

Bittersweet solidarity: Cuba, Sugar, and the Soviet bloc

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ABSTRACT

This paper traces the complex sugar trade between Cuba and the East European Socialist states (the German Democratic Republic, Poland, Czechoslovakia, Bulgaria, and Hungary) from the Cuban revolution in 1959 until the dissolution of the Council for Mutual Economic Assistance (CMEA) in 1991. To Cuba, selling its sugar to the Socialist states at above-world market prices was an expression of East European states' socialist solidarity. To the bloc states, it was a form of economic aid to Cuba. This formulation not only went against the preferred form of exchange within the CMEA, namely cooperation based on mutual interest but also incensed the Cubans who felt the revolution was entitled to the support of all Socialist states from Berlin to Moscow. Amid this complicated relationship, the reforms of Mikhail Gorbachev posed a serious challenge to Cuba, which was unprepared to face the free market. The result was a loss of foreign markets and a severe domestic crisis known as the Special Period.

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This work seeks to provide a new reading of the ebb and flow between Cuba and its Socialist trading partners, relying on the views expressed in the candid reports of the East European diplomats and experts, who were involved in the day-to-day managing of their respective states' economic relations with the Caribbean nation. It is based on original research in foreign ministry, party, and security services archives of the East European states. It also utilizes primary material originating from the Cuban foreign ministry.

Key words: *Cuba, Eastern Europe, CMEA, United States, Soviet Union, sugar.*

Solidaridad amarga: Cuba, el azúcar y el bloque soviético

RESUMEN

Este artículo traza el complejo comercio de azúcar entre Cuba y los estados socialistas de Europa del Este (República Democrática Alemana, Polonia, Checoslovaquia, Bulgaria y Hungría) desde la revolución cubana en 1959 hasta la disolución del Consejo de Asistencia Económica Mutua (CAME) en 1991. Para Cuba, vender su azúcar a los estados socialistas a precios superiores a los del mercado mundial fue una expresión de la solidaridad socialista de los estados de Europa del Este. Para los estados del bloque, fue una forma de ayuda económica a Cuba. Esta formulación no solo iba en contra de la forma preferida de intercambio dentro del CAME, a saber, la cooperación basada en el interés mutuo, sino que también enfureció a los cubanos que sentían que la revolución tenía derecho al apoyo de todos los estados socialistas desde Berlín a Moscú. En medio de esta complicada relación, las reformas de Mikhail Gorbachev plantearon un serio desafío para Cuba, que no estaba preparada para enfrentar el libre mercado. El resultado fue una pérdida de mercados externos y una grave crisis interna conocida como Período Especial.

Este artículo busca brindar una nueva lectura del flujo y reflujo entre Cuba y sus socios comerciales socialistas, apoyándose en las opiniones expresadas en los informes francos de los diplomáticos y expertos de Europa del Este, quienes estuvieron involucrados en la gestión diaria de las relaciones económicas de sus respectivos estados con la nación caribeña. Se basa en una investigación original en los archivos del Ministerio de Relaciones Exteriores, del Partido y de los servicios de seguridad de los estados de Europa del Este. También utiliza material primario proveniente del Ministerio de Relaciones Exteriores de Cuba.

Palabras clave: *Cuba, Europa del Este, CMEA, Estados Unidos, Unión Soviética, azúcar.*

INTRODUCTION

In the first years of the Cuban Revolution, sugar policy was synonymous with “national development policy”. The Cuban development strategy after 1963 was aimed to stimulate the development of the rest of the economy through the expansion of the sugar export trade. However, the expansion of the sugar economy was to be concluded by 1970, and its importance was to decrease at the expense of manufacturing industries.¹ In hindsight, we could see that this was easier said than done. After the early 1970s, when Cuba embarked on an even closer course of integration with the East European Socialist states, the importance of sugar for the Cuban economy not only did not decrease but also came to occupy a central place in Cuba’s trade with the Soviet bloc. In the secondary literature, Cuba’s political and economic relations with Washington and Moscow received considerable scholarly attention.² However, Cuba’s economic relations with the East European states garnered considerably less attention. Several notable studies attempted to elucidate the complexity of the relations between Cuba and the Soviet Union’s East European allies. W. Raymond Duncan, for example, interpreted the relationship as a good example of cooperation, founded on the coincidence of interests and objectives “connected with each country’s goals and capabilities”.³ Pamela Falk offered a counter-argument seeing the Socialist countries’ economic actions as further deepening Cuba’s dependence on a single export product, sugar.⁴ Building on the discussion of the distorting effects of Cuba’s monoculture economy, former Soviet diplomat Yuri Pavlov delivered a highly critical assessment of Soviet aid, which was detrimental to Cuba and had negative effects on the Soviet Union’s sugar industry.⁵ Much has also been written about Cuba’s dependence on sugar by both Cuban and foreign economists and historians; however, while the focus of foreign sugar trade moved from the United States to the Soviet Union in the Cold War period.⁶ Nevertheless, so far, the focus in this trade fell

¹ Heinrich Brunner, *Cuban Sugar Policy from 1963 to 1970*, p. ix.

² See among others: Robert S. Walters, “Soviet Economic Aid to Cuba: 1959-1964”, pp. 74-86; Carmelo Mesa-Lago, “The Economic Effects on Cuba in the Downfall of Socialism in the USSR and Eastern Europe”, pp. 133-97; Jorge F. Perez-Lopez, “Swimming against the Tide: Implications for Cuba of Soviet and Eastern European Reforms in Foreign Economic Relations”, pp. 81-140; Anatoly Bekarevich, “Cuba y el CAME: el camino de la integración”, pp. 115-132; Ernesto Meléndez Bachs, “Relaciones económicas de Cuba con el CAME”.

³ W. Raymond Duncan, *The Soviet Union and Cuba: Interests and Influence*, p. 192. See also Peter Shearman, *The Soviet Union and*; Damian Fernandez, *Cuba’s Foreign Policy in the Middle East*.

⁴ Pamela Falk, *Cuban Foreign Policy: Caribbean Tempest*.

⁵ Yuri Pavlov, *Soviet-Cuban Alliance 1959-1991*, pp. 69-79.

⁶ Seminal works on the Cuban sugar economy in the colonial and the pre-revolutionary period are offered by the three-volume study by Manuel Moreno Fraginals, *El Ingenio: Complejo*

on Moscow, and its East European allies' views have been largely overlooked in the literature.

