reality for Cuba in the post-1933 period. While goods arriving from the United States accounted for 59 percent of all Cuban imports in 1929, the figure was consistently above 70 percent from 1937 until 1959, with a high of 84 percent in 1942. [184]

Internal developments in the 1940s resulted in a wasted opportunity to better manage the external constraints of dependency. In the election of 1944 Grau San Martín returned to the presidency under the banner of the *Authentico* Party, after he defeated Batista's candidate. From 1948 to 1952, Carlos Prío Socarras continued the *Authentico* reign. However, the reformist nature of Grau San Martín's government of 1933 was no longer present; instead a period of massive corruption ensued. Perez states that by the mid-1940s "idealism had given way to cynicism, and public office no longer offered the opportunity to pursue collective improvement so much as it provided the occasion to promote individual enrichment."[185]

During World War Two scarcities in the world market resulted in sugar prices rising from 2.99 cents per pound in 1944 to 5.05 cents per pound in 1948. [186] In Cuba large balance of payment surpluses resulted, averaging 120 million dollars annually between 1943 and 1947.[187] However, much of the wealth was squandered through corruption, and it was only the politically connected who benefited from the prosperity. The poorest in Cuba continued to suffer. Between 1939 and 1948 food prices increased threefold while the cost of living doubled.[188] In 1946 only 12.7 percent of all agricultural workers were able to find permanent employment. [189] With high unemployment, and thus a surplus of labour, Raúl Prebisch's contention that global economic upturns, or least in this case, favourable world sugar prices, do not necessarily lead to increased economic opportunity for workers, seems to be confirmed.[190] Despite the corruption of the period, Cuba did export significantly more than it imported, and sugar producers did not need to increase wages to ensure an adequate supply of labour. This reality left Cuban unions in a poor bargaining position, and thus rapid increases in food prices and the cost of living necessarily affected the poorest in Cuban society

the most severely.

By the 1950s monoculture and economic dependence had led to a dismal economic situation in Cuba. The Cuban economy grew about 1 percent from 1950 to 1958, a rather slow rate. By 1959, excluding the brief boom period during the 1940s, the economy generally had been stagnant for the past thirty years.[191] In 1955 Cuba ranked tenth out of twenty Latin American countries in per capita earnings.[192] However, in the much higher North American cost of living index, Cuba registered a decline of 18 percent in per capita earnings between 1952 and 1954, while the 1958 level was the same as it had been in 1947. Increasingly middle class Cubans were "losing the ability to sustain the consumption patterns to which they had become accustomed."[193] There was, though, some expansion in the Cuban manufacturing sector between 1953 and 1958.[194] However, along with slow economic growth, the public debt escalated, quadrupling from 217.7 million dollars in 1951 to 937 million dollars in 1959.[195] Further, while 8000 jobs were created in industry between 1955 and 1958, Perez estimates that 15,000 Cubans had joined the workforce in this period.[196] While the official figures set the unemployment rate at 12 percent in 1959, they fail to account for the seasonal nature of sugar production and the resulting underemployment.[197] Better estimates come from Perez and Susan Eckstein. Eckstein states that unemployment rose to 20 percent during *tiempo muerto* (dead season), that is, when sugar was not being harvested.[198] Perez estimates that the total unemployment and/or underemployment rate was closer to 60 percent.[199] By 1958 the economy was nearing collapse and all public works programs had been stopped.[200]

Other socio-economic indicators give a more precise picture of Cuba's underdevelopment by the 1950s. National income was not distributed equitably. In 1953 the richest 10 percent of the population held 38.8 percent of the country's wealth, while the poorest 10 percent held only 4 percent.[201] Further, only 1.5 percent of landowners held 46 percent of Cuban land, while the poorest 70 percent owned only 12 percent of land. [202]

The difference in the standard of living between rural and urban areas was also

significant. While in the late 1950s Havana accounted for only 20 percent of the population, it consumed 70 percent of the nation's electricity, procured 80 percent of its construction, 62 percent of salaries and wages, and drove 60 percent of the nation's automobiles.[203] In rural areas 85 percent of homes lacked running water, while 93 percent were without electricity.[204] And the situation was deteriorating. While in 1946, 63.7 percent of the rural population did not show a need for more work opportunity, by 1957 the figure had fallen to 26.5 percent.[205] The situation in health care and education was not much better. In 1957 43.09 percent of the rural population was illiterate.[206] For every 571 medical facilities in urban centres, there was only one medical facility in rural areas.[207] Sixty percent of Cuban doctors and 80 percent of hospital beds were located in Havana.[208] Marifeli Perez-Stable notes that four-fifths of "rural workers received medical attention only if they paid for it and, hence, most had no access to health care." In 1950 the World Bank reported that a majority of rural children were afflicted with internal parasites.[209] In 1957 the Catholic University Association made the following observation: "Havana is living in extraordinary prosperity while in the rural areas the people, especially wage workers, are living in unbelievably stagnant, miserable and desperate conditions."[210] However, for all the differences in the standard of living between the urban and rural areas of Cuba, Perez reports that in 1958 there were greater than five thousand beggars on the streets of Havana and makes the following observation:

> Urban slums ringed the capital. The neighborhoods of Luyana, Jesus del Monte and Las Yaguas were crowded with tens of thousands of poor, unemployed, and unemployable, living in squalor and destitution, eight to a room in hovels of tin sheeting and cardboard without sanitary facilities, garbage collection, sidewalks of street lighting and increasingly without hope. Many wandered about aimlessly, without work and some without motivation, many crippled, maimed and ill, living on public welfare and private charity.[211]

Close integration with the United States did result in a few mitigated health statistics, however. Life expectancy between 1950 and 1955 was fifty-nine, the third highest figure in Latin America. Cuba, with official infant mortality figures at only thirty-nine deaths per one thousand between 1945 and 1949 and thirty-two deaths per one thousand between 1955 and

1959, held the lowest infant mortality rate among the Latin American countries consistently throughout the 1940s and 1950s.[212] Those fortuitous enough to have access to health care did find a relatively decent health care system. In 1951 a report by the United Nations organization, the International Bank of Reconstruction, rated Cuban surgeons among the best in the world.[213] In 1959 Cuba was third out of twenty countries in Latin America in population per physician, fifth in population per nurse, and third in population per hospital bed.[214] Overall education indicators, for the most part, also compared favourably with the rest of Latin America, even though by the standards of a developed country they were inadequate. In 1958 Cuba ranked third overall in education, and although seventy-five percent of the population had attended some form of school, only 38.1 percent managed to reach the third grade. Secondary and higher education figures were more dismal. In 1953 only 3.5 percent of the population graduated from high school, while only 1.1 percent were university graduates.[215]

Thus, in the late 1950s, though not the most underdeveloped country in Latin America, Cuba was clearly suffering from most of the classic problems of underdevelopment. Additionally, it must be noted that any favourable comparisons in health and education with the underdeveloped countries of Latin America were not particularly significant accomplishments, and moreover, the figures cited above do not account for the widespread unequal internal development in pre-revolutionary Cuba, as those who were unfortunate enough to live in rural areas were especially marginalized.

During the 1940s the Cuban communists, by collaborating with Batista, had proved themselves an unconscionably unrevolutionary force, while the corruption of *Authentico* rule discredited Cuban reformists.[216] Progressive elements in Cuban society, it appeared, had few options to pursue. The *Authentico* reign, as Samuel Farber states, "provoked a crisis in the nationalist and populist left and the political revolutionary consciousness of these people had to face the perennial question, what is to be done?"[217] When the election of 1952 was preempted by a military coup orchestrated by Batista and a military government under

Batista's command was installed, the choices of 'what to do' were reduced. Batista's return to power saw Machado-like repression. Strict censorship silenced all critics, and opponents or suspected opponents were jailed, exiled, tortured or killed.[218] What was to be done, then, was to make revolution.

Fidel Castro Ruz spent his first dozen years on his father's large cattle farm in the eastern Cuban province of Oriente. He graduated from Havana's exclusive Belen parochial school as a youth and entered the University of Havana, where he encountered several Marxist and progressive influences during his studies on his way to becoming a lawyer. While he enjoyed a middle class upbringing, he was profoundly aware of the difficulties of life for the average rural inhabitant. While in prison during the 1950s, Castro wrote:

> My classmates, sons of humble peasants, generally came to school barefoot and miserably clad. They were the very poor. They learned their ABCs very badly and soon dropped out of school though they were endowed with more than enough intelligence. They then suffered in a bottomless sea of ignorance and penury without one of them ever escaping the shipwreck. Today, their children will follow in their footsteps, crushed under the burden of social fatalism.[219]

In 1947, dismayed at the corruption of the Grau San Martin government, Castro had joined Eduardo Chibas's reformist *Ortodoxo* party. By 1952, following Batista's coup and the subsequent cancellation of the election scheduled for that year, he had become disillusioned with traditional politics.[220] By 1953 Castro's strategy had turned to armed insurrection. On July 26th of that year he led eighty-one people in an attack on the Moncada Army barracks near Santiago de Cuba, in a largely symbolic assault on the Batista regime.[221] The attack was a disaster. Twenty-one were killed and thirty were captured immediately afterwards. Thirty others managed to escape to the mountains, but were eventually captured and imprisoned, including Castro. Sixty-eight of the eighty-one were eventually killed.[222] This defeat, though, was certainly not the end of the Castro-led insurrectionary movement, but only the beginning.

It is important to understand that while traditional politics were abandoned by Castro, the ideology the rebel forces promoted publicly, especially in 1953, was reformist and inclusive. This reformist portrayal meant that the movement was able to attract support from a wide range of sources, however, it also prevented the creation of a detailed and distinctive development programme and ideological orientation. In a manifesto entitled, *The Cuban Revolution*, which was to be declared following the anticipated victory at Moncada, Castro outlined some of the revolution's general ideals. He proclaimed:

> The Revolution declares its love and trust in the virtue, honour and dignity of our men and expresses its intention of using all those who are truly worthy in the great task of Cuban reconstruction. These men are found in all places and institutions of Cuba from the peasant hut to the general headquarters of the armed forces. This is not a revolution of castes. . . . The Revolution declares its absolute and reverent respect for the constitution of 1940 and would reestablish it as its official code.[223]

During his trial in the fall of 1953, Castro delivered his famous speech, *La Historia Me Absolverá,** in his defense. While in prison he secretly copied it and eventually 10,000 copies had circulated throughout Cuba.[224] The six revolutionary laws Castro proclaimed in his speech further demonstrate that the movement wished to portray itself as liberal reformist. The laws included a pledge of sovereignty to the people with the return of the 1940 constitution. Property grants would be given to all those working five *caballerias*** or less. Workers and employers of large industries would receive 30 percent of all profits. All Cuban planters would receive the right to share 55 percent of sugar production. All the wealth of the corrupt politicians would be expropriated, and free elections would be guaranteed.[225]

In the 1956 manifesto of his revolutionary organization, the 26th of July Movement,[226] Castro stressed that the lack of unity had been the revolutionary movement's greatest weakness in failing to overthrow the dictator Batista. He then stated: "Unity is now the only patriotic way. Unity is what all political, revolutionary, and social sectors that combat the

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* History will Absolve Me
** Approximately an acre.

dictatorship have in common."[227] Castro demonstrated the pragmatic approach he would later take in confronting external forces following revolutionary victory when he attempted to calm American fears of a radical revolutionary movement coming to power in Cuba. In a 1958 article in the U.S. magazine, *Coronet,* Castro declared that "nationalism is, at best, a cumbersome instrument[;]" a provisional government coming to power would be made up of all professions; and foreign investors would always be welcome.[228] However, given his radical progressive inclinations, clearly Castro implied that he believed in the necessity of significantly altering the structure of Cuban society when, earlier, in 1952, he had written a legal brief protesting Batista's coup. He stated then: "Without a new conception of the state, of society, of the judicial order based on profound historical and philosophical principles there will be no revolutionary laws," and that "a revolution is more than a simple overthrow of a government, it needs programs, theories, declarations, and support of the people." Further, even at this early date, Castro believed that revolutions themselves "constitute a source of law."[229]

In 1954, in an attempt to attain some degree of legitimacy, Batista staged an election. Almost every major candidate declined to run.[230] The election was, of course, fraudulent and "offended virtually everyone."[231] Solutions within the existing political system were increasingly unviable. By the mid-1950s the middle classes had become increasingly frustrated with political corruption and a stagnant economy and joined the lower classes in their opposition to the Batista regime. Many perceived Batista "to be the largest single obstacle to the restoration of political stability and the return of good times."[232] Further, the foreign domination of Cuba's economy meant that Cuban capitalism essentially was "absentee owned, foreign controlled and quasi-colonial." Thus, the revolutionary struggle was "directed against a class that was scarcely considered (and perhaps scarcely considered itself) Cuban."[233] The battle against Batista's dictatorship came from all sides. Ronald Chilcote and Joel Edelstein state the case succinctly: "The inability of the regime to deal with the insurgents or the economy, combined with its brutality against people suspected of siding with the opposition led to the withdrawal of middle-sector support and the isolation of the regime. . . . The

seizure of state power could be seen as victory for reform, but it was not clearly identified with a class or a class coalition." [234]

After having spent nearly two years in prison after the Moncada Barracks attack, Castro was pardoned in 1955 and had fled into exile to Mexico.[235] In Mexico he had organized another attempt to overthrow the Batista regime. It was here that he met another prominent revolutionary figure, Ernesto "Che" Guevara. The two led the expedition of 1956 on board the boat *Granma* to the southeastern coast of Cuba. Immediately after landing, Castro's forces were nearly wiped out. However, they regrouped in the mountains and began the battle anew. From the Sierra Maestra mountain range, the 26th of July Movement concentrated on promoting rural insurrection. Meanwhile, other opposition groups throughout Havana and Santiago de Cuba, including the Revolutionary Directorate, formed the urban resistance to the Batista dictatorship.[236] By the end of 1958, Batista's forces were at the point of collapse.[237]

Meanwhile, despite evidence gathered by the U.S. State department that Castro's movement was gaining power, through 1957 and 1958 the administration of President Dwight D. Eisenhower hoped that Batista could deal with the insurgency problem by enacting constitutional reform. While Castro initially had some support among some liberal Democrats in Congress, Washington demonstrated its preference for Batista by finally supplying him with arms in early 1958. In the spring of 1958 bombing raids by pilots in Batista's air force flying U.S.-supplied planes prompted Castro to write angrily to his close companion Celia Sanchez in the Sierra Maestra: "I've sworn the Americans are going to pay for what they are doing. When this war is over, a much wider and bigger war will begin for me, the war that I am going to wage against them. I realize that that is going to be my true destiny." As we shall see, these were rather prophetic words.[238]

The Castro-led insurrectionary movement lost almost all support within official Washington circles after June 1958. On the 26th of that month Fidel's brother, Raúl Castro,[239]

kidnapped eleven U.S. citizens in order to halt the U.S. government's support of Batista. By June 30th, nineteen American and Canadian civilians were captured as were thirty enlisted men of the U.S. Navy and Marine Corps.[240] The hostage crisis ended peacefully when the United States government, recognizing a complete lack of support for Batista, enforced an arms embargo in mid-July. The incident, however, also predisposed the U.S. government to search for an alternative to the Castro brothers, as well as labeling Raúl a dangerous radical in the minds of the political leadership of the United States. Raúl, in fact, had secretly joined the Moscow-influenced PSP in the early 1950s when he was a student at the University of Havana and was a committed communist, as was Che Guevara.[241] Fidel, however, "was no Marxist ideologue. In fact, simply put, he was the first Fidelista. Castro believed himself to be the embodiment of the Cuban nation and the inheritor to the mantle of Simón Bolivár."[242] Nevertheless, the seeds of future Cuban dependency were sown in December 1958, when the 26th of July Movement made its first serious contact with the most regimented and conformist of communist nations, the Soviet Union. Recently declassified Soviet documents reveal that in early December 1958 a representative of a Costa Rican 'importing' company, on behalf of the 26th of July Movement, requested arms from the Czechoslovakian embassy in Mexico. Of course, the Czechs needed 'guidance' from Moscow, and on December 27th, 1958 the Kremlin approved the small, yet highly covert, operation.[243] In the fall of 1958 the United States government, still uncertain of the radical nature of the Castro-led movement, instructed its intelligence service, the C.I.A., to find a suitable replacement of Batista but the agency was unsuccessful, and events in Cuba overtook the American initiative.[244] Lacking any support whatsoever, the Batista regime crumbled on December 31st, 1958. Hours earlier U.S. Assistant Secretary of State for Inter-American affairs, Dick Rubottom, stated that "[i]t has been hard to believe that the Castros alone, that the 26th of July Movement alone could take over."[245] On January 1st, 1959, the leadership of the 26th of July Movement marched into Havana.[246] Revolutionary victory had been attained.

A few observations concerning the state of pre-revolutionary Cuban dependency and underdevelopment in 1959, and the task confronting the revolutionary leadership as they

assumed power, might be made at this point. In 1959, as we have stated, while Cuba was as dependent as any Latin American nation on a foreign power and world market prices, it was not the most underdeveloped. In many parts of Havana prosperity was apparent and a nationalist middle class had developed, despite (or perhaps because of) the American interference in Cuban affairs. Based on its study of the internal production potential of Cuba, the International Bank of Reconstruction concluded in 1951: "It is possible for Cuba, therefore, to increase and diversify its agricultural production on a grand scale, once certain obstacles have been removed."[247] In addition, the bank's report noted additional advantages Cuba enjoyed that cannot be related to external factors, which included an excellent climate, exceptionally fertile soil, and adequate rainfall. [248]

A complete picture of the causes of Cuban underdevelopment is complex, and consequently, the task of developing the society would not be an easy one for the new revolutionary government. On the positive side, along with the aforementioned geographical advantages, there was a great potential for increased industrial and agricultural production, as the two greatest obstacles in the attainment of this goal — the corrupt Cuban politicians and the domineering influence of the United States — had been removed. Further, the victorious revolutionary force enjoyed the widespread support of the population, which meant the new government would be relatively free to institute radical social and economic change. On the negative side, the very uneven development Cuba had attained would make the goal of expanding internal markets difficult. Low levels of education, especially in rural areas, and an inadequate health care system not only would use up valuable Cuban resources as the new regime confronted social problems, it also made the development of the social base necessary for prolonged economic development difficult and costly. As well, other conditions would have to be dealt with, including the excessive reliance on one crop and the inevitable hostility that would arise from the United States when internal reforms would begin to affect American interests. It appeared Castro was certainly prepared to confront American hostility. However, it also appeared that he coveted a personal war with the United States, giving early indications that, in Castro's mind, the Cuban revolution was his revolution. Thus, the question must be raised: Would the South Commission's notion of popular participation through democratic

institutions be part of the new government's agenda? [249] Finally, ominously lurking in the background was the potential for a new dependency, as certain influential members of the 26th of July Movement considered Soviet communist ideology appropriate for their country, and hoped to expand relations considerably between Cuba and the other superpower of the world.

In ending the discussion on pre-revolutionary Cuba, it may be reasonably concluded that the level of Cuban underdevelopment and the degree of Cuban dependency was determined by a significant combination of both external and internal forces. Thus, to minimize economic dependency and to progress on the path toward economic and social development, the revolutionary government would have to alter internal structures radically while remaining vigilant in the face of external restraints.

Chapter Two
"A Mystification of Capitalist Ideology"
Revolutionary Cuba: 1959-1963

One thing must be said and this is an acknowledgement to the extraordinary young man Fidel Castro, who fought against such heavy odds with such tenacity, bravery and intelligence ever since his pathetically weak band of youths landed in Oriente Province on December 2nd, 1956. A great burden now falls on his shoulders, and a task harder in its way than the struggle for liberty that has now ended. . . . His is a political mind rather than a military one. He has strong ideas on liberty, democracy, social justice and the need to restore the constitution. . . . . He has strong ideas on the economy, too, but an economist would consider them weak.

-Editorial Comments in the *New York Times*, January 1st 1959.[1]

When I have finished my task here, I will retire and devote myself to other affairs.

-Fidel Castro, January 8th,1959.[2]

Moscow is our brain and our great leader, and we must pay attention to its voice.

-Fidel Castro, November 8th, 1960.[3]

Approximately tens years after the E.C.L.A. recommended import-substitution through economic diversification for the developing countries of Latin America, Fidel Castro led the 26th of July revolutionary movement to power in Cuba.

Following victory on January 1st, 1959, the revolutionary leadership decided to heed the advice of the E.C.L.A. At the time, Castro believed the apparent necessity of Cuba's reliance on sugar was only "a mystification of capitalist economic ideology, designed to keep Cuba in economic servitude."[4] In the course of fundamentally altering the structure of the Cuban economy, import-substitution through economic diversification, particularly in the agricultural sector, was the primary economic goal during the early years of the revolution. The plan, similar to various development programmes instituted by other Latin American nations of the period, was accelerated in 1961 and continued until the spring of 1963, when dismal economic indicators and political circumstances required a change in policy. In this chapter we will examine the rationale of the Cuban import-substitution programme, the dismal economic results of the period, and the internal and external forces which contributed to its failure. Throughout the examination, we will make various references to the E.C.L.A.'s import-substitution proposals of the 1950s designed for capitalist LDCs in Latin America as well as the organization's analyses of the failure to diversify internal production in the region, in order to understand better the unique nature of socialist Cuba's attempt to diversify. We will conclude the chapter with an examination of the social results of the early period.

But before we conduct our economic analysis of the early years in revolutionary Cuba, we must first consider the external political events of the period and internal issues of political alignments and class interests. By 1963 Cuban economic dependency on the United States had been over for two years and the roots of dependency on Soviet Union had been definitively established, as had the socialist nature of the regime and the power dynamic within revolutionary Cuba. The external political events and conditions, such as acts of U.S. hostility

and the readiness of the Soviet Union to exploit the potential for a communist ally in the Western hemisphere, were fundamental determinants in ending Cuban dependency on the United States and establishing the basis for future dependency on the Soviet Union, and influenced the choice of socialism – particularly Soviet communism – that Cuba made as the vehicle to pursue Cuban development. However, conflicts between vested interest groups and the absence of a unified internal bourgeoisie also played significant roles in influencing Cuba's move toward the Soviet Union and the internal ideological orientation of the revolutionary government. Additionally, the consequences of personal power struggles within Cuba led to the dominance of a small number of influential Cuban communists and the consolidation of Fidel Castro's position as *el lider maximo*, as popular participation within the developing society of socialist Cuba was not a prerequisite of the new Cuban government. This reality had profound effects both on Cuba's development effort during the entire 1960s and on the construction of a new form of Cuban dependency. As internal and external forces operated interactively during the period, they will be presented concurrently.

When liberal Manuel Urrutia assumed the presidency of Cuba on January 5th, 1959, it seemed that the moderates of the 26th of July Movement would have significant influence in the new regime.[5] Consequently, on January 7th, the United States Congress officially recognized the incoming Cuban administration. However, after news of the execution of 521 former Batista officials following summary war trials and questions appeared in U.S. liberal magazines, such as *The New Republic* and *The Atlantic*, concerning the radical nature of the new regime, Washington was unsure of what to make of Fidel Castro, the revolutionary.[6] In April 1959, Castro embarked on 'Operation Truth', a short trip to the United States and Canada, in order to calm fears that his regime was extremist. To an audience at the National Press Club in Washington, Castro stated that "we are against all kinds of dictators. . . . That is why we are against Communism."[7]

However, despite Castro's assurances, the strength of the communists within the new Cuban government, or more specifically, the influence of Soviet socialism, was very much undetermined in April 1959. Prominent leaders of the 26th of July Movement, such as Che

Guevara and Fidel's brother, Raúl, had been secret members of the *Partido Popular Socialista* (PSP), the Cuban Communist Party, for several years and were interested in fostering a closer relationship with the Soviet Union. At the same time that Castro was in the United States playing down the communist influence in the 26th of July Movement, Raúl had sent PSP member, Lázaro Peña, to Moscow to request Soviet support in providing communists from Spain to help fortify Raúl's control of the Rebel Army and to assist in training Cuban troops. While sixty-five year old Nikita Khrushchev, general-secretary of the Soviet Communist Party and chairman of the Council of Ministries of the Soviet Union in 1959, was not much of a revolutionary, "he admired those who could make a revolution." On April 23rd, 1959 the Soviet Presidium, abiding by Khrushchev's recommendation, approved a minor covert operation to assist Raúl.[8]

Generally, though, the communist influence in the 26th of July Movement of the 1950s had been small. Of the sixteen men who survived the initial landing of the *Granma* and who had reached the Sierra Maestra, only four were formerly affiliated with the PSP.[9] It was clear that Fidel Castro, the very popular leader of a large and heterogenous anti-Batista coalition "which had the sympathy or support of the overwhelming majority of the Cuban population, regardless of class membership," was in control in Havana during the early months of the revolution.[10] In fact, by one estimate, 90 percent of the population supported Castro and the revolution in the immediate aftermath of victory.[11] After Castro returned from the successful 'Operation Truth' campaign, which saw him draw large, enthusiastic crowds for many of his appearances, perhaps he was pondering a friendly relationship with the United States, as he stated on May 10th, that he hoped Cuba would have good relations "with all the Americas." He also dismissed Che's earlier idea of a permanent militia and welcomed any contribution by the United States toward the development of Latin America.[12] Both Raúl and Che had been upset by Fidel's apparent attempt to appease the United States government and by his public statements concerning the lack of communist influence in the new Cuban government. However, by the summer of 1959, any rift between Fidel and the communists, Raúl and Che, had disappeared. On July 16th, Fidel denounced President Urrutia as being too liberal and

forced the president's resignation. A month earlier, a number of liberal ministers in the revolutionary government had resigned.[13] On July 17th, Osvaldo Dorticós, a member of the PSP since 1953, became president of Cuba. Signifying his return to his brother's good graces, Raúl was appointed on October 17th to head the new Ministry of Revolutionary Armed Forces, consisting of the Rebel Army, Air Force, Revolutionary Navy and Revolutionary National Police. By the fall of 1959, there was no longer any question that Raúl was second-in-command, and it was increasingly clear which direction the Cuban revolution would take.[14]

It must be stressed that Fidel was behaving pragmatically during these early months of the revolution, both in his attempt to minimize the inevitable hostile reaction of the United States by publicly distancing himself from communism, and in his cautious approach to leading the revolution and the Cuban people in the Soviet direction. Earlier, on May 17th, 1959, the Cuban government had enacted its first Agrarian reform law, which included among its provisions the nationalization of landed estates greater than 400 acres. By the fall of 1959, following Raúl's appointment to head the Cuban military, the leftist orientation of the new regime had become undeniable, and thus a large segment of the bourgeoisie became very critical of the regime.[15] However, the absence of class unification among the bourgeoisie and the excessive domination of the United States in the economic and political life of pre-revolutionary Cuba prevented the development of an effective internal bourgeois opposition to the revolutionary government. Louis Perez elaborates:

> . . . sectors of the bourgeoisie had pushed their own narrow interests independently and often in conflict [in pre-revolutionary Cuba]. Industrialists and manufacturers resented the prominence of the sugar industry. Small sugar producers were unhappy with large sugar producers. Colonos resented the control of mill owners. Small ranchers turned against big ranchers. Cubans employed by North American firms were suspicious of the economic nationalism of Cuban-owned enterprises. Rice growers resented sugar producers and both distrusted cattle ranchers. Light industry was in conflict with heavy industry. They all tended to function independently, uninterested in coordination and cooperation and hence were eminently vulnerable. . . . When their demise became imminent, large sectors of the middle class discovered they lacked the effective political institutions, ideology, and experience with which to defend their interests. [16]

However, in the fall of 1959 Fidel Castro was well aware that the majority of Cuban society was not ready for the leader to embrace the Soviet Union publicly, and thus, as Aleksandr Fursenko and Timothy Naftali succinctly state, "his challenge was to find a course of action that guaranteed him continued control over the revolution and the destiny of his people. At the same time the challenge for Raúl and Che would be to convince this man [Fidel] that the future prospects of his regime and his movement depended on creating a much closer relationship with Moscow. . . ."[17]

The U.S.S.R., for its part, was biding its time. In September, convinced that "the international environment was not threatening enough to warrant escaping one's duty to fellow revolutionaries," Khrushchev approved the requests by the Polish government to sell arms to Cuba, despite objections in the Kremlin.[18] On October 1st, 1959, a member of the intelligence agency of the Red Army (GRU), Aleksandr Alekseev, having just received his visa from Cuban authorities after significant delay, arrived in Havana to gather information for the Soviet government regarding the prospects for future Soviet-Cuban relations. On October 16th, Alekseev met Castro, and after discussing a restoration of Soviet-Cuban trade and a resumption of the diplomatic relations between the two countries that had been severed by Batista in 1953, they toasted the possibilities of a Soviet-Cuban friendship with a traditional Russian feast. However, Castro still was aware that the Cuban population was by no means predisposed to the adoption of communism. In a rather cynical remark to Alekseev, Castro demonstrated his knowledge of this reality, and confirmed that he was convinced his role was to lead the revolution personally: "You know what Lenin said, in order to bring life to an idea, you have to fling it to the masses."*[19] However, further delaying Castro's public move toward the Soviet Union was an event that occurred in Havana on November 28th, 1959. On that day the largest crowd to date in revolutionary Cuba, over one million people, gathered in *La Plaza de la Revolución* to hear Pope John XXIII speak to the Cuban people

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* Obviously, this is a misquote.

at the opening of the National Catholic Congress. Khrushchev had wanted Soviet vice-premier, Anastas Mikoyan, to visit Castro in December; however "with the congress drawing larger crowds to hear priests denounce his movement as a tool in international communism than had ever gathered to hear him, Castro could not very well embrace Anastas Mikoyan." Mikoyan responded to Alekseev, "What children they are!" after he learned Castro had postponed his proposed visit. Mikoyan's outburst was a clear indication that "in the fall of 1959 the Soviets were ready to do more for Castro than Castro felt it prudent to accept, given his domestic struggle for legitimacy."[20]

By the end of January 1960, though, Castro reconsidered his position. In the previous two months Moscow had twice demonstrated its support for the Cuban revolution. The first demonstration had occurred in December 1959, when KGB agents, through Polish and Czech sources, informed Castro, "in a very confidential manner," of a plot against his government (it turned out to be a false alarm). The second gesture of Soviet support transpired in early January, when the Kremlin approved the covert operation to deliver Czech rifles secretly to Cuba.[21] Castro was now ready to further radicalize the revolution, convinced he had attained the necessary Soviet 'safety net.' As Che's military aid, Major Emilio Aragonío, had predicted to Soviet officials at the Soviet Embassy in Mexico City in January 1960, by February there had been a purge of the non-communist left in Cuba. This purge included the replacement of anti-communist David Salvador with Raúl disciple, Jesús Soto, as head of the Cuban labour movement, and the removal of moderate Marcelo Fernández from directorship of the 26th of July Movement.[22] By the beginning of February, Castro was prepared to reinvite Mikoyan to Cuba, and on February 3rd Mikoyan arrived in Havana. By the end of his two-week visit, Mikoyan had arranged with Castro a Soviet aid package for Cuba, which included a 100 million dollar trade credit, an agreement for the Soviets to buy five million tons of sugar over the next three years (125,000 tons for 1960), and the provision of Soviet industrial equipment, oil, machinery, and fertilizer.[23] However, only 20 percent of the Soviet purchase of sugar was to be paid in convertible currency, demonstrating the limitations of dependency on the Soviet Union early in the new Soviet-Cuban relationship.

While Soviet influence was increasing in revolutionary Cuba in early 1960, Castro believed there still existed general opposition to the idea of a Cuban alliance with the Soviet Union and delayed the formal resumption of diplomatic relations.[24] However, on March 4th, 1960 an explosion rocked the Havana harbour which changed the internal dynamic of Cuba. A Belgian ship, *La Coubre*, having recently arrived with an arms shipment, blew up. The incident, which killed more than 100 people, enraged Castro as he was convinced that the United States had been responsible. On March 5th, he declared to the United States: "You will reduce us neither by war nor famine. . . .Cuba will never be intimidated, she will never retreat. . . . *Patria o Muerte* [Homeland or Death]"[25] With the United States as an historic enemy of Cuban nationalism, Castro used the incident to rally a large segment of the Cuban population under his command. While it has never been proven the United States was behind the bombing, nevertheless the explosion aboard *La Coubre* had demonstrated, in the eyes of many Cubans, what the United States government thought of a Cuba free from U.S. influence.

