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In Cuba, "recent economic successes have reinforced the new direction toward greater work controls and discipline."

A New Direction in Cuban Socialism

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THE ECONOMIC strategy to produce a 10-million-ton sugar harvest has had a decisive influence on Cuba's search for a socialist ideal. Originating in 1963, the sugar strategy dominated the political economy of Cuban socialism during the 1966–1970 period, and its failure is largely responsible for the turn to a new direction after 1970.

Cuba's development strategy was predicated upon an unusual gamble: the mechanization of the sugar harvest. The inability to realize this crucial condition set the stage for a massive mobilization of labor, requiring in 1970 the work of 700,000 men and women, approximately one-third of the state sector's labor force. The sugar strategy intensified a fundamental attribute of plantation economies: the need for an abundant supply of cheap labor during the peak period of the harvest. Instead of using the traditional labor coercion of plantation economies—slavery, contract labor or the whip of hunger—Cuba attempted to awaken social and national consciousness as a means of labor mobilization.¹ Despite the problems inherent in such a massive mobilization of labor, moral incentives, even in the special and restricted form that they were applied, turned out to be an extremely powerful force for promoting worker effort.

Yet, as Carlos Rafael Rodriguez, Minister of Industry Che Guevara's adversary in the debates over the transition to socialism, recently remarked, "to work and to work effectively is not one and the same

thing."² But there is no evidence to indicate that the failure to work effectively was due to moral incentives rather than primarily to problems inherent in a mobilization model of economic organization.

The distinctions between Che Guevara's and Premier Fidel Castro's conception of economic organization have been frequently misunderstood or blurred, perhaps primarily because both placed great emphasis on the use of moral incentives.³ In Guevara's approach moral incentives required an efficient but highly centralized economic planning and organization structure to replace the market and mercantile relations. In part, it was designed to overcome the considerable spontaneity, anarchy, and speculation that existed in the initial transfer of power and direction of the economy in Cuba. But given the relative backwardness of its technical and administrative base during the 1961–1966 period, centralization created a serious problem of bureaucracy. Symptomatically, underemployment, *amigoismo*, a large flow of seemingly useless data, the breakdown of communication between the production units and Havana-based planners, and consequent rigidities, delays and inefficiencies attested to the disparity between the formal organizational relations of production and the effective capacity to use them.⁴

A system of organization primarily concerned with the rapid deployment of labor and capital to critically needed activities—frequently outside the worker's normal work activity—would have been inconsistent with an efficient bureaucratic structure. Fidel Castro's mobilization model required political leadership rather than technical and administrative direction over the work process. The capacity to inspire and lead was considered more important than technical competence over the routines of work organization. Moreover, systematic planning, cost analysis, and work rules were virtually impossible under pressures that demanded more spontaneous decisions from "the field of operations." Military command posts, particularly in agriculture, replaced the bureaucratic apparatus as a method of economic control and direction.

¹ For a discussion of Cuba's plantation economy, see Ramiro Guerra y Sanchez, *Sugar and Society in the Caribbean* (New Haven: Yale University Press, 1964). The mobilization model is discussed in Bertram Silverman, *Economic Organization and Social Conscience: Some Dilemmas of Cuban Socialism* (New York: Warner Press, 1973), Reprint 262.

² Carlos Rafael Rodriguez, interview with Marta Harnecker, *Chile Hoy*, August, 1972.

³ For an example of this misunderstanding, see Robert M. Bernardo, *The Theory of Moral Incentives* (Tuskegee: University of Alabama Press, 1971).

⁴ The theoretical issues of the debate are presented in Bertram Silverman (ed.), *Man and Socialism in Cuba: The Great Debate* (New York: Atheneum, 1971).

During the gradual build-up for the 10-million-ton sugar harvest, campaigns against bureaucracy led to the virtual elimination of economic planning and economic controls. Under the weight of the labor mobilization, cost accounting, work norms, the wage structure and the still fragile planning apparatus crumbled. Spontaneity was substituted for economic planning, disrupting production in virtually the entire non-sugar sector. Poor organization and not moral incentives undermined worker efficiency.