Building on this scholarship, this article seeks to provide a more detailed examination of the role Cuban sugar played in finding the best balance between Cuba's ambitious development plans, the limiting subjective factors of its leaders, the island's natural environment, and the complicated international conjecture amid intense East-West competition. In so doing, this paper aims to cast more light on the tenuous relations Cuba developed with its East European partners outside and inside the CMEA framework. Cuba and the East European states had to maintain relations whose harmonious development was marred by a multitude of economic, ideological, political, and geographic challenges. This paper focuses namely on international trade by taking sugar as a prime example of the bittersweet trade the partners had to endure throughout the Cold War.

The multitude of critical views expressed behind closed doors by East European diplomats on the shortcomings of Cuban methods of economic planning, industrial organization, and international trade demonstrate the difficulties Cuban leaders endured in negotiating an economy that was unable not break the shackles of its sugar over-dependence. The country's new leaders used the crop both as a tool of political mobilization at home and interpreted it as a source of international socialist solidarity, which often went against its East European peers' economic interests. As this paper reveals, Cuba's status of a "true Mecca for all Latin America" in early 1960 was replaced by the ebb and flow of economic integration of the 1970s and the failed reforms on both sides of the Atlantic in the second half of the 1980s, which presented constant sources of economic tensions between Cuba and the Soviet bloc. This article uses original documents originating from the foreign ministries, the former communist parties, and the security services of Albania, Bulgaria, Czech Republic, Germany, Hungary, Poland, and Serbia, in addition to some primary documents obtained from the Cuban foreign ministry archive. The multipolar archival research method applied for this research helps us better understand the thinking of the numerous East European diplomats and specialists in their economic engagement with Cuba over three decades.

Económico Social Cubano del Azúcar; Julio Le Riverend, *Historia económica de Cuba*; Antonio Santamaría García y Alejandro García Álvarez, *Economía y colonia: la economía cubana y la relación con España (1765-1902)*. Regarding the post-revolutionary years, of note are Heinrich Brunner's, *Cuban Sugar Policy from 1963 to 1970*; Jorge F. Pérez-López's, *The Economics of Cuban Sugar*; Antonio Santamaría García's "Azúcar y Revolución: el sector azucarero de la economía cubana durante los primeros doce años de la Revolución (1959-1970)", pp. 111-141 and "La revolución cubana y la economía, 1959-2012. Los ciclos de política y el ciclo azucarero".

The new material demonstrates not only the nuanced tactics and strategies the bloc states employed to help Cuba but also highlights their disagreement with Cuba's obstinacy and hard-pressed approach in pursuing sugar trade in which it saw preferential prices as an expression of international solidarity as opposed to Socialist states' planners, who interpreted it as economic aid. This contradiction might seem entirely theoretical at first, but, on the second reading, its practical dimensions capture the essence of Cuba-East European relations that were caught between the different interpretations of the priorities ruling international trade between the Socialist bloc and Cuba. Much like the Soviet Union until the mid-1980s, to Cuba, objective economic laws and principles trailed behind Marxist ideology, socialist solidarity, and Cold War geopolitics. The calculus was far more complex to the East European states, caught between their national interest and internationalist obligations. They had to contend with their own economic deficits by conceding to Moscow's over-reach and Cuba's pushy tactics.

While the existing literature abounds with "high politics" discussions, it seldom gives us an idea of the points of view of those who were directly involved in dealing with Cuba's economic issues. Those diplomats, in their tasks to meet Cuba's economic demands, Moscow's political objectives, and the abilities of their own countries, painted a picture mixing faith and promise with criticism and unmitigated disappointment. As heterogeneous as Cuba's Socialist partners from Berlin to Sofia were, they were unanimous that their preferential treatment of Cuban sugar was their way to help support the Cuban Revolution. The line intertwining sugar pricing's economic realities with high politics caused continuous friction between Cuba and its East European trading partners. In their dealing, the Cubans not only sought to capitalize on their limited economic potential but also closely followed, and even pushed to the extreme, José Martí's understanding that economics cannot be separated from politics.⁷ Eventually, this formula repeatedly tested the Socialist states' resolve to materially support the Cuban revolution as the Caribbean island sought to extract the highest benefit from its most valuable, yet highly volatile, trading asset.

ENTER FIDEL CASTRO: NEW LEADER OLD DEPENDENCIES

Sugarcane cultivation occupied a central place in Cuba for centuries. Paradoxically, it played a crucial role in bringing the island closer with the U.S. in the early 1900s and the Soviet Union in the second half of the

⁷ See Che Guevara's speech at the OAS conference at Punta del Este on 8 Aug. 1961, in *Che Guevara Reader*, p. 246.

twentieth century. It also allowed Fidel Castro, after coming to power, to blame Washington for distorting Cuba's economy by increasing its over-reliance on a single crop. To Castro, the signed into law by President William McKinley on March 2, 1901, Platt Amendment—which stipulated the conditions for the withdrawal of U.S. troops remaining in Cuba at the end of the Spanish-American war—helped the U.S. to de facto colonize Cuba by seizing its most fertile land and grow sugarcane from which to obtain the cheapest possible sugar, which started the deformation of Cuba's economic development.⁸ The monoculture deformation was coupled with over-reliance on a single client, the United States. Paradoxically again, despite Cuban leaders' attempts to depart from this pattern, the trait was developed with the Soviet bloc after Cuba lost its access to the U.S. market and failed at its initial push at industrialization. The twin dependence on a single crop and a single client attracted strong criticism of Cuba's new East European trading partners. The new Cuban leaders' complex relationship with the island's most prevalent crop was a source of the biggest mistakes committed by the Cuban leadership, as Czechoslovak specialists observed.⁹ The rush to negate the pre-revolutionary legacy in politics was followed by similar actions targeting the economy. Consequently, there was a spontaneous effort to reduce or even destroy cane plantations in almost all areas. This, Prague's envoys deemed as a mistake causing the record cane harvest of seven million tons of raw sugar in 1961 to drop to less than five million in 1962, which caused Cuba to miss its agreed sugar deliveries.¹⁰

Cuba's relations with the United States began to worsen dramatically in the first half of 1960. At the same time, this was a sign that the Cuban economy needed moral, political, and, most of all, economic assistance from the Soviet Union, as the Yugoslav ambassador observed.¹¹ At the same time, On January 3, 1961, after consulting with President-elect John F. Kennedy, President Dwight D. Eisenhower broke diplomatic relations with Cuba.¹² Before the

⁸ “Záznam z jednání se soudruhem Fidelem Castrem na Pražském hradě dne 22. června 1972”, 22 June 1972, Národní archiv České republiky [National Archives of the Czech Republic, Prague] (NAČR), f. KSČ-ÚV, KSČ - Ústřední výbor 1945-1989, Praha Gustáv Husák, Karton 376, p. 3/1 ž.