By March 1960, U.S. president, Dwight D. Eisenhower, while denying U.S. culpability in the explosion, had determined that Castro had to be removed. The United States had not known what to conclude following Castro's visit in the spring of 1959. Following the Agrarian Reform Law in May, the Eisenhower administration demanded compensation from the Cuban government for American-owned lands that had been expropriated. Four days later the Cuban government offered the United States bonds with a 4 1/2 percent interest rate as payment, but was turned down. Raúl's appointment as military chief in the fall of 1959 and Mikoyan's visit in January 1960 confirmed Washington's suspicions regarding the communist influence within the Castro regime. As American Secretary of State, Christian Herter, said at the time, Mikoyan's visit in particular signified "a long step toward the breaking of the remaining links between the Government of Cuba and the American family of nations."[26] Following Castro's provocative remarks after the explosion of *La Coubre*, official U.S. policy was directed toward ousting the leader of the Cuban revolution. On March 17th, 1960, Eisenhower approved "A Program of Covert Action Against the Castro Regime." This programme consisted of four points: the creation of a "responsible, appealing and united

opposition outside of Cuba; the development of a broadcasting facility to promote opposition within Cuba; the continuation of work to create covert intelligence operations within Cuba; and the development of an "adequate paramilitary force outside of Cuba."[27]

After March 1960, the Cuban-U.S. relationship was essentially over, as Castro consolidated his power within Cuba, and Cuba and the Soviet Union embarked together on a trail which would eventually result in a new form of Cuban dependency. The *La Coubre* incident allowed Castro "to unleash security forces against all manifestations of counterrevolution in Cuba."[28] As Louis Perez states, "[d]efense of the nation became indistinguishable from defense of the revolution, and, in fact, at once accelerated and facilitated the centralization of power, curtailment of civil liberties, and elimination of opposition, all in the name of national security."[29] As the communist authority within the new government progressed, criticism within Cuban society became increasingly forbidden, as the PSP influence had led to, in the words of K.S. Karol, "mini-Stalinist aberrations." In other words, "Whoever dared to make the least critical suggestion was treated as a potential enemy or, at best, decried as a simpleton incapable of grasping the deeper profundities of Marxism."[30] The explosion in the Havana harbour, however, had limited internal division. As well, it prompted Castro, for the first time, to request military assistance personally from the Soviet Union during a luncheon with Alekseev on March 6th. Six days later the Soviet Presidium approved Castro's request.[31]

On May 1st, 1960, an American spy plane was shot down over the U.S.S.R. The subsequent refusal of Eisenhower to apologize, despite clear-cut evidence that the plane was spying, caused the cancellation of a Paris summit between Khrushchev and Eisenhower proposed for June. Khrushchev sensed an opportunity to annoy the United States, as well as to strengthen further the ties between the Soviet Union and Cuba. On May 9th, the U.S.S.R. and Cuba finally resumed formal diplomatic relations. On May 18th, Khrushchev declared: "The dawn of progress breaks over the Americans, over the heads of the imperialists who will be no more able to stop it than to prevent the rising of the sun."[32] Castro had further alienated

the United States in April when he expropriated United Fruit Co. properties in Cuba. On May 31st, oil company giants Texaco, Shell, and Esso, two of which were U.S.-owned, were told by the Cuban government to process Russian crude oil. Naturally they refused, and on June 30th, the refineries were expropriated.[33] On July 6th, the Cuban sugar quota in the United States was reduced for that year by 700,000 tons, the remainder allotted for the year, thus putting an end to Cuban sugar in the American market. The Cuban government responded the following day by confiscating eight hundred million dollars of American assets in Cuba. On July 9th, confident that in the near future Soviet military strength would be equal to that of the United States, but still wary of the existing military gap described in KGB reports regarding the American military capability, Khrushchev made a dramatic declaration to a group of Soviet teachers:

> Figuratively speaking, if need be, Soviet artillerymen can support the Cuban people with their rocketfire should the aggressive forces in the Pentagon dare to start intervention against Cuba. . . . [A]s shown at the latest tests, we have rockets which can land precisely in a preset square target 13,000 kilometers away. This, if you want, is a warning to those who would like to solve international problems by force and not by reason.[34]

Khrushchev had extended Moscow's "nuclear umbrella" into the Western hemisphere.[35] In September 1960, he personally greeted Castro for the first time with a bearhug at the United Nations. On September 26th, 1960, during his lengthy address to the United Nations Assembly, Castro disputed U.S. chief of Naval Operations, Admiral Arleigh Burke's earlier contention that the Soviets would not use nuclear force to protect Cuba: "But suppose for a moment that Admiral Burke is mistaken. Let us imagine that Admiral Burke, although an admiral, is wrong. If he is wrong, he is playing irresponsibly with the strongest thing in the world." Khrushchev, "from his seat with the Soviet delegation, roared: 'On Oshibaetsial!' (He is mistaken), and punched the air with his fist. The Soviets wanted there to be no doubt of their military commitment to Cuba."[36]

On October 1st, in order to suppress further internal opposition in Cuba, Castro

organized the Committee for the Defense of the Revolution (CDR). This civilian organization was set up in neighbourhoods throughout the country in order for Cubans to monitor counter-revolutionary activity, or, more precisely, to spy on each other. Thus, "the police state that the communists [i.e., members of the PSP] believed a prerequisite to achieving their goals was now a real possibility."[37] Also during October, there was a 'war scare,' following reports from Soviet and Cuban intelligence that a U.S. invasion was imminent. When an attack failed to materialize, Castro believed that the strength of the Soviet military had staved off the invasion.[38] On October 13th, Eisenhower announced a complete ban on all U.S. exports to Cuba, except medicine and some foodstuffs. Imports from Cuba were also halted. Thus began the infamous U.S. economic embargo. On October 14th, secure in the knowledge that the Soviet Union was offering the revolution ample military and financial support, and convinced the Cuban-U.S. relationship had deteriorated to a point of no return, Castro responded. Three hundred and eighty-two companies, including luxury hotels, department stores, movie theatres and factories, as well as all Cuban and foreign (except Canadian) banks, were nationalized, and all private property in sugar and textiles was eliminated.[39] On November 8th, 1959 Castro declared to a group of Cuban journalists during an impromptu late night interview: "I have been a Marxist from my student days and have pulled together all of the fundamental works of Marxism."[40]

On January 3rd, 1961 the United States and Cuba formally broke off diplomatic relations. Three days later Khrushchev announced that the Soviet Union now viewed national wars of liberation as "sacred wars." Fursenko and Naftali state that, from this point on "Khrushchev would identify his leadership of the communist world and the prestige of the Soviet Union with the health of Cuba and Castro. An American attempt now to undermine the Castro regime would entail a grave challenge to Khrushchev's personal authority."[41] In April 1961, the United States challenged Khrushchev's authority. On the 15th, Cuban exiles, based in Miami and trained by the C.I.A., used American B-26 bombers to attack Cuba's small air force. Contrary to American expectations, the Cuban population did not rise up to support the imminent invasion. On April 16th, at the *Plaza de la Revolución*, Castro declared to the

world that a socialist revolution had occurred under the noses of the United States. On April 17th, undeterred, sixteen hundred Cuban exiles landed at *Playa de Girón* (Bay of Pigs). Due to the reluctance of the new U.S. president, John F. Kennedy, to continue air strikes because of increasing international diplomatic pressure, combined with the readiness of the Cuban armed forces, the invasion was quickly and efficiently repelled.[42] Castro's fear that the United States would invade was borne out.[43]

True to his word, Khrushchev substantially increased Soviet military aid to Cuba in the immediate aftermath of the Bay of Pigs. The invasion also "removed the last major inhibitions holding Castro back from a domestic crackdown," as the Cuban secret service increasingly came to be under the influence of Soviet agents, as well as Moscow-favorite, PSP member Aníbal Escalante.[44] In August 1960 the KGB had changed the code word for the Cuban file from YOUNTSIE (youngster) to AVANPOST (bridgehead). Following the Bay of Pigs, there remained no doubt: "there was a Soviet ally in the Western hemisphere."[45] Cuba's role in the Soviet economy tripled from 1.6 percent to 5.1 percent between 1960 and 1961.[46] By 1962 the Soviet Union had purchased 42.3 percent of Cuban exports and provided 54.2 percent of Cuban imports. The year prior Cuban exports to the United States had only constituted 6 percent of the nation's overall exports, while U.S exports to Cuba only accounted for 2 percent of the island's total import value. By 1964 all trade between the United States and Cuba had been stopped.[47]

Thus, while it appeared that Cuba's dependency on a foreign nation had only been transferred from one superpower to another very early in the revolution, it still remained to be seen whether Cuba could successfully reduce its dependence on sugar exports in its new relations with the Soviet Union. Agricultural diversification, as proposed by the E.C.L.A. and adopted as policy by the revolutionary Cuban government, ideally would reduce the reliance on the volatile prices of the world market while allowing domestic needs to be better met by the production of a higher percentage of food staples internally. As the economy became more self-sufficient in domestic food production, the government would then have more

capital to invest in industry, enabling it to become less reliant on industrial imports. In many Latin American nations, including Cuba, the plan also offered the possibility of durable employment for a population historically plagued by high unemployment through the incorporation of the rural unemployed into the production process of new crops and industries that diversification would bring.[48] In the Cuban case it was expected that sugar, historically viewed as the vehicle which had kept the nation at the mercy of the imperialist nations and maintained its subservient position in the world economy, would not play such a decisive role in the composition of exports. However, while the E.C.L.A. had stopped short of recommending socialist planning in its programme of import-substitution, the Cuban policy was conducted increasingly through state possession of the means of production. Development in Cuba would not be pursued, as Che Guevara stated in 1964, "with the worn-out weapons left by capitalism."[49]

The diversification process in Cuba had begun fairly conservatively, as the government initially sought to redistribute income and to reduce its economic dependency on the United States. Idle lands held in pasture and idle capital were first utilized by the state in the production process.[50] As the E.C.L.A. had suggested, Cuban leaders considered land reform an important prerequisite of the diversification process.[51] As mentioned earlier, on May 17th, 1959, the first land reform programme was instituted with the enactment of the Agrarian Reform Law and the simultaneous creation of the *Instituto de Reforma Agraria* (I.N.R.A). The I.N.R.A.'s goals were "to facilitate the development of new crops for national industry," increase exportation, and enlarge the domestic market. Large landed estates greater than four hundred hectares were replaced by cooperative production, however since the credits and debits were handled by the state, they probably can best be termed as state enterprises. Farmers working on fewer than twenty-seven hectares were given title to the land. In addition, all rental lands were expropriated as the socialist nature of the new regime became increasingly apparent.[52]

By 1963 the state controlled 70 percent of the agricultural sector and 95 percent of

industry. (See Table 1). By assuming command of the greater part of the economy, the new government was able to increase public funding for economic development from the 1957-58 level of 45 million dollars to 703 million dollars in 1963.[53] Further, by controlling the largest tracts of land and, generally, the land with the highest soil quality, the government was free to dictate which crops should be grown and where. By 1960 the large cooperatives were replacing sugarcane with rice, fruits and vegetables. Twenty-five to thirty experimental crops, including citrus fruits, beans and corn, were grown on various *granjas del pueblo,* or farms of the people, the dominant form of state farms.[54] Between 1960 and 1961, 20 percent of land that previously held sugarcane was plowed under.[55]

Table 1
Progressive Collectivization by Sector of the Means of Production (percentage)

Sector	1961	1963
Agriculture	37	70
Industry	85	95
Construction	80	98
Transportation	92	95
Retail Trade	52	75
Wholesale & Foreign Trade	100	100
Banking	100	100

Source: Susan Schroeder. *Cuba: A Handbook of Historical Statistics* (Boston: G.H. Hall&Co., 1982), 213.

Consistent, however, with the E.C.L.A. programme, the new government in Cuba raised tariffs on foreign goods in September, 1959 in an attempt to protect its domestic industries. Tarrifs were raised 30 percent on food, 40 percent on office equipment, and 60 to 80 percent on automobiles. As well, foreign exchange was restricted.[56] Similarly, the Cuban effort to expand internal markets through a reduction of unemployment was part of E.C.L.A.'s plan. In July, 1959, a public works programme was launched at a cost of 34 million dollars, in an effort to reduce unemployment, as well as contribute to infrastructure

development.[57] Additionally, agrarian reform saw the hiring of large numbers of the rural unemployed by state enterprises.[58] By 1963 unemployment was one-half the level of 1959.[59] Almost immediately following revolutionary victory, salaries had been raised by 60 percent for rural workers, further raising the purchasing power of a large number of Cubans and, consequently, expanding internal markets. [60] In their new role as the primary suppliers of Cuban credit and principal buyers of Cuban exports, the Soviet Union and its Eastern bloc trading partners, along with communist China, provided some of the financial assistance to Cuba deemed necessary by the E.C.L.A. Along with the Soviet aid previously mentioned, in 1960 China supplied Cuba with a 60 million dollar credit for the construction of industrial plants and equipment. In the same year Czechoslovakia extended 40 million dollars in credits for electrical plants and automotive industries. In 1961 Romania and Hungary each supplied Cuba with 15 million dollars for industrial plants and equipment.[61] By one estimate, Cuba received 570 million dollars in total aid just between 1961 and 1962.[62]

Despite the aid received from the socialist nations and the differences between the socialist approach of the Cuban diversification programme, on the one hand, and the approach recommended by the E.C.L.A for capitalist LDCs, on the other, the economic results of the period were not any better than those that had occurred in the majority of Latin American LDCs at the time. Cuba's economy did grow moderately in 1959 and 1960, however. With widespread support for the revolution, many delinquent taxes were paid to the new government. As well, the Cuban leadership was able to take advantage of underutilized equipment, stocks and reserves.[63] Sugar crops were decent, as the full effects of the diversification plan were yet to be felt. In 1959, 5.78 million tons were harvested, and in 1960, 5.86 million tons.[64] Nineteen sixty-one also saw a very good sugar crop, despite emphasis being shifted increasingly away from sugar to other agricultural products. Overall, the economic results were decent for that year and diversification was intensified.[65] Initially there had been positive indicators in industrial growth, with a 21 percent increase in industrial production (excluding sugar) between 1959 and 1962.[66] However, any hope of successful import-substitution was quickly dashed by 1963 as agricultural output fell by 23.2 percent

relative to 1959, including a drop of 11.3 percent in 1962 and another 5.8 percent drop in 1963 from the previous year.[67] Even industrial output dropped by 1.5 percent between 1962 and 1963.[68] As throughout most of Latin America, Cuba's balance of trade dramatically worsened. By 1963 Cuban exports had fallen from 637.4 million dollars to 543.8 million dollars, a 14.7 percent drop from 1959, while imports rose 28.7 percent, from 673.5 million to 867.3 million in the same period. Between 1959 and 1963, Cuba ran a 573.7 million dollar trade deficit, and by 1963 the government was spending 116 million dollars servicing its debt.[69]

When we look at the place of sugar in the composition of the Cuban export totals for the period from 1959 to 1963, it is easy to see that there was very little replacement of sugar in the export sector, and thus, the Cuban leadership clearly failed to diversify the economy significantly. Despite an extremely low production total for 1963, sugar still constituted 87 percent of Cuba's export value, the highest figure since 1951 and a 10 percent increase since 1959.[70] If the fall in exports had meant that there was an abundance of goods in the domestic market, then the economic situation would not have been so bad for the average Cuban. However, despite the freeing up of a large amount of idle farmland and an economic approach designed for self-sufficiency, food rationing had to be introduced on March 19th, 1962.[71]

In their assessments of the difficulties the Latin American LDCs encountered during the 1960s, both Theotonio Dos Santos and Raúl Prebisch felt that a fundamental problem during the import-substitution process in capitalist Latin America had been the low purchasing power of the masses caused by economic policies which maintained high unemployment and low wages. The low purchasing power meant that there was not an internal demand of sufficient size to accommodate a rise in domestic production. In Cuba, though, internal demand was greatly increased through a reduction of unemployment and an increase in wages. This made the problem of an inadequate supply of domestic goods a very serious one for a population now in a position to buy more. With the decline in agricultural output, Cuba was forced to increase imports simply to meet internal demand. Complicating matters further

was that any savings the Cuban government had made by reducing agricultural imports (there had been some reduction because of the wider variety of locally grown crops) did not keep pace with the loss from sugar export earnings.[72] With the reduction of the sugar revenue, without a corresponding drop in agricultural imports, Cuba found itself in a very poor economic position. The government not only lacked funds necessary for the requisite development of its infrastructure, but, as well, for an adequate supply of consumer goods. While Celso Furtado had noted how many Latin American countries had problems substituting for the more costly consumer non-durables and capital goods, the Cubans even encountered problems during what he termed the 'easy stage,' that is, substituting for basic consumer goods.[73] The sagging economy and the very unhealthy balance of trade led Cuba by 1962-63 "to one of the worst recessions of the Revolution." As a result, "sugar was restored to its traditional prominence."[74]

And so it appeared that Cuba had little choice but to return to sugar. In the *Economic Survey of Latin American* of 1963, the E.C.L.A. had the following opinion:

> The general review of Cuban exports makes it clear that an increase in the coming years will depend basically on the possibility of expanding sugar production and exports. Although it is not improbable that exports of other products may recover or even surpass former levels, an increase would not result in any substantial short-term change in the balance of payments, because of their small share in the total volume of exports.[75]

There is a pattern among scholars who study revolutionary Cuba to view the return to sugar in 1963 and the abandonment of rapid diversification as inevitable. Depending on one's ideological viewpoint, Cuba's failure to diversify economically can be attributed to an impractical economic incentive structure caused by the rapid socialization of the economy, to a lack of internal infrastructure and organization combined with the hostility of United States towards Cuba, or to the realities of the world market which necessitated the return to sugar.[76] However, as there was a qualitative difference between the socialist approach of Cuba and the E.C.L.A.'s programme for import-substitution, we must analyze Cuba's

diversification effort in-depth to clarify why the Cuban plan failed. Moreover, if we wish to gain a more complete understanding of what happened in the first five years of the revolution and to understand the relation of the external forces to the internal class issues and policy decisions, the problems and obstacles that the Cubans encountered need to be considered systematically. Only then can we begin to evaluate the effectiveness of Cuba's socialist techniques and confront the question: Was rapid diversification an inherently wrong strategy because of the limitations imposed by external constraints, or did the Cubans simply 'foul it up'? Che Guevara believed that "instead of embarking on diversification by degrees we attempted too much at once." According to Che, the Cuban haste resulted in Cubans dispersing their limited resources to a great number of overly ambitious projects. He concluded that Cuba "lacked developed cadres at the intermediate level," and "never had the organization to undergo, simultaneously, diversification and profound change in agricultural structure."[77] Finally, through a thorough analysis of the Cuban diversification attempt, we can determine if early policy mistakes were, as Che contended, due solely to inexperience or if, perhaps, the magnitude of the errors was such that inexperience itself is not a satisfactory explanation; were there, rather, other political and administrative problems specific to revolutionary Cuba that impeded the success of diversification?

External forces, such as the effects of the American trade embargo, the U.S. hostility towards the Cuban revolution, and the realities of Soviet aid, all exercised significant influence on the outcome of economic diversification and development policies of the early period in revolutionary Cuba. Despite the U.S.S.R.'s economic presence in Cuba, the American embargo was still severely felt in Cuba. If one compares what Cuba received from the U.S.S.R. with what they would have procured from the United States, keeping in mind that these figures are based on U.S. and U.S.S.R. preferential prices, Cuba certainly lost a significant amount of income. In the period from 1960 to 1963 the value of sugar exports sold at American prices would have been 257,453,000 dollars higher than what the Cubans received from the Soviets, and all of the Cuban income would have been in convertible currency.[78] The political and diplomatic hostility of the United States government in its

response to the establishment of a socialist nation ninety miles from the country's shore also had detrimental economic effects in Cuba. American-sponsored terrorist activities resulted in bombings, sabotage and the burning of cane fields, further damaging sugar production.[79] Additionally, it cost Cuba one to two million work hours per week as militia units were created to perform guard duty.[80] Under the pressure of recurrent C.I.A. and C.I.A.-sponsored counterrevolutionary activities to dislodge Castro and defeat the revolution, by 1963 Cuba was allocating 10.2 percent of its budget to defense and the suppression of internal disorder.[81]

Still, there were problems only indirectly associated with the removal of American capital and the extent of American hostility. Whereas in the past industrial goods and their spare parts, as well as many consumer goods, were located only ninety miles from Cuba, now Soviet machinery, spare parts and consumer goods had to travel halfway across the world to reach the island. Further, Soviet spare parts could hardly be described as adequate replacements for the American machinery that was still operating in Cuba. On July 19th, 1962, Che stated that the Cuban leadership was "completely taken aback by the technical backwardness of the Eastern bloc."[82] It should be noted too that the Soviets, for their part, had also become disillusioned regarding the economic situation in Cuba early in the new relationship between the two nations. By 1962, they began to realize that the Cubans' needs were far greater than they had anticipated.[83]

Cuba's new relationship with the Soviet Union posed other problems as well. Following the resumption of diplomatic relations in 1960, Soviet and Czechoslovakian advisers arrived in Cuba to aid in the development effort. These advisors reinforced Cuban economic optimism as both the Soviets and Cubans believed in an imminent 'economic miracle.'[84] However, Soviet-inspired policies helped prevent the 'miracle' from becoming reality.[85] Cuban specialist, Carmelo Mesa-Lago, notes that in 1961 the Czechoslovakian economic model was applied to Cuba's industrialization effort.[86] He believes the model "was too centralized, shaped by a developed, industrialized economy and was rigidly applied with

no effort to adapt it to Cuba's insular, monoculture economy."[87] During one of his three lengthy trips to Cuba during the 1960s, K.S. Karol, himself having spent several years studying in the Soviet Union, noted how the imposition of the impractical Eastern European industrialization programmes in Cuba were a result of the pattern of intellectual exchange in the Soviet Union: "Their [the advisors'] mistakes were the direct result of their intellectual and political training which prevented any real exchange of ideas with their young revolutionary hosts and inclined the experts to push excessively for rapid development (in accordance with the habits they had acquired at home)."[88] Finally, because the Soviets used rubles to pay for the majority of the Cuban sugar it purchased, Cuba could not look to the world market with great regularity to buy the equipment and goods it needed to replace either defective Soviet goods, or goods that were not available in the Soviet bloc nations.

As we examine these external limitations operating during the early years in revolutionary Cuba, we also must acknowledge the failure of the Cubans to mitigate the harmful effects of such constraints. French economist, René Dumont, who was in Cuba at the time serving as an advisor to Castro, contended that a search for spare parts could have been more effectively carried out in Western Europe and Canada; however the Cubans did not carry out the search "as patiently as it should have been [done]."[89] While Cuba lacked adequate harbours and warehouses in the early 1960s, this did not prevent the revolutionary government from fully cooperating with plans to import great quantities of goods.[90] In 1961 50,000 tons of soya oil arrived from China, yet "it was only just before the arrival of the ship that the consignees realized that so great a quantity of oil had never been brought into their country and that there was nowhere to store it." Further, many Eastern European spare parts and industrial goods arrived without testing or sampling and were found quite unsuitable for Cuba with its predominance of American-built factories and equipment.[91] The Cubans blamed the Czech advisors for failing to recognize the shipping problems that would occur in Cuba, because the Czechoslovakians were accustomed to planning in their own landlocked country, which could much more easily re-supply goods as needed. Karol asked sardonically, "Was it possible that the practical Cubans had been so mesmerized by their Eastern comrades as to

forget that their country was an island?"[92] Clearly the American trade embargo posed many problems for the Cubans. However, it must be recognized that the Cubans did not do all they could have done during the early years in revolutionary Cuba to limit the effects of the U.S. embargo, even though the economic effects were somewhat abated through the financial aid received from the Soviet bloc countries.

As we shift from external 'conditioning' forces to internal 'determining' forces, we will be able to see more clearly that it was not only the failure of the Cuban government to ease the burden caused by external pressures that contributed to such economic difficulties, but the fact that the diversification programme within Cuba was not conducted in a particularly prudent or competent manner. In 1964 Che acknowledged that the Cuban people could have expected better economic results during the early years of the revolution: "How can we explain the relative scarcity of some agricultural products, and particularly the decline in sugar production, when the Revolution began by incorporating all the idle rural productive factors in the agricultural process, thus greatly increasing its potentialities?"[93] Che was not reluctant to lay blame on the revolutionaries themselves. However, in 1970, Castro attempted to explain away the faltering economy of 1963, as if there had been no policy adjustment. He stated: "In that period, we did not speak of production – only the capitalists were interested in production – of figures, of statistics or of structures. There were pressing needs accumulated by unemployment, exploitation, abuse, and injustice of all types."[94] Nevertheless, drops in productivity resulted in serious consequences in Cuba. Food rationing and the abandonment of the import-substitution programme were two obvious results. In addition, by denying the significance of productivity figures, it became much easier to overlook the particularly troubling internal developments which contributed considerably to the economic woes of 1963.

One major economic problem for the revolutionary government during the early years was the exodus of qualified personnel, apparently in reaction to the socialist character of the new regime. In reality, however, the cause of the exodus can also be tied to the 'closed' nature of Cuban socialism. Between January 1961 and October 1962 153,534 Cuban refugees

entered the United States.[95] It was noted in a Stanford University study that people left in reverse class order during this period, that is, the higher the class the more likely one would be to leave.[96] Additionally, most who left were those with white-collar jobs, especially professional and managerial jobs. As well, most were from metropolitan Havana. Manual labourers left in roughly the same proportion as they were present in the Cuban labour force, while agricultural workers were among the least represented in the emigrants.[97] While emigration was encouraged by the Castro government as a way of eliminating opposition[98], it is misleading to conclude the sole reason that so many Cubans were driven abroad was economic self-interest, despite the disproportionate high number of middle and upper class Cubans who had abandoned the revolution. There were those who would have cooperated willingly with the new government's diversification and development plans, but usually found themselves without a voice in the implementation of economic and social policy during the early years of revolution in Cuba. And the loss of the skilled middle class personnel had significantly contributed to the 'lack of developed cadres at the intermediate level.'

As Castro consolidated his power in an effort to preserve the revolution at any cost, qualifications in the workforce became secondary. It was revolutionary support which now dictated career success. The hiring practice of teachers demonstrates part of the problem. A teacher from pre-revolutionary Cuba, who had remained in Cuba for a short period following the revolution, concluded from Miami a few years later that the teachers of the period were not hired for their educational capability, but rather for the degree of support they held for the revolution, and made this observation: "I witnessed work written on the chalkboard and classes which showed they [the teachers] were not literate."[99] Some Cubans saw the new teachers as more of a police force. The result was that one of every two teachers from pre-revolutionary Cuba sought exile, as compared to one out of every nine in the general population, hardly an encouraging sign for a developing society.[100]

Promotion for those who uncritically supported the revolution, regardless of the individual's qualifications, was commonplace throughout Cuban society. Dumont observed

that "[t]hose who remained often found themselves under the orders of incompetent or mediocre, and sometimes arrogantly ignorant men. Their underutilization, together with the contempt often shown them led many into opposition who had only wanted a chance to serve."[101] Karol noted how many Cuban technicians became aware of the inferiority of Soviet equipment much sooner than the government officials, but their complaints were not heard, another demonstration of the lack of popular participation at this early stage in revolutionary Cuba. By 1963 Cuban leaders publicly acknowledged the second-rate state of Soviet technology, however, "many leading Cuban technicians had not waited for this admission and left to swell the ranks of exiles in Miami."[102]

It was certain that the economic policies which promoted social justice, but infringed upon the economic interest of the upper class, would drive out a significant portion of the bourgeoisie, as well as Batista's cronies. However, Castro and the leaders of the Cuban government were also significantly responsible for policies that drove out those who had "only wanted a chance to serve." Cuban professor and former member of the 26th of July Movement during the 1950s and revolutionary government of the 1960s, Dr. Jose Taberes, summarizes what the results of the exodus were:

> We had to make a lot of improvisations without the necessary group of experts, practically in any field. Most of the experts left the country. That can explain a lot of the mistakes. I'm sure if we had the experts that we have today the practical policies, not the ends, but how they were implemented, would have been different. I'm sure we lost a lot of opportunities because of a lack of knowledge about the market, about technology.[103]

There were other internal problems related to agricultural production. Carlos Rafael Rodriguez, who assumed command of the INRA in March 1962, noted in 1964 how there were poor techniques in the growing of rice and how the cattle industry was hurt by "indiscriminate slaughtering." As well he believed there was a "lack of rational utilization of labour power."[104] Dumont made a number of important first-hand observations: there was poor draining, irrigation and weeding on farms; too much cane was burnt during harvest time,

reducing the amount of processed sugar, though making harvesting easier; crops were planted too far apart; ploughing was poor resulting in poor soil and smaller yields; rocky land suitable for forestry was cleared to plant orchards, far from any important market. On the island of Turriguano, for instance, cultivation was carried out in an area of "dog's tooth rocks." In Pinar de Mayori garden farming was carried out on soil which filtered much too easily, and only some vegetables were successful despite thousands of truckloads of soil being brought in. In East Havana, on "chalky, non-irrigable hills," and in an area with little rainfall, small coffee plants were unsuccessfully grown. In Bayamo, Dumont witnessed "dozens of sad-looking vineyards that had been planted in black, impermeable soil." As well, instead of the twenty-five to thirty experimental crops that were being grown on the granjas, Dumont had recommended only three to four and found many crops were being grown very badly.[105] He concluded: "Diversification of crops was thus brought about amid disorder, each cooperative growing the crops their leaders or their advisers from the I.N.R.A. wanted them to. . . .Unfamiliar crops, planted amid chaos, with no explanatory pamphlets available and insufficient technical leadership at hand, began to demand too much manpower, while at the same time giving very small yields."[106]

With high numbers of skilled personnel leaving Cuba and the lack of experience of the revolutionary leadership in governance, there were considerable difficulties in the administration of the diversification plan itself. Karol described his tour of granjas and co-ops in 1961: "Nowhere did we meet local leaders or anybody capable of giving us an overall picture of the situation. INRA officials, no less than the managers of the *granjas*, discussed nothing except the diversification of agriculture, quoting repeatedly from a speech of Fidel's on this very subject. Many of the projects struck us as rather unsophisticated."[107] Dumont also noted how the early years were hindered by a lack of decent statistics.[108] By conducting the import-substitution plan without the proper figures to determine its viability, the government was late in discovering that "per hectare costs were lower for sugar than for rice, corn, beans and several other import-substitution commodities."[109] As the economy became more centrally organized, and with the Cubans' desire to diversify, it would seem obvious that a

great deal of planning would have been necessary. However, Dumont stated that there was no basic planning and a lack of serious study for the vast number of new crops being proposed.[110]

It appears that a serious lack of foresight and understanding of the realities of Cuban industry in 1959 by the Cuban leadership during the import-substitution programme further contributed to Cuba's economic problems. One significant cause of the high-import totals, hence the balance of payments problems, was the great need of Cuban industry for raw materials and capital goods inputs in order to increase industrial efficiency. Che confessed in 1964 that in industry "*later* we learned that technical efficiency was poor by world comparisons and import-substitution benefits were limited because of the necessity of importing raw materials"[111] Exactly in which country did the leaders of the revolution believe import-substitution was being implemented? It should have been obvious to Cuban leaders that the country was not technically efficient in industry by world standards and that it did not produce a wide variety of raw materials, yet these preconditions were necessary to support such an ambitious industrialization plan, a process only made more difficult by the realities of Soviet aid and the effects of the American embargo.

The diversification attempt, though, was not only implemented rapidly and carelessly, without great concern for domestic realities or for the necessity of popular participation; it was carried out shortsightedly as it pursued the socialization of the means of production at too rapid a pace. If a decline in productivity was to be avoided during the transition period from capitalism to communism in a developing socialist economy, the government had to be, as one economist has stated, "better informed than [it] is by the 'law of the marketplace' if [it] is to intervene in the proper way."[112] Lacking accurate statistics, adequate production plans and experienced leadership, the Cubans unequivocally were not 'better informed.' This did not prevent Cuba from carrying out the collectivization of the means of production at a very fast pace. As Mesa-Lago concludes: "Millions of economic micro relations were destroyed, at once, breaking the automatic mechanisms of the market when the state was not ready to take over these functions."[113] While the market's automatic mechanisms alone are generally

unsatisfactory for the economic development of an underdeveloped nation and do not appease the social needs of the entire population, nevertheless, to abandon almost totally the only method the Cubans had in setting prices and determining viable export products was to attempt to meet all societal and economic objectives hastily without ample consideration of domestic realities, and without the necessary patience required to pursue these objectives prudently. In 1964 Che accurately reflected that "our immature concept of revolution led us to tear down a number of established procedures merely because they were capitalist."[114]

Thus, there were incentive and productivity problems in the diversification attempt. In agriculture, without financial incentives and checks, and certainly at this early point without a developed socialist consciousness among the workers, labour effort was low, absenteeism grew, and productivity suffered.[115] By incorporating most of the expenses of Cuban industries in the state budget, the result was once again predictable. Between 1961 and 1963 administrators "behaved as if their main objective was to maximize their budgets." Costs were overlooked, state payments neglected, and deficits grew while administrators only requested larger budgets.[116] The result was not just fiscal mismanagement but real differences in productivity. A good example of the productivity problem is the case of tubercles (yams, taro, sweet potatoes) in the Oriente province during the early to mid-1960s. Without mechanization and with the crops grown in poor natural conditions, private farmers produced an average yield of seven tons per hectare. With all the benefits of a state operation, including good soil, machinery and irrigation, the state farms only managed 2.4 tons per hectare.[117] Dumont estimated that in 1963 productivity in the state sector was "perhaps no more than half that of the private sector."[118]

According to the *dependentistas* and the E.C.L.A.'s analyses, import-substitution failed in other parts of Latin America for essentially three reasons: the lack of support from developed nations; the failure to fully institute the import-substitution programme because of objections from the bourgeoisie within an LDC; and the difficulties of industrializing a monoculture economy given the structural external restraints of a world capitalist economy.[119]

In socialist Cuba, though, the failure of the import-substitution programme cannot be traced solely to lack of assistance from developed nations or to the lack of government will to fully implement the programme. Further, contrary to what historian, Susan Eckstein, has claimed, it was not only the realities of world market that dictated the return to sugar. She stated that by 1963, Castro had recognized "that the way Cuba had been integrated into the world economy historically restricted domestic production options," and noted that in 1963 "Cuba did what Wallerstein would expect, that is gear production towards the global export market."[120] Her contention is misleading, however. Numerous examples have been noted of how poorly the diversification attempt was undertaken, from incompetent administrators, to obvious agricultural errors. Combined with inexperienced leadership, a developing economy not yet ready for complete socialization, a complete lack of organization in the agricultural sector, and an overly ambitious diversification plan, it is not at all surprising that Cuba's economy suffered so greatly. There were many problems that could have been avoided, and Cuba most certainly would not have found itself in such dire economic straits in 1963 had economic policies been sounder. Consequently, it became necessary to reemphasize sugar production simply to pay for all of the mistakes of the early years. Granted that the idea of import-substitution through economic diversification in the short time frame Cuba had set to do it in, was a poor idea, nevertheless on the basis of the evidence revolutionary Cuba's early years provide, a rational policy of import-substitution and diversification was never attempted, and thus, it cannot be fairly claimed that the diversification attempt was inevitably doomed to failure because of exigencies of the world market. Simply put, Cuba had failed to conduct economic policy or coordinate agricultural production competently. Thus, it is more accurate to conclude on the early years in revolutionary Cuba, at least with regard to economic policy, the way Che concluded as early as March 16th, 1962:

> Why was it that under the Revolution shoes lost their heels after one day's wear, and why did the Revolution's coca-cola taste so vilely? Does that sort of thing happen under capitalism? No. Then why should it happen under socialism? Because of the nature of socialism? No, that is a lie. It happens because of our own shortcomings, our lack of revolutionary vigilance, the inadequacy of our work.[121]

However, as we have explained earlier, development cannot be measured by economic and productivity indicators alone; social conditions must also be considered. By controlling and expanding the national budget, socialist Cuba was able to improve the social well being of a significant portion of the population despite the economic difficulties. Social and cultural spending increased threefold from 1957-58 to 1962, rising from 98 million dollars to 569 million dollars.[122]

One outstanding achievement in the social sphere during the early years in revolutionary Cuba was the government's virtual elimination of illiteracy, highlighted by the literacy campaign of 1961. In the first two years of the revolution the government had managed to reduce the pre-revolutionary illiteracy rate from 23.9 percent to 10.2 percent of the population. By January 1961, there were 707,211 illiterate people out of a Cuban population of 6,933,253, including 476,155 in rural areas. Following the massive literacy campaign, when students, teachers and workers were sent out to all parts of the country to teach the population basic reading and writing skills, the results were remarkable.[123] After only one year there remained but 271,995 illiterates, down to 3.9 percent of the population.[124]

In primary, secondary, and higher education, despite the aforementioned problems regarding some teachers' qualifications, the early statistics indicate that this was an area of great concern to the new government. Total expenditures and investment in education rose from 79.4 million dollars in 1957 to 310.13 million dollars in 1963.[125] Of particular importance was how the government was targeting rural areas, that segment of the population historically neglected by past governments. Whereas in the 1958-59 school year there was a total of 7567 total schools – 2678 in urban areas and 4889 in rural areas – by the year 1962-63 there were already 13,780 schools with 2709 in urban areas and 10,134 in rural areas.[126] During this same period overall education enrolment rose more than 100 percent, from 834,881 to 1,772,837.[127] While there were 17,355 teachers in 1958, by 1962 there were 36,613.[128] In higher education, though, there were some discouraging indicators. Overall enrolment fell

from 25,259 in 1959-60 to 17,259 in 1962-63. Further, in the areas most necessary for Cuba's economic development, and where one would hope enrolments would have increased, the statistics were equally discouraging. Students in technology rose only slightly, from 3456 students to 3684 students in this period. There was a small drop in the number of agronomy students, a particularly troubling occurrence, from 1117 to 991, and a large drop in student enrolments in economics, from 6010 to 3575.[129] These declines, however, can certainly be attributed, in large part, to the exodus of a significant portion of the middle-class.