Another problem was the large increase in the rate of planned capital accumulation, which required a significant increase in the hours of work as well as a sharp reduction in personal consumption. As a result, a great deal of money income chased a limited supply of moderately priced, rationed consumer staples. The phenomenon of repressed inflation was expressed ideologically in the myth of the imminent disappearance of money. In this atmosphere, moral incentives were frequently interpreted by managers to mean that labor was costless. As a result, workers' efforts were often wasted at a considerable cost to the formation of socialist consciousness.

This suggests another fundamental problem with the mobilization model. It failed to provide an effective vehicle for worker participation in decision making. Under the increasing pressures of the harvest, the mobilization of labor, and not workers' active participation in decision making, was required. It reflected a "radicalism from the top." As a result, workers increasingly felt that their sacrifices and contributions were being subverted or misused by forces outside their control.

Thus worker productivity and efficiency declined sharply because of the breakdown in economic organization and worker participation, which in turn were outcomes of the special requirements of accelerated capital accumulation through sugar exports. Moral incentives were used and defined in the light of this particular method of surplus extraction. But rather than being responsible for the decline in worker productivity, moral incentives may have been the most successful aspect of the mobilization effort.

AN ECONOMIC CRISIS

On July 26, 1970, Fidel Castro described in detail what had become increasingly apparent to most Cubans: the economic strategy had led to a serious economic crisis.⁵ And more recently President Osvaldo Dorticos admitted that a "lamentable depression" in the Cuban economy during 1969–1970 had caused industrial and non-sugar agricultural produc-

tion to drop far below the 1967–1968 levels. Due to the absence of reliable statistics, the precise decline was not known.⁶ Clearly, the mobilization model had become a problem. A new direction in the economy from spontaneity to greater economic controls and planning was urgently needed.

The choices facing the Cuban leadership were complex. But two distinct and divergent roads were theoretically possible. The first, more experimental, was to view the past in a new light: to strengthen the underlying conception of social incentives and egalitarianism and combine them with a greater concern for worker control and participation in the direction of the productive process. Initially, Fidel Castro seemed to suggest this alternative when he asked on July 26, 1970: "Why should a manager have to be absolutely in charge? Why shouldn't we begin to introduce representatives of the factory's workers into its management?"⁷

AN ORTHODOX SOLUTION

But there was another, more secure and orthodox road, one that would shift the weight back to material incentives and greater discipline and toward a more rigidly defined hierarchical structure of work organization as a method for increasing worker productivity. Cuba has in fact moved toward this second road; nevertheless, this path was still constructed within the context of the Cuban experience. In design, it reflects a convergence of the Cuban populist vision of a moral society with a more orthodox Marxist-Leninist conception of the transition to socialism.

Before examining the newly adopted path, it would be instructive to inquire why the Cubans have rejected the first alternative. To a significant extent, the reason can be traced to problems of mystification in the special sense that a particular conception of the socialist ideal was obscured.

This was apparent in the two earlier forms of economic organization. For Guevara, the primary problem of the transition to socialism was to be found in what economists call the sphere of exchange and circulation, that is, in the buying and selling of commodities for profit and gain. In his view, "commodity production" was the primary source of worker alienation, which led to Guevara's preoccupation with substantially reducing money and the money motive during the transition period. To accomplish this end, Guevara turned to a system of central budgeting as a means of replacing mercantile relations within the state sector. But in focusing on the sphere of circulation rather than on the socialization of production (worker control), the problems of the effective transfer of power to workers were obscured. Worker control and participation, in an unexplored way, were to be an aspect of an economy

⁵ The speech was published in the *New York Review of Books*, September 24, 1970, pp. 18–20.

⁶ Lionel Martin, "The Cuban Economy: Continued Optimism for the New Year," *Direct From Cuba*, January 15, 1973, pp. 1–8.

⁷ Speech, July 24, 1970, *op. cit.*

managed and directed from the center with modern technology: the Marxian vision of the administration of things.

