



A Chat on a Train: Dr. Castro Describes His Plans for Cuba

He favors Self-Help Over U.S. Aid,
Aims to Step Up Food Output to Reduce Imports.

By ED CONY
Staff Reporter of THE WALL STREET JOURNAL
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NEW YORK -

"We either develop our own economy, or we ask a friend to give us a billion dollars a year," said the bearded traveler aboard his private railroad car as it rolled through the greening New Jersey countryside toward New York yesterday morning.

Sprawled full length on a bed in his drawing room in fatigue uniform and short, black boots, and puffing on the ever-present cigar, Fidel Castro goes on to suggest it is better for both Cuba and the United States that his country develop its own economy rather than lean of U.S. aid.

And Dr. Castro is chock-full of broad ideas on how he intends to develop the Cuban economy and wipe out Cuba's chronic unemployment which he says idles 20% of the work force. "We are going to produce many products we now import," he assures his visitor perched on the other end of the bed.

Saving \$150 Million

Asked for specifics, Dr. Castro says Cuba imports much food which can be grown on the island. "We import now \$150 million of food. If we grow that, we give work to our people. We also save \$150 million which we can use to buy tractors, machinery, other things we need," the Cuban premier maintains.

He says Cuba also is capable of producing "cotton, paper and newsprint." He figures domestic production of these items could trim another \$100 million off the island's current imports. Another Castro prescription: "Some tariff protection for our domestic industry."

It seemed quite clear in his mind that what Cuba needs is not necessarily a lower total of buying from abroad but a change in the composition of her foreign trade.

In his program to diversify industry and thus reduce Cuba's dependence on sugar (which accounts for as much as 25% of national income in some years), the revolutionary leader offers some encouragement to American investors who have already poured over \$800 million into Cuba.

Incentives to Industry

He gives an emphatic "yes" when asked if we welcome foreign investment to help trigger Cuba's industrial expansion. He assures his questioner that his government will continue to give new industry tax breaks and other incentives which date back to 1945.

While Dr. Castro demonstrates what some observers might consider a certain naivete about the ease with which government can mold the economy to the form it desires, he also shows more awareness about economic matters than he is usually credited with.

Asked about his plans for expanding sugar production--a question which worries sugar producers the world over--Dr. Castro appraises his visitor for a second or two, smiles, and then says: "We are not showing our hand just yet. Let everyone worry for awhile." But then he goes on to remark: "We'll do what is best for sugar and for Cuba. We would like to increase production if we can do it without disturbing the sugar market."

He also volunteers a significant remark about Cuban laws which forbid employers to fire workers, a restriction which has long rankled American investors in Cuba. Dr. Castro believes it will be impossible to change the laws as long as Cuba is afflicted with "worse unemployment than you had in your depression," because once a man is laid off he has little hope of obtaining another job. But he exudes confidence that his program will reduce unemployment drastically, and he leaves his visitor with the impression he then would consider no-firing edicts "unnecessary."

Cool, Collected Castro

In contrast to the cheerful confusion prevailing elsewhere in his party (his car is loaded with bearded bodyguards and clean-shaven U.S. security agents mingling with Cuban cabinet officers and wives), Dr. Castro seems cool and collected in the privacy of his drawing room as he continues to expound on his economic beliefs.

Casually flicking scraps of cigar onto the bed, he says he has no intention of confiscating Cuban Telephone Co., an affiliate of International Telephone & Telegraph Corp., which has been operated for the past couple of months by a government "intervenor" who is looking into the utility's costs and rates.

Does the government plan to buy the phone company? "We have not talked about it; we have more urgent uses for our money," he says airily.

He claims further that people have misinterpreted a remark of his in a recent speech which indicated he intended to abolish both the lower and upper economic classes and put everyone into a level middle class. "We do hope to raise the standard of living of everyone to what the middle class now has," he says. But he insists he has no thought of taking money away from any wealthy individual who invests in industry. "Industry owners will still make money," he promises.

He is considerably less sympathetic, however, toward people who have invested in real estate and apartments. He defends vigorously his rent decree which slashed rents April 1 by 30% to 50%. He maintains Cuba does not need this type of "non-productive" investment. Asked if his rent reduction hasn't frightened all investors, including those who might put up the industrial plants he wants so much, he concedes that many potential investors "are worried." But he claims manufacturers in Cuba "are happy."

He says further that investors who are worried will change their mind as the Cuban economy is stimulated by increased consumer spending—the theory behind the cut in rents. Of the frightened investors, he says "It's all up here," pointing to his curly black hair in one of the sudden, forceful gestures he habitually uses.

Already, according to Dr. Castro, the Cuban economy is responding to the rent law. He claims retail business, which slumped badly in the first three months following the hasty exit January 1 of Fulgencio Batista, already has begun to bounce back since the rent decree put more money into the hands of consumers. He also credits a recent cabinet action in raising minimum government salaries to \$85 a month (the old minimum was \$65) with helping retail spending.

Dr. Castro predicts optimistically: "If investors don't believe in us now, they will in three months or six months." Calling on Treasury Minister Rufo Lopez Fresquet for confirmation, Dr. Castro says Cuba's gold and dollar reserves have made a modest recovery from a low point of about \$100 million at the time the Batista government collapsed.

Government revenues are exceeding expenses, Mr. Lopez Fresquet insists, notwithstanding stories in the American press to the contrary. The treasury minister also boosted the amount of back taxes she expects to collect under Law 40. Under this law, taxpayers who offer to pay taxes they failed to pay under Batista's regime are excused from paying a portion of such levies. By the April 24 deadline, Mr. Lopez Fresquet now expects to receive \$100 million, compared with an earlier forecast of \$65 million.

Dr. Castro's much-publicized agrarian reform program, a move to distribute land to Cuba's desperately poor rural folk, is getting off the ground, the premier says. Land has actually been distributed to about 760 people, according to Dr. Castro.

He brags a bit about the \$35 million "given by the Cuban people" to help finance the land-distribution program (owners of private land will get some payment for acreage the government will take). Asked about reports he "suggested" a certain contribution from sugar mill owners to this fund, he retorts acidly: "Suggested gifts were what you had under Batista. This is all voluntary."

Despite the many anti-American statements made by Dr. Castro since he came to power, he insists he's a good friend of this country. He claims, in effect, he has only been pointing out past "mistakes" in U.S. policy toward Cuba—from the Platt Amendment (which gave the U.S. some control over internal affairs in Cuba from 1901 to 1934) to support of Batista.

"I came here on this visit, didn't I?" he asks. "I took the initiative," he maintains, contending this is proof of his friendship. But he still exhibits great sensitivity toward American criticism of his execution of Batista henchmen. Without the subject being brought up, he launches into a fervent justification for the executions and an attack on American press coverage of the trials which he suggests has been a deliberate misrepresentation.

In regard to the suspension of the writ of habeas corpus, a move which has disturbed many American observers in Cuba, Dr. Castro makes this promise: "We will re-establish the writ, as soon as we recognize the judiciary." Asked when this might be, he indicated it should be accomplished "within a couple of months."

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Source: <http://lanic.utexas.edu/project/castro/db/1959/19590422.html>