Professional health care and housing, however, would be the hallmark of the Cuban revolution, and early government initiatives demonstrate why. While only one rural general hospital, with ten beds, existed in 1958, the figure rose to forty-one hospitals by 1963, with 943 beds. In urban areas the number of hospitals rose from thirty-three in 1958, with 3264 beds, to forty-nine, with 9983 beds, in 1963. Overall, the total number of health establishments rose from 134, with 21,780 beds, to 371, with 40,426 beds, in the same period.[130] The government also set about constructing houses for the neglected segments of the Cuban population. Between 1959 and 1963, 85,447 dwellings were built, compared with 25,237 in the four years prior to the revolution.[131] A great deal more was being done to look after the welfare of all Cuban citizens and, despite some of the discouraging indicators in higher education, social development was well underway. Much of the success in this area was due simply to the will of the government to institute change.

The early period in revolutionary Cuba was thus one of mixed results. By instituting land reform, reducing unemployment, distributing income and building houses for the poorest, and by developing and expanding the health and educational systems and teaching so many illiterate Cubans to read, the new government lived up to many of its social promises and goals. However, economically and politically, the results were far less than satisfactory. Among other things, the economic problems the Cubans encountered in the early years of the revolution demonstrate that a nation cannot simply spend its way out of underdevelopment. Certainly the external forces Cuba endured during the early years limited Cuba's ability to

diversify its economy and to industrialize. That said, there were so many ill-advised and poorly organized plans developed within Cuba that it becomes difficult to ascertain accurately the limiting extent of the external factors. The idea of attempting to accomplish everything at once set a dangerous precedent in Cuba, and it would be the pattern of thinking for much of the decade. It seems the guerilla leaders of the Sierra Maestra were not competently prepared to institute the economic changes necessary to begin the economic development of their nation. And there can only be one first chance. Political, social and economic pressures merely increased with each economic failure. As Dumont aptly noted, "Revolutionary leaders in the future must be prepared to efficiently manage a developing economy once they have assumed power."[132]

Very early in the revolution Cuban economic and political dependency on the United States had ended, yet the political basis for a new dependency on the Soviet Union had emerged. Further, spurred on by former members of the PSP and by his passion to save the revolution at all costs, Castro's increasing radicalization of the revolution through 'backdoor' deals with the Soviet Union, and the escalation of the restrictions on Cuban civil liberties during his attempt to quash internal opposition, appeared to indicate that popular participation through the establishment of democratic socialist institutions was not a priority for the leader of the Cuban revolution.

Returning to sugar in 1963 meant a return to monoculture, while the failure to diversify combined with the consequences of the internal political alignments following the exodus of significant portions of the middle and upper classes meant that economic dependency on a foreign nation was not significantly reduced, only transferred from one superpower to another. The question then remains: Was the socialist lesser developed country of Cuba of the 1960s more successful economically than the Latin American nations of the 1970s through the 1990s with their 'outward' directed development strategies? In the next two chapters we will attempt to answer this question as we continue to trace revolutionary

Cuba's attempt to develop during the 1960s.

Chapter Three
The Return to Sugar
Revolutionary Cuba: 1963-1966

Sugar now has the first priority in the distribution of resources and in the assessment of those factors which contribute to the most efficient use of these resources.

-Ernesto "Che" Guevara, 1964.[1]

[There was] a breadth to all his writings, revealing a human warmth that put him head and shoulders above the cold calculators in Eastern Europe. He may not have been the greatest Marxist theorist, but even when he spoke of the most highly technical problems, it was impossible not to be moved by his passionate desire to fight for the liberation of all the exploited and humble of this earth, and by his vision of a free and fraternal society.

-Author K.S. Karol on 'Che' Guevara.[2]

The important thing for Khrushchev, it seems to me, is to be able to say: 'I saved Cuba. I stopped an invasion.'

-Former U.S. Ambassador to the Soviet Union, Llewellyn Thompson, in the cabinet room to President John Kennedy during the Cuban Missile Crisis, October 27th, 1962.[3]

In May 1963 Castro announced that Cuba would expand sugar production to supply the capital necessary for industrialization.[4] While Castro's proclamation signaled the postponement of rapid industrialization in revolutionary Cuba, as Che Guevara stated, "[t]he other sectors of agricultural production and their development have not been abandoned, but adequate methods have been sought to prevent a dispersal of resources of which the effect would be to hinder the obtaining of maximum yields."[5]

Six months later Castro declared agriculture would dominate for the next ten years in Cuba. In September, Castro had rationalized his position in stating that "[t]oday we have a much clearer view of our possibilities and we know how to invest our resources better. We know what sugar means to us as a source of foreign exchange. We know the extraordinary possibilities of our agriculture, which, because of our climate, can surpass the agriculture of the most-developed countries."[6] It was not, though, simply a case of the Cuban government responding to the economic disaster of the early economic diversification attempt. It was also a combination of the consequence of Castro's internal political response to the economic situation following the diversification attempt, as well as the political and economic ramifications of the Cuban Missile Crisis, which played a part in the Cuban leaders' decision to focus production on agriculture, and, more specifically, on sugar. In addition, the political repercussions of the Missile Crisis enabled Cuba to pursue briefly its own path toward socialism, as the Soviet-Cuban relationship remained in flux until the failure of the ten million ton sugar harvest in 1970. However, despite the aforementioned pronouncements of the Cuban leadership concerning the overall scope of Cuba's renewed focus on agriculture and the subsequent increased investment into this sector by the government, as we shall see, the years 1963 through 1966 were clearly defined with regard to economic development, only by Cuba's return to sugar monoculture.

In an attempt to define the path Cuban socialism followed in the wake of the Missile

Crisis, one other significant occurrence in Cuba in the period between 1963 and 1966 should be noted, that is the Economic Debate over which form of socialism Cuba would adopt and the road it should follow to achieve it. The two contending positions, referred to as Budgetary Finance and Cost Accounting, dealt with the degree of centralization and individual enterprise accountability the Cuban economy should have, as well as the role of moral incentives in the emerging socialist society. The debate, though, was essentially of a theoretical nature, and thus does not have direct bearing on the assessment of Cuba's development effort.[7] Nevertheless, as we are not only tracing Cuba's developmental path in relation to internal and external forces, but also studying the viability of socialism as a developing force, it is worthwhile to outline both theoretical positions in some detail. In doing so, we can understand the range of options available in socialism as well as appreciate the openness and sophistication of the debate, the later being a particularly rare occurrence in revolutionary Cuba.

In this chapter we will examine the internal economic rationale behind Cuba's return to monoculture, the means with which the government's policies were implemented, and the economic and social results of this policy shift. In the course of the discussion, the contending positions of the Economic Debate will be presented. However, we must first trace the internal and external political events which contributed to the Cuban leadership's decision to focus on agriculture, and eventually led Cuba to conduct economic and social policy in relative independence of the influence of Moscow until 1970.

As early as March 1962 Castro had become aware of the seriousness of the economic situation in Cuba, stating to Soviet officials at the time, "For the foreseeable future, surmounting these economic difficulties will be one of the most important tasks of the party [the new Cuban Communist Party, yet to be inaugurated] and the government."[8] The introduction of food rationing in March, despite Castro's concerns the policy would damage the government's popularity, had been a necessity because the dismal supply situation had led to widespread discontent among the Cuban population, and Castro feared

counterrevolutionaries would exploit the situation. In addition, Castro believed that most Cubans blamed the Moscow-oriented communist influence within his government for the economic problems.[9] In the summer of 1961, Fidel, Raúl and Che had agreed to merge all revolutionary parties under the banner of the prototype of the new Communist Party, the Organization of Revolutionaries (ORI). Aníbal Escalante was designated as the party's executive secretary.[10] In an attempt to assume greater control over the domestic economy, Castro had personally appointed Carlos Rafael Rodriguez to head the I.N.R.A. earlier in March, 1962, the first major economic decision he had made without consulting Escalante since the summer of 1961.[11] Escalante complained bitterly to a trusted colleague that Castro had not consulted any former member of the PSP with regard to Rodriguez's appointment. Aware that Escalante was, by no means, the most popular Cuban leader among the people due to his strong ties to the Soviet Union, Castro saw in Escalante's defiance an opportunity to calm domestic fears regarding Soviet influence in Cuba and its effect on the economy, as well a chance to further consolidate his power within Cuba. A public opportunity to achieve his aims presented itself to Castro on March 13th, 1962, during a ceremony commemorating the fifth anniversary of the attack on the presidential palace and the death of student leader, José Antonio Echevarría. During a speech by a "certain Ravelo," a few lines of Echevarría's belief in God were excluded.[12] Castro reacted in rage: "Is this possible, campañeros? Could we be so cowardly, . . . so morally wretched, as to suppress three lines? . . . Are we going to mutilate what he wrote? . . . What kind of faith is that in one's own ideas?"[13] Castro's tirade ended with "some mysterious allusion to the dangers of sectarianism."[14] On March 19th, during a meeting of the ORI, Castro accused Escalante of dividing the revolutionary movement. On October 20th, Escalante was relieved of his post as party secretary, and a few days later "one of the Soviet Union's best friends in Cuba boarded a flight for Moscow."[15] On March 26th, 1962 Castro publicly denounced the 'sectarian line' that had been imposed by Escalante: "He [Escalante] is the one responsible for introducing . . . a series of methods within that organization [ORI] which were leading to the creation not of a party . . . but rather a tyranny, a straightjacket."[16]

While a certain 'revolutionary purity' returned following this denunciation, and contributed to the openness of the Economic Debate and the freedom of subsequent economic policy decisions, Castro did not attack "the bureaucratic system that put [Escalante] in place."[17] In fact, some traditional Cuban communists were able to hold onto their influence. Escalante, in his quest to increase his sway in the government, had alienated many former PSP members and thus, these communists had supported Castro when he had made his stand. Former leader of the PSP in the Batista era, Blas Roca, was installed as editor of the ORI newspaper, *Hoy*, and made a member of the secretariat of the party following Escalante's departure.[18] At the time Roca stated that "anti-Communists and anti-Russians would be disappointed, since the new party has emerged from its latest trial stronger than ever."[19] Nevertheless, some old communists were expelled from the ORI, and thus, "[t]his internal upheaval in the party called for a clarification of Soviet-Cuban relations."[20] External events provided the clarification.

In the aftermath of the Escalante affair, while the U.S.S.R. was confident that Cuba would not abandon socialism, it became increasingly concerned with which form of socialism Cuba would adopt; more specifically, the U.S.S.R. feared Chinese influence in Cuba. With Escalante gone, no authority remained in Cuba who could oppose Che's plans to spread revolution across Latin America, which was consistent with Chinese foreign policy of the period.[21] By May 1962, Cuban intelligence had begun conducting operations in Latin America without the assistance of the KGB. Khrushchev felt that he had to act in order to maintain the degree of Soviet influence present. On May 11th, 1962 the U.S.S.R. excused the Cuban debt and provided Cuba with Soviet experts in agriculture. At approximately the same time, Khrushchev came up with an idea that not only would reassert Soviet influence in Cuba, but he believed would guarantee the survival of the Cuban revolution as well as dramatically alter the geo-political situation of the Cold War. On May 20th, Khrushchev informed the Soviet Presidium that he wanted to install Soviet nuclear missiles on Cuban territory. One day later the Presidium unanimously approved Khrushchev's proposal.[22] While Khrushchev probably had some genuine concern regarding the survival of the Cuban revolution and its importance

in the international socialist movement,[23] it is likely that geo-political concerns are what finally persuaded him to invoke such a dangerous policy. By installing the missiles, Khrushchev "could paper over the U.S.S.R.'s strategic inferiority by doubling at a stroke the number of missiles that could hit the United States."[24] At a private party on May 27th, Khrushchev stated that "the missiles have one purpose – to scare them [the United States], to restrain them so that they have appreciated this business . . . . to give them back some of their own medicine."[25] On May 30th, 1962 Castro approved the installation of the missiles. On October 4th, 1962, at the port of Mariel, the first shipment of nuclear warheads arrived in Cuba, comprising the equivalent of twenty times the force of all the bombs dropped by Allied forces in World War Two.[26]

On August 29th, 1962 the United States had detected Soviet surface-to-air missiles (SAMs) in Cuba. However, the missiles were defensive, that is designed to shoot down incoming planes, and the Americans tolerated the move.[27] To be safe, though, 150,000 reserve troops were put on active duty by American president, John F. Kennedy, and on October 3rd, U.S. Congress pleaded with the White House to stop "by whatever means may be necessary, including the use of arms, the creation in Cuba of a foreign military base that endangered United States security."[28] Clearly, the U.S. government, already extremely hostile to the Cuban revolution, was not about to allow the Soviets to establish an offensive threat so close to its mainland. An offensive threat was confirmed, though, on October 14th, 1962, when the Americans obtained photographic evidence of the construction of Russian missile launchers capable of attacking most of continental United States. Due to the length of the launchers, U.S. officials determined that the missiles were to carry nuclear warheads. The Cuban-Missile Crisis had begun.

On October 22nd, Kennedy stated in a television announcement that in two days the United States would enforce a blockade of Soviet ships sailing for Cuba. On October 25th, Soviet ships, just prior to an anticipated rendezvous at sea with the Americans, turned back.[29] Convinced the United States was prepared to invade Cuba to remove the Soviet missiles,

Khrushchev had relented. While between 1956 and 1961 he had "threatened nuclear retaliation as a bargaining chip to further his political objectives," in October 1962, he "did not have the desire to threaten nuclear war when it might actually lead to one."[30] On the 26th, Khrushchev admitted that nuclear weapons had been set up in Cuba in a "rambling message" to Kennedy.[31] On the 27th, and 28th, two more letters arrived from Khrushchev. In the first the Soviets agreed to remove the missiles from Cuba in exchange for the removal of American missiles in Turkey. In the second, the dismantling of Soviet missiles under international supervision would be undertaken in exchange for an American promise not to invade Cuba. Kennedy publicly responded in the affirmative to the second letter, while privately agreeing to withdraw the missiles from Turkey within six months, and thus, the immediate crisis was over.[32]

On December 25th, 1962 the last nuclear weapons left Havana. In subsequent months, Khrushchev remained quiet regarding the 'closed door' deal he had made with Kennedy regarding the removal of the missiles in Turkey, despite mounting pressure on him within the Soviet Union to produce some positive spin on the outcome of the crisis following his abject surrender to the United States in the Caribbean. Khrushchev knew full well that, besides the removal of the Turkish missiles, the only gain he had made in the aftermath of the Missile Crisis was Kennedy's word not to invade Cuba. Consequently, any mention of the removal of the missiles from Turkey would cause Kennedy significant domestic problems and thus anger the man whose word Khrushchev had to rely on, as any U.S. concession to the Soviets would make Kennedy appear weak. Meanwhile, Castro, who had been excluded from the final settlement of the Missile Crisis, was considerably upset "as matters which vitally affected Cuban sovereignty were settled without his knowledge or consent."[33] In October 1962, the Soviets "simply dropped Cuba like a hot potato."[34] In 1992 Castro recalled a conversation he had had with Khrushchev a few months after the Missile Crisis. Castro contends that Khrushchev let it slip that Cuba, in fact, had not been his only concern.

When I heard the message that Nikita was reading – that they were going to

> withdraw the missiles from Turkey . . . I thought, 'Well! This hasn't been mentioned publicly; this must have been some kind of gift or concession.'. . . . Nikita really mustn't have meant me to hear that. He knew what I thought, knew that I was utterly opposed to Cuba being used as a pawn for bargaining, which went against the idea that the missiles were for Cuba's defense. Cuba's defense didn't involve getting the missiles out of Turkey; that was perfectly clear and logical. . . . This thing contradicted the idea that the main purpose was the defense of Cuba. When that appeared and was read, I looked at him and said, 'What? Please repeat.' He read that part again, and I said, 'The missiles from Turkey and Italy?' And he laughed that mischievous laugh of his. I'm sure it had just slipped out; he hadn't meant to tell me that. He'd simply put his foot in his mouth.[35]

Castro's obvious displeasure over how the crisis was settled led the Cuban population to believe that the pro-Soviet era of the early years was now over, as "anyone who was in Cuba at the time will tell you that there was a most striking resurgence of popular support for Fidel Castro and that everyone, except for a small minority of old communists, wished for a clean break with Russia."[36] This clean break, though, was not possible for Castro as he remained a practical politician, determined that the revolution had to survive. For that reason "he refrained from slamming the door in Russia's face."[37] Economically and politically, Castro needed the U.S.S.R. Still fearing a U.S. invasion, the Soviets were the best protection Cuba could hope for, despite Khrushchev's quick submission during the crisis. Economically, the Soviet markets were essential for the success of Cuban exports, and the Soviet Union had supplied nearly all of Cuban oil needs in 1961 and 1962.[38]

The ultimate result of the Missile Crisis within Cuba was that now, while in maintaining a friendly relationship with the Soviet Union, for the next few years Cuba pursued its own road to socialism, as Castro was unsure of the degree of Soviet commitment to Cuba and no longer believed in the military superiority of the Soviet Union over the United States. Politically, this meant the promotion of Latin American revolution to reduce the Cuban dependency on the Soviet Union and to combat hemispheric isolation caused by U.S. diplomatic pressure on Latin American states. Economically, the need to increase agricultural

production became paramount. The Americans tightened the economic blockade of Cuba following the crisis,[39] and thus, the importance of Soviet markets for Cuba increased, as did the pressure to increase internal production of consumer goods to reduce the nation's overall reliance on trade. We recall that neither the Soviets nor the Cubans had been satisfied with the economic situation in Cuba; the Soviets were upset with the overwhelming economic needs of the Cubans, while the Cubans were not happy with the state of Soviet technology. In the spring of 1963 Castro traveled to the Soviet Union in order, among other things, to work out a new economic arrangement. After Castro spent several weeks touring the U.S.S.R., he came to an economic arrangement with Khrushchev. The Soviet Union would provide agricultural equipment, including mechanized cane cutters, while Cuba would give up its plans for rapid industrialization.[40] It was in this context that the return to sugar and the emphasis on agriculture was proclaimed in the summer and fall of 1963.

While the political situation of 1963 meant Cuba needed to reduce its reliance on foreign trade, the economic recession of 1963 made the acquisition of hard currency a necessity for the Cuban government. Capital was to be accumulated by following economist Albert Hirschman's theory of unbalanced growth.[41] This theory called for the modification of the production structure through the development of the leading sector. In Cuba's case, of course, this was sugar. The expansion of sugar production would result in the acquisition of more hard currency, which was required to pay for the increase in imports necessary to meet domestic needs, as well as to cover the costs of the capital goods imports essential for industrialization. Eventually industrialization and development would occur once sufficient capital was built up to finance the process and to diversify agriculture.[42] However, sugar could not be the sole focus of the Cuban economy, because if other agricultural sectors were ignored then excess capital derived from the sugar industry would have to be used to import basic consumer goods.[43] While the rapid agricultural diversification plan had been abandoned, by continuing to develop certain agricultural products at the same time as sugar, it was expected that imports of basic foodstuffs could be reduced.[44]

Emphasis on agricultural production, including sugar, would contribute to another revolutionary aim, namely the development of the rural areas of the country. As the agricultural sector continued to expand, rural unemployment would continue to fall. As well, the need for basic foodstuffs for the rural population would become less pressing. Further, as capital was accumulated, the mechanization of agriculture would occur. This would lead to increased productivity combined with a reduction of labour exploitation caused by the difficult nature of manually harvesting sugarcane. The industrial technology needed for the expansion of the manufacturing sector would be secured through the finances earned through sugar revenues.[45] As well, a more rational approach to the industrialization process would be implemented. Che explained further: "In planning new industries we are evaluating the maximum advantages which they may bring to our foreign trade through the use of the most modern technical equipment at present obtainable, taking into consideration the particular conditions of our country."[46]

Exports would be concentrated on opening new markets. This was deemed necessary by Cuban leaders, not only because of the tightening of the American trade embargo following the Missile Crisis, but also because of the difficulty of shipping goods halfway across the world to and from the Soviet Union. Investment in the domestic economy was to increase, especially towards the development of capital equipment.[47] However, recognizing that this process would take time, Che acknowledged that initially Cuba would need to reserve significant funds to import capital equipment, and thus, there would be less money available to spend on the importation of consumer durables. He believed, though, that the trend would be reversed in the years that followed, once export revenues increased through the reemphasis on sugar and the mechanization of agriculture.[48] Finally it was anticipated that the management skills that had been lacking in the first years of the revolution would develop through continued education and examples set by the revolutionary leadership.[49]

Certainly, the state of the Cuban economy in 1963 dictated a change in economic policy. The Cuban realities of 1963 were not what they had been in 1959. Some of the

nation's potential to implement import-substitution policies had declined. This, it must be remembered, was in large part due to internal mismanagement during the first four years of the revolution. That said, it seems the Cubans now had little choice but to increase sugar production and emphasize agriculture over industry. A comparison of the gross investment in agriculture and industry in the years 1962 and 1966 demonstrates the policy shift. In 1962 investment in agriculture accounted for 29.4 percent of the total investment the Cuban government directed towards economic development, while 23.1 percent of this investment went to industry. By 1966 investment in agriculture had risen to 40.4 percent, while industry's share had dropped to 16.7 percent.[50]

The collectivization of the means of production continued between 1963 and 1966. The second Agrarian Reform Law was enacted on October 2nd, 1963. All landed property between 67 and 400 hectares was expropriated by the state, bringing the total amount of land nationalized from 49 percent to 70 percent. Only small private farmers were left outside of state ownership.[51] By 1968 industry, construction, transportation and retail trade had joined the other sectors that had been fully nationalized. Agriculture remained at 70 percent state-owned, but for the most part, capitalist private production was over in revolutionary Cuba.[52]

With the economy virtually entirely in the hands of the state, it was now to be determined what form the socialist organization of Cuba would take. In the Economic Debate, two approaches were advocated. In the approach labeled Budgetary Finance, the state was to retain total financial control over all enterprises. The economy would be highly centralized, with production decisions made by JUCEPLAN, the Cuban planning board created in March, 1960. Moral incentives were to be emphasized to increase productivity and to rally Cuban society in pursuit of the government's economic and social objectives, especially in times of shortage. Che Guevara and economist, Ernest Mandel, among others promoted this position. The Self-Finance or Cost Accounting system was designed to maintain financial independence, and thus fiscal responsibility would remain within the Cuban enterprises. Market mechanisms would control the allocation of supplies and determine the

costs of production. Material incentives would be retained in order that the profitability of enterprises would be guaranteed. Among its chief proponents were Carlos Rafael Rodriguez and French economist, René Dumont. Responding to poor economic growth in the Soviet Union, Soviet economists, by the early 1960s, were also advocating various decentralized, more market-oriented, socialist economic policies for Cuba.[53]

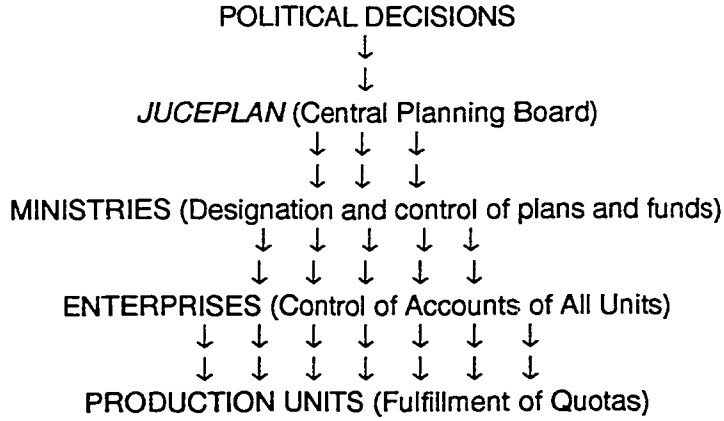
There were four main areas of contention in the economic debate in Cuba: two of a theoretical nature and two of a practical concern. First, the exact role of value in the transition to communism was to be determined. Would the market be the ultimate determinant of prices and wages? Second, what was the nature of the means of production? Was it simply a question of producing goods or are social relations and social equity a product of the production system? Third, the organization of the Cuban enterprises was to be considered. This dealt with the degree of centralization of management, as well as which organization would be responsible for the construction and maintenance of an enterprise's budgets. Finally, the type of incentives, moral or material, that were necessary to increase productivity during the construction of socialism was debated.[54]

There were several considerations in Che's defense of the Budgetary Finance System. He believed that "communism is an objective of humanity that can only be achieved consciously; education and the elimination of the defects of the old system in people's conscience are of huge importance." He noted, though, that parallel advances in production were necessary in order to reach a communist society.[55] As well, if enterprises were to be granted financial autonomy, national priorities would risk being secondary to sectoral choices made by the managers of the enterprises. Che felt that "a better national profitability is never the sum of the optimum potential of each unit."[56] Finally, Che was concerned with the effects of basing the organization of work on material incentives: "One goes back to the theory of the market . . . The whole organization of work relies on material incentives . . . and it is the managers who always earn more."[57] The term 'enterprise' in the context of this debate, however, needs to be explained. In the Budgetary Finance system an enterprise consisted of

a "conglomerate of factories or units that have a similar technological basis, a common destination for their production, or, in some cases the same limited geographical location."[58] In the Cost-Accounting system an enterprise is a far simpler entity, a single production unit, for example, a sugar mill.

The Budgetary Finance system was to have all enterprises financed through the national budget. Financial control was to be exercised at the level of the Ministry of Industries and Finances. The ministries would have the specific responsibility of designing and controlling the plans, which originated from *JUCEPLAN*, the central planning board created in March, 1960. *JUCEPLAN*, in addition to formulating policies that would bring about the desired ends of the decisions made by the political leadership, would be responsible for overall central controls of the economy. In this task it would be assisted by the Ministry of Finance and Labour. The ministry would also be held responsible for the fulfillment of quotas at the enterprise level, while the enterprises themselves would be expected to fulfill quota obligations at the unit level. The accounting system would be consolidated at the enterprise and ministry levels so that unused resources could be easily transferred from one enterprise to another. Che's main premise was that "a product acquires value because of the labour that goes into in."[59] Diagram 1 summarizes the Budgetary Finance system.

Diagram 1
Summary of the Budgetary Finance System



The law of supply and demand would be replaced by state physical allocation and pricing. Prices would be a reflection of an enterprise's activity and would be determined at *JUCEPLAN* and the ministries through the exaction of price indices. It must be kept in mind, though, that prices were not to be determined without extremely accurate statistics.[60] Price indices would be created by considering the average international market price of the necessary raw material inputs, plus transportation and administrative costs in production. In addition the real cost of the production of Cuban raw materials and estimated labour costs would be calculated. Thus, the price indices created would constantly be affected by real world market prices. Che noted that "[t]he indices will continuously tell us [the central organizations and the enterprises] what our real assets are and would prevent us from making mistaken decisions." Further, he added that the Cuban population would not be affected, as their consumer prices would be created independently, bearing in mind demand and vital need for each product.[61] Enterprises would function with estimated costs and without profits, profits being determined at the Ministry of Internal Trade. Firms could withdraw money from the state budget to pay for general expenses and salaries, while revenues would go to the central bank and be considered state property.[62] Workers' and managers' wages would be based on work norms with the wages varying according to the assessment of qualifications and the scarcity of jobs. A portion of the wages would relate to the productivity of the worker. There would be some wage differentials in order to foster professional development, though they would not rise higher than the figure set for the highest qualification. Finally, there would be rewards for outstanding production, many of a moral nature, as well as punishment for poor production performance.[63] Che also considered the underdeveloped nature of Cuban society, and correspondingly his system required the creation of the New Man:

> To construct communism simultaneously with the material base of our society, we must create a new man. . . . That is why it is so important to choose correctly the instrument for the mobilization of the masses. That instrument must be of a fundamentally moral nature, without forgetting the correct utilization of material incentives, especially those of a social nature.[64]

Che's 'new man' would be "unselfish, frugal, egalitarian, motivated not by greed but by patriotism and solidarity, and would give his maximum labour effort to the collective, and receive from it the basics to satisfy his needs."[65] Che believed it was necessary that work become "a pleasant imperative" rather than "a painful necessity." He realized that initially productivity would suffer, but eventually the workers who achieved a socialist consciousness would produce more than those who needed material incentives would.[66] Revolutionary example was considered essential, and the Communist Party, he stated, must "utilize every type of example set by its militants so that productive work, training and participation in the economic affairs of each production unit will become an integral part of the workers' lives and an irreplaceable habit."[67]

Mandel argued that centralized control of investment and allocation of resources was necessary in an underdeveloped economy with few "capable, experienced and truly socialist technical cadres."[68] Centralization for Che meant a more "rational utilization of national funds" and "a greater rationalization of the entire administrative system." Another advantage Che stressed was that, with the creation of larger production units, manpower would be reduced and productivity of the workers would increase. As well, there would be one national wage scale which could easily move around, and investment control would be simplified by containing all the relevant data in one central organization.[69]

But Che also noted the following weakness in his proposed system: the immaturity of the system itself, a scarcity of qualified cadres, a lack of dissemination of the system to the public, a lack of a central planning agency that "functions uniformly and with an absolute hierarchy," shortcomings in supply and transportation, and quality control relations with distribution organizations.[70] And Che was not obstinate in defending his position, either. In 1964 he realized that "it is still difficult to distinguish which shortcomings are the product of weaknesses inherent in the system and which are due substantially to our present degree of organization."[71] Unfortunately this was a question that was never resolved.

On the other side of the debate, the essence of the Cost-Accounting system, as advocated by Rodriguez and Dumont among others, posited that a socialist nation cannot progress farther than its structure allows it to. A material base must first be developed to satisfy production and consumer demands. In turn, socialist consciousness will be raised. There can be no skipping of the transitional phase to communism. This phase would have the traits of the capitalist past and the communist future. Market mechanisms would have to be given a significant place in a planned economy due to the law of value, which, according to the advocates of the position, determines accurate prices for commodities. These mechanisms include money, profit and interest, and differential rent. The position holds that excessive collectivization, particularly in agriculture, should not be undertaken. Farms should be of small to medium-size, rather than giant state farms.[72]

All state enterprises would be responsible for their profits and losses. In the Budgetary Finance system, Rodriguez felt that because the state would cover all expenses, individual enterprises would not be forced to be profitable. He believed, rather, that enterprises should be given financial autonomy and be subjected to strict economic criteria. This implied a great reliance on material incentives in order to interest managers and workers in increasing productivity and profits.[73] Dumont also noted that "only autonomy allows for the rapid training of the only technicians who are worth anything, those who are hammered into shape amid difficulties and daily responsibilities."[74] Control is achieved through monetary discipline. But, as Che stated in his critique of the Cost Accounting system, money is also "a means of payment that acts as an indirect instrument of control, for these funds allow the unit to operate and its relations to the banking system are similar to those of a private producer in contact with capitalist banks to which it must explain its plan exhaustively and demonstrate its solvency."[75] Nevertheless, Dumont defended the monetary autonomy of enterprises, as well as price derivation through the market, as prices would be set according to the real cost of production as dictated by the market:

Not everything in traditional economies is a vice; the traditional variations of

> prices are not all due to speculation. It is necessary to compensate for the extra effort required to produce certain crops either earlier or later than the ordinary season for them, which is always costly; otherwise everybody would produce these crops in the season when it is easiest to grow them and the markets would thus be flooded or completely empty, depending on the time of year.[76]

In Cost-Accounting there would be a rigorous method of hiring to ensure that the proper people were at the proper posts. Wages would be paid per hour or per piece, with bonuses used to encourage increased productivity. There would be monetary penalties when quotas were not fulfilled.[77] While Dumont did not agree with Che that workers needed a sense of ownership in the production process, he did concede the necessity of a sense of responsibility. But to build a socialist state by constructing a 'new man,' according to Dumont, was not possible: "Socialism needs to revive a sense of responsibility but to believe that these moral stimulations can replace material recompense is to deliberately and uselessly repeat the whole cycle of errors of the other socialist countries, for which they have already paid quite dearly."[78]

Thus, the Cost-Accounting system would use market mechanisms in order that resources could be controlled while still meeting social aims. Productivity would be raised by monetary remuneration of the workers and managers. As Che put it critically, "material interest is the great lever that moves the workers individually and collectively," and preferred a much greater emphasis on moral incentives.[79]

From 1963 until 1967 no clear choice of the form of socialist organization that would define the Cuban socialist economy was ever made; rather there was a "rudimentary, almost ad hoc system of central planning, a mixture of budgetary and enterprise financing and the incentive system."[80] One economist estimates that two-thirds of the state's economy during this period was conducted under the Budgetary Finance system, while the other one-third was organized under the Cost-Accounting system.[81] However, it seems unlikely that the Cost-Accounting system was ever really attempted at all. Robert Bernardo notes that

"responsibility is key in this concept [however] firms were bailed out, had debts erased, loans were not repaid, etcetera ..."[82]

From 1963 to 1966, the short-term economic situation did improve, mainly because of the reemphasis on sugar. The economy grew significantly between 1963 and 1965. However, there was a slight decline in output in 1966.[83] The year 1964 saw an increase of nearly 770,000 tons of sugar from the 1963 production total, totaling 4,590,000 tons. By harvesting 6,082,000 in 1965 Cuba had reached its third highest total in the country's history. There was, however, a drop to 4,867,000 tons in 1966, which, by no coincidence, corresponded to the decline in overall economic growth.[84]

When we look at the overall agricultural output as well as the production of specific crops, we discover that, despite the increased agricultural investment and Castro's proclamation regarding Cuba's emphasis on overall agricultural production, it was only sugar that was propelling the Cuban economy. In 1964 overall agricultural output rose 7 percent, and in 1965 the total rose a further 17 percent. These numbers correspond with increased sugar output. In 1966, a year of decreased sugar output, overall agricultural output dropped 17 percent.[85] The production totals of coffee, rice, potatoes, malanga, and boniato* all dropped between 1962 and 1965.[86] Paradoxically, industrial output rose 20 percent between 1963 and 1965.[87] Apparently, industrial production had become more efficient.