⁹ “Záznam z jednání se soudruhem Fidelem Castrem na Pražském hradě dne 22. června 1972”, 22 June 1972, NAČR, f. KSČ-ÚV, KSČ - Ústřední výbor 1945-1989, Praha Gustáv Husák, Karton 376, p. 3/1 ž.

¹⁰ “Současná hospodářská situace na Kubě”, 11 April 1963, NAČR, f. ÚV KSČ, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 9.

¹¹ Z. Grahek, “Izveštaj o Kubu”, 18 May 1960, Arhiv Jugoslavije [Archives of Yugoslavia, Belgrade] (AJ), KPR, I-5-b/61-1, Kuba, p. 3.

¹² Helen Yaffe, *Che Guevara: The Economics of Revolution*, p. 28; Luis Martínez-Fernández, *Revolutionary Cuba: A History*, pp. 70-71.

revolution, 70 percent of all Cuban trade was made with the United States, and, at the time of Castro's ascendance to power, the main branches of the country's economy depended totally on U.S.' equipment.¹³ Following a modest opening of trade with the Soviet Union in 1959 and early 1960, the situation for Cuba changed abruptly by the harsh economic warfare which broke out between Cuba and the United States in the summer of 1960.¹⁴ On July 3, 1960, Congress sanctioned the U.S. government to reject the remainder of Cuba's sugar quota for the current year. Two days later, Cuba's Council of Ministers announced the appropriation of U.S. industrial, banking, and commercial operations in Cuba. On the next day, President Eisenhower introduced economic sanctions against Cuba, canceling the remaining 700,000 tons of sugar imports from the 1960 quota.¹⁵ Moscow acted swiftly and, on July 20, proposed to buy the sugar which the U.S. refused. In retaliation to the U.S. move, Cuba seized the three largest American sugar mills on the island, which further increased the tensions with its northern neighbor. By the end of July, the National Institute for Agrarian Reform had already nationalized millions of acres of land, and, without further ado, Che Guevara announced the "Marxist" character of the Cuban revolution.¹⁶ On September 17, three U.S. banks and their branches and dependencies in Cuba were appropriated, making the United States respond with the imposition of a partial trade embargo on October 19. Days later, Cuba retaliated by seizing the remaining 166 American-owned businesses in Cuba. Consequently, the nationalizations of September and October 1960 transferred all sugar mills, 83.6 percent of the industry, 42.5 percent of the land, most of the trade, the banks, and the communications networks into state hands.¹⁷

The Cuban Ministry of Foreign Trade (MINCEX) declared that the nationalization of the main means of industrial production and banking, together

¹³ Ministerio del Comercio Exterior de Cuba (MINCEX), "5ta. Conferencia Internacional de Directores de Instituciones para la Formación y Elevación de la Calificación de los Cuadros del Comercio Exterior de los Países Miembros del CAME. Ponencia de Cuba," July 1981, Centro de Gestión Documental del Ministerio de Relaciones Exteriores de Cuba (CGD/MINREX) [Havana], Fondo Cuba-CAME Ordinario, caja 1981, p. 4.

¹⁴ Leo Huberman and Paul Sweezy, *Socialism in Cuba*, pp. 68-69.

¹⁵ The Jones-Costigan Amendment adopted by the U.S. Congress in 1934, also known as the Sugar Act, was the first in a series of laws developed into the so-called "U.S. sugar program". In the first 26 years of the U.S. sugar program, until 1960, Cuba provided almost two-thirds of the U.S.' sugar imports at an average annual rate of 2.7 million tons during the 1950s. See Lynn Darrell Bender, "Cuba, the United States, and Sugar", p. 158, and Philip W. Bonsal, *Cuba, Castro, and the United States*, p. 207.

¹⁶ William M. LeoGrande and Peter Kornbluh, *Back Channel to Cuba: The Hidden History of Negotiations between Washington and Havana*, p. 36; Yaffe, *Che Guevara*, p. 27; Martínez-Fernández, *Revolutionary Cuba*, p. 70; Leycester Coltman, *The Real Fidel Castro*, pp. 172-173.

¹⁷ Yaffe, *Che Guevara*, p. 28; Martínez-Fernández, *Revolutionary Cuba*, pp. 70-71.

with the agrarian reform, eliminated the U.S.' economic dominance over Cuba and served as the economic basis of the new regime and its socialist reforms.¹⁸ As a Hungarian foreign ministry report recommended, this fundamental change justified the support of the socialist states.¹⁹ The imposition of the U.S. embargo strengthened Castro's legitimacy and brought Cuba closer to the Soviet bloc. According to MINCEX, the "criminal blockade" imposed by the United States forced Cuba to seek new markets for its products and new sources of supplies. At the same time, led by the principles of "proletarian internationalism", the Soviet Union and the rest of the Socialist countries offered Cuba their "fraternal and selfless help".²⁰ Carlos Rafael Rodríguez, one of the new regime's foremost economic leaders, noted a decade later that the U.S. "blockade" oriented the island's economy towards the Socialist camp, as the country dedicated itself to survive the "brutal acts of U.S. imperialism in the economic, military and political order".²¹ On October 21, two days after Washington introduced the island's partial blockade, Che Guevara embarked on a long trip to the Soviet Union, Czechoslovakia, the German Democratic Republic (GDR) and China.²² Castro tasked Guevara with finding a market for two million tons of Cuban sugar. Using the world's political conjuncture, Che managed to achieve this goal. As the Soviet Union also aimed to reduce its beet plantings,²³ it acquired 1.2 million tons of Cuban raw sugar, while the European socialist countries agreed to buy another 600,000, and China the remaining 200,000 tons.²⁴

According to William LeoGrande and Peter Kornbluh, the reason behind the economic tensions between Cuba and the United States from the summer of 1960 was the Soviet oil rather than Cuban sugar.²⁵ Indeed, the Cuba-US economic confrontation that led to the embargo was not initiated by cutting the U.S. sugar quota but rather with the refining of Soviet oil in Cuba following

¹⁸ MINCEX, "5ta Conferencia Internacional", July 1981, CGD/MINREX, p. 5.

¹⁹ Jenő Incze, "Jelentés a Gazdasági Bizottságnak", 26 October 1960, Magyar Nemzeti Levéltár [Hungarian National Archives, Budapest] (MNL), XIX-J-1-j Kuba, TÜK, 1945-64, 9/a, 5d, p. 1.