Fidel Castro's model also turned attention away from the socialization of production. The pressures of the 10-million-ton strategy led increasingly to capital accumulation by means of repressed inflation and voluntary and unpaid labor. Under these conditions, a moneyless, austere society was identified with the ideals of communism. Thus, once again the problem of eliminating money and money incentives was the prime focus of analysis. Moreover, as we indicated previously, a mobilization model was inconsistent with active worker participation and control over the work process. Indeed, during this period (1966–1970), already existing channels for participation through such traditional worker institutions as trade unions had broken down, thus limiting and distorting the understanding of labor problems and grievances. Clearly, the issue of worker control was not a paramount consideration of the two dominant forms of economic organization.

Turning to greater orthodoxy, the Cuban leadership has responded to many basic contradictions inherent in the 10-million-ton strategy, particularly the problem of labor scarcity.⁸ Finding additional labor reserves was believed to be primarily a problem of the organization of production. Increasing worker productivity was the first prerequisite in achieving the ideals of socialism. But the organization of work was viewed from the perspective of greater administrative controls over the work process and worker productivity rather than as a means of establishing greater worker control over the organization of production.

Putting production controls and productivity in command are clearly evident in the new direction. Fidel Castro stressed the new emphasis on production at a May Day rally in 1971: "We repeat, after the question of work discipline and good work organization, productivity will be the fundamental question of our society." And 1971 was named the Year of Productivity.

Given the new orientation, it is not surprising that the leadership looked to a more orthodox alternative. Emphasis on production and greater discipline had been given only a brief hearing during the period of the Great Debate in 1962–1965, although strongly supported by Cuba's Soviet ally.

⁸ The labor scarcity problem is discussed in Brian Pollitt, "Employment Plans, Performance and Future Prospects in Cuba," Overseas Studies Committee Conference, 1970, University of Cambridge, 1970.

⁹ Speech to the Thirteenth Congress of Trade Unions, *Granma*, November 25, 1973.

¹⁰ The major theses of the Thirteenth Congress of Cuban Trade Unions, *Granma*, September, 1973, pp. 7–12.

¹¹ Speech to the Thirteenth Congress, *op. cit.*

The new road, nonetheless, reflected a profound populist concern for developing a moral society based on a heightened consciousness of social responsibility and duty. But primary reliance on social consciousness as a means for increasing production, a distinctive feature of the Cuban revolution, was considered idealistic. According to Fidel Castro, a more realistic balance between material and moral incentives is necessary, ". . . without abusing either one, because the former would lead to idealism, while the latter would lead us to individual selfishness."⁹

Nevertheless, in correcting the imbalance between moral and material incentives, the weight shifted to material incentives in regulating the worker's normal work activities. The traditional socialist law of distribution—from each according to his capacity, to each according to his work—was the first and fundamental thesis proposed at the recent Thirteenth Congress of Cuban Trade Unions. Material incentives are the primary weapon in the current campaign to raise production or productivity consciousness.

To implement the socialist distributional formula, the leadership moved to assert greater administrative authority over work discipline and work attitudes. An anti-idleness law, approved after discussion in all work centers, proclaimed work to be a social duty and absenteeism a punishable offense in a society that guaranteed, in Karl Polanyi's words, "the right to life." One consequence of the law was to bring approximately 100,000 additional male workers into the labor force, which virtually exhausted the male labor reserve. Another measure created new labor files in which the worker's merits and demerits would be entered at semiannual assemblies, as part of a program to increase the worker's production consciousness.

The reestablishment of elementary work norms began in September, 1970, with a government plan of Work Organization and Work Norms. According to Fidel Castro, its goal was to get "the optimum results from every machine, every ounce of raw material and every minute of labor."¹⁰ To implement the plan, productivity commissions were set up in production centers.

However, before work norms could be related to wages, the problem of repressed inflation had to be confronted. In sharp contrast to the illusions of an earlier period, Fidel Castro told the delegates at the Thirteenth Congress:

to apply the principle of each according to his work . . . will mean nothing if we don't maintain a financial balance. Even the application of material incentives is useless and ineffective in a situation of tremendous inflation. . . . We know that if there is more money in circulation than there are goods and services many people lose interest in money.¹¹

The program to achieve financial balance has pro-

ceeded along two lines: greater controls over the wage fund, and a reduction in the supply of money. Both are aimed at correcting the imbalance between the monetary supply and the available goods and services.