Revenues from increased sugar production did not keep pace with the ever-increasing imports, and the balance of trade deteriorated further. Between 1964 and 1966 Cuba registered a trade deficit of 808.1 million dollars.[88] Increased sugar production did lead to slightly higher export figures, however the need for infrastructure and social investment, as well as the drop in the production of certain food staples, led to extraordinarily high import totals. Sugar's share in the composition of Cuban exports continued to be very high: in the years 1964, 1965 and 1966, sugar's share of the exports was 88 percent, 86 percent, and 85

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* Malanga and boniato are types of tubercles.

percent respectively.[89]

By 1966 the Soviet Union had clearly become the major replacement market for Cuban goods and the main supplier of Cuban imports. By 1966, 46 percent of Cuban exports were destined for the Soviet Union, while Soviet goods comprised 56 percent of Cuban imports.[90] The price the Soviets paid for sugar was approximately the same as that which the American preferential rate would have been in the same period (the U.S.S.R. actually paid 11 million dollars more in this period than the United States would have).[91] By 1966 Cuba had successfully filled the void left when the United States halted trade between the two nations. However, the difficulties already outlined in Chapter 2, including the distance between Cuba and its new trading partner and inferior machinery and supplies, were now permanent obstacles to development.[92]

By 1965 unemployment was reduced to 4.7 percent, though there was a lack of new jobs in urban areas, especially industrial jobs.[93] Bernardo explained how the Cubans were able to employ virtually everyone, however, with economic consequences: "To employ the visible labour surplus new money was printed to a limited extent. Overall employment is suggested; overt unpaid unemployment and underemployment disappeared at the cost of substantial paid hidden unemployment, much of it actually being training costs." [94]

While social services continued to be emphasized, the increase in the number of hospitals leveled off. Only six additional hospitals, with approximately five hundred beds, were constructed between 1964-1966, one in an urban area and five in rural areas. The focus was now on training, as the number of students enroled in medicine began to climb. In 1962-63, 3393 students were enroled in medical sciences. In the next three years the figures rose to 4620, 5704 and 5169 respectively.[95] Higher education enrolment rose 51.6 percent in the period, totaling 26,162 students, finally surpassing pre-revolutionary figures.[96] Overall educational enrolment continued to climb, in fact quite dramatically. By 1965-66 there were 2,414,493 students enroled in Cuba, a 36.2 percent increase from 1962-63 and a 190 percent

increase from 1959-60.[97] By 1966 Cuba had 13,782 day care centres, an increase of more than five thousand in just two years.[98] The construction of houses continued at a higher rate than in pre-revolutionary Cuba, though the total constituted a significant drop-off from the first five years. Between 1964 and 1966 an average of 6155 dwellings were built, compared to the pre-revolutionary average of 5047 between 1954-1958 and early revolutionary average of 17,089 between 1959 and 1963.[99] Overall, the expansion of social services was becoming a fundamental characteristic of the revolution.

While the economy underwent some moderate improvement between 1963 and 1966, the overall balance of trade was still entirely unsatisfactory. Consumer goods were lacking despite the reemphasis on sugar and the continued increase of imports. Further, besides sugar, overall agricultural production was disappointing, although the climb in industrial output was encouraging.

The Missile Crisis had demonstrated that Cuba was vulnerable to external forces, and these forces affected internal policy. However, the fact that Castro was able to come to an economic arrangement with the Soviets in the aftermath of the crisis, despite the tensions obviously present, demonstrated an internal flexibility in the derivation of policy, despite external limiting factors. Further, as already mentioned, the return to sugar was precipitated as much by internal policy mistakes in the early years as by world market realities.

The Economic Debate was not only highly interesting, informative and healthy, the issues raised are of fundamental importance to a socialist nation attempting to develop within the confines of a capitalist world economy. Additionally, the task of transforming an underdeveloped and dependent 'capitalist' economy to an equitable, developed socialist economy is daunting. There have been no easy answers and the presence of open debate, rich in theory regarding which road Cuba as a developing nation should take in order most efficiently to manage its economy, can only be beneficial. It is deeply unfortunate that this would not occur in revolutionary Cuba again. As Janette Habel noted, "it was a public and contentious debate between Cuban leaders (the only one in this case)."[100]

While many scholars have stated that the Guevarist model was chosen and implemented in Cuba during the late 1960s, an examination of what actually happened will demonstrate that this was not precisely the case. [101] Obviously there are strengths and weaknesses in both organizational approaches. However, before a proper appraisal of the viability and effectiveness of either system can be ascertained, the theories, of course, would have had to be put into practice. Moreover, the economic path Cuba followed in the later years of the decade once again demonstrates the fundamental lack of popular participation in socialist Cuba. Following the final decision to harvest ten million tons of sugar pronounced at Santa Clara in November, 1966, Castro chose a path which would not offer an opportunity to make an appraisal of either system in the economic debate, and demonstrated that, for better or worse, the revolution would only follow his lead.

Chapter Four
The Drive Toward Communism and the Ten Million Ton *Zafra* of 1970

Above all, always be capable of feeling deeply any injustice against anyone anywhere in the world. That is the most beautiful quality of a revolutionary.

-Ernesto 'Che' Guevara, in his last letter to his children, October, 1967.[1]

As difficulties increase, Castro asks his fellow Cubans not to linger in the present but to turn their eyes toward a horizon that moves further and further away. . . . He traces a more and more idyllic picture of that future - a future within their grasp if they accept a program that becomes increasingly far-fetched - especially to anyone whose first thoughts are for the Cubans' daily rice needs.

-French economist and former Castro adviser, René Dumont, 1970.[2]

This system that delights you because you're a communist delights me because I find it evangelic. I also am fond of scarcity: I am a monk.

-Ernesto Cardinal, 1970, to a Cuban writer, on the ration system.[3]

The return of sugar's predominance in the Cuban economy did not bring about the desired economic recovery. The economy was still relatively stagnant, productivity was a problem, and the trade balance was dismal. A plan first proposed in 1964 was finalized at Santa Clara on November 26th, 1966. Cuba would attempt to produce ten million tons of sugar in 1970, more than any country ever had.[4] Accordingly, the period 1967 to 1970 in revolutionary Cuba was characterized by Cuba's giant sugar *zafra* of 1970. In this chapter we will examine the economic and political reasoning behind Cuba's decision to harvest ten million tons of sugar, the economic results of the period, why the ten million ton harvest was not successful, and the political consequences of the economic failure, as well as the social results of the period. Finally, we will end the chapter with a brief summation of the political, economic and social realities in Cuba after a decade of revolution.

Officially launched following the nationalization of 56,012 small businesses in March 1968, the Revolutionary Offensive saw central planning abandoned in favour of Fidel Castro's 'special plans' designed to meet specific output goals and the disappearance of practically all material incentives for workers. Accordingly, voluntarism was stressed and an increasingly militaristic society emerged.[5] While historians studying this period generally believe that the Cuban economy during the Revolutionary Offensive "was centralized along the lines of the central budgetary position that Che Guevara had advocated earlier in the [economic] debate," we will see in our analysis of the failure of the Ten Million Ton Harvest that this depiction is quite erroneous.[6] It is important to differentiate between Castro's dictatorial and pragmatic policies during the Revolutionary Offensive and those of Che's position in the Economic Debate for several reasons. First, if we fail to understand the differences between the two approaches, then it becomes easy to dismiss Che's conceptions of a new man and his economic policies as utopian and idealistic. Moreover, issues raised during the Economic Debate, including the participatory role of workers in an emerging communist society and the

economic organization of a socialist state, are still today fundamental unresolved issues with which advocates of socialism must come to terms, and thus, a proper understanding of the differences between Che's Budgetary Finance position and Castro's 'special plans' during the Revolutionary Offensive is important. As well, the organization of the Cuban economy and society during the late 1960s demonstrates the irrationality of the approach of the Cuban leadership during this period and the role that *el lider maximo* played in the failure of the ten million ton sugar harvest, important considerations in our analysis of the Cuban effort to develop.

In keeping with the pattern established in this study, we must first outline the internal and external political events and pressures which influenced the direction the revolution followed during the late 1960s, as well as demonstrate Fidel Castro's pragmatism in his choice not to alienate major trading partners, especially the Soviet Union.

One of the key strategies for Castro, Che, and other Cuban leaders during the first decade of revolution in Cuba, particularly in the aftermath of the Cuban Missile Crisis, was the promotion of Latin American revolution abroad. Contrary to the conservative strategy of the Soviet Union in aiding international revolutions,[7] Cuba had attempted to limit its political and economic isolation in the Western hemisphere by creating 'one, two, three Vietnams' in Latin America. Castro had no patience for those 'communists' who would not perform their revolutionary duty. In 1965 he stated:

> But one thing we are convinced of is that, in the vast majority of the countries in Latin America, better conditions exist than in Cuba, and if revolutions do not occur in these countries it is because conviction is lacking of those who call themselves revolutionaries. . . . We would have been in a real pickle, if, in order to make a socialist revolution, we had had to spend all our time catechizing everybody in socialism and Marxism and only then undertake the revolution. . . . This business of thinking that the awareness must come first and the struggle afterward is an error. The struggle has to come first.[8]

In 1966 Che Guevara left Cuba to resume the Latin American struggle against

imperialism, after writing his classic *Man and Socialism.* In August 1967 Havana hosted the Conference of Organizations of Latin American Solidarity.[9] The conference had three goals: "to develop and promote the unity of anti-imperialist movements in each Latin American country; to support by all means within its power, the peoples of Latin America struggling against imperialism and colonialism, especially those engaged in armed struggle; [and] to coordinate the struggle against U.S. imperialism in order to form a united strategy."[10] However, on October 8th, 1967, the momentum that had accumulated following this conference, as well as Cuba's enthusiasm in general for supporting Latin American revolutions disappeared in a heartbeat. By the beginning of October, Che's guerilla struggle in Bolivia had been going badly. By the 7th, he and a small contingent of fellow revolutionaries found themselves encircled in the mountains in the southern part of the country by 15,000 Bolivian government troops. The next day 184 Bolivian rangers pursued the guerillas into a canyon, and the battle began. Four hours later Che was captured and the next day "was murdered by his captors."[11]

Che's death had a profound consequences in Cuba. K.S. Karol noted in 1970 that there had been no new Cuban proclamations on revolution in Latin America since the tragic incident in Bolivia.[12] With the impetus driving support of Latin American revolution removed, and with the giant sugar harvest fast approaching, Castro had to reconsider his relationship with the Soviet Union, particularly his defiance of the Soviet strategy discouraging violent revolution in underdeveloped and dependent countries. The Soviets, not only unhappy with Castro's support of Latin American revolution, but also displeased with the economic nature of the Revolutionary Offensive, by 1968 began to make their disapproval of the Cuban plan known. [13] In 1968 the Soviets increased oil shipments to Cuba's 'archenemy' Brazil and provided the country with trade and credit concessions.[14] As Carmelo Mesa-Lago states, the Soviet support of Brazil "was a clear example of coercion."[15]

Thus, Castro felt he had to remain pragmatic if he hoped to guarantee the survival of his revolution, and he demonstrated this pragmatism throughout 1968, during his public

responses to various international incidents. Three events illustrate Castro's fear of alienating major trading partners, especially the Soviet Union. For two months Castro failed to offer support to radical students in Paris, following the insurrection initiated by these students in May, 1968, protesting the French government's conservative economic and social policies. Despite the revolutionary intentions of the students, with the giant sugar harvest of 1970 approaching, Castro did not want to offend France, an important trading partner, nor the Soviet Union and French communists, who had not supported the uprising.[16] On July 26th, following a revolt in Mexico precipitated by deteriorating social conditions of the Mexican indigenous population, and the brutal repression committed by the Mexican government (including a massacre orchestrated by government forces at Tlateloloco), Castro was once more reticent. As Mexico had been the only neighbouring country to maintain trade relations with Cuba, Castro believed he could not offend the Mexican government and in September 1968, Cuba sent its athletes to the Olympics in Mexico City. The third incident occurred in late August. On the 23rd, the Cuban population waited anxiously for Castro to condemn the arrival of Soviet tanks into Czechoslovakia, the event that marked the end of the Prague Spring. Castro, however, refused to condemn the Soviet invasion because, in his public statement, he claimed Czechoslovakia was moving towards capitalism and imperialism.[17] Historian Juan M. del Aguila believes the speech Castro made on the night of the 23rd was a turning point in the Soviet-Cuban relationship. Afterwards, he contends that there was "a period of political reconciliation, increased economic assistance, "mutual concessions and new bonds of solidarity between the two countries."[18] As well as demonstrating his pragmatic nature in the face of moral outrages, Castro's reluctance to condemn the atrocities of 1968 made the Cuban sponsorship of Latin American revolution increasingly unviable. As Karol stated, as Castro moved closer to the Soviet position in the late 1960s, "a continental equivalent of the Cuban Revolution would have to be fought under the red banner [which] would have meant stirring up all the sad past and reviving all the theoretical wrangles of the international communist movement of which Castroism was now a part. And that was the last thing Fidel Castro wanted at this crucial stage."[19] However, Castro still had one more 'card up his sleeve' in his quest to establish a relatively independent socialist Cuba.

The rationale for the ten million ton sugar harvest was as follows: a few years of great effort would result in great rewards and a permanent solution for dealing with Cuba's economic problems and underdevelopment, as well as limiting external economic and political dependence. Sugar earnings would finance industrialization, although, the proponents claimed, structural diversification and mechanization in agriculture would still be pursued. Castro, who had assumed personal charge of agriculture in February, 1965,[20] believed that the lack of sufficient export earnings from the reemphasis on sugar, combined with the general poor productivity in the agricultural sector, and hence the need to import large quantities of consumer non-durables, had been roadblocks to development. Therefore, he concluded, independence and industrial development would be achieved by first creating a solid economic base from one giant sugar harvest.[21] A great deal of land previously used for the production of other agricultural crops was now reserved for sugarcane.[22] Further, the I.N.R.A. "diverted meat, fruit, shoes and vegetables from domestic to export," in order to acquire additional capital to finance industrialization.[23] Many industrial projects were abandoned in order to concentrate Cuba's limited resources more fully on the attainment of ten million tons. Clearly it was a period when capital accumulation was emphasized much more than domestic consumption.

As we stated, in the process of taking the concept of an outward-directed economy to the extreme, under the Revolutionary Offensive, Cuban society underwent drastic changes. As neither market mechanisms nor central planning were deemed necessary by the Cuban leadership in its pursuit of ten million tons of sugar, "emphasis was placed on meeting output goals" in the various economic sectors.[24] However, lacking the economic base to offer significant material incentives, the government was forced to rely solely on moral incentives and voluntarism to increase productivity in order to reach these output goals. Castro called for the substitution of the 'economic man,' or the capitalist worker who only responds to material incentives, with a version of Che's 'new man.'[25] This 'new man' would be dedicated to the construction of a better society and would not be in need of personal economic gratification.[26] In the process of offering moral incentives, everyone was assured employment,

however, obviously with little potential for material gain. Additionally, as the entire Cuban society was in the hands of the state after the nationalization of small businesses in March 1968, a period in which the economy was fairly stagnant, the acculturation of Cuban society to communism became an immediate concern of Castro and the Cuban government. Accordingly, Cuban society was taught to respond to moral incentives through pronouncements in schools, by the media, and by the Communist Party. [27] As well, government policies became more radical. There was an expansion of the free goods sector, including the free use of telephones and the total abolition of rent.[28] In 1969 all state taxes were eliminated.[29] The combination of many cost-free services and the declining availability of consumer goods meant wages, and consequently money, lost a great deal of significance. Simply put, there was nothing left to buy.

At the workplace an elaborate system of work norms was put in place in order to establish salaries. However, workers were not compensated financially according to the difficulty of the job, nor to their actual physical output.[30] Bonuses and overtime pay were eliminated by 1969, as overtime became 'conscience time.'[31] Party members, enterprise managers and outstanding workers were considered to be the 'vanguard movement.' A wide variety of moral titles was awarded to workers who met output quotas, though by the second half of 1968 prize qualifications were lowered so that the average worker could meet them. Punishment for poor performance, including absenteeism and lateness, was administered via public pronouncements condemning the laziest workers, or by transfer, suspension, or a sentence of one to twelve months in a centre of rehabilitation.[32]

It is at this point that we can see the differences in Che's theoretical approach with that of the Cuban government's 'special plans' during the Revolutionary Offensive. While both approaches adopted the concept of the 'new man', the method the Cuban government used to employ this concept, as well as several other economic policies that were introduced in this period, were in sharp contrast to what Che had in mind. Even Castro admitted as much in 1987 on the twentieth anniversary of Che's death: "Some of Che's ideas were, for a time,

misinterpreted and badly introduced. It is true that no attempt was ever made to put them into practice, and that for awhile ideas diametrically opposed to Che's economic thought were spread."[33] Che proposed as early as 1961 that Cuba attempt to harvest what René Dumont later termed, a "feasible" 8.5 million tons of sugar in 1970.[34] It is unlikely that Che would have favoured the plan to harvest ten million tons, considering how other crops and industries were ignored. Janette Habel notes how Che always supported diversification and less reliance on sugar.[35] Even after the failure of the diversification plan of the early years, Che believed that diversification on a smaller scale could be achieved by "utilizing the reserves of productivity existing in the resources assigned to the various traditional types of cultivation." At the same time more modern techniques would be introduced for traditional crops so that in the future the techniques may be transferred to new crops without damaging productivity in the traditional sector.[36]

The issue of moral versus material incentives is the one that clearly has been most misunderstood. Volunteer labour and moral incentives were key aspects of the Revolutionary Offensive Period, especially with regard to the harvesting of the 1970 sugar crop. Cuban economist Manuel Figueras, who had worked with Che at the Ministry of Industry, stated that "[he]e was not an extremist. He had a balance of moral and material incentives and a modern management system."[37] Che himself stated that "[w]e do not negate the objective need for *material incentives*, but we are reluctant to use them as a fundamental element. We believe that in economics such a lever becomes an end in itself and then begins to impose its own force on the relationship among men."[38] Che did believe, though, that material incentives – the prospect of financial remuneration – and that socialist consciousness – achieved by the use of moral incentives such as public announcements of exemplary work, and by the example set by the vanguard – were contradictory terms, and socialist consciousness would eventually result in the more productive path. However, in a demonstration of his realistic approach, he admitted that "we need experience to affirm these ideas and . . . in the course of the experiment if it is demonstrated that consciousness is a dangerous brake to the development of productive forces we shall have to stop and return to well-traveled roads."[39] He thus

believed that material incentives were still necessary to reward work and to punish those who did not comply with work norms.[40] Further, wage differentials were necessary in order, "among other things, to foster professional training."[41] Che also understood the difficulties of an accelerated road to communism, feeling that certain stages could not be skipped, especially following the failure of the rapid diversification plan. He even stated that "for a certain time the capitalist elements will be retained and this period cannot be ascertained beforehand."[42] He would have never agreed with a policy that nationalized all small businesses. He felt only the nationalization of the small and medium-sized businesses that had been abandoned by those who had left the country was worthwhile, as "it was not necessary to centralize small shops and coffee stalls . . . whose management would lead to serious administrative problems."[43]

Substituting 'special plans' for an organized central plan was entirely contrary to Che's economic thought. Being concerned with bureaucracy, he felt that the more an economy was organized and centralized the less bureaucracy would be a problem. He stated that "[i]t is evident that the less bureaucracy exists, the more centralized the process of recording information and the control of the enterprises and unit becomes. So, if each enterprise could centralize all its administrative functions, its bureaucracy could be reduced in each unit to a small managerial nucleus and a collector of information to be sent to the central organization."[44] Castro's uncoordinated special plans led to a reduction in the ability of the government to track economic indicators.[45] Che would not agree with a programme that lacked accurate economic indicators. Even Castro acknowledged this in 1987:

> If there was one thing that Che paid absolute attention to, it was accountancy and the analysis, cent for cent, of expenses and costs. Che saw the construction of socialism and the management of the economy as nothing less than proper organization, efficient control and strict accounting . . . . He even studied mathematics to improve control of the economy and measure its efficiency. Che used to dream of using information technology to gauge economic efficiency under socialism and saw this as essential.[46]

Professor José Taberes describes how Che's Ministry of Industry was set up and how

many misinterpreted Che's economic thought:

> He tried to establish a good accounting system, good control of the work of everyone, a high level of discipline and personal responsibility of the managers . . . the elements of any enterprise anywhere in the world. Some people, after he left Cuba, made a different interpretation of Che Guevara's economic ideas and started implementing them in a way he never did. First they abolished, practically completely, material incentives. They abolished all the controls, accountancy, even control of the hour you would arrive at work. They said, 'You have to trust the workers.'[47]

This period was characterized far more by policies that originated from 'Fidel's chaotic urges'[48] than Che's system of Budgetary Finance. While the reason for Che's departure in 1966 is unknown, and has been the subject of much speculation, distinguished historian Francis Maspero contends that, not only were the policies of the Revolutionary Offensive distinct from Che's economic thought, but Che left *because* Castro rejected his proposals: "Che came off the worst in this polemic [the Economic Debate] with ideological enemies at the heart of power, and that the defeat of his ideas in this area led him to move onto another, namely that of the tri-continental struggle. . . . In other words, even if there was an agreement, and more probably, a strategic agreement, between himself and Fidel, Che left Havana with his economic policy defeated."[49]

There was, though, one glaring weakness in Che's position during the Economic Debate, and, coincidentally, it was also the most fundamental problem of the Revolutionary Offensive. In both Che's Budgetary Finance system and Castro's 'special' policies during the Revolutionary Offensive, decisions regarding the allocation of investment and the setting of wages and prices would have to be carefully made, as market mechanisms were limited. The question, then was: "Who decides, how are key production decisions taken and who is in control?"[50] By the late 1960s, with the popularly supported Che gone, Castro was in full control in Cuba, and thus, he must bear responsibility for the effects of the Revolutionary Offensive and the pursuit of ten million tons of sugar on Cuban society and the economy,

whatever they have been. Dumont correctly observed as early as 1964 that, "besides Che, there was less and less talk of participation. In actuality Cuban society remained authoritarian and hierarchical; Fidel maneuvered it as he saw fit."[51] A young Cuban in 1970 stated: "If you criticize anything, it is taken very badly, you're a destructive critic. Suddenly Fidel comes along and sees these defects and criticizes them and then everyone admits that they were bad and they praise Fidel who corrected them."[52] Unfortunately, however, serious economic mistakes during the later years of the decade in revolutionary Cuba were corrected too late.

In 1970 Cuba produced 8.538 million tons of sugar, far more than it had ever produced in its history.[53] However, the total was well short of the ten million tons that had been anticipated. Further, achieving ten million tons was an obsession for the Cuban leadership, and consequently, other crops and industries saw their output fall, and sugar harvests for the years immediately preceding 1970 were reduced in order to accumulate the highest possible figure for 1970.[54] In short, the plan was a devastating economic failure. An examination of the Cuban economy following the harvest of 1970 will demonstrate this.

The reemphasis on sugar had resulted in increased production during the mid-sixties. A decent crop was harvested in 1967, as well, totaling 6.236 million tons. The figure, though, fell considerably, amounting to only 5.165 million tons in 1968 and 4.459 million tons in 1969, the third lowest total since 1946. The figure again dropped the year after the failure, totaling 5.925 million tons in 1971.[55] Overall agricultural production rose 19 percent in 1967, but dropped 8 percent in 1968, and a further 6 percent in 1969.[56] Industrial production peaked in 1967, then declined, as much of the workforce was diverted to the sugar harvest.[57] Meanwhile, the deficit in foreign trade soared. From 1967 to 1970 Cuba ran a trade deficit of 1.561 billion dollars. In 1970 alone, the year of the giant *zafra* that was supposed to finance future industrialization, the trade deficit was 261.5 million dollars. In that year, exports did reach a record high of 1.049 billion dollars, however, imports rose even faster, totaling 1.311 billion dollars.[58] The plan to increase exports significantly had resulted in an even higher level of imports. One cause of the need for a high level of imports was the state

of Cuban sugar mills. The newest mill had been built in 1927. Karol estimated that an investment of 300 million dollars into the mills was required to produce 8.5 million tons of sugar, while 8 billion dollars was needed to produce 10 million tons, as most mills were already operating at peak output levels.[59] Miguel Figueras notes that by 1970, excluding the sugar sector, "the rest of the economy was depleted and disorganized."[60]

Economic growth was virtually nonexistent between 1967 and 1969. In 1970, due to the huge increase in sugar production, growth was deceptively high.[61] There had been problems in productivity and coordination, as Cuban leaders discovered that a significant portion of the workforce was not motivated by moral incentives. There were high rates of absenteeism, and some of the more unpleasant jobs were not done at all.[62] Ronald Radosh estimates that the productivity of volunteer workers was only one-quarter of the newly trained agricultural workers.[63] Salaries rose faster than production, once again creating a situation of great demand without an adequate supply of goods. Further, the importation of consumer goods, as René Dumont noted, "was reduced to a trickle," as a significant portion of imports had been in capital goods designated for the sugar harvest. Karol noted the inadequate supply of consumer goods as early as 1967, during a trip he made across the country: "The reason we avoided restaurants was simply that they served nothing or next to nothing. In the village bars en route it was idle to hope for a cool drink, let alone a cup of coffee. There were no market stalls either."[64] Castro had responded to the domestic crisis in 1968 by inducing a series of rationing and production policies, or as Janette Habel refers to them, "special plans." These plans were designed "to protect consumption of essential agricultural products suddenly under threat from extensive cane cultivation" and from the low production and import totals of consumer durables.[65] However, they only resulted in "long lines at the ration stores" that produced "unproductive fatigue for the workers," and resulted in a lower standard of living for the population.[66] Additionally, the expansion of free services often resulted in the waste of the free commodities that had been available.[67] Dumont summarized the situation for the average Cuban during this period: "Everywhere, from Havana to Bayamo, vegetables, fruits, and clothing disappeared from the stores. The shortages, which

had become bearable until then, suddenly became shocking and dramatic."[68]

Full employment was attained, but the problems of productivity and the lack of consumer goods meant that the benefits to society were not what they could have been.[69] Further, perks from government jobs resulted in some inequality, as did the emergence of a black market. Karol noted that it was the people with the minimal socialist consciousness, those who had been the least productive in Cuban society, who, nevertheless, reaped the greatest benefit from the emerging inequality. Black marketeers, unemployed bureaucrats, and rentiers* were the people who had been able to afford to spend the most time in the few luxury restaurants still left in Havana.[70]

External factors played a role in Cuba's economic difficulties of the period, too. These external forces included the incessant American trade embargo, which constantly forced Cuba to seek markets in countries located very far away. Additionally, the continued negative ramifications of Cuba's economic dependency on the Soviet Union persisted. Between 1967 and 1970 Cuba lost nearly one billion dollars in sugar revenue based on what the preferential prices paid to the Cubans by the Soviets, as compared to what the Americans' preferential prices would have been.[71] As well, goods from the Soviet Union were late in arriving to Cuba or did not arrive at all.[72] The mechanical sugar harvesters promised to Cuba in the aftermath of the Missile Crisis arrived late, and eventually proved ineffective under Cuban geographical conditions.[73] Finally, the decision itself to return to sugar in 1963 had been in part due to the realities of the world market and Cuba's historic role as a sugar producer.

However, the decision to harvest ten million tons of sugar for 1970 was made without external pressure, and its prudence seems very questionable. The industrial output of sugar production, that is, the percentage of processed sugar to sugarcane cut, in 1970 was the lowest since the 1930s.[74] The poor performance was due to several factors: the cane was not ripened when harvested; the cane was cut too high, leaving most of the sucrose in the ground;

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* People receiving an indemnity from expropriated property

cut sugarcane was left too long in the fields, reducing the amount of sucrose available; there were too many leaves and dirt left on the cut cane, posing problems during the milling and boiling processes.[75] Of course, given the increased number of volunteer workers that were being utilized, some of these problems are not surprising. However, this does question the wisdom of using so many volunteer labourers. By sacrificing central accounting in favour of the special plans, administration predictably became a problem as well. Reliable data were very difficult to find, workers were hired when not needed, while managers were poorly organized and often considered volunteer labour costless to the enterprise and employed it in marginal ways.[76]

The inexperience of volunteer labour and poor administration, though, were not the full extent of the problem. The logic of the 1970 *zafra* was basically as follows: by simply increasing the amount of harvested cane ground and the number of grinding days, it was thought that the Cubans could attain ten million tons. This logic was fine, if industrial output numbers are ignored. Willard Radell explains how the Cuban leaders used very poor judgement when they believed that the target of ten million tons of processed sugar was feasible:

> Proper interpretation of pre 1959, 1962, 1966, and 1967 data would have allowed an orderly retreat from the goal of ten million tons as late as the fall of 1968. . . . Specifications using cane alone show roughly constant returns to scale. What should have worried Cuban planners was that of the years analyzed, the years with the greatest output, 1957 and 1967, show lower returns [industrial yield] to cane input. . . . That implies that many factories were operating at levels of diminishing marginal returns. Thus, an output goal that depended upon merely cutting more cane would necessarily involve significantly higher unit production costs. . . . While Cuban sugar experts knew well that sugar extraction is more expensive early and late in a season, political preoccupation with gross output dominated until the obvious failure of 1970.[77]

It seems unlikely that Che, with his preoccupation for accurate statistics, would have

overlooked such significant data.