²⁰ MINCEX, "5ta Conferencia Internacional," p. 4.

²¹ "Discurso de Carlos Rafael Rodríguez en la XXVI sesión del Consejo de Ayuda Mutua Económica (CAME)," MINREX (Dirección de Países Socialistas), Consejo de Ayuda Mutua Económica CAME, c. 1972, CGD/MINREX, f. Cuba-CAME Ordinario, c. 1970-73, pp. 4-5.

²² See Yaffe, *Che Guevara*, p. 41.

²³ Unlike in Cuba, in the Soviet Union and Eastern Europe, sugar was obtained commercially from beet rather than sugarcane.

²⁴ Nikolai Leonov, *Raúl Castro: Un hombre en revolución*, p. 301. See also Yaffe, *Che Guevara*, p. 42.

²⁵ LeoGrande and Kornbluh, *Back Channel to Cuba*, p. 36.

the nationalization in this sector. However, as Fidel Castro noted on numerous occasions, the issues of oil supplies and sugar trade were intertwined and inseparable. According to Castro, the Soviet Union pursued a bold policy in deciding to support Cuba against the "imperialist blockade" by buying Cuban sugar and supplying the country with the essential for the functioning of its economy oil.²⁶ However, recently declassified documents show that the process leading to the decision to buy the Cuban sugar at higher than the world's prices might not have been as uniform as the bloc's official narrative would suggest. Behind closed doors, at a meeting on Cuba's economic issues between Soviet and Eastern European representatives on September 16, 1961, the First Deputy Chairman of the Soviet Council of Ministers Aleksei Kosygin stressed Moscow's willingness to satisfy Cuba's request to purchase more sugar at higher international prices.²⁷ On the other hand, the representatives of Poland, GDR, and Czechoslovakia had reservations regarding purchasing Cuban sugar, as they were already large sugar exporters. Despite this, the Socialist states' officials unanimously spoke to expand the economic ties and closely coordinate their economic plans with the Caribbean nation.²⁸ At the time, the Cubans seemed to have already developed a line, which it persistently pursued through to the end of the 1980s. On October 2, 1961, Anibal Escalante, a member of the Political Committee of the Integrated Revolutionary Organizations, briefed the heads of the Socialist countries' missions in Havana on Cuba's economic and political situation. Escalante stressed the Cuban government's conviction that the purchase of its sugar by the Socialist camp was a manifestation of proletarian internationalism and a great help to the revolution.²⁹

However, Che's visit to Moscow signaled out the Cuban government's ideas of parting with its dependence on sugar. He developed the idea that the Soviets should finance Cuba's long-term industrialization rather than

²⁶ Memorandum of conversation, Todor Zhivkov-Fidel Castro, 25 May 1972, Tsentralen Partien Arkhiv [Central State Archive, Sofia] (TsDA), F. 1B, op. 60, a.e. 90, p. 30. See also similar line developed in "Informační zpráva delegace ÚV KSČ z VIII. sjezdu Lidové socialistické strany Kuby [16-22 August 1960]", NAČR, f. ÚV KSČ, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 4.

²⁷ "Otnosno systoyalite se syveshtania na predstavitelite na stranite-chenkeni na SIV na 15 i 16 septemvri t.g. v Moskva", September 1961, TsDA, F. 1B, op. 6, a.e. 4498, p. 4 [288].

²⁸ *Ibid.*, p. 5 [289].

²⁹ János Beck, "Másolat a havannai nagykövetség 1961. október 4.-en kelt jelentéséről: Az ORI vezetőségének tájékoztatója a szocialista országok misszióvezetői számára," MNL, M-KS 288f. 32/1961/14 ö.e., p. 2 [40]. Similarly, according to Guevara the Cubans "could not ask the Socialist world to buy this quantity of sugar at this price based on economic motives because really there is no reason in world commerce for this purchase and it was simply a political gesture", *The New York Times*, 8 Jan. 1961, p. 16.

making it a sugar mill for the Socialist Bloc.³⁰ Che's ideas reflected on the Cuban leadership's ambition to eliminate the one-sided orientation of the economy towards sugar production, diversifying agricultural production and rapidly industrializing its modes of production. As a Czechoslovak report claimed, in the first years following the ouster of Fulgencio Batista's regime, the new leadership followed Ernesto Guevara's formula, which sought the development of all branches of the economy while retaining its standing as a sugar superpower.³¹ Nevertheless, the realization of this policy and the insufficient consideration of the Cuban economy's internal and external conditions resulted in notable neglect of the national economy's traditional mainstay, especially sugar production. The decline of the Cuban economy's main production branch had reduced the domestic potential for economic construction, an analysis of GDR's foreign ministry concluded.³² The subjective mistakes and shortcomings of planning and managing the country's economy were decisive factors, another East European analysis posited.³³ The great political and economic efforts of the Soviet Union and the other socialist countries had succeeded in replacing the North American sugar quotas with significantly higher quotas at very favorable prices for Cuba. The socialist states also provided substantial loans, as well as considerable assistance by skilled personnel. The Cuban leadership, however, failed to make effective use of socialist states' assistance for the development of productive forces and for the maintaining an average standard of living for the population, which, in itself, with a fair social distribution of income, would mean a profound improvement in the social status of the broadest, previously exploited sections of the population.³⁴

THE EARLY 1960s: EXPERIMENTING WITH SUGAR REFORMS

The political and eventually economic relations between Cuba and the Soviet Bloc deteriorated notably immediately after the October 1962 missile crisis.³⁵

³⁰ Leonov, Raúl Castro, pp. 301-302. See also Jon Lee Anderson, *Che: A Revolutionary Life*, pp. 488-489.

³¹ "Současná hospodářská situace na Kubě", 11 April 1963, NAČR, f. ÚV KSČ, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 11.

³² "Information über die Entwicklung in der Republik Kuba und die Politik der kubanischen Führung", c. 1967, MfAA, M3/71, p. 6-8.

³³ V. Komárek, "Kuba 1966 - ekonomická situace", August 1966, NAČR, f. ÚV KSČ, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 28.