It is hoped that increasing the availability of consumer goods will also induce larger numbers of women—the largest potential source of labor reserves—to enter and remain in the labor force. Despite considerable efforts by the Federation of Cuban Women in 1969, only 27,000 additional women entered the labor force, and labor turnover has been extremely high. Recently, proposals have been made to rescind regulations restricting women from entering certain occupations.

The turn to production controls is apparent in the revised conception of socialist emulation. The Thirteenth Congress recommended that:

Emulation largely be a workers' and trade union means of making a practical demonstration to the administrative leaders that our production can count on reserves that permit more rational and more extensive use of the installations. . . .¹²

Furthermore, activities related to education and political and ideological development will be excluded from emulation indexes because they are too subjective, and should be a part of the daily trade union activities. Nevertheless, a new tripartite conception of trade union, management and the party suggests that the primary emphasis is on production discipline and labor productivity.

The orthodox Leninist concept of the Communist party has been reaffirmed. In this view, the party is composed of a more advanced and distinct stratum of the working class that provides political, social, and economic leadership during the transition.¹³ However, the party's political function is clearly distinguished from the technical and administrative tasks of management. Again (in sharp contrast to the mobilization model), technical and administrative expertise, as opposed to political development, is considered a more important attribute of management.

Separate and hierarchical managerial functions have been established. In 1972, at the Sixth National Council of Cuban Confederation of Trade Unions, Labor Minister Jorge Risquet argued that managerial authority must be strengthened, and that managers have a right to implement policies even over the objection of workers. "The thing to do with a

leader who gives the wrong orders too often . . . is to replace him."¹⁴ The turn to managerial authority is also part of a process to overcome the problems of "socioismo" (sociability) that have characterized Cuban worker-management relations.

The new concern about production controls is reflected in the reorganization of the trade unions. Fidel Castro emphasized that:

increasing worker productivity must from now on be the number one objective of the labor movement, the number one objective amidst the objectives of political and economic education of the worker.¹⁵

As more broadly based organizations, trade unions serve two basic functions. They are a means through which the "mass line" of the party can be more effectively articulated and discussed by workers. And they can aid management by providing and articulating the workers' perceptions about fulfilling productive goals and standards.

But the conception of trade unions also reflects the development of more traditional divisions of authority in production. Aside from general worker assemblies, the trade unions are the primary vehicles for worker participation in management. They are represented on managerial councils as well as in the higher levels of administrative decision making. The lines of authority are regulated by collective work commitments that specify the rights and duties of workers, trade unions and administration and establish procedures for dispute settlement.

Hierarchical divisions of authority are part of a more general concern for increasing the effectiveness of economic controls and planning. Thus, in 1971, President Dorticos admitted to a group of graduating economic students that the breakdown in economic controls was related to "an incorrect interpretation of the struggle against bureaucracy."¹⁶ Standard statistical forms have been reestablished to systematize the flow of economic information to control planning bodies, and cost accounting has been reinstated at production centers. But there is greater awareness about selecting control procedures that reflect the actual technical skills of those who must use them. Annual plans have been reestablished and the first five year plan will be introduced for the period 1976–1980. Increasing technical cooperation with the Soviet Union in developing new central planning and control procedures is evident in new Soviet-Cuban agreements.

Information about the more general economic organization of the economy is still limited. In a recent discussion of the pilot elections in Matanzas province, Fidel Castro indicated that many provincial, regional and local economic activities will soon be decentralized. While they will operate within guidelines and norms established at the center, it is not clear how much financial autonomy they will

¹² Theses of the Thirteenth Congress, *op. cit.*

¹³ Party membership has increased to 200,000, up approximately 300 percent over 1969, and new statutes have been developed.

¹⁴ *Granma*, October 24, 1971, p. 4.

¹⁵ Speech, May 1, 1971, *Granma*, May 16, 1971, p. 3.