There were additional examples of an absence of foresight. Despite nearly a decade of experience with Soviet technology, the mechanical sugar harvesters that had arrived late had not been pre-tested by Cuban leaders. After the first one thousand arrived, they discovered the machines were "too heavy, too clumsy, and quite unsuited to Cuban conditions. In other words they caused nothing but damage."[78] While the realities of the world market constituted an external force consistently throughout the decade, Cuban leaders did little to limit the effects of these forces. Being a major world sugar producer, Cuba's sugar output had an effect on world prices. Guaranteed prices offered by the Soviet Union would seem to have limited this problem for Cuba. However, the Soviets set their price with the world price in mind. Further, the Soviets sold much of the Cuban sugar on the world market, which also affected world prices downward.[79] Cuba, in turn, also frequently looked to the world market. Anxious to increase its holdings of convertible currency, Cuba sold whatever sugar it could on the world market in order to "import a range of products and consumer goods [it] cannot buy with rubles - either because the Russians do not make them or else because the quality of their merchandise is inferior to that sold on the free market at the same price."[80] Thus, excessive sugar production could only decrease the world market price by flooding the market. The bottom line for Cuba was that "surplus export production works against its own interests."[81]

Sugar, historically the vehicle which had propelled the Cuban economy, as Figueras notes, "became an end itself."[82] Consequently, other areas of the economy were largely ignored. By 1970 overall agricultural investment had fallen by 9 percent from the 1966 total. Industrial investment had risen 3 percent from 1966 but was still 3 percent below the 1962 figure.[83] The Cuban leaders' policy of abandoning structural economic diversification during the pursuit of ten million tons of sugar is the mirror image of the early revolutionary economic policy. The case of cotton serves as a good example, as it was one of the sectors sacrificed by Cuban leaders during the late 1960s. Dumont noted that "the total abandonment of cotton

is no more justifiable than was the excessive craze the Cuban government originally developed for this plant; dozens of Soviet cotton-picking machines are now rusting in sheds."[84]

With the arrival of the second major economic crisis in ten years in the context of increased moral incentives and volunteer labour, the Cuban people were being asked, or perhaps ordered, to do more for less reward. It became "a communism of austerity."[85] Peter Clecak's theoretical explanation of what may occur to the decision-making process in conditions of such austerity aptly describes Cuba during the Revolutionary Offensive:

> For if moral incentives under austere conditions encourage a crude form of egalitarianism and community they may also discourage the development and expression of independent critical thought. The whole enterprise rests on a foundation of stifling conformity, in part 'voluntary' but largely coerced. This in turn not only ensures the emergence of clumsy bureaucracies, despite campaigns to increase flexibility in decision-making, it also guarantees the monopolization of power by a minority, usually personified by a maximum leader, who decides on the nature of the ideals and sets the specific tests of compliance.[86]

In the desperate attempt to increase productivity, the Cuban government used all its "mechanisms of ideological control" to motivate workers.[87] As store shelves became more and more empty and daily life became increasingly difficult for the average Cuban, the use of moral incentives, as Betram Silverman states, "could be viewed as just another form of repression."[88]

However, despite all the economic problems, social services were still a genuine concern of the government. Obviously, health care was included among the free services offered, as was university education.[89] Day-care centres continued to expand. By 1970 there were more than double the number of day-care facilities than in 1966, totaling 30,317.[90] Education enrolment fell slightly during this period, especially in 1969 and 1970, as the total number of students dropped below two million for the first time since 1963 by the end of the decade.[91] Some of the decline can be attributed to the desire of the government to have as

many workers as possible in the cane fields. Overall, higher education enrolment did increase, rising from 28,243 in 1966-67 to 34,520 in 1969-70.[92] We must note, though, that the return to sugar monoculture, culminating in the giant sugar harvest of 1970, consumed a great deal of the nation's resources, and social investment was affected. Education investment, as a percentage of the Cuban budget, dropped from 8.1 percent in 1962 to 4.4 percent in 1966, to 2.4 percent in 1970.[93] Nevertheless, for the most part, social indicators during this period continued to suggest that, if the economy was not developing as planned, at the least the social development of the Cuban people themselves continued to progress. Castro noted in 1970 that, despite the economic difficulties of the period, children less than seven years old still continued to receive their daily litre of milk.[94]

In 1968 K.S. Karol stated prophetically: "To win his gigantic sugar wager, Fidel has had to pay so high a political price that one begins to wonder if he has not mortgaged the entire future of the revolution. Industrial and military conscription; closer ties with the Soviet Union; the kind of 'Communism' that prevailed in Russia during the '30s'— all of these are the direct consequences of his battle for the ten-million-ton *zafra*."[95] Two years later, on July 26th, 1970 Fidel Castro publicly acknowledged in a lengthy speech that he had lost this wager. At one point in the speech he stated: "I believe that we leaders of this revolution have exacted too dear a price during the process of learning. And, unfortunately, our problem, one of the most difficult problems is . . . the inheritance of ignorance."[96] In essence, Castro was admitting, as Juan M. del Aguila stated, "that the dilemma of how to make headway against underdevelopment could not be solved through infantile subjectivism, half-baked ideas, ill-conceived impulses or permanent experimentation."[97]

And what was this price of 'the inheritance of ignorance'? Simply put, because of the nation's failure to develop economically utilizing an 'outward' directed development strategy, Cuba's experiment with independent socialist economic development was over. It was no

longer free to chart its own course. Following the "dreadful failure" of the ten million ton sugar harvest, the Soviet Union and its supporters within Cuba were now able to "pull the Castro leadership into line and to get its men into positions of control. Fidel Castro would henceforth have to read his copy back before speaking and provide a full-written submission to the regular authorities of leadership."[98] The main agent of Soviet control was the Cuban-Soviet commission for Economic, Scientific and Technical Collaboration (C-SCESTC), established in 1970. The C-SCESTC controlled a number of Cuban industries including Foreign Trade, Merchant Marine and Ports, Basic Industries, and Mining and Metallurgy. As well, the Agency for Agricultural Development, Agricultural Mechanization Agency, Institute of Fishing, Institute of Civil Aeronautics, and the Electric Power Enterprise were also under the command of the C-SCESTC.[99] Robert Packenham states that "[a]ll the agencies it [C-SCESTC] coordinated were required to have systematic, formal bureaucratic procedures under the guidance of Soviet technicians."[100]

The Soviet Union was able to assert such control over Cuban society and economy because the severe economic consequences resulting from the failure of the ten million ton sugar harvest meant that, by 1970, Cuba had returned to an entrenched form of dependency. Cuba's trade deficit with the Soviet Union after the first decade was 2.16 billion dollars. When other charges, including interest, are added, Cuba owed the U.S.S.R. 2.55 billion dollars in 1970.[101] Overall, imports exceeded exports by 2.943 billion dollars between 1959 and 1970.[102] Cuba's import/export ranking in Latin America had fallen from fifth out of twenty countries in 1960 to sixteenth by 1970.[103] By 1976 Cuba's overall debt was 6.2 billion dollars compared with 45.5 million dollars in 1959.[104] Cuba's average economic growth rate between 1960 and 1970 was a negative 0.2 percent, compared with a Caribbean average of 2.8 percent and a Latin American average of 3 percent.[105] Per capita earnings had fallen from 871 dollars in 1960 to 867 dollars in 1970, which meant a drop of six places in Cuba's Latin American ranking, from sixth out of twenty countries to twelfth.[106]

Cuba's trade dependence on an industrialized nation remained intact as the Soviet

Union clearly had replaced the United States as the island's dominant trading partner. In 1970 the Soviet Union accounted for 53 percent of Cuban imports, while 50 percent of Cuban exports were destined for the U.S.S.R.[107] Further, Cuba was still as dependent, if not more so, on a single export. Between 1960 and 1970 sugar averaged 81.8 percent of Cuba's total exports.[108] In 1955 Cuba was the fourth most dependent country in Latin America on a single export. By 1970 it had moved up to the second rank.[109] By the mid-seventies Castro no longer considered the necessity of sugar production as a 'mystification of capitalist economic ideology,' but was announcing that "Cuba would stick to sugar."[110]

There was, however, some improvement during the decade in the manufacturing sector. Cuba's Latin American ranking as a percentage of its GDP in 1955 had been third, at 21 percent. By 1970 manufacturing output accounted for 47 percent of the GDP, the highest rank in the region.[111] The significant investment by the Cuban government in infrastructure contributed to the increased output in the manufacturing sector. The construction of roads in Cuba during the 1960s is a good example. There was a greater than 50 percent increase in the amount of roads, increasing from 10,104 kilometers in 1959 to 15,579 kilometers in 1968.[112] As well, small, yet inconsistent, increases in investment in some sectors of industry, such as construction and transportation, also contributed to the rise in manufacturing output. Investment in these two sectors rose a combined 13 percent from 1966 to 1970.[113]

However, Cuba's large trade deficit, foreign debt, negative growth record, and continued monoculture export sector meant the nation had not developed economically to a significant degree. Further, we can conclude that external dependency was renewed, as "a perplexing combination of endogenous turnabouts in development strategies, zig-zagging economic policy courses, and shifting priorities in political policy" all resulted in a devastated economy and increased political and economic ties to the Soviet Union by 1970.[114]

Despite these sobering results, the revolution's accomplishments in the social sphere during the first decade deserve attention. By 1970 unemployment was essentially

eliminated.[115] While Carmelo Mesa-Lago and René Dumont accurately note the productivity problems that can occur in the absence of a labour market, nevertheless, the fact that everyone was working in a country historically plagued with unemployment and underemployment should be considered an accomplishment of some sort.[116] Additionally, as we have highlighted throughout the study, housing construction in Cuba constantly increased during the decade.[117] Further, what is important to note in the first decade is the focus on construction in the rural areas. Between 1964 and 1968 in the province of Oriente, where a large segment of the Cuban rural population lived, 11,824 houses were built, compared with only 1,993 between 1954 and 1958.[118]

The virtual elimination of illiteracy, particularly through the aid of the literacy campaign of 1961, was achieved very quickly. While Cuba had managed to reduce its illiteracy rate from 23.9 percent in 1957, to 10.2 percent in 1960, to 3.9 percent following the 1961 literacy campaign, the problem persisted in the rest of Latin America. As late as 1980 the Latin American average illiteracy rate was 36.8 percent.[119] The increased access to education has been highlighted throughout the study. By 1970 overall enrolment in Cuba increased by 133 percent, going from 834,881 in 1959 to 1,946,797 in 1970.[120] Between 1959-60 and 1969-70 there was almost a threefold increase in the number of graduates in higher education, rising from 1331 to 3832.[121] Castro stated in 1970 that the number of people who worked in public education rose from 23,648 in 1958 to 127,536 in 1970. He noted that public expenditures in education rose from 77 million dollars to 200 million dollars in the same period and also stated that, by 1970, there were 277,505 scholarships awarded compared with only 15,698 in 1958.[122] The expansion of health care facilities was deemed necessary by the Cuban leadership in the first decade of revolution. While the emigration of middle class doctors prevented a significant rise in the number of physicians in Cuba, the increase in hospitals, health establishments and beds was significant, especially during the first seven years of revolution.[123] The overall number of health establishments rose from to 134 to 530 between 1959 and 1966.[124] Between 1958 and 1970 the total number of beds in health establishments increased from 28,536 to 40,101, while the number of nurses rose to 14,372

in 1969, up from 5431 in 1959.[125] Castro stated in 1970 that the overall number of people employed in the public health sector had risen from 8209 in 1958 to 87,646 in 1969. He noted that public expenses in the health services climbed from 22.7 million dollars to 236.1 million dollars in the same period.[126] In addition, Castro stated that the total public outlay for social security, health and education rose from 213.8 million dollars in 1958 to 850 million dollars in 1970.[127]

While in most of Latin America during the 1960s, the poor became poorer and the rich retained their inordinately high share of national income, in Cuba, the nation's wealth became far more equitably distributed. In 1960 the poorest 20 percent of Latin America garnered 3.1 percent of national income, while the richest 10 percent held 47.9 percent. By 1970 the figures had not changed substantially. The share of the poorest 20 percent had even dropped to 2.5 percent of national income while the richest 10 percent still accounted for 44.2 percent.[128] In Cuba, by comparison, the poorest 20 percent of the population was earning 7.8 percent of national income in 1973, compared with the 6.2 percent they had been earning in 1962 and 2.1 percent in 1953. The share of the richest 10 percent dropped from 38.8 percent in 1953 to 23 percent in 1962, and to 19.4 percent in 1973. (See Table 2)

Table 2
Cuban National Income Held by Economically Active Population, Estimated Shares, by Percentile Group:
1953-1973.

Year	Poorest 0-20	21-40	41-60	61-80	81-100	91-100	Richest 96-100
1953	2.1	4.4	11.1	24.4	57.9	38.8	26.5
1962	6.2	11.0	16.3	25.1	41.4	23.0	12.7
1973	7.8	12.5	19.2	26.0	34.5	19.4	9.8

Source: Susan Eckstein. "The Impact of the Cuban Revolution," *Comparative Studies in Society and History* 28 (1) (January, 1986), 522.

By 1970 the nature of Cuban society had been fundamentally altered. Many of the

poorest citizens gained newfound respect through increased access to health care and education, and the construction of homes and schools, despite the economic hardships. By 1970 income was much more equitably distributed, unemployment and illiteracy were virtually eliminated, health care services had been greatly expanded, and the educational system had become much more accessible to the majority of the Cuban population. When we compare Cuba with Brazil in the mid-1970s at the height of its so-called 'economic miracle', we can discern what these early social investments by the Cuban government meant to the average citizen. In John Sloan's study utilizing the Physical Quality of Life Index (PQLI), an index calculated using an average of the index ratings for life expectancy, infant morality and literacy, Cuba scored 86 while Brazil managed only 68.[129] Sloan concluded in 1983 that "[t]housands of socially preventable deaths occur each year in Brazil. They do not in Cuba. With a higher per capita income than Cuba, millions of Brazilians suffer from malnutrition and live an average of 12 years less than the Cubans."[130] Dumont stated that Castro, by 1970, had "restored the dignity of the country's poorest people - the agricultural worker — and of its most despised — the blacks and mulattoes. Such things cannot be measured in economic terms. He does all he can for the people, for their education, and their health."[131] Further, it was not only social equity that was at stake. The development of a highly educated and healthy population can only contribute to the future development of the economy and society as a whole. Taberes states:

> This is no diversification, no development if you don't educate the people and we created the human base in order to diversify: medical doctors, engineers, university professors, architects, experts in computers and so on. We created those people and it took alot of capital. And you need to create alot of public works: highways, railroads and other public institutions. . . . These things take time. You have to prepare the people, you have to make the investments, to let the investments grow.[132]

Unfortunately in economic terms, by 1970, time had run out in the pursuit of independent socialist development, as the mirror image of Dos Santos' conception of 'dependent capitalist development,' had become a reality in revolutionary Cuba in the form of 'dependent socialist

development'.

The two overriding conclusions, after a decade of revolution, are contradictory, yet indisputable. Cuba would necessarily have to rely on the Soviet Union to a higher degree for future development due to the economic crisis in which it found itself in 1970. However, in terms of social development, the will of the administration had led to the expansion of social benefits and a far more equitable distribution of wealth. As well, the construction of a social base, notably in health care and education, necessary for prolonged economic development was well under way.

Obviously this study cannot comment on the overall development record of revolutionary Cuba to the present day. However, the economic hardships in Cuba during the early 1990s which resulted from the collapse of the Soviet empire demonstrate that Cuba has remained a dependent country, despite whatever economic and social development occurred in the post-1970 period. This study has shown that the roots of the new Cuban dependency were definitively established during the 1960s. The conclusion to this study will offer a survey of the development lessons, in the context of dependency issues identified in the introduction, that can be derived from Cuba's pre-revolutionary history and the Cuban experience during the highly interesting and crucial first decade of revolution.

Conclusion

The lady who runs along like a mouse being chased
was too late for the bread line. She hurried in vain.
She is incapable of thought: at this moment she simply hates.
That young man with a knapsack is going to do his military service.
He used to study. Now he will cut cane. He has not slept.
His mother weeps at home and curses.

Havana is a city waiting for lights,
for food, for buildings, for automobiles,
for the men who will come sometime to rebuild her
and who are now scattered through the countryside,
in filthy huts, trying to raise up the country
in the midst of horrors
faith, hatred, love, and fits of despair,
dreaming of her because in the evening the new lights are soft
and the mercury lights pale.

The sun rises over the buildings.
Now we can see clearly a sign that announces:
Hasta Victoria Siempre.
(Until Victory Always)

-From the poem, *Havana is a City in Waiting*, by Cuban José Yanes.[1]

At the eve of revolution in Cuba, political and economic dependency on the United States and the social and economic ramifications of a monoculture economy, had led to many of the traditional problems of underdevelopment. These problems included widespread social marginalization, especially in rural areas; general and persistent economic stagnation; corrupt and repressive governments; and an economy controlled by foreign interests and dominated by the export of a single primary product.

However, our examination has shown that internal and external forces operated simultaneously to produce the *specific* level of dependency and underdevelopment that existed in pre-revolutionary Cuba by 1959. At various important conjunctures in pre-revolutionary Cuban history, the nature of class and political alliances played a fundamental role in the evolution of the nation's economy and society. During the Ten Years War, for instance, Cuban creoles were far more concerned with economic autonomy and behaved pragmatically in pursuit of their goals. The planters' desire to end slavery was not the result of some moral awakening that decried the inhumanity of the system; rather their desire was based on a number of pragmatic considerations. These considerations included the recognition that slavery, as an economic system and a political option, had run its course; the need of the independence movement for the support of the United States, a country where slaves had recently secured emancipation; and the possibilities that a promise of freedom to the slaves could swell the ranks of the Liberation Army. In 1895, a broadly based social movement was only held together by the dynamic leadership of Jose Martí. When Tomas Estrada Palma replaced Martí, the independence movement pursued a much more conservative path toward independence. Eventually, Estrada Palma's conservative nature led him to welcome U.S. intervention in 1898. By 1933, an emerging national bourgeoisie in Cuba would not tolerate the policies of the ruthless dictator Gerado Machado. While Machado could contain, through repression, a working class that had yet to fully assert itself as an independent and united force, when global economic downturns led to economic crisis in Cuba, Machado could not withstand the widespread popular discontent and was removed from office, as the frustrated

national bourgeoisie and elements from the middle sector had joined the working class in its opposition to the Machado tyranny. However, the lack of class cohesion among the opposition groups in Cuba prevented the reform-minded Grau San Martín government from resisting the U.S.-sponsored military coup orchestrated by Fulgencio Batista. The corrupt *Authentico* governments of the 1940s failed to capitalize on favourable sugar prices and to institute structural changes to the Cuban economy that could have reduced foreign dependency and further develop native industry. When corruption was combined with brute repression in the 1950s under Batista, the Cuban middle class joined forces with student groups, rural forces and working class organizations to form a formidable opposition to the Batista dictatorship. The desire and combined effort of most segments of the Cuban population to overthrow the Batista government led to its demise. Further, after years of economic stagnation and rural marginalization, there was far greater support for a fundamental alteration in the prevailing social system than there had been during the War of Independence, or during the administration of Dr. Ramón Grau San Martín in 1933. Finally, a strong revolutionary tradition, dating back to the mid-nineteenth century, made decisive social change a viable option by the beginning of the 1950s, and, as the decade progressed, the manipulation of the political system and the increasing repression conducted by the dictator Batista turned this viable option into a solitary one.

However, the diverse composition of the anti-Batista coalition had a disadvantage. In order to maintain the united front required to remove the Batista dictatorship, leaders of the revolution had presented their revolutionary agenda as encompassing and moderate. As René Dumont had stated, "[a] purely working-class revolt would have . . . rallied against it the entire bourgeoisie. . . . [I]t would surely have failed."[2] This requisite encompassing approach of the 26th of July Movement meant that the revolutionary movement did not possess a well-defined ideology, a reality that would have two serious consequences in revolutionary Cuba. First, the ideology of the revolution was to be defined subsequently by the charismatic, popular, creative and pragmatic leader of the revolution, Fidel Castro, at the expense of popular participation. Second, the general lack of preparedness exhibited by the revolutionary

leadership throughout the 1960s, with respect to economic policy and administration, can, in part, be traced to the absence of a properly articulated revolutionary development programme that a well-defined ideology could have provided.

However, external forces also played a crucial role in creating and maintaining Cuba's underdevelopment and dependency. Colonial Spain's influence on trade and social structures certainly limited the development of native Cuban capitalism. It was the incessant U.S. intervention in Cuban internal affairs, epitomized by the Platt Amendment, however, which delayed any real structural change of the Cuban economy or political system. U.S. military intervention during the War of Independence in 1898 and in 1906, 1912, and 1917 during the early years of the Cuban republic, prolonged a form of political stability that ensured U.S. economic interests would not be significantly disturbed. By being only concerned with the preservation and expansion of its economic interests, the United States government had no moral qualms about supporting the ruthless dictators, Machado and Batista. Both of these men were extremely dependent on U.S. support to maintain themselves in power. When the U.S. officials finally realized that Cuban society could no longer tolerate the corrupt and brutal nature of the dictators' regimes, it was not long after these regimes were overthrown. Additionally, the United States government was late in responding to the uprisings of the 1950s, a factor that facilitated revolutionary victory. Finally, the Soviet Union made itself available as a means of support to the revolutionary leaders on the eve of the revolution and immediately after revolutionary victory, when it agreed to provide military assistance to the 26th of July Movement, thus at least creating the potential for future Cuban dependency on a superpower.

Dependency on a single export product also had serious ramifications in pre-revolutionary Cuba. While the United States had worked to ensure the continuation of the pre-revolutionary Cuban monoculture economy, as it best served their needs, the realities of the world market had made Cuba very vulnerable to external shocks during worldwide economic downturns or global price fluctuations in the sugar market, as evidenced by the economic crises in Cuba following *the Dance of the Millions* and during the Great

Depression. Unfortunately, Cuban leaders did not seek to minimize Cuba's reliance on the world market. The shortsighted, unscrupulous nature of Cuban politicians in willingly entering the reciprocal trade agreements with the United States only facilitated the development of a monoculture economy. The reciprocal trade agreements agreed to by various Cuban politicians, who were often encouraged by the 'strong-arm' tactics of U.S. politicians, increased the Cuban reliance on American trade and prevented internal economic diversification that could have limited the effects of global depressions. When domestic concerns within the United States dictated U.S. tariff rates, the Cuban economy invariably suffered, as the volume of Cuban exports to the United States, no longer competitive with goods produced domestically, quickly dropped.

Thus, an approach as advocated by *dependentista* writers like Fernando Henrique Cardoso and Theotonio Dos Santos, and which takes into account the role of both external and internal forces in establishing the 'conditioning' and 'determining' factors of underdevelopment and dependency is clearly the most prudent course to take in studying underdevelopment in the periphery. Additionally, there have been other tenets of dependency which have proven useful in our construction of the 'development of underdevelopment' in pre-revolutionary Cuba. Raúl Prebisch's contentions that under capitalist world market conditions, the working class in an LDC is hit hardest during global economic downturns, and during periods of global economic expansion this class does not the see the benefits of increased prosperity, were confirmed in the pre-revolutionary Cuban case. Celso Furtado's claim that the bourgeoisie in the periphery emulate the consumption patterns of the bourgeoisie in the center was also observed in pre-revolutionary Cuba, especially during the 1950s. Writing in the late 1960s, Dos Santos's assertion that either socialism or fascism could result from a situation of dependency and underdevelopment, was, in part, based on the historical example of Cuba. Dos Santos has more recently claimed that the emergence of dictatorial fascist regimes that had dominated Latin America in the 1970s has proven his case, as Latin American authorities needed to respond with an increased use of force to contain rising discontent resulting from growing social inequality and marginalization in the context

of a dependent capitalist relationship.[3] Finally, Dos Santos's widely accepted definition of dependency itself, cannot be historically demonstrated more accurately than in Cuba's dependent economic relationship with the United States, as economic expansion and contraction in the United States produced the same effect within Cuba.

With key dependency tenets historically demonstrated in pre-revolutionary Cuba, paying particular note to Cardoso's and Dos Santos's contentions that the interrelation of internal and external forces produces the specific level of dependency and underdevelopment in an LDC, we tackled socialist Cuba's attempt to develop during the first ten years of revolution. Through our examination of internal power struggles, class alignments, and policy decisions, on the one hand, and external political and economic pressures, on the other, we established that, by 1970, Cuban dependency had been renewed, both on a superpower and on a single export product. This reality meant that after 1970, internal options in Cuba were limited as Cuban dependency on the Soviet Union had become more entrenched.

A decade later, Castro defined the differences between the dependent relationship Cuba endured with the United States prior to the revolution and the dependency with the U.S.S.R that developed after the revolution in the following terms: the Soviet-Cuban relationship was based on principles of self-respect. The U.S.S.R. allowed Cuba fair terms of trade. The United States had owned the Cuban economy while the U.S.S.R. did not. Castro clearly was implying "that although Cuba was dependent on the Soviet Union, its dependency did not necessitate exploitation and underdevelopment."[4]

But we have seen the problems of Cuban dependency on the Soviet Union during the 1960s. The distance between the countries, the incompatibility of Soviet spare parts with American machinery, and the lack of storage facilities all hindered economic development during the early years in revolutionary Cuba. And there were other problems inherent in any economic and political relationship with the Soviet Union. We have discussed the poor quality of Soviet goods in general and the fact that the Soviet Union purchased the majority of Cuban sugar with non-convertible rubles. Further, bureaucratic tendencies within Cuba were

enhanced by following Soviet economic recommendations. As Janette Habel noted, "the Soviet model wrought havoc, as bureaucratic disorganization was grafted onto an already hypertrophied state apparatus characterized by underdevelopment."[5]

Moreover, despite Castro's attempt to determine economic policy relatively independently of Moscow following the Missile Crisis until the failure of the ten million ton sugar harvest, the Cuban economy was still dependent on Soviet trade. Thus, it was vulnerable to external threats, such as the Soviets' gesture of granting trade concessions and increasing oil shipments to Brazil in 1968 in order to influence Cuba's internal mode of production and the Cuban leadership's strategy of exporting revolution to Latin America. Additionally, after the early diversification failure, Cuba's continued reliance on sugar as its chief export, in the context of its dependent relationship with the Soviet Union, did not mean the island escaped the realties of the world market, as a form of unequal exchange can be observed in the Cuban-Soviet relationship. While the Soviets sold Cuban sugar on the world market in exchange for convertible currency, the Cubans, as already mentioned, usually had to be content with Soviet rubles. This is not the same type of unequal exchange that occurs between capitalist centre and peripheral nations, where investment capital is used to extract any surplus production value from the periphery, but the result is similar. In both situations the capital that is withdrawn exceeds the capital inputs. In the Soviet-Cuban case this is because the Soviet Union eventually exchanged the Cuban sugar for convertible currency which had a higher value than the rubles with which they had paid Cuba for the sugar. And the more Cuba relied on sugar, the more it had to depend on the Soviet Union to purchase the sugar, and the less it had access to the convertible currency it needed to buy goods on the world market that it could not get from the Soviet Union. The only way Cuba could have reduced its dependency on the Soviet Union was to diversify and industrialize its economy. Moreover, domestic needs could have been better met if the diversification of agriculture had been more successful during the early years of the revolution. As the rapid diversification plan was abandoned by 1963 and replaced with a strategy of unbalanced growth, leading to the idea that industrialization could be financed through the revenues garnered by one gigantic

sugar crop, sugar's role in the Cuban economy was reinforced.

Even if one contends that the relationship between the Soviet Union and Cuba did not result in Cuba's exploitation and underdevelopment, it seems only commonsense to question the wisdom of a relationship in which one country indefinitely finances the process of development and industrialization, especially when one considers that the two nations possessed such wide differences in wealth and production potential? Only three years after the failure of ten million ton harvest, and consequently, well before anyone could reasonably have predicted the fall of the Soviet empire, social scientist, Norman Girvan, asked, "How feasible is a development strategy which relies on the assumption of the automatic support, of the nature, quality and quantity required, from a given set foreign countries?"[6] When the Soviet empire collapsed in the late 1980s, the 'day of reckoning' arrived for the Cuban republic.[7]

This discussion of the realities of Cuban dependency on the Soviet Union leads us to the first of four observations based on socialist Cuba's experience during the 1960s, with which we will conclude the study. First, while relative economic independence through economic diversification and a reduction of trade partner dependence certainly should be included among the goals of development, the existence of external forces which limit internal development must be recognized and considered, even (or perhaps especially) for a socialist LDC in a capitalist world. We have seen the number of external obstacles to development for Cuba in the 1960s. Along with all the aforementioned problems of dependency on the Soviet Union, the effects of the U.S. economic embargo, particularly following the Missile Crisis,[8] the constant threat of American intervention, and Cuba's hemispheric isolation all necessarily limited the economic opportunities available for the Cuban revolutionary government. Thus, external forces in Cuba only unnecessarily added to the problems of underdevelopment and the obstacles to development. Ideally, what is needed, as one author as put it, is "access to significant, flexible and cheap foreign cooperation" so that "revolutions that have taken place in the small, backward and peripheral countries" can prosper.[9]

Certainly the historic role of sugar in the Cuban economy made the diversification of the economy very difficult. We have explained how the guaranteed price the Soviets paid the Cubans for their sugar did not mean Cuba was free of the pressures of the world market,[10] even as a socialist nation in a capitalist world. It is, however, precisely these world market realities that made it important for Cuban leaders to diversify the economy and limit the effects of global price fluctuations. Additionally, U.S. hostility was definitely not unforeseen, and certain economic limitations were mitigated by the economic assistance of the eastern bloc.[11] That said, breaking the chains of dependency on the United States would not be easy. This brings us to our second observation based on the Cuban experience of the 1960s. It was absolutely crucial that, if these external constraints were to be minimized in order that Cuba prevent the exchange one form of dependency for another during the critical first decade of the revolution, internal economic policies had to be implemented with great care and wisdom, and the leadership had to exhibit great patience during its pursuit of independent economic development. Unfortunately, for the most part, this did not happen in Cuba. The revolutionary leadership was not committed to one policy of development; rather it was prepared to switch from one extreme to the other in an attempt to overcome underdevelopment in a very short time. Further, most policies were not carefully considered. Thus, the degree of dependency that emerged after the failure of the ten-ton harvest is not surprising. The poorly administered and coordinated diversification attempt of the early years led to the first major recession in revolutionary Cuba in 1962-63. And it was not the world market nor political pressure from an industrialized nation that led to the decision to attempt to harvest ten million tons of sugar. The pursuit of one giant sugar harvest disregards any notion of patience and prudence. The results of wagering everything on the success of one sugar crop were a devastated economy and much stronger dependent ties with the Soviet Union.

It must be remembered that for ten years Cuba enjoyed relative freedom in pursuing its economic policy. No major foreign power had sponsored Cuba's victory in 1959. Although the first major economic crisis of 1962-1963 did appear to make the Cubans more vulnerable to Soviet pressure, after the Missile Crisis, Cuba was clearly able to pursue its own economic

strategy, as well as conduct an open debate on which form of socialist organization should be implemented, until the failure of the ten million tons sugar harvest sealed the island's dependent fate. Thus, questionable economic and political internal policies during this period of relative autonomy determined the *specific* level of dependency that Cuba found itself in after the failure of the ten million ton sugar harvest, consequently making it extremely difficult to assess the degree to which external constraints limited Cuba's development effort of the decade.

As nothing is, or has been, straightforward in revolutionary Cuba, the social accomplishments of the first decade stand out in sharp contrast to the economic failures. In February 1989, the *Financial Times* recognized Cuba as "the most advanced welfare state in the Third World," in terms of its living standards and social services available to the population.[12] Even following the collapse of the Soviet Union, Cuba has maintained a great deal of the revolution's social accomplishments. As a billboard proudly proclaims in central Havana, there are hundreds of thousands of children all over the world sleeping on the streets and none are Cuban.[13] While Cuban leaders were unsuccessful in limiting Cuba's external dependency, they did reduce the most severe social ills of underdevelopment, as the lack of prudence and patience exhibited in the economic sphere was not present in the social sphere. As we have demonstrated, the Castro government invested in social infrastructure from the very beginning of the revolution. In addition, Cuba's experience has shown that certain social problems, such as illiteracy, can be overcome in a relatively short period if the will of the government exists. Castro and the revolutionary leadership were cognizant of the fact that the overall development of the country required substantial investment in education and improved health of the population.

However, one economist has argued that it was precisely the overly ambitious pursuit of social goals that led to the economic difficulties of 1970: "The Cubans painfully learned in the 1960s . . . that when a goal such as more equal distribution is idealistically pushed beyond *reasonable* limits disregarding its economic costs with declining productivity and growth, the survival of the whole system is in jeopardy."[14] This scholar, echoing the claim of

many an economist of the right, believes the goals of sustained economic growth, economic diversification, full employment, relative external independence and a more equal distribution of income and social services are not "mutually reinforcing or compatible; in fact some of them may be in conflict."[15] But as we have seen, the reasons why the Cubans faired so badly in the economic sector during the first decade of revolution, yet were successful in the social sphere, do not lie in the inherent incompatibility of social and economic goals.[16] The economic failures were a result of ill-suited and poorly administered economic plans and from the rapid swing from one policy extreme to another, all operating under the constraints of significant external forces. Moreover, we recall our definition of development as provided by the South Commission: "The first objective [of a developing nation] must be to end poverty, provide productive employment and satisfy the basic needs of all the people, any surplus being fairly shared."[17] José Luis Rodríquez has correctly noted that "[t]he close link between the economic base of underdevelopment and its social effects [in pre-revolutionary Cuba] meant that a basic objective of the Cuban Revolution was to solve this problem. Hence, the simultaneous attention to economic and social problems would be a constant feature of the revolution from 1959 on."[18] This attention to the social problems within the context of attempting to develop economically was, in great part, why the Cuban government satisfied the first requirement of our definition of development during the first decade of revolution. Therefore, the task for underdeveloped nations, as Rodríguez astutely concludes, "should not be to evaluate priorities between supposedly incompatible policies in one period or another but, instead, on how to articulate them in a long-term development strategy so as to achieve the integrated results that such interrelation offers."[19]

Cuba's experience seems to indicate that, because of the capacity of the revolutionary government to improve the quality of life for a significant number of its citizens, regardless of internal economic conditions and external constraints, the socialist nation's potential for development is qualitatively different from that of a capitalist-oriented peripheral nation. Throughout the study, there has been an underlying motivation to demonstrate the flawed nature of Cuba's economic approach and how Cuban policies were often poorly implemented

and administered. It is hoped that what has been shown is that the economic problems Cuba encountered during the first decade of revolution were, in significant part, due to the revolution's shortcomings, not the inherent non-viability of a socialist economic approach *per se*. This brings us to our third observation based on the Cuban revolutionary experience of the 1960s. During this period in Cuba, the more equitable distribution of wealth and the development and increased access to education and health care were not a result of funds attained through economic growth 'trickling down' to the population in need; rather they occurred because it was the will of the socialist government committed to the construction of an economically and socially just society, regardless of economic difficulties. As Cuba has shown, a socialist approach can guarantee that all of society's social needs are better met because the market is not the ultimate determinant of the amount of social services provided, and who receives these services. However, if we argue that it was the internal implementation of careless and imprudent policies that had led to the economic situation in 1970, and thus renewed dependency, and not the socialist nature of the system, then we must ask *why* these policies were implemented.

During his famous speech acknowledging the failure of the 10 million ton sugar harvest, Castro stated: "Let us begin by pointing out the responsibility of all of us, and mine in particular, with regard to all of these problems. It is not my intention to shirk my responsibility, to pretend that these are not the responsibility of the entire direction of the Revolution. Unfortunately, self -criticism is not readily accompanied by solutions. It would be better to find another leader, or other leaders. It would be better. On the other hand it would be hypocritical on our part"[20] While Castro was probably correct to state that new leadership was required, after tracing Cuba's development record during the 1960s' and the role played by himself as *el lider maximo* in the economic failure, one must question the sincerity of his remarks. From the moment he landed on the shores of southern Cuba in 1956, Castro, in his quest to develop the nation and to end political and economic dependency on the United States, dominated the Cuban revolution. When the 26th of July Movement rode into Havana on January 1st, 1959, there was widespread popular support for the revolution. Early revolutionary initiatives, though, had alienated many of the Cuban elite, especially the

land reform and the nationalization programmes. However, the policies were widely supported by the majority of the population. Castro opportunistically capitalized on the support for radical change by consolidating his power at every chance. As the confrontation with the United States intensified, the Cuban leader demonstrated his pragmatism as well as his ability to seize the opportunity when it presented itself, as after the *La Coubre* explosion in March 1960 and the Bay of Pigs invasion in April 1961. By 1962 Castro could claim full authority in Cuba, and it was his choice, with the steady encouragement of his brother, Raúl, and Che Guevara, to steer the Cuban revolution in the Soviet direction. Castro's personal resentment at being excluded from the Missile Crisis drove him to seek temporarily a relatively independent path in pursuing Cuban development. He personally assumed control over agriculture in 1965 and thus deserves much of the responsibility for the failure of the ten million ton harvest. In 1968, he demonstrated that he intended to preserve the revolution and his position as its leader at any cost when he publicly supported Soviet policy in Czechoslovakia. And Castro remained pragmatic in declining support to the progressive elements during the political uprisings in France and Mexico earlier in the year, despite the serious moral compromise such political positions entailed.