³⁴ *Ibid.*

³⁵ In order to help Cuba against aggressive U.S. plans, in the mid-1962, the Soviet leader Nikita

Stemming from the unsuccessful attempt at economic reform of 1961-1962, an important theoretical debate took place on the Cuban revolution's economic structure in 1963-1965. The Cuban leaders insisted that their country should not copy any other developmental model. The one they tried to build was "purely autochthonous", based on the "particularities of the country and its people".³⁶ In 1963, there was a fundamental change in the direction of economic development. The process of hasty industrialization gave way to the priority of reconstructing and expanding the sugar industry. The new concept sought to maximize sugar production, develop the cattle industry, and expand the cultivation of tropical fruits. However, the new conception of economic development also relied on the cooperation and the help of the Soviet Union and other socialist countries, which mainly took the form of long-term sugar agreements based on substantially higher than the world market prices.³⁷

Already in 1964, the Cuban revolutionary government focused its primary attention on sugar production. It was a broad effort, accompanied by all-around assistance from the Soviet Union, which led to a remarkable increase in sugar production from 3.8 million tons in 1964 to more than six million tons in 1965. It was a great success in both economic and political terms. Nevertheless, the result was primarily achieved at the expense of production in other sectors, from where the labor force was drained. In overcoming the orientation crisis of 1961-1962, the Cuban economy further diverted investment from engineering to sugar cultivation.³⁸ This made the national economy more susceptible to fluctuation in world sugar prices. However, the fall in sugar prices on the world market in the mid-1960s did not have catastrophic consequences for Cuba as most of its sugar production was exported to the socialist countries at a higher than the world market fixed prices.³⁹ This allowed Cuba to compensate for the downturns in its sugar production with some creative export tactics. For

Khrushchev launched the idea of secretly stationing ballistic missiles on Cuban territory. The process of the transfer of the ballistic missiles was completed in the autumn of 1962, and in mid-October, the rockets' locations were discovered by U.S. flight reconnaissance missions provoking strong reaction on the part of the U.S. President John F. Kennedy that led to the prompt withdrawal of the missiles. As he negotiated with Kennedy, Khrushchev did not inform Castro in advance of his decision to withdraw the missiles, which upset the Cuban leadership and stained the Soviet-Cuban relations in the 1960s.

³⁶ Leonov, *Raúl Castro*, p. 302.

³⁷ "Information über die Entwicklung in der Republik Kuba und die Politik der kubanischen Führung", c. 1967, MfAA, M3/71, p. 6-8.

³⁸ "Situace na Kubě v únoru 1965," c. January 1965, NAČR, f. ÚV KSČ, Antonín Novotný – Zahraničí, Kuba, Karton 121, p. 9.

³⁹ "Informace o posledním vývoji na Kubě", 3 August 1965, NAČR, f. ÚV KSČ, Antonín Novotný – Zahraničí, Kuba, Karton 121, p. 6.

example, the total sugar sale contracts it concluded for 1967 amounted to 7.695 million tons. However, the production in that year reached about 6.2 million tons, with a 1.5-million-ton shortfall. Polish information critically remarked that to fill its quote, Cuba was trying to buy sugar on the London Stock Exchange, Mexico, and the Caribbean at lower world prices and re-export it to some socialist states at higher fixed rates.⁴⁰

Despite the ad hoc trading ingenuity demonstrated by the Cuban leaders, Czechoslovak envoys in Havana observed that while Fidel Castro possessed a masterful ability to ignite the fighting mood among the masses and the leadership, he failed to pay more attention to the issues of production and economic development.⁴¹ In April 1963, Prague's observers offered another very critical assessment of the Cuban economic progress. In their alarming appraisal, the country's dire economic problems posed more severe threats to the Cuban revolution than any forms of external aggression or potential internal "counter-revolutionary" reversal.⁴² Additionally, a report for the Politburo of GDR's Socialist Unity Party (SED) provided a long list of subjective factors that caused the Cuban economy to deteriorate further. Those factors included the leaders' insufficient maturity, their lack of experience in applying Marxism-Leninism, the manifestation of nationalistic tendencies in their political actions, insufficient consideration of the other Socialist countries' experiences, and their skepticism in the effectiveness of the cooperation with the Soviet Bloc.⁴³ The Polish concurred with East Berlin's assessment. It claimed that the Cuban society would need many years of austerity and economic assistance from the Socialist states due to the erroneous concepts developed by the local officials and their reluctance to follow the other socialist states' experiences.⁴⁴

⁴⁰ "Informacja Ambasady PRL w Hawanie", c. 1967, Archiwum Ministerstwa Spraw Zagranicznych [Archives of the Ministry of Foreign Affairs, Warsaw] (AMSZ), DVI 1967, 49/70, W2, p. 15.

⁴¹ "Některé poznatky a závěry s. Č. Cisaře z cesty na Kubu", 25 February 1962, NAČR, ÚV KSČ, Antonín Novotný – Zahraničí, Karton 121, Vztahy ČSSR-Kuba, p. 6.

⁴² See "Zpráva velvyslanectví ČSSR v Havaně o současné hospodářské situaci na Kubě", 11 April 1963, NAČR, ÚV KSČ, Antonín Novotný – Zahraničí, Karton 121, Komunistická strana Kuby, p. 1; Josef Kolek, "Vnitropoliticky a hospodářsky vývoj Kuby po návštěvě Fidela Castra v SSSR a evropských zemích ZST", 16 January 1973, NAČR, KSČ-ÚV 1945-1989, Praha - Gustáv Husák, k. 375, p. 1.

⁴³ "Vorlage für das Politbüro des ZK der SED: Klärung von Problemen zwecks Gewährleistung der weiteren kontinuierlichen Entwicklung der außenwirtschaftlichen Beziehungen zwischen der Deutschen Demokratischen Republik und der Republik Kuba", 1 July 1966, Politisches Archiv des Auswärtigen Amtes [Political Archive of the Federal Foreign Office, Berlin] (PAAA), M3/69, pp. 11-12.

⁴⁴ Tadeusz Strzałkowski, "Sprawozdanie końcowe ambasadora PRL w Hawanie (ograniczające się do lipca 1969r)", 6 September 1969, AMSZ, D.VI-1969, 36/75, W-2, p. 7.