¹⁶ Cited in Lionel Martin, *op. cit.*

have and what success indicators will regulate their performance. In 1969, in the debates with Che Guevara, one leading supporter of the system of self-finance jokingly asked me if I knew another word for profit. Given the new reorganization of the work process, a turn to greater reliance on a system of self-finance is not unlikely.¹⁷

MORAL INCENTIVES

But despite the significant turn to economic incentives, the formation of social conscience remains an important ideological as well as a practical concern of the Cuban revolution. In this sense, the new direction reflects a convergence with, rather than a conversion to, greater orthodoxy. At the Thirteenth Congress, Fidel Castro warned:

In socialism, however, moral factors, the factors of conscience, the factors of culture, are essential. . . . We must not be deluded into thinking we are going to motivate the man of today, the socialist man, only through material incentives, because material incentives no longer have the validity they have under capitalism in which everything—even life and death—requires money.¹⁸

But “moral incentives” have been used primarily in activities outside the normal work process and among groups, particularly the young, who are not as yet in the labor force. Youth have presented particular problems for the Cuban revolution. In an interview in 1969, Jorge Risquet, the former Labor Minister, suggested that it was the younger worker who had shown lower levels of social consciousness and greater resistance to work discipline. More significantly, the youth problem was a symptom of the economic dislocations and a revolutionary process that had not yet been institutionalized. Born after the revolution, the earlier political struggles and economic hardships were not part of the life experience of the young.

Part of the difficulty is reflected in the serious dropout problem in Cuban education. During the period 1970–1972, the number of 13- to 16-year-olds who did not study or regularly work totaled more than 200,000. Of the 387,000 children who enrolled in the first grade during the 1965–1966 school year, only 21.6 percent completed the sixth grade. In the junior high schools, the problem was greater. Of the 59,000 students who enrolled during the 1966–1967 period, only 13.6 percent completed the program. Part of the problem was related to relatively low promotion rates. During the 1971–1972 school year,

¹⁷ Economic reorganization is an important part of the current process of institutionalization affecting all political and social institutions—a subject beyond the scope of this report.

¹⁸ Speech to the Thirteenth Congress, *op. cit.*

¹⁹ Lionel Martin, “Cuba’s Second Educational Revolution,” *Direct From Cuba*, August 15, 1973, pp. 1–6.

²⁰ *Ibid.*

there were more than 700,000 primary and high school students who were two or more years behind their normal grade level.¹⁹

As a consequence, the number of students capable of entering technical and agricultural school to increase the skill levels of the working class was greatly restricted. In fact, the students who selected the study of language (24,000) matched in numbers those who enrolled in technical and agricultural schools. Clearly, greater efforts were needed to transform the social attitudes of students and youth.

The establishment of new work-study programs and an ambitious school in the countryside plan were designed to develop new attitudes toward work and study. In the new boarding schools, students engage in productive activity in agriculture and industry while pursuing their studies. It is not clear, however, whether students work directly with peasants and workers. Evidence suggests that in the school in the countryside plan they are separated in their work activities.

In combining work and study, the Cubans hope to break down the distinctions between manual and mental labor. In addition, the work activities of students provide an effective method of financing the expansion of education. In September, 1973, Cuba had already constructed approximately 90 modern schools in the countryside and reported considerable success in overcoming dropout and promotion problems.

A paramilitary organization, the Youth Labor Army, has also been organized to perform productive activities. The new group is a merger of the Centennial Youth Column (organized in 1968 as a response to the harvest problems, particularly in Camagüey province) and the Permanent Infantry Division, which had mobilized more than 40,000 youth in 1973. The Youth Army, like the schools in the countryside, is part of an effort to impart a greater sense of social responsibility and work-study ethic to Cuban youth.²⁰

Reliance on social incentives is also apparent in the recent construction boom in Cuba. Workers have formed micro-brigades to solve the Cuban housing shortage. With construction materials supplied by the state, volunteers work additional hours to

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BRAZIL

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came to power, the Castelo Branco government established the Brazilian Institute of Agrarian Development in March, 1965. A series of governmental agencies were set up to cope with the pressing problems for the next five years, and finally, in July, 1970, Médici unveiled the National Institute of Colonization and Agrarian Reform to combine the redistribution of land in the northeast and colonization of the Amazon basin.