However, Castro was, by no means, a typical totalitarian. It is clear he assumed and maintained command of the Cuban revolution because he genuinely believed that he was the best person for the job. As René Dumont sensibly concluded in 1970: "Fidel Castro was a magnificent fighter and he is a born educator, but he continues to underestimate the technical and economic difficulties. He believes himself to be more capable than other people of finding the very best solutions, and always reasons like a guerilla. His economic errors have cost Cuba dearly. . . . It would be sad to see the pride of one man doing its share to compromise the economic success of such an exciting revolution."[21]

This brings us to our fourth and final observation in our study of revolutionary Cuba's attempt to develop during the first decade of revolution. In the construction of an equitable, developed, and sustainable socialism, issues of socialist democracy must be resolved. Socialist

administrations assuming command of an underdeveloped economy and society will almost always experience problems of inexperience, as capitalist forces usually had long controlled the reigns of power. The revolution cannot afford to alienate those who support the aim of the revolution but resent the unchecked power of the 'revolutionary.' Moreover, a high level of popular participation ensures that knowledgeable voices are heard. However, the majority of the population in revolutionary Cuba during the 1960s, who had been gaining daily experience with the problems of the transition to socialism, often saw their first-hand concerns disregarded. Invariably, the leadership was late in responding to situations of economic crisis, as mistakes were corrected long after the damage had been done. Thus, during the 1960s in Cuba, the lack of popular participation and, hence, democracy, significantly contributed to the failure to reduce economic dependency. Unwise policies were consistently implemented without consultation, resulting in an exodus of many 'who only wanted a chance to serve' the revolution. The lack of democracy in revolutionary Cuba also contributed to the inconsistent nature of Cuban economic policy, from the extremely rapid diversification of the early years to the obsessive pursuit of the ten million tons of sugar.[22] Social revolutionaries of the future must overcome this time-worn problem of nearly all revolutions of all past history and incorporate into the revolutionary process the entirety of society who are dedicated to true development. Commenting on the necessity of popular participation in the revolutionary process, K.S. Karol wisely concluded:

> Fidel Castro will often tell you: it is five times more difficult to develop a country after the revolution than to seize power. . . . But this is not really the point. The reason it is five times more difficult to build a socialist society than to seize power is the failure to create a genuine socialist outlook, even while the struggle is still being waged, or to establish popular methods of running the new society. Socialism has no chance of success unless, in the very fire of action, at the very point of social explosion, a move is made toward the solution of the delicate problem of the relationship between the masses and the political leadership. Now the search for this solution was never part of the Castroist scheme.[23]

Even in the relative autonomy of the years in which the Economic Debate took place, issues of popular participation were overlooked. While Che was probably the most

democratic leader of revolutionary Cuba, the role of the worker in the decision-making process in his defense of the Budgetary Finance position was not taken into account. If we refuse to consider market mechanisms as adequate tools for dealing with the problems of underdevelopment in the periphery, as Che refused to do in his eloquent defense of Budgetary Finance system, then democratic, socialist institutions in which popular forces not only have a voice, but genuine input into the decision-making process, must be created in order to determine 'who decides' in the absence of such market mechanisms.

This is the one lesson of the Cuban revolution that cannot be forgotten. Neo-liberals cannot be allowed to label socialism *a priori* as undemocratic based on the experiences of nations like Cuba. If we are to confront successfully the extremely formidable power of the multinational corporations of the world and the institutions and governments which support them, we must learn from the development experiences of socialist nations. Through this greater understanding of the development process, we can formulate new strategies based on true socialist, democratic principles. As one scholar has put it: "[W]e must show that it is capitalism that is in crisis and that state socialism (authoritarian, developmentalist and bureaucratic) is no longer able to confront the crisis."[24] While global capitalist forces seem secure in the short run, few of the millions of the truly poor of the world would dispute such a definition of crisis. Based on socialist Cuba's experience of the 1960s, however, it appears clear that this form of state socialism was never able to confront the 'crisis' of dependency in the periphery.

Endnotes

Preface

[1] Subcommandante Insurgente Marcos, "The Reality," *Canadian Dimension* (July/August 1996): 31.

[2] Paul Baran, "On the Political Economy of Backwardness," in *The Long View: Essays Toward the Political Economy*, ed. John O'Neill (New York & London: Monthly Review Press, 1969), 256.

[3] Ibid., 269.

[4] Francois Maspero, "The Torn Out Page," in *Cuba: The Revolution in Peril* Janette Habel (New York & London: Verso, 1991), xiv.

[5] Celso Furtado, *Economic Development of Latin America: A Survey from Colonial Times to the Cuban Revolution* (Cambridge: Cambridge University Press, 1970), 255.

[6] The term 'periphery' originally popularized by Raúl Prebisch in his report on underdevelopment in Latin America in 1951, will be used throughout the study. See Economic Commission of Latin America, *Economic Survey of Latin America* (New York: United Nations, 1950). Essentially it can be thought of as constituting the underdeveloped nations of the world, more commonly known as the Third World. It will be used in place of Third World, as it more aptly describes the economic and social position of these nations. In addition the term 'centre' will be used in referring to the countries of the industrialized world or First World. The actual concept of centre/periphery will be made clearer during the discussion of Prebisch's theses in the Introduction.

[7] By September, 1973, at the time of Allende's overthrow, the Chilean inflation rate stood at 300 percent and a huge deficit continued to climb. The degree to which foreign (that is, United States) interference in internal Chilean affairs contributed to the economic situation is arguable. However, certain conclusions regarding the Chilean economy in this period can be made. The Allende government pursued an import-substitution programme which emphasized the production of consumer goods. In the process, a massive expropriation campaign was carried out, as was a wide redistribution of income. One result was that private investment dropped substantially. To make matters worse there was a lack of financing from the socialist bloc. To make up for the fall in private investment, public expenditures increased, as did social spending. However, profits from government enterprises were lower than expected and mounting deficits resulted. Further, internal demand, especially for consumer non-durables, increased as wages rose. This increased internal demand, combined with an overvalued Chilean currency, resulted in rampant inflation. Certainly American hostility, in the form of rejecting aid to Chile, reducing trade between the two nations, and the sponsoring of groups dedicated to causing political instability, caused significant problems. While the fact remains that Allende made great progress in combatting Chilean social problems of unemployment and poverty in a short period of time, nevertheless, economic indicators alone provided ample evidence to right-wing detractors that 'inward-directed' development strategies were ineffective. See James D Cockcroft, *Neighbours in Turmoil: Latin America* (New York: Harper & Row, 1989), 470; Cristobal Kay, *Latin American Theories of Development and Underdevelopment* (New York: Routledge, 1989), 200.

[8] Neo-liberalism can also be termed neo-conservatism or neo-monetarist.

[9] Asad Ismi, "Plunder With a Human Face," *Z Magazine* 11 (2) (Febuary 1998): 10.

[10] Benjamin Keen, *A History of Latin America. Volume II Independence to the Present*, 5th ed. (Boston & Toronto: Houghton Mifflin Company, 1996), 557-559.

[11] Keen, *History of Latin America*, 556; James W Wilkie, ed., *Statistical Abstract of Latin America*, 31 (2) (Los Angeles: UCLA Latin American Centre, 1995), 914.

[12] Tad Szulz, *Fidel: A Critical Portrait* (London: Hutchinson, 1985), 435.

[13] Osvaldo Sunkel defines development as "a process of change which ultimately seeks the equalization of the social, political and economic opportunities both nationally and internationally. Cited in Jorge Larrain, *Theories of Development* (Cambridge: Policy Press, 1989), 150. This study tends to

agree with Sunkel's definition but more importantly Sunkel acknowledges how this is an *a priori* notion of what ought to be. He states that one can remain objective as long as one's value premises are identified from the beginning. The author of this study believes it is necessary to go one step further. It is more than a mere question of being objective. If we do not establish 'what ought to be,' then how can we be sure of what we are trying to accomplish? If one can morally and intellectually justify 'what ought to be,' then it is best to leave 'objectivity,' in the sense of not taking a position, to the news reporter.

[14] South Commission, *Challenge to the South: The Report of the South Commission* (New York & Oxford: Oxford University Press, 1990), 11. The Cuban representative to the conference was veteran communist Carlos Rafael Rodríquez.

[15] Ibid.,10-14.

[16] Ibid., 13.

[17] Larrain, *Theories of Development,* 199.

[18] Ibid., 153.

[19] Ibid., 153.

Introduction

[1] Cited in Samir Amin, *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism* (New York & London: Monthly Review Press, 1972), 1.

[2] Theotonio Dos Santos, "The Theoretical Foundations of the Cardoso Government: A New Stage of Dependency," *Latin American Perspectives* 25 (1) (January 1998): 66.

[3] Maspero, "Torn out Page," x.

[4] Further, these estimates were based on an assumption that markets could be found for all of Cuban sugar. See Marfelí Perez-Stable, *The Cuban Revolution: Origins, Cause and Legacy* (New York: Oxford University Press, 1992), 16. In 1955 the total production of sugar was 4.4 million tons, while in 1956, 4.6 million tons were harvested. Source: Susan Schroeder, *Cuba: A Handbook of Historical Statistics,* (Boston: G.H. Hall&Co., 1982), 262. In great part a fall in world sugar prices from the 1940s created the dismal economic situation.

[5] Heinrich Brunner, *Cuban Sugar Policy: 1963-1970* (Pittsburgh: University of Pittsburgh Press, 1977), 4. See Chapter 1, pp 44-46 below for a detailed description of Cuban economic and social underdevelopment at the eve of the revolution.

[6] Orthodox Marxist approaches to underdevelopment, which held that capitalism was an inherently developing force, dominated underdevelopment theory from the mid-nineteenth century until World War Two. Sociologist Jorge Larrain states even Karl Marx initially believed that "the progress brought about by the new humanist and scientific rationality in the capitalist Western Europe is inherently superior and must prevail in the world against opposing forces." Cited in Larrain, *Theories of Development,* 61. It is generally accepted, though, that in his later works, Marx began to realize that neocolonialism could impede capitalist industrialization in the periphery. See Karl Marx, *The Poverty of Philosophy* (New York: International Publishers, 1963), 223. But even Vladimir Lenin's Classical Theory of Imperialism, which appeared at the turn of the century and sought, among other things, to articulate the causes and ramifications of neo-colonial underdevlopment, postulated that "the export of capital affects and greatly accelerates the development of capitalism in those countries to which it is exported." Cited in Larrain, *Theories of Development,* 72

[7] Baran, "Backwardness," 249-269; See also Paul Baran, *The Political Economy of Growth* (New York: Monthly Review Press, 1955).

[8] Baran, "Backwardness," 249, 261.

[9] Gunder Frank was not from Latin America. Cristobal Kay believes that a great deal of Gunder Frank's popularity was due to the fact that his work was one of the first in the dependency school to be widely available in English. See Kay, *Latin American Theories,* 1. In part because of the popularity of his work,

a great portion of the criticism levied at the Dependency Theory failed to appreciate the significant breadth of the Dependency school.

[10] Andre Gunder Frank, *Underdevelopment or Revolution: Essays on the Development of Underdevelopment and the Immediate Enemy* (New York & London: Monthly Review Press, 1969), 4.

[11] Ibid., 12.

[12] Larrain, *Theories of Development,* 97.

[13] Kay, *Latin American Theories*, 2, 6.

[14] The structuralism of the Dependency school, as we will see, evolved from the E.C.L.A.'s structuralism, as a result of a failure of some E.C.L.A.'s policy recommendations regarding the promotion of industrialization. While the two structuralist approaches can be distinguished, there are very closely related. The Dependency theorists accepted many of Prebisch's premises and many of Prebisch's arguments can be included among the basic tenets of the Dependency approach. Theotonio Dos Santos states: "In truth, this intense critical effort [that is, the development of the Dependency Theory] was possible only on the basis of the theoretical antecedents that E.C.L.A. had synthesized so well." Dos Santos, "Foundations of Cardoso Government," 54.

[15] Cited in Kay, *Latin American Theories,* 25.

[16] E.C.L.A., *Economic Survey of Latin America 1950,* 1. The classic argument for free trade in the nineteenth century, known as Theory of Comparative Advantage, and developed by David Ricardo, posited that each country possesses different strengths and weaknesses with respect to its domestic economies, especially in the composition of resources. By liberalizing world trade each nation will be free to produce the product (or products) it produces most efficiently. Rather than attempt to produce all of its domestic needs, the nation can exchange its production surplus for its necessities. Thus, the benefits will accrue to all nations. If world prices are not disturbed by artificial barriers, such as tariffs and guaranteed prices for producers, then the underlying production costs will be accurate. Consequently each nation will realize what was in its best interest to produce, and, thus, its proper role in the world economy. See Peter Donaldson, *Worlds Apart: The Economic Gulf Between Nations* (London: B.B.C., 1971), 30.

[17] Prebisch's argument was as follows: On the demand side, the centre's demand for primary products decreased as technology increased, resulting in the production of synthetic replacements for primary products or a smaller composition of primary products in the production of manufactured goods. Protectionist policies of benefit to the producers of primary products in some centre countries further contributed to the decline in demand for the LDCs' primary products. On the supply side, the cyclical nature of world capitalism resulted in the long-term deterioration in the terms of trade, mainly, from the availability of surplus labour in the periphery and the presence of strong trade unions in the centre. During boom times unions secured for their workers much higher wage increases in the centre, while wage increases in the periphery were limited because of the availability of surplus labour. During economic downturns unions maintained wage levels in the centre to a certain extent, while surplus labour in the periphery allowed wages to be pushed down. In addition, competition among peripheral nations lowered the prices of primary products. Thus, as wages and, therefore, prices were maintained in the centre, the pressure on peripheral industries to lower prices was great. The easiest way to do this was through the reduction of wages. The economic downturns following World War One and especially during the Great Depression, which resulted in increased poverty and marginalization in Latin America, demonstrated the effect the unfair terms of trade had on the periphery. See Kay, *Latin American Theories,* 29-30; Raúl Prebish, *The Economic Development of Latin America and its Principal Problems* (New York: United Nations, 1950), 49; E.C.L.A., *Economic Survey of Latin America 1950,* 52; Larrain, *Theories of Development,* 103-104.

[18] See E.C.L.A., *Economic Survey of Latin America 1950,* 137-186.

[19] In Argentina between 1950 and 1962 imports exceeded exports by more than two billion dollars. In Brazil and Mexico the figures respectively were 893 million dollars and 3.04 billion dollars. For all of Central America in 1965 the trade balance was a negative 261 million dollars while the Caribbean total for the same year was a negative 331 million dollars. Between 1950 and 1960 in all of Latin America

the per capita growth rate was a negative 7 percent and between 1960 and 1967 the figure was a negative 1.3 percent. James W. Wilkie, ed., *Statistical Abstract of Latin America* 9 (1972) (Los Angeles, UCLA Latin American Centre, 1972), 490; James W. Wilkie, ed., *Statistics and National Policy: Supplement 3 (1974) Statistical Abstract of Latin America* (Los Angeles: UCLA Latin American Centre, 1974), 259, 261, 272, 419.

[20] In 1928-29 industry's share of the GDP in Latin America was 13 percent. By 1963-64 it had reached 23 percent. Kay, *Latin American Theories*, 39.

[21] Kay, *Latin American Theories*, 39-40.

[22] Between 1961 and 1963 Latin America spent almost three billion dollars more than it brought in for goods, services and private transfers. Wilkie, *Statistics and National Policy*, 412

[23] For the first four years of the revolutionary government in Cuba an import-subsitution plan was implemented while at the same time the economy became increasingly nationalized. In Chapter Two we will explore the similarites and differences of the policies and results of the emerging socialist government in Cuba with the recommendations of the E.C.L.A. for capitalist LDCs and the organization's analyses of the failure of its import-substitution programme.

[24] Professor Vincent Ferraro, (Chair of International Relations, Mount Holyoke College, South Hadley, Massachusetts) Internet: *www.mtholyoke.edu/acad/intrel/depend.html.*

[25] Theotonio Dos Santos, "The Structure of Dependence," *American Economic Association Papers & Proceedings* 60 (2) (May, 1970), 231, 235. (author's emphasis)

[26] Ibid., 234-236.

[27] Some prominent neo-Marxists who questioned the industrializing capability of capitalism and advocated socialist revolution included Gunder Frank, Dos Santos, Immanuel Wallerstein, Samir Amin, and Arghiri Emmanuel. Prominent structuralists that advocated capitalist reform by utilizing the non-integrated urban and rural groups within the LDC that had been marginalized by dependent capitalist development, included Celso Furtado, Fernando Henrique Cardoso and Enzo Faletto, along with Prebish.

[28] C.Kay states, "they [the critiques] may even outweigh the original dependency writings." Kay, *Latin American Theories*, 165. Gail Omvedt stated in 1994 that the "Dependency Theory was a failure." Gail Omvedt, "Dependency Theory, Peasant and Third World Food Crisis," *Economic and Political Weekly* XXIX (4) (January 22, 1994), 176.

[29] Further, circumstances have changed and new concerns have arisen since the heyday of the Dependency Theory in the 1960s and early 1970s, making the modernization of the dependency approach necessary. Some contemporary issues that were not considered in original dependency analyses cannot be directly related to the present study and, thus, will not be discussed in length. Nevertheless, they should be mentioned. These issues include: ecological issues and the question of environmentally sustainable development; the limitations imposed on governments by virtue of the Third World debt crisis; the role of minorities in the course of development; the long-term repercussions of expanding free trade; the meaning and consequences of the record bail-out of the newly industrialized countries (NICs) in Asia by the World Bank and the International Monetary Fund; the transformation from an industrial age to an age dominated by information and communication technologies; and the decrease in industrial employment and the increase in low-wage service sector employment.

[30] As C. Kay notes, Frank's thesis presents an ahistorical picture of Latin America. The Latin American bourgeoisie that assumed power after the Wars of Independence had ended, welcomed foreign investment. Although slow in coming, by the mid 1800s European investment seeped into Latin America. This subsequently led to the expansion of the export sector through the increased production of primary products. Thus, the decision to operate an export dominated production sector was made by the Latin American creoles because this was the fastest and easiest method of wealth creation for them. Historically, the countries which have relied most on export-based economies with a small number of primary products have been the most vulnerable to world market fluctuations and economic pressures by countries in the industrialized world. As well the Latin American creoles did not

redistribute land or income which could have helped develop an internal market , an expanded production sector, and the rise of native capitalism. See Richard Graham, *Independence in Latin America* (New York: Alfred A. Knopf, 1972); Keen, *History of Latin America,* 217; Kay, *Latin American Theories*, 205. Moreover, the development of the centre cannot be causally related to the underdevelopment of the periphery, but was significantly related, as Cristobal Kay notes, "with the internal creation, appropriation and use of the surplus" created during the nineteenth century. The periphery only accounted for 1 percent of Europe's trade in 1830 and 3 percent in 1910. Kay, *Latin American Theories*, 210.

[31] Ranjni Kotheri, *Rethinking Development: In Search Of Humane Alternatives* (New York: New Horizons Press, 1989), 127-128.

[32] Larrain, *Theories of Development,* 199. Authors who have criticized this approach include Larrain, Kay, Cardoso, Faletto, Robert Brenner and Henry Berstein. See Cardoso, Fernando and Enzo Faletto, *Dependency and Development in Latin America* [1969] 3rd ed. (Berkely: University of California Press, 1979), xvi; Kay, *Latin American Theories*, 204; Larrain, *Theories of Development,* 199; Henry Bernstien, "Industrialization, Development and Dependence," in *Introduction to the Sociology of Developing Societies,* eds. H. Alari and T. Shanis (London: MacMillan, 1975), 176; Robert Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism," *New Left Review* 104 (1974): 27.

[33] Cardoso and Faletto, *Dependency and Development*, xvii.

[34] Kay, *Latin American Theories*, 177.

[35] Included in this group are Baran, Gunder Frank, and Dos Santos. Wallerstein, though, is so pessimistic regarding the potential for development in the periphery in a world capitalist system that socialist revolution is not sufficient, because the LDCs "are forced to participate, like all countries, in the markets of the world economy." While fully admitting it is utopian, he believes the only true way out of underdevelopment for all the LDCs is worldwide socialism. See Susan Eckstein, "The Socialist Transformation of Cuban Agriculture: Domestic and International Constraints," *Social Problems.* 29 (2) (December 1981), 178; Immanuel Wallerstein, *World-System Analysis: Theory and Methodology* (London, Beverley Hills & New Delhi: Sage Publications, 1982), 103; Cristobal Kay, *Latin American Theories*, 56.

[36] Larrain, *Theories of Development,* 164.

Chapter One

[1] Cited in Louis A. Perez Jr., *Cuba: Between Empires: 1878-1902* (Pittsburgh: University of Pittsburgh Press), 107.

[2] Ibid., 171.

[3] Cited in Louis A. Perez Jr., *Cuba: Between Reform and Revolution* (New York & Oxford: Oxford University Press, 1990), 305.

[4] Leon G. Campbell, *The Key to the Caribbean: Spanish Cuba, 1492-1898* (Riverside: University of Califorina Press, 1973), 5; Thomas Skidmore and Peter H. Smith, *Modern Latin America* [1984] 2nd ed. (New York & Oxford: Oxford University Press, 1989), 248.

[5] Anton L. Allahar, *Class, Politics and Sugar in Colonial Sugar* (Lewiston, Queenston & Lampeter: Edwin Mellen Press, 1992), 181.

[6] Campbell, *The Key*, 6; Manuel Moreno Fraginals. *The Sugar Mill: The SocioEconomic Complex of Sugar in Cuba* [1964] 2nd ed. (New York & London: Monthly Review Press, 1974), 36.

[7] Schroeder, *Cuba: Historical Stats*, 41; Keen, *History of Latin America,* 411; David Bushnell and Neill MaCaulay, *The Emergence of Latin America in the Nienteenth Century* [1988] 2nd ed. (New York & Oxford: Oxford University Press, 1994), 264-265; Josef Opatrny. *U.S. Expansionism and Cuban Annexationism in the 1850s* (The Edwin Melley Press: Lewist/Queenston/Lampeter, 1993), 145.

[8] Luis Martínez Fernandez, *Torn Between Empires: Economy, Society and Patterns of Political Thought in the Hispanic Caribbean, 1840-1878* (Athens & London: University of Georgia Press, 1994),

197; Aline Helg. *Our Rightful Share: The Afro-Cuban Struggle for Equality, 1886-1912* (Chapel Hill: The University of North Carolina Press, 1995), 24. Official abolition was proclaimed in 1880 by Spain, followed by a lengthy apprenticeship period that was finally ended in 1886, thus freeing the last of Cuba's slaves. See also p. 21 below.

[9] Allahar, *Class, Politics, Sugar,* 182.

[10] Schroeder, *Cuba: Historical Stats,* 41.

[11] Fernandez, *Torn Between Empires,* 97.

[12] Between 1825 and 1829 the world price of sugar averaged 6.7 cents per pound and remained above 5.7 cents per pound until 1848. Between 1835 and 1839 the price averaged approximately eight cents per pound. See Felix Goizueta-Mimo, *Bitter Cuban Sugar: Monoculture and Economic Dependence form 1825-1899* (New York & London: Garland Publishing, Inc., 1987), 89.

[13] Allahar, *Class, Politics, Sugar,* 182.

[14] In 1769 Cuba imported 25,986 barrels of flour from the (pre-independence) United States. As early as 1795 the figure had climbed to 80,133 barrels. See Opatrny, *US.Expansion*ism, 33.

[15] Included in this group of politicians was Thomas Jefferson. See Opatrny, *US.Expansion*ism, 47.

[16] Cited in Opatrny, *US.Expansion*ism, 57.

[17] Opatrny notes the figure actually might have been considerably higher, since the contraband trade in Cuba, of which a substantial majority went to the United States, obviously was not recorded. Opatrny, *US.Expansionism,* 110.

[18] Fernandez, *Torn Between Empires,* 12.

[19] Goizueta-Mimo, *Bitter Cuban Sugar,* 81.

[20] Louis A. Perez, ed., *Impressions of Cuba in the Nineteenth Century: The Travel Diary of Joseph J. Dimock* (Wilmington, Deleware:Scholarly Resources Inc., 1998), ix.

[21] Opatrny, *US.Expansion*ism, 250-252; Fernandez, *Torn Between Empires,* 25, 68. Opatrny describes Pierce as "a man who was brought to power with the backing of groups which for years had been advocating the annexation of Cuba."

[22] Cited in Opatrny, *US.Expansion*ism, 269.

[23] This frustration became particularly pronounced following the return of Ferdinand VII to the Spanish throne in 1815, following the Napoleonic Wars. King Ferdinand re-instituted conservative trade policies which were in sharp contrast to many of the Bourbon reforms of the previous century and the relative freedom many Latin American colonies experienced while Spain was occupied by France between 1808 and 1815. See Graham, *Independence,* for a detailed description of the causes of the Latin America independence wars.

[24] Campbell, *The Key,* 7.

[25] Graham, *Independence,* 81; Campbell, *The Key,* 6.

[26] Campbell, *The Key,* 6.

[27] The reasons for this will be explained further below.

[28] Opatrny states that from the 1820s through to the 1830s the number of slaves entering Cuba averaged over 40,000 per year. Opatrny, *US.Expansion*ism, 146.

[29] Franklin W. Knight, *Slave Society in Cuba During the Nineteenth Century* (Milwaukee & London: Wisconsin Press, 1970), 91.

[30] Knight, *Slave Society,* 91; Keen, *History of Latin America,* 411.

[31] Fraginals, *Sugar Mill,* 143.

[32] Opatrny, *US.Expansion*ism, 156, 157.

[33] Bushnell and MaCaulay, *Emergence,* 264.

[34] Fernandez, *Torn Between Empires,* 60.

[35] Goizueta-Mimo, *Bitter Cuban Sugar,* 89.

[36] Fernandez, *Torn Between Empires,* 97. Some historians, as well as most Cuban creoles of the period, have argued that Spanish slavery, relatively speaking, was rather benevolent. However, as Opatrny states, during the expansion of sugar production "the relative independence of the slaves on the plantation and their significance increased; [however] they were under increasing pressure of repression, which they found almost intolerable." Opatrny, *US.Expansion*ism, 157.

[37] Allahar, *Class, Politics, Sugar,* 182.

[38] Fernandez, *Torn Between Empires,* 34-36.

[39] Bushnell and MaCaulay, *Emergence,* 268.

[40] Fernandez, *Torn Between Empires,* 50.

[41] Ibid., 112.

[42] Knight, *Slave Society,* 115.

[43] Bushnell and MaCaulay, *Emergence,* 269.

[44] Fernandez, *Torn Between Empires,* 203. It is interesting to note that none of the Cuban delegates to the conference of 1865 favoured the complete abolition of slavery, only three years before the Ten Years War, when it became a major issue for the creoles. This would seem to indicate further that the paramount reason for the call to end slavery was pragmatically, not morally inspired.

[45] Fernandez, *Torn Between Empires,* 197.

[46] Ibid., 208.

[47] Ibid., 208. During the 1860s revenue from Cuba was higher than it had ever been, doubling the total in 1855.

[48] José M. Hernandez, *Cuba and the United States: 1868-1933* (University of Texas Press: Austin, 1993), 13.

[49] One of the heroes of Cuban independence, General Antonio Maceo, refused to accept the peace settlement. In a meeting known as the *Protest of Baragua*, Maceo demanded the complete abolition of slavery and outright independence, conditions the Spanish refused to accept. Maceo's small army, along with another key independence figure, Calixto Garcia, resumed fighting in an uprising known as the *La Guerra Chiquita* (The Little War, 1879-1880). This struggle ended in complete defeat as the independence effort was beaten on all fronts. See Jaime Suchlicki, *Cuba: From Columbus to Castro* [1977] 4th ed. (Washington: Brassey's, 1997), 71-72.

[50] Bushnell and MaCaulay, *Emergence,*. 291.

[51] Knight, *Slave Society,* 177-178.

[52] Fraginals, *Sugar Mill,* 134.

[53] Perez, *Between Empires,* 19.

[54] In 1853 beet sugar accounted for only 14 percent of world production; by 1884 51.2 percent of world sugar was produced from beets. Goizueta-Mimo, *Bitter Cuban Sugar,* 83; Perez, *Between Empires,* 19.

[55] Knight, *Slave Society,* 177.

[56] Goizueta-Mimo, *Bitter Cuban Sugar,* 89.

[57] Knight, *Slave Society,* 178.

[58] Perez, *Between Empires,* 27.

[59] Goizueta-Mimo, *Bitter Cuban Sugar,* 81.

[60] Perez, *Between Empires,* 30.

[61] Keen, *History of Latin America,* 412.

[62] Schroeder, *Cuba: Historical Stats,* 261.

[63] Calculated from Goizueta-Mimo, *Bitter Cuban Sugar,* 35.

[64] Rosalie Schwartz, *Lawless Liberators - Political Banditry and Cuban Independence* (Durham & London: Duke University Press, 1989), 249.

[65] Perez, *Between Empires*, 31.

[66] Schroeder, *Cuba: Historical Stats*, 261.

[67] Perez, *Between Empires*, 32.

[68] Ibid., 31.

[69] Ibid., 35.

[70] José Martí, *Our America - By Jose Martí: Writings on Latin America and the Struggle for Cuban Independence,* ed. Philip S. Foner (New York & London: Monthly Review Press, 1977), 267.

[71] Ibid., 234.

[72] Ibid., 244.

[73] After Martí's death this movement lost much of its nationalist character and the concern for social issues. Eventually it began focusing on American recognition of the Cuban Republic and sought American intervention in the conflict. See Perez, *Between Empires*, 111.

[74] Perez states, "They [the members of the provisional government] defined the Cuban insurrection in essentially political terms, a struggle to wrest political power from a distant metropolis and its local representatives and establish in Cuba the state agencies capable of guaranteeing their ascendancy in the future republic. The state in post war Cuba would serve at once to institutionalize this new power and contain the social forces released by the revolution." Perez, *Between Empires*, 104.

[75] Ibid., 105.

[76] In fact, in the only country in Latin America which saw a significant challenge to the prevailing social structure, Mexico, between 1810 and 1815, the initial battle for independence failed. In great part the failure to achieve independence in this period was because of this challenge. Miguel Hidalgo rallied the exploited native population to revolt against the Spanish colonial rule. The Mexican creoles, especially in major trading centres, wanted a rebellion against what was perceived as an unjust colonial authority, specifically in regard to trade policy. However, a revolution which would alter their dominant position in society and increase the political input of the oppressed classes was not on their agenda. The creole elite's lack of support for, or at times outright hostility, toward the Mexican insurgents helped the Spanish regain control of Mexico by 1817. When opportunistic Augustín de Iturbide launched a rebellion a few years later which respected creole authority, Mexico achieved independence. See Graham, *Independence,* 85-89, 105-106.

[77] Suchlicki, *From Columbus to Castro,* 79.

[78] Cockcroft, *Neighbours,* 253; Suchlicki, *From Columbus to Castro,* 79. Perez, *Between Reform and Revolution*, 166. In the Cuban countryside during the period, Spanish forces burned deserted villages and planted fields. A traveler of the period reported: "I traveled by rail from Havana to Matanzas. The country outside the military posts was practically depopulated. Every house had been burned, banana tress cut down, cane fields swept with fire, and everything in the shape of food destroyed. . . . I did not see a sign of life, except an occasional vulture or buzzard sailing through the air. The country was wrapped in the stillness of death and the silence of desolation." Cited in Perez, *Between Reform and Revolution*, 166.

[79] Suchlicki, *From Columbus to Castro,* 79.

[80] Perez, *Between Empires*, 155-158.

[81] Ibid., 178.

[82] Campbell, *The Key*, 12.

[83] Ibid., 12.

[84] The fact that Spain steadfastly refused to grant Cuba political autonomy early in the Independence War, despite the pleas of the United States government, also facilitated the Americans' entry into the war. It is very doubtful, however, that any form of autonomy short of independence would have caused a significant number of the rebels to lay down their arms.

[85] Schroeder, *Cuba: Historical Stats*, 445.

[86] Cited in Cockcroft, *Neighbours*, 253. For a detailed explanation of the causes of the United States' entry into the Cuban Independence War and the reluctance of the U.S. government to declare war on Spain until it felt that, by 1898, it had no choice, see Walter Lafeber, *The New Empire: An Interpretation of American Expansion 1860–1898.* (Ithaca, New York: Cornell University Press, 1963), 284-300.

[87] Perez, *Between Empires*, 111.

[88] Ibid., 188.

[89] Of the three leaders who landed in Cuba in 1895 only Maximo Gomez survived to see the end of the war. He, by no means, was satisfied with the conclusion. Francis Maspero states, "Maximo Gomez, for his part, achieved victory in 1898 - to see the United States take over following its last minute intervention. He turned down the offer of power and ended his days in uneasy retirement. He lies in the Havana cemetery, and history recounts that he had a mausoleum built with a deliberately low entry so that access could only be gained by stooping down: he wanted to remind Cuba's elders of their humiliation, knowing full well that they would not fail periodically to pay a ritualistic homage to him." Maspero, "Torn out Page," viii.

[90] That is, the split between the civilian-led provisional government and the military commanders. The provisional government's acquiescence in Estrada Palma's move to place the Liberation Army under the command of American forces only acentuated the split.

[91] Following the war, the rebel troops found themselves in occupied territory without any means of support. Garcia arrived in the United States, along with some civilian leaders of the independence movement, in order to solicit funds from the American government for his desperate troops. While many Cuban leaders had hoped for more aid, when U.S. president, William McKinley, asked Garcia how much the Cuban forces would need, Garcia immediately replied, "Three million dollars," and the deal was sealed. See Philip S. Foner, *The Spanish-Cuban-American War and the Birth of American Imperialism* (New York: Monthly Press, 1972), 400-405; Hernandez, *Cuba and the U.S.*, 72.

[92] Perez, *Between Empires*, 300.

[93] Cited in Foner, *Birth of American Imperialism*, 388.

[94] Leo Huberman and Paul Sweezy, "The Revolutionary Heritage: Background of the Revolution," in *The Cuba Reader: The Making of a Revolutionary Society*, eds. William M. LeoGrande, Philip Brenner, Donna Rich, and Darrel Siegel (New York: Grove Press, 1989), 13.

[95] In 1902 this resulted in the granting of a one hundred-year lease to the American government of Guantanamo for the purposes of establishing a military base. See Susan Eckstein, *Cuba: Back From the Future* (Princeton: Princeton University Press, 1994), 17.

[96] "Platt Amendment: Signed in Havana, May 27, 1903. Proclaimed by President Theodore Roosevelt, July 2, 1904," in *The Cuba Reader: The Making of a Revolutionary Society*, eds. William M. LeoGrande, Philip Brenner, Donna Rich, and Darrel Siegel (New York: Grove Press, 1989), 30-31.

[97] See n.99 below with regard to the true nature of the Cuban elections following the inauguration of the republic.

[98] Huberman and Sweezy, *Revolutionary Heritage*, 14.

[99] The term 'elected' must be used loosely. The Americans enforced a suffrage policy which only gave 5 percent of the population the right to vote. Further, in the presidential contest, Estrada Palma ran uncontested. The only other candidate, Bartolomé Masó, withdrew after he learned the members of a five-man junta who was going to supervise the election and count ballots,, were all running for office on the Estrada Palma ticket (The junta was appointed by the American representative in Cuba, Leonard Wood). Perez, *Between Empires*, 310,372.