A few years later, Raúl Castro accepted these criticisms and shared with Todor Zhivkov his conviction that Cuba's problems in the 1960s were caused by the great inexperience of its leadership, the "stinging" effect of its economic inventions, and its urges to ignore "objective" economic laws.⁴⁵

At the same time, the Cubans blamed the Socialist states for providing them with "insufficient" help and for neglecting Cuba's vital interests.⁴⁶ For example, the Cuban side sought to develop economic relations with the GDR that disagreed with East Berlin's interests. In the analysis of GDR's foreign ministry, from the mid-1960s, Cuba sought to position itself as an underdeveloped state, shifting the dynamics of Cuba-East relations from economic cooperation to the provision of direct economic aid.⁴⁷ This closely mirrored a Czechoslovak assessment, which found that the trade between Czechoslovakia and Cuba was an international aid expression to the Caribbean nation, rather than economic activity based on mutual interest.⁴⁸ Similarly, in the second half of the 1960s, Cuba and Poland's relations progressively deteriorated both politically and commercially, reaching their nadir at the beginning of 1969. The Cuban officials criticized the limited size of Warsaw's economic assistance, which, in their opinion, remained disproportionate to Poland's abilities.⁴⁹ Much in the same vein, the economic cooperation between Cuba and Bulgaria failed to reach the desired level despite its opportunities.⁵⁰ Speaking with GDR's State Secretary Dieter Albrecht in 1968, Fidel Castro complained of the Hungarians, as well, who "would not buy Cuban sugar and were constantly criticizing Havana's policies".⁵¹

⁴⁵ Minutes of Conversation, Todor Zhivkov-Raúl Castro, 11 March 1974, TsDA, f. 1B, op. 60, a.e. 142, p. 21.

⁴⁶ E. Noworyta, Stosunki Kuby z krajami socjalistycznymi, w tym z PRL", 2 September 1968, AMSZ, D.VI-1969, 36/75, W-2, p. 1; Kolek, "Vnitropolitický a hospodářský vývoj Kuby," 16 January 1973, NAČR, pp. 6-7.

⁴⁷ "Vorlage für das Politbüro des ZK der SED", 1 July 1966, PAAA, p. 10.

⁴⁸ "Informace o vztazích mezi CSSR a Kubánskou republikou", c. 1972, NAČR, KSC-ÚV 1945-1989, Praha-Gustáv Husák, k. 376, p. 5.

⁴⁹ "Stosunki polsko-kubańskie w 1964 (fragment notatki Ambasady PRL w Hawanie z dnia 17.12.64)", 17 December 1964, AMSZ, D.VI-1964, Kuba, 18/67, W-4, p. 1; "Stosunki Polsko-Kubańskie", n.d., AMSZ, D.VI-1969, 36/75, W-2, p. 2.

⁵⁰ "Information of the Bulgarian Embassy in Havana re: The situation in Cuba in 1963, Jan. 1964", CWIHPB 17/18, p. 550.

⁵¹ "Aktenvermerk über Gespräche des Genossen Dieter Albrecht, Staatssekretär und I. Stellvertreter des Ministers im MAW der DDR, u. a. DDR-Funktionäre mit dem Ministerpräsidenten der Republik Kuba und I. Sekretär des ZK der KPK, Genossen Fidel Castro Ruz, sowie weiteren kubanischen Partei- und Regierungsfunktionären", 3 May 1968, MfAA, M3/72, p. 3.

THE BIG GAMBLE: THE TEN MILLION TON *ZAFRA*

Disappointed from the level of Socialist Bloc assistance and in an attempt to assert their complete independence in the economic field, in the late 1960s, Carlos Rafael Rodríguez claimed that the sizeable help Cuba was receiving from the Soviet Union and the other Socialist and Western countries was not violating its sovereignty.⁵² This meant Cuba was retaining the final say about how it would run its economy. Addressing members of the Soviet communist youth union, the Komsomol, Carlos Rafael explained that Cuba, due to its specific economic, geographic, and climatic conditions, followed a different development path to the Soviet Union's emphasis the development of the heavy industry. The central aspect of Cuba's industrialization effort was the development of agriculture.⁵³ However, Bulgarian experts appeared unimpressed by Cuban obstinacy in this regard. Speaking to their Hungarian colleagues, Sofia's experts noted that the Cuban economy continued to lack real planning. Although planning as a concept figured in Cuban leaders' statements, its essence remained "very foggy" to them as they continued to reject the notion that it was impossible to build a new society without scientific planning.⁵⁴

By 1969, the worsening state of the Cuban economy became the critical variable in the relations between Cuba and the Soviet Union. The turning point was reached with the overambitious attempt to produce a record-breaking sugarcane harvest of ten million tons in 1970 that became known as the *Zafra de Los Diez millones*. The Cuban leaders seemed to have employed various political, ideological, and economic reasons for this experiment. For several years in the mid-1960s, world sugar prices had been very unfavorable for Cuba and, as its leaders had no real development program, they focused only on meeting the minimum economic conditions for its survival, a Hungarian report observed. Therefore, they considered that increasing sugar production was the only way to improve the economy's situation.⁵⁵ Arguably, there was another, more sinister reason for the ambitious *zafra*. Apparently, the Cuban leadership did not abandon the ideas formulated by Fidel Castro in several speeches in

⁵² Ts. Georgiev, "Informatsia otosno uchastieto na kubinskata delegatsia na konferentsiyata na Ikonomicheskata komisiya za Latinska Amerika, sastoyala se v Lima - Peru, prez m. april 1969", 7 May 1969, TsDA, f. 1477, op. 25, a.e. 1449, p. 3.

⁵³ "Memorandum of Conversation, Carlos Rafael Rodriguez and Soviet komsomoltsi", 16 February 1969, TsDA, f. 1477, op. 25, a.e. 1488, pp. 1-2.

⁵⁴ "Information on BCP CC visit to Cuba", 25 August 1970, MOL, M-KS, 288 f. 32, 2 ó.e., p. 7.

⁵⁵ "Jelentés a Politikai Bizottságnak és a Minisztertanácsnak dr. Fidel Castro Rüz Magyarországon tett hivatalos baráti látogatásáról", 13 June 1972, MNL, M-KS, 288f. 5/583, p. 6.

the spring of 1964, stipulating that the significantly increased Cuban sugar production would provoke a sales crisis. Castro believed that as Cuba had secured the socialist countries' purchases, other producers would be ruined by Cuban production's increased rate.⁵⁶ A third explanation was the "soldier and worker" argument, developed by Carlos Rafael in Matanzas province in 1964. He claimed that every worker was a soldier and that every stalk of processed sugarcane was both a weapon and a victory against imperialism. Therefore, the decisive success of the sugarcane harvest was of particular importance in thwarting the imperialist aggression.⁵⁷

Later, speaking to students at the University of Havana in September 1969, Carlos Rafael claimed that achieving ten million tons of sugar would be like Cuba's "second national liberation".⁵⁸ In his push for the record harvest, Fidel also focused on the more pragmatic economic utilities this achievement would have for the nation. According to him, if the 1970 *zafra* reached its goal, the country would have many reasons for joy, as

there would be an absolute abundance of food, more clothes, more shoes, and better communications. The services will continue to improve, and the years of the next decade would not be the same as the previous ones.⁵⁹

This achievement was, therefore, a matter of great prestige to the Cuban leadership. It also had significant importance to the revolution, as it was to solve the country's economic problems and help with its underdevelopment.⁶⁰

However, the *zafra* failed. The enormous effort, involving Cuba's entire workforce, nearly wrecked the national economy, as all available resources were concentrated on the sugarcane harvest, seriously neglecting the service sectors and the industry, essentially negating previous attempts at balancing agriculture with the remaining sectors of the economy.⁶¹ From the beginning,

⁵⁶ "Situace na Kubě v únoru 1965," January 1965, NAČR, f. ÚV KSČ, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 8.

