

Depression Won't Change Cuban Commitment To Development

Comecon has announced its plans to "grant Cuba all necessary aid, considering the conjunctural problems," to accelerate its growth to reach the level of industrialization of the rest of Comecon by 1980-1981.

Before the formulation of these plans at the January Comecon meeting in Havana, the effects of the international depression, including the collapse of sugar prices, which provide 80 per cent of Cuba's foreign exchange, as well as adverse weather conditions, forced the Cuban government to announce strong austerity measures for 1977.

When Cuban President Fidel Castro outlined the measures during his Dec. 2 inauguration speech he asserted that the "devaluation" of raw material prices internationally, and the "depressed markets" outside the Comecon countries "force us to apply drastic restrictions in trade with these markets" which will limit "our acquisitions of new merchandise and industrial plants" from the West. These same conditions also restrict Cuba's ability to repay its foreign debt, which includes extensive borrowing from the Euro-dollar market. In the internal economy, Castro added, these measures are "in no way pleasant," and force Cuba to "raise the economy's efficiency, save resources, (and) reduce non essential expenses."

In his speech at the Havana Comecon meeting Castro characterized the international crisis which forced this austerity as "a depression similar to 1929," and he emphasized that the advantages of turning to Comecon were that credits would be based strictly on development. "The members of the Comecon have granted credits at low interest, totalling more than 11 billion rubles," Castro said. "There is not a single onerous demand, nor search for raw materials, nor extraction of financial profits. These characteristics represent the great difference that distinguishes Comecon policy toward the Third World from the economic practices of the advanced capitalist countries..."

The Comecon Road To Development

During the 1971 to 1975 period, the Cuban economy had experienced with the help of Soviet aid an impressive yearly economic growth of over 10 per cent.

Cuba's longstanding economic goals have been to develop their industrial capacity and mechanize agriculture, especially targetting the nickel and sugar industries for this purpose. According to the final communique of the Havana meeting, Cuba will increase its industrial capacity during the coming years to boost nickel production to a yearly high of 130,000 tons, the

equivalent of one fourth of the world's nickel production. Special steel and highly resistant non-ferrous metals will be produced from the nickel, through modern steel plants with expanded capacities already in use, under construction, or planned. An accelerated supply of modern machinery and heavy equipment will be provided by the socialist countries for these industrialization efforts.

Comecon investment and technical assistance will also constitute a major factor in the projected full mechanization of the sugar industry, and the utilization of sugar derivatives, such as cane husk, for the purpose of developing the cellulose industry. The Cubans, which have already undertaken the initial steps in the development of this process, will become the first in the world to massively produce pulp, paper and boards from this non-wood fibrous material.

With the rice harvest already 100 per cent mechanized, a major effort will be launched during the coming years to replicate the same process in the sugar industry, which presently ties-up nearly 100,000 potentially skilled workers in the arduous labor intensive practices of "machete" cutting. An additional 200,000 part-time volunteer laborers would also be relieved from the fields. With the introduction of new heavy equipment, including the modern and highly efficient cane-cutters such as the M-2 and the KTP-1, both already in limited use, it is projected that by 1980, at least 80 per cent of the sugar harvest will be mechanized. The overall efficiency of sugar production will be further aided by technological innovations in the already computerized sugar industry. Through this highly proficient process, which can be easily replicated in other related areas of the economy, the free energy of thousands of Cuban workers now engaged in the administrative and field aspects of the agricultural industry, can be redirected to other areas of the economy.

The process is already being implemented as tens of thousands of low skilled Cuban workers in the cane or related industries are being provided with intense education and multiple-trade training as part of their regular-day chores. This is destined to transform them into a versatile skilled work force capable of adapting to those areas of the economy which demand their services at a given point and time.

This development of labor power, added to the major industrial drive undertaken, which also includes heavy investment in the petrochemical and livestock industries and the country's infrastructure, should guarantee the island levels of growth over and above 1971-75, by the end of the decade.