To this effect and as part of the total National Integration Program, Proterra (Programa e Redistribuição de Terras e Estimulo a Agroindustrias do Norte e Nordeste) was complemented by the construction of the Transamazonic highways. The new highways would in theory open up the vast virgin land of the Amazon to the surplus labor of the northeast. At the same time, an easy flow of goods, capital, labor, and even "civilization" via the main north-south and east-west arteries would integrate the nation. Minister of Agriculture Paulinelli admitted that the government had been forced to revise its original plan for the Proterra development of the Amazon. The projected transplantation of 100,000 families along the ten-kilometer strip of land along both sides of the highway by the end of 1975 could not be realized. And the government has decided to allow big private corporations (Brazilian and foreign) to occupy a large tract of land under its control.¹³

The Transamazonic highway construction has drawn mixed reactions from Brazilians and their Spanish-American neighbors. Aside from the general fear of the eventual destruction of ecological balance, smaller neighboring countries see the specter of Brazilian imperialism. Colombia, for instance, regards the highways as the principal tool for exporting Brazilian imperialism.¹⁴ The recent discovery of oil in Peru, just a few kilometers from the Brazilian state of Acre, has convinced the technocrats and the generals of the eventual utility of the highways, and in the process has reaffirmed the viability of national integration. Without delay, Petrobras is stepping up its exploration of oil in the entire Amazon Valley.

The antithesis of military and civilian technocracy has been reaffirmed by the rise of Geisel's pragmatic nationalism in both domestic and foreign policies. On the one hand, Brazil is now going through a fundamental revision of her development ideology—reviewing the future role of foreign capital and technology, the state monopoly of oil, new but realistic ties with Communist nations, and finally, the gradual liberalization of the regime's authoritarianism. On the other

¹³ "Amazônia-Nordeste: revendo a solução mágica (da Transamazônica às grandes empresas)," *Opinião* (May 17, 1974), pp. 12-13.

¹⁴ "El Brasil: buen vecino o un nuevo imperialismo?" *El Espectador* (Bogotá), June 11, 1974.

hand, the worldwide economic crisis is threatening to destroy the 10-year achievements of the March, 1964, Revolution; in light of such a looming threat, Geisel, a one-time staunch anti-Communist army officer, is prudently restructuring his nationalist ideology of development on a less emotional, more rational basis.

Rapprochement with the Communist world was beyond the wildest dream of any member of the ESG mainline in the 1950's, but Brazil in the 1970's requires totally new approaches and new solutions. Geisel and his technocrats, the generation of 1964, are fully aware of such an exigency, and are eagerly adopting a new pragmatic nationalism to rechart the course for the second decade. ■

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build critically needed housing. Frequently, micro-brigades have also been formed with surplus labor released through "norming." Like all recent mobilization, great care is taken not to disrupt regular production schedules or to waste voluntary labor. By mid-1973, the micro-brigades had constructed 10,000 houses, and 23,000 more were under construction. It seems unlikely that the goal of building 100,000 houses annually by 1975 will be reached. Nevertheless, construction has become one of the more dynamic sectors of the Cuban economy.

Thus moral incentives will continue to influence the work process through the interaction of young workers entering the labor force from the work-study programs and through collective efforts outside the normal work day to overcome critical economic and social problems. In this sense, the new direction reflects a convergence of the populist vision of a moral society with an orthodox Marxist-Leninist conception of the socialist transition. Nevertheless, social consciousness will be influenced profoundly by the new work relationship and the work rules that will regulate the daily activities of the labor process.

Recent economic successes have reinforced the new direction toward greater work controls and discipline. Since 1970, the Cuban economy has significantly recovered from the 1969-1970 "depression." No doubt, greatly improved economic controls and organizations have resulted in a fuller utilization of productive capacity. But other factors are also important. More modest economic goals based more realistically on available labor and natural resources have reduced the economic dislocations experienced in the previous decade. For the next few years, Cuba has projected a moderate growth rate of six percent per year. Resources for consumption and other non-sugar activities have been released as a

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human tragedy in this region in recent years, and many other tragedies have been wrought by other people. But today there are clear signs that economic and political abuses are at least less common, and often less severe, in Central America than they were even a few years ago, despite the fact that exploitation, antagonisms, and repression are harsh facts of daily life for too many Central Americans.