[100] Ibid., 386.

[101] Louis A. Perez, *Cuba Under the Platt Amendment, 1903-1934* (Pittsburgh: University of Pittsburgh Press, 1986), 58.

[102] Helg, *Our Rightful Share*, 3.

[103] Suchlicki, *From Columbus to Castro*, 88.

[104] Perez, *Between Empires*, 363.

[105] Perez, *Under Platt*, 77.

[106] Schroeder, *Cuba: Historical Stats*, 432.

[107] James W. Wilkie and Carlos Alberto Contreras, eds., *Statistical Abstract of Latin America*. 29 (1992) (Los Angeles: UCLA Latin American Centre, 1992), 956

[108] See Dos Santos, "Structure of Dependence", 232-235.

[109] Ibid., 261.

[110] Wilkie, *Stat. Abstract (1992)*, 840.

[111] Schroeder, *Cuba: Historical Stats*, 445.

[112] Ibid., 258.

[113] Cockcroft, *Neighbours*, 255.

[114] Perez, *Under Platt*, 83.

[115] Schroeder, *Cuba: Historical Stats*, 224; Perez, *Under Platt*, 81.

[116] In 1925 184 sugar mills occupied 17.7 percent of all Cuban territory. Skidmore and Smith, *Modern Latin America*, 252.

[117] Skidmore and Smith, *Modern Latin America* 252-253.

[118] Paul Baran, *Reflections on the Cuban Revolution* (New York: Monthly Review Press, 1961), 12. By the time of the revolutionary upheavel of the 1950s at least half of the campesinos of the Sierra Maestra who made up the rural base of support for Fidel Castro's 26th of July Movement were wage workers, while another 10 to 15 per cent were 'semi-proletariat,' working for wages while owning a small parcel of land. Castro biographer, Lionel Martin, states, "this explains why the peasant – worker solidarity was achieved from the very beginning of the Cuban revolutionary process." See Lionel Martin, *The Early Fidel: Roots of Castro's Communism* (Secaucus, NJ: Lyle Stuart Inc., 1978), 196-197.

[119] See n.17, Introduction.

[120] Perez, *Under Platt*, 103.

[121] Ibid., 135-136.

[122] Helg, *Our Rightful Share*, 3.

[123] An example of the cultural attitudes of whites in Cuba is a political cartoon of July 6th, 1912. Under the caption, "Patriotism to the Test", a well-dressed white man makes the following suggestion to an extremely racist depiction of a poorly dressed 'peaceful' black man: "Do you want to make a patriotic sacrifice? Then inoculate yourself with the Bubonic plague [rampant in Havana at the time] and join the followers of Ivonnet [leader of the *Partido Independiente de Color*]." Cited in Helg, *Our Rightful Share*, 236.

[124] Aline Helg states: "Official ideology [in most of Latin America] defined equality as 'equality based on merits,' which conviently ignored the fact that all individuals did not originate from equal conditions, for historical reasons based on their race. . . . The Cuban myth of racial equality [in addition] replaced the theme of sexual promiscuity with that of male fraternity in nationalist wars. Also, the official ideology promoted a whitening ideal not founded on blacks' intermarriage with European immigrants but on the massive immigration of white families that would eventually make the *raza de color* [race of color] proportionally insignificant in the island's demographic makeup." Helg, *Our Rightful Share*, 7.

[125] Ibid., 4.

[126] Cited in Helg, *Our Rightful Share*, 222.

[127] See Helg, *Our Rightful Share*, 194-226, for a systematic account of the 'race war' of 1812.

[128] One contention of the socialist government in Cuba has been that racism has been eliminated since the revolution, through legislation and because, in Cuban communist society everyone supposedly is considered equal. However, based on personal observation, the author can state that racist attitudes, especially racial stereotyping of *los negros*, exist in present day Cuba. Moreover, one only has to stroll

through Vedado, in Havana, to witness the highly disproportionate number of black *jineteras* (prostitutes) present. In the discussion on revolutionary Cuba this study focuses on issues of dependency, and the quest to develop and, and avoids questions of race. Nevertheless, an explicit examination of race relations in socialist Cuba is highly desirable, although such a study would present formidable obstacles within Cuba, given the government's determination to portray Cuba as a non-racist society. Those who claim Cuba is a society without prejudice must remember that a heritage of cultural racism cannot be legislated away.

[129] Helg, *Our Rightful Share*, 238.

[130] Cockcroft, *Neighbours*, 254.

[131] Suchlicki, *From Columbus to Castro*, 91.

[132] Perez, *Under Platt*, 117.

[133] Keen, *History of Latin America*, 421.

[134] Robin Blackburn, "Prologue to the Cuban Revolution," in *The Cuba Reader: The Making of a Revolutionary Society*, eds. William M. LeoGrande, Philip Brenner, Donna Rich, and Darrel Siegel (New York: Grove Press, 1989), 44.

[135] Perez, *Under Platt*, 187.

[136] Keen, *History of Latin America*, 421, 422. By 1928 foreign owned sugar mills accounted for over 78 percent of Cuban sugar production. Blackburn, "Prologue," 44.

[137] See n17, Introduction.

[138] Perez, *Between Reform and Revolution*, 227.

[139] Ibid., 227.

[140] Suchlicki, *From Columbus to Castro*, 93.

[141] Hugh Thomas, *Cuba: The Pursuit of Freedom* (New York: Harper & Row Publishers, 1971), 555.

[142] Perez, *Under Platt*, 207.

[143] Ibid., 216.

[144] Thomas, *Pursuit*, 555-556; Suchlicki, *From Columbus to Castro*, 94.

[145] Benjamin Keen offers a detailed description of the class structure in Latin America during the early part of the twentieth century. Keen situates the classes that evolved in this period as follows: "The new bourgeoisie" emerged as a distinct element by the mid twentieth century as various import-substitution programmes during World War One had led to increased domestic consumer goods sector within several Latin American countries and thus to the development of native capitalism. This industrialist class combined with the great landowners to form the upper class of Latin American society (though certainly the two groups' interests were not always in harmony). A "urban middle sector" occupied an intermediate position "between the bourgeoisie and the landed elite, on the one hand, and the peasantry and the industrial working class, on the other." Keen states that the boundaries of this middle sector are vague; highly paid business managers, on one end, to store clerks and civil servants on the other. The urban industrial working class, the peasantry, and an informal sector, "who eke[d] out a precarious living" as domestic servants, car washers, lottery ticket vendors, shoeshiners and street peddlers, made up the lower classes of Latin American society. See Keen, *History of Latin America*, 562-565. In our discussion, the national bourgeoisie generally is consistent with Keen's conception of the new bourgeoisie. However, in Cuba's case, the children of foreign landowners who remained in Cuba and inherited large estates from their parents can also be considered part of Cuba's new bourgeoisie, while native Cuban landowners who had survived previous economic crises were also challenging the political class' hold on power. The progressive elements came from both educated parts of the middle sector and the emerging working class.

[146] See Perez, *Under Platt*, 227-228.

[147] Furtado, *Development of LA*, 235.

[148] Perez, *Under Platt*, 227.

[149] While it is certainly incorrect to label Cuban students of this period as working class, as the vast majority came from the middle sector of Cuban society, the politics of the students who participated in social protests were fairly progressive.

[150] Thomas, *Pursuit*, 547n, 574.

[151] Perez, *Under Platt*, 234.

[152] Further, when the United States alienated the political class in the early 1920s during Zayas's term as president, they lost their only ally within Cuba. In the future, the United States would have to depend on repression by a dominant dictator during times of crises to preserve political stability.

[153] Perez, *Under Platt*, 258.

[154] Thomas, *Pursuit*, 580.

[155] Perez, *Between Reform and Revolution*, 265.

[156] Keen, *History of Latin America*, 422; Perez, *Under Platt*, 265.

[157] Schroeder, *Cuba: Historical Stats*, 190.

[158] Skidmore and Smith, *Modern Latin America* 254.

[159] Furtado, *Development of LA*, 236.

[160] Perez, *Under Platt*, 288.

[161] One of Machado's favorite methods of eliminating opponents was to toss them into the shark-infested Havana harbour. Keen, *History of Latin America*, 416.

[162] Suchlicki, *From Columbus to Castro*, 102.

[163] Cockcroft, *Neighbours*, 255.

[164] Perez, *Under Platt*, 318.

[165] It must be noted that Batista and the other sergeants who rebelled only initiated the revolt in order to protest certain conditions within the military. Anti-government groups, including the student organizations and the *Directorio Estudantil*, supported Dr. Ramón Grau San Martín for president and pressed Batista to expand the sergeants' demands. This eventually led to the establishment of the Grau San Martín government.

[166] It was not until May 1934, following the overthrow of Grau San Martín and the establishment of a pro-American government, that the United States finally abrogated the Platt Amendment.

[167] Keen, *History of Latin America*, 417.

[168] Perez, *Under Platt*, 322.

[169] Keen, *History of Latin America*, 417; Perez, *Under Platt*, 325.

[170] In a report to the Second International Studies Conference of the State and Economic Life held in London, on June 2nd,1933, U.S. representative James W. Angell made clear the omnipresent danger of American intervention: "Until the Cuban people has become so educated into our brand of political and economic thought that it can maintain a stable government, and one which will view American interests with reasonable favor, there must always be a possibility of new interventions. Our economic commitments in Cuba itself, our general military and naval strategy in the Caribbean, and the commitments in other Latin American countries from which this strategy draws so much of its force, makes this necessarily so." James W. Angell, *Financial Policy of the United States: A Report to the Second International Studies Conference on the State and Economic Life* [1933] (New York: Russell., 1965), 20-21.

[171] Perez, *Between Reform and Revolution*, 276.

[172] Samuel Farber, *Revolution and Reaction in Cuba: A Political Sociology From Machado to Castro* (Middleton, Connecticut: Wesleyan University Press, 1976), 78.

[173] Perez, *Between Reform and Revolution*, 281.

[174] Thomas, *Pursuit*, 720.

[175] Maurice Zeitlin, *The Large Corporation and Contemporary Classes* (London: Polity Press, 1989),

227.

[176] Skidmore and Smith, *Modern Latin America* 255.

[177] Eckstein, *Back from the Future*, 34.

[178] Philip Newman, *Cuba Before Castro: An Economic Appraisal* (Ridgewood, NJ: Foreign Studies Institute: 1965, 29. While these figures accurately reflect the consumption patterns of the Cuban elite, it should be noted that obviously they do not account for the amount of money that entered Cuba illegally, through such activities as gambling and prostitution.

[179] Sociologist Cristobal Kay states that for Furtado "the imposition or transplantation of consumption patterns from the centre to the periphery is the key factor which explains the perpetuation of underdevelopment and dependence in the periphery." See Kay, *Latin American Theories*, 132; Furtado. *Development of LA,*

[180] Skidmore and Smith, *Modern Latin America,* 255.

[181] Schroeder, *Cuba: Historical Stats*, 262.

[182] Calculated from Schroeder, *Cuba: Historical Stats*, 840.

[183] Susan Eckstein, "The Impact of the Cuban Revolution," *Comparative Studies in Society and History* 28 (1) (January 1986): 506.

[184] Wilkie, *Stat. Abstract (1992)*, 956.

[185] Perez, *Between Reform and Revolution*, 284.

[186] Harold Sims, "Cuba," in *Latin America Between the Second World War and the Cold War, 1944-48,* eds. Leslie Bethell and Ian Roxburough (New York: Cambridge University Press, 1992), 229.

[187] Perez, *Between Reform and Revolution,* 285.

[188] Ibid., 285.

[189] Sims, "Cuba," 229.

[190] See n17, Introduction.

[191] Carmelo Mesa-Lago, *The Economy of Socialist Cuba: A Two Decade Appraisal* (Albuquerque: University of New Mexico Press, 1981), 7; Keen, *History of Latin America,* 423.

[192] Eckstein, *Impact*, 504.

[193] Perez, *Between Reform and Revolution*, 297.

[194] The manufacturing sector grew by 32.8 percent in this period while overall industrial output grew 24.4 percent. Jorge F. Perez-Lopez, "An Index of Cuban Industrial Output, 1930-1958," in *Qualitative Latin American Studies - Methods and Findings. Statistical Abstract of Latin America. Supplement 6,* eds. James W. Wilkie and Kenneth Riddle (Los Angeles: UCLA Latin American Centre, 1977), 52-53. This expansion was in great part due to an investment of 250 million dollars of fixed capital into manufacturing made by Batista in 1954, lent to him by an American bank. Perez, *Between Reform and Revolution*, 286. What may have been occuring was the onset of the desire for some increased internal development by foreign industry, as Dos Santos's concept of the 'new' dependence based on multinational investment, rather than control of the export sector, appears to be applicable. See Dos Santos, "Structure of Dependence," 235.

[195] Schroeder, *Cuba: Historical Stats*, 443.

[196] Perez, *Between Reform and Revolution*, 311.

[197] Schroeder, *Cuba: Historical Stats*, 224.

[198] Eckstein, "Cuban Agriculture," 19.

[199] Perez, *Between Reform and Revolution*, 300.

[200] Ibid., 304.

[201] Eckstein, "Impact," 522.

[202] René Dumont, *Is Cuba Socialist?* (New York: Viking Press, 1974), 18.

[203] Perez, *Between Reform and Revolution*, 303.

[204] Perez-Stable, *The Cuban Revolution*, 29.

[205] Schroeder, *Cuba: Historical Stats*, 199.

[206] The overall illiteracy rate was 23.9 percent. Antonio Jorge, "Growth With Equity: The Failure of the Cuban Case," *Revista Interamericana de Bibliografia* XXXV (1985): 51

[207] Perez, *Between Reform and Revolution*, 231.

[208] Perez-Stable, *The Cuban Revolution*, 29.

[209] Cited in Perez-Stable, *The Cuban Revolution*, 29. In another study 62 percent of the rural population were found to be undernourished. Howard Handleman states that "this was manifested in small bone structure, general physical weakness, anaemia and a low resistance to disease." In "Comment - The Nutrition of Cubans," *Cuban Studies/Estudios Cubanos* 13 (2) (Summer 1983): 36.

[210] Perez-Stable, *The Cuban Revolution*, 31.

[211] Perez, *Between Reform and Revolution*, 304.

[212] Eckstein, "Impact," 220, 226.The reliability of these figures, though, is questionable. Perez states that only 53 percent of deaths were reported in Cuba in 1953. Perez, *Between Reform and Revolution*, 305.

[213] Ruperto Hernandez, ed., *International Bank of Reconstruction and Development: Resumen del Informe Sobre Cuba (Report on Cuba)* (La Habana: United Nations, 1951), 3.

[214] Eckstein, "Impact," 18.

[215] The corresponding figures for rural and urban areas are 0.4 percent rural and 5.8 percent urban for high school and 0.06 and 1.8 percent for university. Jorge, "The Failure", 51.

[216] In 1944 Communist leader, Blas Roca, described Batista as "the people's idol, the great man of our national politics," and, "this magnificent reserve of Cuban democracy." Cited in Thomas, *Pursuit*, 736.

[217] Farber, *Revolution and Reaction*, 117.

[218] James Cockcroft estimates that between 2000 and 20,000 Cubans were murdered, "most of them city youths suspected of burning cane fields and bombing electrical installations, or running messages to Castro's guerillas." Cockcroft, *Neighbours*, 257. Perez notes by 1958, "Indiscriminate government terror and repression left few households unvisited by grief." Perez, *Between Reform and Revolution*, 303.

[219] Martin, *The Early Fidel*, 22-23.

[220] Castro was nominated to run as an Ortodoxo candidate in the aborted 1952 election. Suchlicki, *From Columbus to Castro*, 140.

[221] Hugh Thomas states that the majority of the attackers were from the lower middle classes and working classes, while some were students. Thomas, *Pursuit*, 824. However, by 1959, virtually the entire Cuban population was united in opposition to Batista..

[222] Thomas, *Pursuit*, 838.

[223] Fidel Castro, *Revolutionary Struggle 1949 - 1958: Selected Works of Fidel Castro*, eds. Ronaldo E. Bonachea and Nelson P. Valdes (Cambridge and London: The MIT Press, 1972), 157-158. Following the coup in 1952, along with the cancellation of the election, Batista suspended the 1940 constitution.

[224] Suchlicki, *From Columbus to Castro*, 141.

[225] Castro, *Revolutionary Struggle*, 184-186.

[226] The Movement was named in commemoration of the date of the attack on the Moncada barracks in 1953.

[227] Castro, *Revolutionary Struggle*, 312.

[228] Cited in Martin, *The Early Fidel*, 208.

[229] Martin, *The Early Fidel*, 101, 142.

[230] One who did run was, by now, the much discredited Grau San Martín. Demonstrating how completely out of touch the communists were with the Cuban population, they participated in the election as well, "forming a bizarre alliance" with the *Authenticos*. Thomas, *Pursuit*, 853.

[231] Perez, *Between Reform and Revolution*, 292.

[232] Ibid., 308.

[233] Zeitlin, *The Large Corporation*, 268.

[234] Ronald H. Chilcote,and Joel Edelstein, *Latin America: Socialist and Capitalist Perspectives on Underdevelopment* (Boulder & London: Westview Press, 1986), 100.

[235] Castro was originally sentenced to fifteen years. Martin, *The Early Fidel*, 139.

[236] The student organization *Revolucionary Directorate*, based at the University of Havana, was the main opposition group in urban areas. In March of 1957 their leader, Jose Antonio Echevarría, was killed during an unsuccessful attack on the Presidential Palace. Nevertheless, the group continued to play a prominent role in the revolutionary struggle up until the victory in 1959.

[237] Both Thomas and Szulz give very detailed accounts of the revolutionary struggle during the 1950s. See Thomas, *Pursuit;* Szulz, *Fidel.*

[238] Martin, *The Early Fidel*, 210.

[239] Raúl was with Fidel at Moncada and played a highly significant role, as we will see in Chapter Two, in bringing Soviet communism to Cuba. As well, since Febuary 1959, Raúl has been the official heir apparent to Fidel.

[240] Aleksandr Fursenko and Timothy Naftali, *"One Hell of A Gamble": Khrushchev, Castro and Kennedy, 1958-1964* (W.W.Norton & No. : New York: 1997), 7.

[241] According to Soviet documents, Fidel denied knowing that Raúl had been a 'card-carrying' member of the PSP until an episode called the 'Escalante affair' in early 1962. See Fursenko and Naftali, *"One Hell of A Gamble,"* 11,15. This episode will be discussed in Chapter Two. Certainly Che was the more independent thinker between himself and Raúl, as in the future he was not nearly as willing to 'tow the Soviet line,' regardless of the political and economic implications.

[242] Fursenko and Naftali, *"One Hell of a Gamble,"* 19.

[243] Ibid., 12.

[244] Perez, *Between Reform and Revolution*, 310; Fursenko and Naftali, *"One Hell of a Gamble,"* 11.

[245] Cited in Fursenko and Naftali, *"One Hell of a Gamble,"* 8.

[246] Special mention must be made of Castro's leadership qualities. At times individuals can make a significant contribution in changing the course of history, and during the revolutionary struggle in Cuba this aspect cannot be overlooked. Castro displayed great intelligence and resourcefulness along with brilliant oratory skills and dynamic leadership qualities. Both Szulz and Sheldon Liss's biographies of Castro give good accounts of Castro's skills. See Szulz, *Fidel*; Sheldon Liss, *Fidel: Castro's Political and Social Thought* (Boulder, San Francisco & Oxford: Westview Press, 1994). Further, often luck was on Castro's side. After the failure of the attack on Moncada and the initial problems encountered immediately after the landing of the Granma in 1957 Castro barely escaped with his life. Brian Meeks accurately concludes: "It is impossible to understand the victory of the Cuban Revolution without mentioning the role of personality and of fortuitous events as it is equally difficult to do anything more than mention them as a part of the necessary tapestry of history." Brian Meeks, *Caribbean Revolutions and Revolutionary Theory: An assessment of Cuba, Nicaragua and Grenada* (London: MacMillan, 1993), 60-61.

[247] Hernandez, *Sobre Cuba*, 3. (Author's translation)

[248] Ibid., 3.

[249] See Preface, p xiv.

Chapter Two

[1] *New York Times.* (January 1st, 1959), 5,24.

[2] Maspero, "The Torn Out Page," xxvi.

[3] Cited in Fursenko and Naftali, *"One Hell of A Gamble,"* 71.

[4] Robert Packenham, "Cuba and The U.S.S.R.: What Kind of Dependency?" in *Cuban Communism,* ed. Irving Louis Horowitz (Chicago: Aldire Publishing, 1980), 111.

[5] Manuel Urrutia had been a judge for thirty-one years prior to the revolution. In mid-1957 he had acquitted several members of the 26th of July movement who had been captured following the disastrous landing of the *Granma* in 1956. In December 1957, a member of the 26th of July, Armando Hart, offered Urrutia the provisional presidency of the republic following revolutionary victory. On July 20th, 1958 the guerrillas in the Sierra Maestra officially designated him as provisional president of the republic of Cuba, while at the same time Fidel Castro was named commander-in-chief of the armed forces. On Febuary 13th, 1959, Castro assumed the prime ministership himself. The title of Urrutia's 1964 book clearly indicated what he thought of Castro's version of communism. See Manuel Urrutia, *Fidel Castro and Company, Inc.: Communist Tyranny in Cuba* (New York: Frederick A. Praeger, 1964), 6; Thomas, *Pursuit,* 942, 970. In the following discussion, in addition to the references from Fursenko and Naftali, *"One Hell of a Gamble,"* the following sources have been used: Claes Brundenius, *Revolutionary Cuba: The Challenge of Economic Growth with Equity* (Boulder and London: Westview Press, 1984), 44; K.S. Karol, *Guerillas in Power: The Course of the Cuban Revolution* (New York: Hill & Wang, 1970), 200-207; Jaime Suchlicki, *From Columbus to Castro,* 163; Thomas, *Pursuit,* 1223-1224, 1265-1266; Carlos Lechuga, *In the Eye of the Storm: Castro, Khrushchev and the Missile Crisis, by Cuba's former UN Ambassador* (Ocean Press: Melbourne, 1995), 14-18.

[6] Thomas, *Pursuit,* 1074; Fursenko and Naftali, *"One Hell of A Gamble,"* 8.

[7] Cited in Fursenko and Naftali, *"One Hell of A Gamble,"* 10.

[8] Ibid., 11-15.

[9] Ibid., 16.

[10] Farber, *Revolution and Reaction,* 23.

[11] Nelson Amaro, "Mass and Class in the Origins of the Cuban Revolution," in *Cuban Communism,* ed. Irving Louis Horowitz (Chicago: Aldire Publishing, 1980), 26.

[12] Fursenko and Naftali, *"One Hell of A Gamble,"* 17-18. In spring of 1959 Che was sent away on a diplomatic mission to Europe and Asia. Prior to leaving he married his longtime girlfiend. Raúl was Che's best man – Fidel did not attend.

[13] Thomas, *Pursuit,* 1230-1232.

[14] Fursenko and Naftali, *"One Hell of A Gamble,"* 31.

[15] In fact, even elements of the non-communist left began to question the direction in which Fidel was taking the revolution. The most well-known and unfortunate case is that of Commandante Hubert Matos, a veteran of the Sierra Maestra and, in the fall of 1959, the military chief of the Camaguey province. Days after Raúl's appointment to head the Cuban Armed Forces, Matos resigned, confessing in a letter to Fidel that he "did not want to become an obstacle to revolution." A few days later, former commander of the Cuban Rebel Air Force, Pedro Luis Díaz Lanz, who had sought exile in the United States the previous June, piloted a small aircraft over Cuba and dropped leaflets that stated that Fidel was attempting "to install a system like that of Russia." With Castro seething, Matos caught the full extent of his wrath, and was arrested and sentenced to twenty years in prison. See Fursenko and Naftali, *"One Hell of A Gamble,"* 32, 33.

[16] Perez, *Between Reform and Revolution,* 333.

[17] Fursenko and Naftali, *"One Hell of A Gamble,"* 19.

[18] Ibid., 23.

[19] Ibid., 29.

[20] In early November Alekseev and Mikoyan had met in Mexico City to discuss the Cuban situation. Alekseev made some suggestions regarding how the Soviets should interact with the Cuban revolutionaries. Mikoyan incorporated some of these suggestions in a report to the Kremlin, including one that the Soviet Union should sign a sugar deal with Cuba that allowed for the Soviet purchase of 500,000 – 600,000 tons of Cuban sugar over the next five years, conducted in a barter arrangement, and that the Soviets should supply the Cubans with industrial machinery as requested. Direct military assistance was to be considered in the future. Ibid., 32-34.

[21] Ibid., 36.

[22] Ibid., 35, 36.

[23] Thomas, *Pursuit,* 1223-1224, 1265-1266; Fursenko and Naftali, *"One Hell of A Gamble,"*32.

[24] Castro's concern was well-founded. In 1962 a Cuban exile in Miami made the following observation: "When I was at the university [University of Havana], I used to run a pro-Fidel organization. We used to print leaflets, distribute arms, handle funds, plant bombs. After Batista's fall, the other guys in the organization and myself put ourselves at the service of the Revolution. We wanted Cubans to be free, happy, independent of the United States as well as Russia. But gradually things went wrong. Like Batista, Fidel tried to organize the students and get them under control. If you disagreed, it meant prison. If you argued, prison. If you got out of step, prison." Cited in Victor Franco. *The Morning After: A French Journalist's Impressions of Cuba Under Castro* (New York: Praeger, 1963), 20.

[25] Cited in Thomas, *Pursuit,* 1269; Fursenko and Naftali, *"One Hell of A Gamble,"* 37.

[26] Cited in Fursenko and Naftali, *"One Hell of A Gamble,"* 39.

[27] Cited in Piero Gleijeses, "Ships in the Night: The C.I.A., the White House and the Bay of Pigs," *Journal of Latin American Studies* 27 (February 1995), 4-5. The minutes of meeting on the 17th read: "The President said that he knows no better plan for dealing with this situation."

[28] Fursenko and Naftali, *"One Hell of A Gamble,"* 41.

[29] Perez, *Between, Reform and Revolution,* 324.

[30] Karol, *Guerillas in Power,* 236,243.

[31] Fursenko and Naftali, *"One Hell of A Gamble,"*44.

[32] Cited in Karol, *Guerillas in Power,* 201.

[33] Two months earlier the United Fruit *latifundios* were taken by the Cuban government

[34] Cited in Fursenko and Naftali, *"One Hell of A Gamble,"*52.

[35] While Khrushchev would not have been so blunt as to actually state that the Soviets would use nuclear force against the United States, the rockets to which he referred were inter-continental ballistic missiles (ICBMs), armed with nuclear warheads.

[36] Cited in Fursenko and Naftali, *"One Hell of A Gamble,"*61.

[37] Ibid., 66.

[38] Ibid., 71.

[39] Thomas, *Pursuit,* 1223-1224, 1265-1266.

[40] Fidel even claimed to have introduced Raúl to Marxism. Cited in Fursenko and Naftali, *"One Hell of A Gamble,"*71.

[41] Fursenko and Naftali, *"One Hell of A Gamble,"*73.

[42] Cockcroft, *Neighbours,* 264. The group of exiles included at least 194 former members of Batista's militia and police force. Karol, *Guerillas in Power,* 17. The attack proved that economic and political considerations were paramount in the minds of the American leaders, at the expense of moral concerns.

[43] Castro's continous concern over American military intervention led him to accept the installation of Russian misslie launchers in the spring of 1962, which precipitated the Cuban Missile Crisis of October of the same year. As the missle crisis contributed to the economic and political direction the revolution followed between 1963 and 1970, so too did internal events revolving arround the issue of

'sectarianism' in socialist Cuba in 1962, these external and internal forces will be considered in the opening section of Chapter Three.

[44] Fursenko and Naftali state that "the most tragic consequence of the Bay of Pugs was the ascendency of Aníbal Escalante and a Cuban security service dominated by the Soviet Union." Fursenko and Naftali, *"One Hell of A Gamble,"* 99.

[45] Fursenko and Naftali, *"One Hell of A Gamble,"* 55.

[46] B.P. Packney, *Soviet Statistics since 1950* (University of Surrey Press, Dartmouth, 1991), 272.

[47] James W.Wilkie, ed., *Cuba: 1968: Supplement to the Statistical Abstract of Latin America.* (Los Angeles: UCLA Latin American Centre, 1970), 265; Wilkie, *Stat. Abstract (1992)*, 956.

[48] Claes Brundenius and Andrew Zimbalist, *The Cuban Economy: Measurement and Analysis of Socialist Performance* (Baltimore: John Hopkins University, 1989), 76-78.

[49] These 'weapons' included "the market place as the basic cell, profit making, and individual material incentives." Ernesto Guevara. "The Cuban Economy: Its Past and Its Present Importance," (October, 1964) in *Che: The Selected Works of Ernesto* Guevara, eds. Ronaldo E. and Nelson P. Valdes (Cambridge & London: The MIT Press, 1969), 139.

[50] Mesa-Lago, *Economy of Socialist Cuba*, 13-14; Amaro, "Mass and Class", 29.

[51] Castro stated in 1959: "No one can deny that agrarian reform is one of the essential conditions for the economic development of the country." Fidel Castro, "Overview: Economic Problems Confronting Cuba and the Underdeveloped World," (Speech at the United Nations) (September 1952) in *Fidel Castro Speaks* eds. Martin Kenier and James Petros (New York: Grove Press, 1969), 12.

[52] Dumont, *Is Cuba Socialist,* 18, 21.

[53] Dudley Seers, André Branch, Richard Jolly, and Max Nolff, eds. *Cuba: The Economic and Social Revolution. (*Chapell Hill: University of North Carolina Press, 1964), 41.

[54] René Dumont,*Socialism and Development* [1964] 2nd ed. (New York: Grove Press, 1970), 65.

[55] Joel C. Edelstein, "Economic Policy and Development Models," in *Twenty-five Years of Revolution: 1959-1984*, eds. Sandor Halebsky and John M. Kirk (New York: Praeger Publishing, 1985), 178.

[56] Thomas, *Pursuit*, 1240.

[57] Ibid., 1235.

[58] Mesa-Lago, *Economy of Socialist Cuba*, 17.

[59] Ibid., 17.

[60] Dumont, *Socialism and Development,* 33.

[61] Schroeder, *Cuba: Historical Stats*, 449.

[62] Dumont, *Socialism and Development,* 75.

[63] Mesa-Lago, *Economy of Socialist Cuba* 13-14.

[64] Schroeder, *Cuba: Historical Stats*, 262.

[65] Mesa-Lago, *Economy of Socialist Cuba*, 17.

[66] Schroeder, *Cuba: Historical Stats*, 236.

[67] Brundenius, *Revolutionary Cuba*, 236.

[68] Ibid., 50.

[69] Wilkie, *Stat. Abstract (1992)*, 872; Seers, Branch, Jolly, and Nolff, *Cuba,* 41.

[70] Wilkie, *Stat. Abstract (1992)*, 840. The sugar crop of 1963 was 3.821 million tons, a fall of 34 percent from 1959 and 43 percent from 1961. Schroeder, *Cuba: Historical Stats*, 262.

[71] The ration per month was as follows: 2lbs of fat; 6 llbs of rice; 1.5lbs of beans; for adults in cities it also included: 3lbs of meat; 1lb of fish; .25lbs of butter; 1lb of chicken; and five eggs. Every child under seven was guaranteed 1 litre of milk daily. Karol, *Guerillas in Power*, 216.; Thomas, *Pursuit,* 1378. It should be noted that while rationing was a result of a shortage of consumer goods, the policy itself does demonstrate that whatever goods were available, were distributed equitably.

[72] Edelstein, *Economic Policy,*, 179.

[73] See Kay, *Latin American Theories*, 41, 132; Furtado, *Development of LA*, 175-181.

[74] Mesa-Lago, *Economy of Socialist Cuba*, 17, 59.

[75] Economic Commission of Latin America, *Economic Survey of Latin America 1963* (New York: United Nations, 1965), 277.

[76] See Brunner, *Cuban Sugar Policy*; Mesa-Lago, *Economy of Socialist Cuba*; Brundenius and Zimbalist, *The Cuban Economy*; Eckstein, "Cuban Agriculture"; Patricia Ruffin, *Capitalism and Socialism in Cuba: A Study of Dependency, Development and Underdevelopment* (New York:St. Martin's Press, 1990).

[77] Ernesto Guevara, "The Cadre, Backbone of the Revolution," [September 1962] in *Che: The Selected Works*, eds. Bonochea and Valdes, 73; Guevara, Cuban "Economy", 143.

[78] Calculated from Wiillard W. Radell, "Cuban-Soviet Sugar Trade, 1960-1976: How Great was the Subsidy?" *The Journal of Developing Areas* 17 (April 1983):369.

[79] Cuban exilies also launched attacks on the Castro regime from Miami, bombing Cuban sugar mills, including an incident in Piñar del Rio in October 1959. American diplomatic pressure eventually led to the hemispheric isolation of Cuba by the end of 1963.In January 1962, Cuba was expelled from the Organization of American States (OAS). Guatemala, Peru, Venezuela, Columbia, Argentina, and Ecuador all broke off diplomatic relations before 1963, with extreme pressure by the United States to do so. In March 1963, a declaration by the Central American nations was made that called for the isolation of Cuba. President Kennedy stated at the time, "We will build a wall around Cuba." Jean Stubbs, *Cuba: The Test of Time*, (Nottingham: Russell Press, 1989), xi-xii; Thomas, *Pursuit*, 1243.

[80] Dumont, *Socialism and Development*, 61.

[81] Schroeder, *Cuba: Historical Stats*, 485.

[82] Cited in Karol, *Guerillas in Power*, 224.

[83] Ibid., 227.

[84] Ibid., 215, 216.

[85] Patricia Ruffin states that Cuba coordinated its developmental plans with the Soviet Union beginning in 1961. Ruffin, *Capitalism and Socialism*,126. The Soviet influence, though, certainly was not as strong from 1963 through 1968, in great part due to the political ramifications following the Cuban Missile Crisis. As mentioned, in Chapter Three this issue will be considered.

[86] The model was based on rapid industrialization through a high degree of centralized control and large capital inputs. See Mesa-Lago, *Economy of Socialist Cuba*, 15; Karol, *Guerillas in Power*, 223.

[87] Mesa-Lago, *Economy of Socialist Cuba*, 15.