⁵⁷ Johne, "Einschätzung zu den Ereignissen in Verbindung mit den Heden des Genossen Fidel Castro vom 19. April und 1. Mai 1964", 16 May 1964, MfAA, M3/68, p. 3.

⁵⁸ V. Mechkov, "Informatsiya za systoyanieto i perspektivite na proizvodstvoto na zahar v Kuba", 1 September 1969, TsDA, f. 1477, op. 25, a.e. 1449, p. 3.

⁵⁹ *Ibid.*, p. 9.

⁶⁰ Memorandum of Conversation, Dinkov - Jose Vasquez, 29 September 1969, TsDA, f. 1477, op. 25, a.e. 1449, pp. 1-2 [261-262].

⁶¹ On the attempts to balance the Cuban economy in the mid-1960s, see Memorandum of Conversation, Mehmet Shehu - Wilfredo Rodríguez, 28 November 1964, Drejtoria e Përgjithshme e Arkivave [General Directorate of Archives, Tirana] (DPA), f. 14, l. 5, d. 1, p. 5 [6]. For a general discussion on the effects of the 10 million harvest on the Cuban economy, see Edward Gonzalez, "Relationship with the Soviet Union", pp. 90-91. Theriot and Matheson,

the zafra plan provoked long-ranging criticisms from Cuba's eastern partners. According to Hungarians, the plan to produce ten million tons of sugar was an extraordinary but unrealistic effort.⁶² The Czechoslovaks offered similar conclusions. In their calculations, to ensure the production of ten million tons of sugar, Cuba had to hire extra 500,000 people, untenable, given the continuous migration of people from rural areas to the cities. Additionally, to achieve the record production level, a staggering investment of USD 870 million had to be implemented during 1966-69, of which about USD 300 million in the peak year of 1968, which was five times the size of all investments made in this sector in 1965. The Czechoslovak analysis concluded that, despite all the agreed credits from the Socialist states, these volumes of investment and imports would far exceed the Cuban national economy's real capabilities in 1968.⁶³

Due to the 1969 drought, Cuba could harvest only 8.5 million tons of sugar in 1970. This was followed by an even worse campaign in 1971 when only 5.9 million tons were harvested. As sugar production for 1972 was estimated at four million tons, Cuban officials were forced to reduce sugar export quotas for all socialist countries for the year. The decline in sugar production significantly increased Cuba's indebtedness in both socialist and capitalist countries. Cuba's indebtedness to the Socialist countries was 3.5 billion rubles, of which 3.1 billion rubles to the Soviet Union.⁶⁴ The all-out effort also diverted the Cuban government's attention from cooperating with the East European states, suspending projects with its socialist partners, including a glass plant built with Hungarian investments.⁶⁵ After the zafra gamble failure, which was personally identified with Fidel Castro, the Cuban leader reportedly drew his lessons.⁶⁶ Consequently, Castro admitted that the concentration of all the party's attention on pursuing the ten million-ton plan was a political

"Soviet Economic Relations with the Non-European CMEA: Cuba, Vietnam, and Mongolia", in Marvin R. Jackson (ed.), *East-South Trade: Economics and Political Economics*, p. 148; Edward George, *The Cuban intervention in Angola, 1965-1991: from Che Guevara to Cuito Cuanavale*, p. 42.

⁶² "Jelentés a Politikai Bizottságnak és a Minisztertanácsnak dr. Eidel Castro Rüz Magyarországon tett hivatalos baráti látogatásáról", 13 June 1972, MNL, M-KS, 288f. 5/583, p. 6 [50 R].

⁶³ V. Komárek, "Kuba 1966 - ekonomická situace," August 1966, NAČR, f. ÚV KSC, Antonín Novotný - Zahraničí, Kuba, Karton 121, p. 38.

⁶⁴ "Vnitropolitická situace na Kubě", c. June 1972, NAČR, f. KSC-ÚV, KSC - Ústřední výbor 1945-1989, Praha Gustáv Husák, Karton 376, p. 7.

⁶⁵ "Evaluación de las relaciones bilaterales entre Cuba y Hungría", 9 October 1969, CGD/MINREX, p. 1.

⁶⁶ Glejeses, *Conflicting Missions: Havana, Washington, and Africa, 1959-1976*, Chapel Hill, NC: The University of North Carolina Press, 2002, p. 223.

mistake as it caused backlogs in other industrial sectors.⁶⁷ While the Cuban people behaved “like heroes” in this production battle, as Castro stated, the country’s leadership saw the missed *zafra* target as the revolution’s first failure. Fidel even went as far as offering to resign, which the crowds in Havana vehemently rejected.⁶⁸ Similarly, a piece of Polish information remarked that the “collapse” of the Cuban economy in 1970 forced the Cuban leaders to concede that the economic and political concepts they used to steer the economy were incorrect and based on false premises.⁶⁹ However, unimpressed with this admission, the Soviets told Fidel that if they were going to continue aiding the island, the Cuban economy had to be centralized along Soviet lines. To ensure this, Moscow dispatched 10,000 technicians and advisers to Cuba to run the country.⁷⁰ The Bulgarians supported the move, believing that in all areas of Cuban economic development, the Socialist states had to extend additional help to stabilize the country and make it a showcase for Socialism in Latin America.⁷¹

INTO THE 1970s: CUBA INTEGRATES WITH THE SOCIALIST BLOC

The deepening military and economic reliance on the Soviet Union at the beginning of the 1970s led to bringing Cuba and the Socialist camp even closer than had been, culminating with the Caribbean nation’s joining of the Council for Mutual and Economic Assistance (CMEA).⁷² Fidel’s visit to the Soviet Union and Eastern Europe in June 1972 played a crucial role in further shaping Cuba’s political and economic linkage with the planning institution of the Socialist bloc.⁷³ While seeking Socialist states’ support during his visit, the

⁶⁷ “Jelentés a Politikai Bizottságnak és a Minisztertanácsnak dr. Eidel Castro Rüz Magyarországon tett hivatalos baráti látogatásáról”, 13 June 1972, MNL, M-KS, 288f. 5/583, p. 6 [50 R]. Cf. Sergio Roca, *Cuban Economic Policy and Ideology: The Ten Million Ton Sugar Harvest*, London: Sage Publications, 1976, pp. 65-66.