To many readers, those last few sentences may not sound at all encouraging. To "an old Central American hand," they are among the most optimistic statements that I have been able to make in recent years. ■

CHILE

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right, busy enough with its own leftists, worry about Prats? The junta has killed so many Chileans, including military officers, that there seems no reason why it should have scruples about one more, especially one who could have played such a crucial role.

The major task of armed resistance in Chile was undertaken by the MIR (Left Revolutionary Movement). There were one or two bank raids, and even rumors of a deal with the air force over a cessation of hostilities and a release of prisoners. But the death of the MIR leader, Miguel Enríquez, in a gun battle in Santiago in early October, 1974, was a real setback.

The army has embarked on a process of increasing control and centralization. Even regional army commanders are less free to interpret Santiago's instructions (which some did leniently, others harshly). The universities and schools are tied into the state propaganda machine. There is no political debate, no free press, no free radio or television. There is little sign that the military has any intention of returning the country to constitutional rule. Its Declaration of Principles restated the main themes of the corporate state; its policies reenact some of the features of European fascism. Only the Church is allowed some liberty to criticize the regime. In an Independence Day sermon, Cardinal Silva Henríquez warned his congregation that a political system that despised individual liberties would inevitably fail. Among his congregation was General Pinochet. There is no sign that he took note of the Cardinal's words. ■

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result of a reduced rate of capital accumulation and sugar production. Money incentives have been made more effective as a result of anti-inflationary policies.

Most significantly, these measures have greatly reduced the problem of labor scarcity that made the mobilization model so compelling.

The economic recovery is reflected in the limited available economic indicators.²¹ Gross domestic material production increased by 5 percent in 1971, 9 percent in 1972 and 13 percent in 1973. Industrial production has increased along a broad front, particularly in such important sectors as machinery, construction, and metallurgy, which rose 50 percent, 68 percent and 38 percent respectively between the first quarters of 1971 and 1972. The marketable supply of non-sugar agricultural food products was also greatly improved: between 1971 and 1973, sales of root vegetables increased 129 percent, fruits, 50 percent, and green vegetables, 67 percent.

Sugar production reflected the more moderate goals of the revolution and the problems of drought: 5.8 million tons in 1971, 4.5 million tons in 1972, 5.4 million tons in 1973. Despite these modest results, the sugar harvest has been better organized, with more efficient utilization of both capital and labor. Although only 15 to 20 percent of the harvest has been mechanized, an 80 percent goal is planned for 1980 and an extensive expansion and repair of milling capacity is under way. Most significantly for the short run, the world price of sugar has risen from 2.5 cents a pound in 1967 to over 42 cents in 1974. And long-term trade agreements with the Soviet Union have guaranteed Cuba at least 11 cents per pound. Thus, Cuba's foreign exchange earnings have improved and her trade with other non-socialist nations in Latin America and elsewhere has expanded. The pressures to lift the United States trade embargo and restore normal diplomatic and economic relations have increased and are likely to bring about the normalization of relations between the two countries shortly. Consequently, Cuba enters the second half of the 1970's with renewed confidence and optimism.

But socialism, as Che Guevara once suggested, is more than another method for economic development. "We are fighting against misery, but we are also fighting against alienation."²² Fidel Castro could confidently advise the leaders of the Third World that socializing poverty is preferable to capitalizing on it. However, it is open to question whether the new emphasis on work controls, labor discipline and worker productivity have obscured an alternative road to the socialist ideal—the path to worker control. ■

²¹ The most recent data on the Cuban economy comes mainly from Fidel Castro's speeches, *Granma, Direct From Cuba*.

The revival of statistical measurement should produce more regular and reliable data.

²² Introduction to Silverman, *Man and Socialism: The Great Debate*, p. 5.