[88] Karol, *Guerillas in Power*, 228-229.

[89] Dumont, *Socialism and Development*, 61.

[90] Obviously, prior to 1959, the close proximity of the Untied States meant that there was no need for large storage areas, as goods and spare parts could be ordered as needed.

[91] Karol, *Guerillas in Power*, 222, 224.

[92] Ibid., 223.

[93] Guevara, "The Cuban Economy," 143.

[94] Fidel Castro, *Fidel Castro's Speech Commemorating the XVII Anniversary of the Storming of the Moncada Barracks* [July 26, 1970] (Washington: Squirrel Publications, 1970), 19.

[95] Lynn Darrell Bender, "The Cuban Exiles: An Analytical Sketch," *Journal of Latin American Studies* 5 (February 1973): 272.

[96] Cited in Amaro, "Mass and Class," 31.

[97] Barent Landstreet and Axel I. Mundigo, "Development Policies and Demographic Change in Socialist Cuba," in *Democracy and Development in Latin America*, eds. Louis Lefeber and Liisa L.North

(Toronto: CERLAC, 1980), 139.

[98] Perez, *Between Reform and Revolution*, 334.

[99] Eugene F. Provenzo Jr. and Garcia Concepcion, "Exiled Teachers and the Cuban Revolution," *Cuban Studies/Estudios Cubanos* 13 (2) (Winter 1983): 6.

[100] Ibid., 6.

[101] Dumont, *Is Cuba Socialist*, 25.

[102] Karol, *Guerillas in Power*, 224.

[103] Personal Interview, March 7th,1997. Taberes was a former member of the July 26th Movement during the 1950s and held an assortment of posts in the revolutionary government during the 1960s and 1970s.

[104] Carlos Rafael Rodriquez, *Four Years of Agrarian Reform* (Havana: Ministry of Foreign Relations, Republic of Cuba, 1964), 26, 36.

[105] Dumont, *Socialism and Development*, 62,65,66,67,74; Dumont, *Is Cuba Socialist*, 17,29,47.

[106] Dumont, *Socialism and Development*, 63.

[107] Karol, *Guerillas in Power*, 33.

[108] Dumont, *Socialism and Development*, 67.

[109] Eckstein, "Cuban Agriculture," 180.

[110] Dumont, *Socialism and Development*, 74.

[111] Guevara, "The Cuban Economy," 180 [author's emphasis].

[112] Dumont, *Socialism and Development*, 110.

[113] Mesa-Lago, *Economy of Socialist Cuba*, 15.

[114] Guevara, "The Cuban Economy," 143.

[115] Brunner, *Cuban Sugar Policy*, 33; Robert Bernardo, *The Theory of Moral Incentives in Cuba* (University of Alabama: University of Alabama Press, 1971),40; Mesa-Lago, *Economy of Socialist Cuba*,125.

[116] Bernardo, *Theory of Moral Incentives*, 40.

[117] Dumont, *Socialism and Development*, 73.

[118] Ibid., 73.

[119] See the Introduction above for a brief discussion of these reasons.

[120] Eckstein, "Cuban Agriculture," 182.

[121] Cited in Thomas, *Pursuit*, 1378.

[122] The breakdown is as follows (in millions of dollars): Education 238; Social Security 175; Public Health 89; Science and Culture 33; Social Assistance 21; Sports and Recreation 14. Seers, Branch, Jolly, and Nolff, *Cuba*, 41.

[123] The teaching contigent consisted of 120, 632 volunteer teachers, 113,016 members of workers' brigades and 34,772 professional teachers. Schroeder, *Cuba: Historical Stats*, 1982: 228

[124] Wilkie, *Cuba: 1968*, 101.

[125] Ibid., 50.

[126] Ibid., 92.

[127] Schroeder, *Cuba: Historical Stats*, 123.

[128] Wilkie, *Cuba 1968*, 92.

[129] Schroeder, *Cuba: Historical Stats*, 144.

[130] Wilkie, *Cuba 1968*, 109.

[131] Schroeder, *Cuba: Historical Stats*, 336; Brundenius, *Revolutionary Cuba*, 95.

[132] Dumont, *Socialism and Development*, 65n.

Chapter Three

[1] Guevara, "The Cuban Economy," 143.

[2] Karol, *Guerillas in Power*, 330.

[3] Cited in Ernest R.May and Philip D. Zelikow, eds. *The Kennedy Tapes: Inside the White House During the Cuban Missile Crisis* (Cambridge: The Belknap Press of Harvard, 1997), 554.

[4] Edelstein, "Economic Policy," 180.

[5] Guevara, "The Cuban Economy," 143.

[6] Cited in Herbert L. Mathews, *Fidel Castro* (New York: Simon & Schuster, 1969), 255.

[7] In Chapter Four we will closely examine the economic policies that Castro eventually chose in 1967 following the debate. We will see that, despite common perceptions of various scholars that point to the utilization of moral incentives, it is incorrect to state, as many have, that Guevara's Budgetary Fianance system was adopted.

[8] Fursenko and Naftali, *"One Hell of A Gamble,"* 162.

[9] Ibid., 163.

[10] The party was officially formed on March 8th, 1962. The leadership of the ORI consisted of thirteen delegates from the 26th of July Movement, 10 PSP members and 2 members of the Student Directorate. Karol, *Guerillas in Power*, 246. At this point Castro, *el lider maximo* of Cuba, still held the position of Prime Minister. Eventually, in the 1970s, Castro would become head of the Cuban Communist Party as well. See Thomas, *Pursuit*, 1230,1232.

[11] Fursenko and Naftali, *"One Hell of A Gamble,"* 163.

[12] The original text included the line: "We trust that the purity of our aims will attract the favour of God, to allow us to establish the rule of justice in our country." Cited in Thomas, *Pursuit*, 1377.

[13] Fidel Castro, "The Revolution Must Be a School of Unfettered Thought" [1962] 3rd ed. (New York: Merit Publishers, 1969), 6.

[14] Thomas, *Pursuit* , 1378.

[15] Fursenko and Naftali, *"One Hell of A Gamble,"* 165.

[16] Fidel Castro, "Against Bureacracy aned Sectarianism," (Speech of March 26, 1962) in *Fidel Castro: Volume II: Building Socialism in Cuba*, ed. Micheal Taber (New York: Pathfinder Press, 1983),46.

[17] Karol, *Guerillas in Power*, 248. The Escalante episode proved to Karol that "Cuban society had . . . developed strong anti-bodies to the Stalinst virus."

[18] Thomas, *Pursuit*, 1378-79.

[19] Cited in Karol, *Guerillas in Power*, 248.

[20] Jorge Dominguez, *To Make the World Safe for Revolution: Cuba's Foreign Policy* (London: Harvard University Press, 1989),36.

[21] In a letter from the Chinese Communist Party to Communist Party of the Soviet Union on June 14th, 1963, Chinese leaders stated that Asia, Africa and Latin America had become "the knot of all contradictions in the world, the main seedbed of revolutionary storms in the world today [and] the struggles of the peoples of these areas is of decisive importance to the cause of the international proletariat as a whole." Citéd in G.V Astafyer. and A.M. Dubinsky, eds., *From Anti-imperialism to Anti-socialism: The Evolution of Peking's Foreign Policy* (Moscow: Progress Publishers, 1974), 12.

[22] Fursenko and Naftali, *"One Hell of A Gamble,"* 181.

[23] Nicola Miller cites Khrushchev's own words: "One thought kept hammering away at my brain: What will happen if we lose Cuba? I knew it would be a terrible blow to Marxist-Leninism." Nicola Miller, *Soviet Relations with Latin America, 1959-1987* (Cambridge: Camridge University Press, 1989), 87.

[24] Fursenko and Naftali, *"One Hell of A Gamble,"* 182. Soviet-American relations in the spring of 1962 were strained. A summit in June of the previous year had led nowhere. Kennedy could not get a

nuclear test ban that he had wanted, while Khrushchev was upset by Washington's unwillingness to compromise over the situation in Berlin. In April 1962, the United States had resumed nuclear testing, after a three-year moratorium, which had angered the Soviet Union. As well, enhanced U.S. military activity in Southeast Asia and recently installed U.S. Jupitor missiles on the Soviet border in Turkey had increased tensions between the two nations, as had, of course, the Soviet presence in Cuba.

[25] Fursenko and Naftali, *"One Hell of A Gamble,"* 182.

[26] Ibid., 186. The shipment included 41 one-megaton warheads and 12 two-kiloton warheads for tactical purposes, totaling the equivalent to 45,500 kilotons of TNT. Other weapons who had arrived in September and October included 42 medium-range and intermediate ballistic missiles (MRBMs and IRBMs), the most advanced Soviet fighters, the MiG 21s, as well as SAMs, cruise missiles and Komar guided missile patrol boats. Domínguez, *The World Safe*, 37.

[27] T.E.Vadney, *The World Since 1945* (London: Penguin Books, 1987), 291.

[28] Cited in Vadney, *The World,* 291-292.

[29] From the 14th until the 25th many countries doubted the Americans' word regarding the offensive threat, given the American's obvious desire to topple the Castro government through any rationalization whatsoever. However, after the Soviets turned back, it seemed clear that a previous Soviet denial that they had offensive weapons in Cuba had been a lie. See Karol, *Guerillas in Power*, 253-254.

[30] Fursenko and Naftali, *"One Hell of A Gamble,"* 277.

[31] Vadney, *The World,* 296.

[32] Karol, *Guerillas in Power*, 256; Vadney, 296; Fursenko and Naftali, *"One Hell of A Gamble,"* 240-289.

[33] Miller, *Soviet Relations,* 87. Further, the proposition that the international inspections of the dismantling of the missile launchers conducted on Cuban soil was never agreed upon by Cuban leaders, as they felt this action would be in direct violation of Cuban sovereignty. Eventually, the missiles and launchers were inspected in international waters aboard Soviet ships.

[34] Karol, *Guerillas in Power*, 271.

[35] Cited in Lechuga, *In the Eye*, 191-192.

[36] Ibid., 272. One popular chant by Cuban militia following the crisis was "Nikita, mariquita, lo que se da no se quita." (Nikita you little braggard, what one gives one does not take back).

[37] Karol, *Guerillas in Power*, 274.

[38] Miller, *Soviet Relations*, 89.

[39] On July 8th, 1963 the U.S Treasury Secretary froze all Cuban assets in the United States, prohibited all transfers of dollars to Cuba through third countries, gave third countries sixty days in which to cut off their trade with Cuba if they did not want to incur economic and trade reprisals, blacklisted all the ships of capitalist countries that maintained trade with Cuba, and through threat of sanctions, forced many countries to cancel landing permits they had previously given for Cuban planes. Lechuga, *In the Eye*, 192.

[40] Ibid., 272, 283.

[41] See Albert O.Hirschman, *The Strategy of Economic Development* (New Haven: Yale University Press, 1958), 62-75.

[42] Brunner, *Cuban Sugar Policy,* 36.

[43] Guevara, "The Cuban Economy," 143-144.

[44] Edelstein, "Economic Policy," 79.

[45] Ibid., 79.

[46] Guevara, "The Cuban Economy," 144.

[47] Ibid., 144.

[48] Ibid., 144-145.

[49] Ibid., 160.

[50] Brundenius, *Revolutionary Cuba,* 78.

[51] Dumont, *Is Cuba Socialist,* 31-32.

[52] Schroeder, *Cuba: Historical Stats,* 213.

[53] The fact that Soviet economists favoured the Cost-Accounting system, Karol suggested, may have had an influence on Che's support of Budgetary Finance. Karol stated: "Perhaps he [Che] would have been less intransigent and less disrespectful of Moscow, had the whole economic debate not been brought into the open during the very year in which the Missile Crisis served to discredit Khrushchev and the Soviet Union." Karol, *Guerillas in Power,* 259,285.

[54] These areas of contention were indentified by one of the advocates of the Budgetary Finance position, Ernest Mandel, in Janette Habel, *Cuba: The Revolution in Peril* [1989] 2nd ed. (New York & London: Verso, 1991), 48.

[55] Ernesto Guevara, "On the Budgetary System of Finance," (Febuary, 1964) in *Che: The Selected Works,* eds. Bonochea and Valdes, 117-118.

[56] Cited in Habel, *The Revolution in Peril,* 54.

[57] Ibid., 49.

[58] Guevara, "Budgetary System," 119.

[59] Ibid., 132.

[60] Habel notes how Che insisted on this. Habel, *The Revolution in Peril,* 47.

[61] Guevara, "Budgetary System," 129.

[62] Ibid., 129.

[63] Ibid., 137.

[64] Ernesto Guevara, "Socialism and Man in Cuba," (March, 1965) in *Che: The Selected Works,* eds. Bonochea and Valdes, 158.

[65] Mesa-Lago, *Economy of Socialist Cuba,* 20.

[66] Guevara, "Budgetary System," 121.

[67] Ibid., 125.

[68] Cited in Habel, *The Revolution in Peril,* 54.

[69] Guevara, "Budgetary System," 135.

[70] Ibid.,134.

[71] Ibid.,134.

[72] Mesa-Lago, *Economy of Socialist Cuba,*20-21.

[73] Habel, *The Revolution in Peril,* 49.

[74] Dumont, *Socialism and Development,* 116.

[75] Guevara, "Budgetary System," 119.

[76] Dumont, *Socialism and Development,* 82.

[77] Guevara, "Budgetary System," 120.

[78] Dumont, *Socialism and Development,* 53.

[79] Guevara, "Budgetary System," 120. Material incentives have historically resulted in periods of high unemployment and great disparity between the richest and poorest citizens. It does seem, in a socialist state, some incentives of a moral nature must be considered. Brundenius and Zimbalist explain: "In the absence of universal altruism, CPEs [centrally planned economies] must find a method to motivate producers. This is particularly problematic given the tendency of CPEs to maintain full employment. Limited use of material incentives and simulated market signals have had some success, but the logic of central planning and the ethical values of socialism preclude excessive reliance on these motivational and allocational instruments. The effective operation of a planned economy then *requires*

the development of nonmaterial incentives." See Brundenius and Zimbalist, *The Cuban Economy*, 141.

[80] Ibid., 123.

[81] Mesa-Lago, *Economy of Socialist Cuba*, 22.

[82] Bernardo, *Theory of Moral Incentives*, 44.

[83] Schroeder, *Cuba: Historical Stats*, 573.

[84] Ibid., 262.

[85] Ibid., 239.

[86] Ibid., 253, 268-269. Rice production (rice is an important staple in the Cuban diet) dropped from 231 million pounds in 1962 to 55 million pounds in 1965.

[87] Ibid., 239.

[88] Wilkie, *Stat. Abstract (1992)*, 872.

[89] Ibid., 840.

[90] Ibid., 956.

[91] Radell, *Cuban-Soviet Sugar Trade*, 369.

[92] More problems with Cuba's trade relationship with the Soviet Union will be examined in Chapter Four during the discussion of the ten million ton sugar harvest, and in the conclusion.

[93] Schroeder, *Cuba: Historical Stats*, 226; Mesa-Lago, *Economy of Socialist Cuba*, 40.

[94] Bernardo, *Theory of Moral Incentives*, 94-95.

[95] In other areas of higher education there were more positive signs. Students enroled in Technology and Agronomy rose steadily in the period. By 1965-66 2852 more students enroled in Technology and 304 more students enroled in Agronomy than in 1962. Eighteen new schools for Agronomy opened during this period. Students enroled in Economics, by 1965-66 had dropped by 779 from the figure in 1964-65, but had increased by 868 in 1963-64 and 1243 in 1964-65. Schroeder, *Cuba: Historical Stats*, 144.

[96] Schroeder, *Cuba: Historical Stats*, 144.

[97] Calculated from Schroeder, *Cuba: Historical Stats*, 144.

[98] Schroeder, *Cuba: Historical Stats*, 126.

[99] Calculated from Schroeder, *Cuba: Historical Stats*, 336 and Brundenius, *Revolutionary Cuba*, 95.

[100] Habel, *The Revolution in Peril*, 48.

[101] In the following chapter examples of such misconceptions will be given.

Chapter Four

[1] Ernesto "Che" Guevara, "Letter to his Children: Last Letter from Bolivia," [1968] in *Che: The Selected Works*, eds. Bonachea and Valdes, 426.

[2] Dumont, *Is Cuba Socialist*, 95.

[3] Ernesto Cardinal, *In Cuba* [1972] 2nd ed. (New York: New Directions Publishing, 1974), 49

[4] Willard W. Radell Jr, "Sugar Factory Performance Before and Under the Cuban Revolution," *Cuban Studies/Estudios Cubanos* 20 (1990): 133.

[5] Habel, *The Revolution in Peril*, 47; Karol, *Guerillas in Power*, 442.

[6] Edelstein, "Economic Policy," 183. Carmelo Mesa-Lago states that in the summer of 1966 the Guevara model was chosen. Robert Bernardo believes the debate was "decisively settled by 1966 when Cuban socialism embarked more fully on the road mapped for it by Guevara." Mesa-Lago, *Economy of Socialist Cuba*, 24; Bernardo, *Theory of Moral Incentives*,11. There are many more examples.

[7] Despite Khrushchev's prouncement of 1961 (see Chapter Two, p.64) , the Soviet Union, especially after Khrushchev's removal from power in 1964, did not actively promote Third World revolution.

[8] Fidel Castro, "The Duty of Marxist-Leninists and the Revolutionary Line," (Speech of April 20th, 1965) *Marxism in Latin America*, ed. Luis E.Aguilar (Alfred E Knopf: New York, 1968), 220.

[9] Included among those in attendence were prominent Chilean socialist Carlos Altamirano, future Foreign Minister under Chilean president, Salavador Allende, Clodomiro Almeyda, secretary-general of the Uruguayan Communist Party, Rodney Arismendi, and Brazilian radical, Carlos Marighelo

[10] Cited in Juan M.del Aguila, *Cuba: The Dilemmas of a Revolution* (Westview Press: Boulder and London, 1984), 108.

[11] Bonachea and Valdes, eds., *Che: The Selected Works*, 35.

[12] Karol, *Guerillas in Power*, 493.

[13] The Soviets were not pleased with Cuban policies which stressed moral incentives and volunteerism. At the time, Soviet economists were advocating the use of market indicators in the process of economic planning.

[14] Mesa-Lago, *Economy of Socialist Cuba*, 101; Aguila, *The Dilemmas*, 105.

[15] Mesa-Lago, *Economy of Socialist Cuba*, 101

[16] In 1968 France supplied Cuba with a 3.8 million dollar credit for the purchase of tractors. Schroeder, *Cuba: Historical Stats*, 449.

[17] See Karol, *Guerillas in Power*, 497-510. Karol believes that in the aftermath of the Soviet invasion of Czechoslovakia, Castro "would have had to align with China against both the U.S.S.R. and the USA." As economic and political considerations were utmost in Castro's mind, this was not possible. Karol concluded: "for that, he lacked the courage, and, perhaps even the means." Karol, *Guerillas in Power*, 510

[18] Aguila, *The Dilemmas*, 111.

[19] Karol, *Guerillas in Power*, 492-493.

[20] Ibid., 579.

[21] Mesa-Lago, *Economy of Socialist Cuba*, 27; Edelstein, "Economic Policy," 183-186.

[22] Betram Silverman, "Economic Organization and Social Conscience: Some Dilemmas of Cuban Socialism," in *The Chilean Road to Socialism*, ed. J.A. Zammit (Institute of Development, 1972), 409; Edelstein, "Economic Policy," 183.

[23] Eckstein, "Cuban Agriculture," 183.

[24] Edelstein, "Economic Policy," 187.

[25] The concept of the 'new man' during the Revolutionary Offensive Period was fairly consistent with Che's definition in his defense of the Budgetary Finance system, although during the Revolutionary Offensive, as we have stated, Castro had to rely solely on moral incentives as there were few material rewards to offer. Further, as we will see, the similarity of the two approaches, for the most part, ends here.

[26] Mesa-Lago, *Economy of Socialist Cuba*, 25.

[27] Bernardo, *Theory of Moral Incentives*, 54.

[28] Habel, *The Revolution in Peril*, 49, 50.

[29] Bernardo, *Theory of Moral Incentives*, 79.

[30] Ibid., 54-55.

[31] Habel, *The Revolution in Peril*, 50.

[32] Bernardo, *Theory of Moral Incentives*, 63, 68.

[33] Cited in Habel, *The Revolution in Peril*, 50.

[34] Dumont, *Is Cuba Socialist*, 31.

[35] Habel, *The Revolution in Peril*, 47.

[36] Guevara, "The Cuban Economy," 142.

[37] Personal Interview, February 5th, 1995. Cuban economist and government minister. Figueres worked with Ernesto "Che" Guevara at the Ministry of Industry during the 1960s.
[38] Guevara, "Budgetary System," 121. [author's empahsis]
[39] Ibid., 121.
[40] Ibid., 124.
[41] Cited in Habel, *The Revolution in Peril*, 47.
[42] Guevara, "Budgetary System," 127.
[43] Cited in Habel, *The Revolution in Peril*, 48.
[44] Guevara, "Budgetary System," 134.
[45] Habel, *The Revolution in Peril*, 47, 50.
[46] Cited in Ibid., 47.
[47] Personal Interview, March 7th, 1997.
[48] As Janette Habel terms them, *The Revolution in Peril*, 33
[49] Cited in Ibid., 51.
[50] Ibid., 54. Habel states that this was the 'Achilles heel' of Che's position.
[51] Dumont, *Is Cuba Socialist*, 34.
[52] Cardinal, *In Cuba*, 49.
[53] Schroeder, *Cuba: Historical Stats*, 162.
[54] Thomas, *Pursuit*, 1437.
[55] Schroeder, *Cuba: Historical Stats*, 1982: 262; Brian H. Pollit, "Sugar, 'Dependency' and the Cuban Revolution," *Development and Change* 17 (1985): 201.
[56] Schroeder, *Cuba: Historical Stats*, 239.
[57] Mesa-Lago, *Economy of Socialist Cuba*, 27.
[58] Wilkie, *Stat. Abstract (1992)*, 872.
[59] Karol, *Guerillas in Power*, 420.
[60] Personal Interview, February 5th,1995.
[61] Schroeder, *Cuba: Historical Stats*, 239.
[62] Edelstein, *Economic Policy,*, 187-188.
[63] Ronald Radosh, "The Cuban Revolution and Western Intellectuals," in *The New Cuba: Paradoxes and Potential*, ed. Ronald Radosh (New York: William Arrow and Co. Inc., 1976), 53.
[64] Karol, *Guerillas in Power*, 336.
[65] Habel, *The Revolution in Peril*, 47.
[66] Dumont, *Is Cuba Socialist*, 59.
[67] Ibid., 59.
[68] Ibid., 63.
[69] Mesa-Lago, *Economy of Socialist Cuba*,124.
[70] Karol, *Guerillas in Power*, 434.
[71] Radell, "Cuban-Soviet Sugar Trade," 369.
[72] Edelstein, "Economic Policy," 184.
[73] Karol, *Guerillas in Power*, 434.
[74] See Chapter One, p.32-33 above, for an explanation of the production process of sugar.
[75] Mesa-Lago, *Economy of Socialist Cuba*, 60.
[76] Edelstein, "Economic Policy," 187.
[77] Radell, "Sugar Factory Performance," 143.

[78] Karol, *Guerillas in Power*, 434.
[79] Eckstein, "Cuban Agriculture," 187.
[80] Karol, *Guerillas in Power*, 417.
[81] Eckstein, "Cuban Agriculture," 189.
[82] Personal Interview, February 5th, 1995.
[83] Brundenius, *Revolutionary Cuba*, 78.
[84] Dumont, *Is Cuba Socialist*, 31.
[85] Cited in Radosh, "The New Cuba," 52.
[86] Cited in Ibid., 53.
[87] Ibid., 52.
[88] Cited in Ibid., 52.
[89] Both of these fields have remained free of charge to this day. Some overall health care and education statistics for the entire decade will be examined below, as will other social indicators.
[90] Schroeder, *Cuba: Historical Stats*, 126.
[91] Ibid., 228.
[92] Schroeder, *Cuba: Historical Stats*, 144. By 1970 there were 8103 students enroled in technology, a greater than three-fold increase in the number of agronomy students, totalling 5324 students, and a 2000 student increase in medical sciences, totalling 7977 students.
[93] Brundenius, *Revolutionary Cuba*, 78
[94] Fidel Castro, "The Revolutionary Offensive: We did not make the Revolution to Establish the Right to Trade. 1968," in *Fidel Castro Speaks*, eds. Kenier and Petros, 272.
[95] Karol, *Guerillas in Power*, 535.
[96] Castro, *Fidel Castro's speech, July 26, 1970*, 36-37.
[97] Aguila, *Dilemmas*, 97.
[98] Habel, *The Revolution in Peril*, 80.
[99] Packenham, "Cuba and the U.S.S.R.," 121.
[100] Ibid., 121.
[101] Schroeder, *Cuba: Historical Stats*, 448.
[102] Wilkie, *Stat. Abstract (1992)*, 872.
[103] Eckstein, "Impact," 506. The higher the rank the more imports exceed exports.
[104] Packenham, "Cuba and the U.S.S.R.," 115.
[105] Brundenius, *Revolutionary Cuba*, 123.
[106] Eckstein, "Impact," 504.
[107] Wilkie, *Stat. Abstract (1992)*, 956. When trade partner concentration in pre-revolutionary Cuba is compared with the figures for post-1959, we see that there was a slight difference between the percentage of trade with the United States and the Soviet Union. However, if COMECON countries are included with the Soviet Union's total there is little difference. Between 1946 and 1958, 69 percent of Cuba's trade was with the United States. Between 1961 and 1976 47.5 percent of Cuban trade was with the Soviet Union. However, when COMECON countries are included in this total then the figure rises to 73 percent. See Packenham, "Cuba and the U.S.S.R.," 113.
[108] Calculated from Wilkie, *Stat. Abstract (1992)*, 840.
[109] Eckstein, "Impact," 506.
[110] Cited in Packenham, "Cuba and the U.S.S.R.," 111.
[111] Eckstein, "Impact," 505. As well, some specific economic sectors did see improvement by 1970. Significant growth occurred in the fishing, nickel and oil industries. In 1959 28.2 thousand tons of fish

were caught. Throughout the decade the total steadily rose, totaling 105.8 thousand tons in 1970. Shipyards, cold storage, canning and freezing facilities were all expanded during the 1960s. Nickel ore production went from 17,834 metric tons in 1959 to 36,774 metric tons in 1970. Nickel and cobalt together ranked as the second leading export in both 1965 and 1970 (behind, of course, sugar). However, the percentage from rose 4 percent in 1965 to 16.5 percent in 1970. Overall production of oil rose from 27,000 tons in 1959 to 159,000 tons in 1970, although Cuba consumed 41666 barrels in 1970 and only produced 1159 barrels. Mesa-Lago, *Economy of Socialist Cuba*, 70; Schroeder, *Cuba: Historical Stats*, 241, 282, 284; Wilkie, *Stat. Abstract (1992)*, 818.

[112] Schroeder, *Cuba: Historical Stats*, 321.

[113] Brundenius, *Revolutionary Cuba*, 78.

[114] Jorge, "The Failure," 57. While Jorge was concluding on the period 1959 to 1985, his observation certainly can be applied to the 1960s alone, when policy emphasis shifted from a rapid industrialization and diversification, to a return to sugar and emphasis on agricultural production, to the quest to harvest one enormous crop of sugar.

[115] Mesa-Lago, *Economy of Socialist Cuba*, 124.

[116] Mesa-Lago, *Economy of Socialist Cuba*, 139; Dumont, *Socialism and Development*, 74. There were certainly other problems in Cuba during the first decade that can be related to productivity, especially in the administration of various economic projects. The question which must be answered is how to maintain high productivity in a situation of full employment. What is not acceptable is an increase in unemployment in order to raise productivity. Other options must be explored.

[117] Beginning in 1972 the construction of houses dramatically increased, with over 15,000 being consistently built every year. Brundenius, *Revolutionary Cuba*, 95.

[118] Schroeder, *Cuba: Historical Stats*, 366. Between 1954 and 1958, 65.6 percent of all houses were built in the province of Havana. Between 1964 and 1968 the figure had dropped to 13.5 percent. Calculated from Schroeder, *Cuba: Historical Stats*, 366.

[119] James W. Wilkie, ed., *Statistical Abstract of Latin America* 31 (2) (1995) (Los Angeles, UCLA Latin American Centre, 1995), 231. Cuba's Latin American illiteracy ranking was fifth in 1950, at 22.1 percent, but moved up to first by 1980. Neighbouring countries Dominican Republic and Haiti offer a compelling comparison. The illiteracy rate in these two countries in 1980 was 26.4 percent and 71.3 percent respectively, while Cuba's rate was still at 3.9 percent.

[120] Schroeder, *Cuba: Historical Stats*, 127.

[121] Ibid.,144.

[122] Castro, *Fidel Castro's speech, July 26, 1970*, 9.

[123] As medical students began to graduate in greater numbers and, thus, replaced the departed doctors, the number of doctors in Cuba rose dramatically. In 1970 there were 6152 doctors on the island, in 1980 the total was 15,247. Brundenius, *Revolutionary Cuba*, 101.

[124] The emphasis on rural areas again should be noted. The figures in 1958 and 1966 for the number of hospitals (and number of beds) respectively are 33 (3264) urban and 1 rural (10) and 50 (12359) urban and 46 rural. Wilkie, *Cuba 1968*, 109.

[125] Brundenius, *Revolutionary Cuba*, 101.

[126] Castro, *Fidel Castro's speech, July 26, 1970*, 9.

[127] Ibid., 9.

[128] Wilkie, *Stat. Abstract (1992)*, 411.

[129] John W. Sloan, "Comparative Public Policy and Brazil," *Studies in Comparative International Development* XVIII (3) (Fall 1983): 73.

[130] Ibid., 73. Sloan also concluded that "Cubans are just as inept in growth policies as Brazilians are in social policies."

[131] Dumont, *Is Cuba Socialist*, 111.

[132] Personal Interview, March 7th, 1997.

Conclusion

[1] Cited in Cardinal, *In Cuba*, 11.

[2] Dumont, *Is Cuba Socialist*, 17.

[3] Dos Santos, "Foundations of Cardoso Government," 57.

[4] Ruffin, *Capitalism and Socialism*, 138.

[5] Habel, *The Revolution in Peril*, 154. As an example of the bureaucratic tendencies within revolutionary Cuba, Dumont noted how in the late 1960s it took the cooperation of thirteen organizations to export one case of tomatoes. Dumont, *Is Cuba Socialist*, 90

[6] Norman Girvan, "The Development of Dependency Economics in the Caribbean and Latin America: Review and Comparison," *Social and Economic Studies* 22 (1973): 26.

[7] The United States has recently tightened its economic embargo on Cuba, in the form of the Torricelli (1992) and Helms-Burton (1996) laws. This, of course, has only made a bad situation worse.

[8] See Chapter Three, n.39 above for a description of the increased U.S. economic embargo following the Missile Crisis.

[9] Cited in Habel, *The Revolution in Peril*, 207.

[10] As Walter Raddel states, Cuba "viewed the world market as a preferred market (unlike any Caribbean nation) and the Soviet Union market as a residual market because of the convertible currency problem." Raddel, "Cuban-Soviet Sugar Trade," 373.

[11] Further, as René Dumont noted in 1968, "[t]he blockade is a hindrance, of course, but the port of Havana is nevertheless full of ships." Dumont, *Is Cuba Socialist*, 108.

[12] Cited in Habel, *The Revolution in Peril*, 201.

[13] In 1997 in Cuba medical services cover 100 percent of the population. Access to university is free. Life expectancy is greater than 75 years old. In a study of present-day Cuban health services, Francisco Rojas Ochoa and Cándido López Pardo concluded that Cuba's success in the "development of a health service with advanced technology, supported by numerous and highly qualified personnel, to protect the population's health" is undeniable." See Ochoa and Pardo, "Economy, Politics and Health Services in Cuba," *International Journal of Health Services* 27(4) (1997): 792.

[14] Mesa-Lago, *Economy of Socialist Cuba*, 3 [Author's emphasis].

[15] Ibid., 2.

[16] In addition, there is an ideological consideration in this argument. To delay the redistribution of wealth while economic growth is pursued is quite simply the doctrine of neo-liberal capitalism. Increased access to social services and a more equitable distribution of wealth must necessarily be immediate goals in the course of economic development by virtue of moral considerations.This approach is not only required to create internal markets and increase industrialization, but to serve the segments of the population that historically have been neglected.

[17] See Preface, p xiv.

[18] José Luis Rodríquez, "The So-Called Cubanology and Economic Development," *Cuban Studies/Estudios Cubanos* 16 (1) (Winter 1986): 216.

[19] Ibid., 216.

[20] Castro, *Fidel Castro's speech July 26, 1970*, 36-37.

[21] Dumont, *Is Cuba Socialist*, 214.

[22] Not only was it Cubans who were not heard. The Cuban Revolution was a great opportunity to develop the first truly socialist society in the Western hemisphere. Many renowned scholars and advisors from around the world offered their advice during the early years, including Paul Baran (October 1960), K.S. Karol (1967), Paul Sweezy and Leo Huberman (March 1960) and René Dumont (three times between 1960 and 1962). As well, there were a number of important conferences held

in Cuba during the 1960s, including: the Tricontenemtal Conference of theOrganization for the Solidarity of the Peoples of Africa, Asia and Latin America (January 3-15, 1966), the first conference of the Latin American Solidarity Organization (January 16, 1967), and the International Cultural Conference (January 4-11, 1968). Delegates to the Cultural Conference included renowned scientists Pierre Lehman, Giovanni Berlinguer and Daniel Amati, social scientists Ralph Miliband, E.J. Hobsbawm and Daniel Guervin and Latin Americans Julio Cortzar and Mario Benedettti. Karol states on the conference: "The foreign visitors left Havana convinced that they had watched a milestone being laid in the history of the communist movement, that they had at last been offered a chance to make a real contribution toward building a better world." Karol, though, stayed on three months longer, without an official guide and eventually concluded: "for if Cuba was truly to survive its possible, or rather probable expulsion from the communist family and go on to set a real example to the young, it ought first of all to have put its own house in order." Dumont, *Is Cuba Socialist,* 27; Karol, *Guerrillas in Power,* 397-399, 403-404, 451, 455, 580-582.

[23] Karol, *Guerillas in Power,* 184-185.

[24] Nuñez, Orlando, cited in Habel, *The Revolution in Peril,* 214.

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