⁶⁸ “Párt- és kormányküldöttségünk kubai útjáról /A küldöttség jelentése/”, 9 September 1970, MNL, M-KS, 288f. 11/2964 ö.e., pp. 5-6 [7-8].

⁶⁹ Cz. Limont, “Sprawozdanie końcowe z czteroletniego pobytu na Kubie tow. Czesława Limonta w charakterze radcy ambasady PRL w Hawanie w okresie 26.VI.1972-15.VIII.1976r”, c. 1976, AMSZ, D.III-1976, 20/82, W8, K. 241-243-276, p. 1.

⁷⁰ Garcia, *Child of the Revolution: Growing up in Castro’s Cuba*, p. 216.

⁷¹ “Information on BCP CC visit to Cuba”, 25 August 1970, MNL, p. 9 [111].

⁷² “Podsetnik o Kubi”, 20 February 1974, AJ, p. 5; N. Faddeev, “Las más importantes fases de la actividad del Consejo de Ayuda Mutua Económica”, CGD/MINREX, f. Cuba-CAME Ordinario, c. 1960-69, p. 17.

⁷³ Limont, “Sprawozdanie końcowe z czteroletniego pobytu na Kubie tow. Czesława Limonta”, c. 1976, AMSZ, p. 1.

Cuban leader championed the notion that national selfishness is incompatible with socialism in domestic and foreign policy.⁷⁴ Just a month later, Cuba was accepted as a full member of the Council at the XXVI meeting of the Joint Parliamentary Assembly of the CMEA in Moscow on July 10-12, 1972. According to the Czechoslovak foreign ministry, Cuba's entry into the Council sought to consolidate its economic cooperation with the CMEA members and represented a new stage in the development of the world socialist system.⁷⁵

In its introduction to the CMEA, Cuba was afforded a select developing-country membership alongside Mongolia and Vietnam, which allowed it to preferential trade relations with the more developed European CMEA states.⁷⁶ This particular position made Cuba's trade with the Soviet bloc even more beneficial to the island. The Soviets agreed to increase the price they paid for the island's sugar without increasing the prices it charged Cuba for its oil, so much that the terms of trade between the two countries favored Cuba as never before.⁷⁷ In an unpublished speech at the winter session of the National Assembly of People's Power from 1980, Fidel Castro boldly stated that Cuba had concluded the most advantageous trade agreement with the Soviet Union in history. The agreement stipulated that Cuban sugar prices would automatically increase with those of Soviet raw materials and products. At a time where the world price of diesel per ton was around 200 pesos, Cuba paid three times less for Soviet oil. Accordingly, the price of Cuban sugar was set at 19 cents for all socialist states. Without this assistance, Cuba would not be able to stock up on fuel, buy technological equipment, cotton, fertilizers, and raw materials, Castro concluded.⁷⁸ By the mid-1980s, deliveries of Soviet petrol and petrol derivatives amounted to 13 million tons per annum, of which 50 percent was crude. The crude re-export revenue was estimated at half a billion U.S. dollars, surpassing foreign exchange earnings from its sugar exports.⁷⁹ Cuba's economy, as a result, grew rapidly in the 1970s. Only in the 1971-1975 period, the country's gross national product increased by an average of

⁷⁴ "Discurso de Carlos Rafael Rodríguez", c. 1972, CGD/MINREX, p. 2.

⁷⁵ Kolek, "Vnitropolitický a hospodářský vývoj Kuby", 16 January 1973, NAČR, pp. 10-12.

⁷⁶ Theriot and Matheson, "Soviet Economic Relations with the Non-European CMEA," p. 149. See also Josef M. van Brabant, *Remaking Eastern Europe - On the Political Economy of Transition*, p. 9.

⁷⁷ Eckstein, *Back from the Future: Cuba under Castro*, pp. 46-47.

⁷⁸ "Vystúpenie (nepublikované) Fidela Castra na zimnom zasadnutí Národného zhromaždenia ľudovej moci", 6 February 1980 [Archive of the Ministry of Foreign Affairs, Prague], (AMZV), TO-T, 1980-89, Kuba 1, p. 6.

⁷⁹ Achmann, "Zur Entwicklung der Beziehungen Kubas mitder Sowjetunion 1984/85", 22 April 1985, PAAA, MfAA, ZR 3053/89, p. 4. See a similar assessment in Veit, "Beziehungen der KP Kubas zur KPdSU", 9 January 1986, MfAA, ZR 3053/89, p. 3.

more than ten percent annually.⁸⁰ However, while Cuba's CMEA membership brought its national economy even closer to the Socialist states, its further development remained mostly dependent on the cooperation with the Soviet Union. Accordingly, between 1976 and 1980, the trade between Cuba and the Soviet Union reached between 80-84 percent of all socialist states' total imports.⁸¹ In other words, following Cuba's integration with the CMEA, its commercial exchange with all of its member states rose from 56 percent in 1975 to 78 percent in 1979, while Soviet Union's share increased from 48 to 67 percent.⁸²

After joining the Council, Cuba had to develop various basic planning capabilities, which needed to be redesigned to match standard CMEA economic practices, especially in terms of medium and long-range planning. Prague's economic experts noted that, even after entering the East's economic union, the deformations of Cuba's national economy from the pre-revolutionary era remained intact as it retained the monocultural bias in its production. The attempt to embark on a socialist reconstruction path based on a proprietary Cuban model further strained the national economy.⁸³ To alleviate these negative factors, in 1975, the First Congress of the Communist Party of Cuba (*Partido Comunista de Cuba*, PCC) sought to introduce measures improving the planning and the management of the economy while restructuring the administrative division of the economic institutions.⁸⁴ At the XXXV CMEA session in Sofia in July 1981, Cuba also committed itself to participate in the socialist division of labor with the production of sugar and its derivatives, nickel, and citruses, for the benefit of the entire socialist system.⁸⁵ Still, the implementation of the planning and the Cuban economy's management proceeded at a very slow pace, the East Germans observed,⁸⁶ and the vice-

⁸⁰ Viktor Čejpa et al., "K vývoji hospodářských styků ČSSR se zeměmi Asie, Afriky a Latinské Ameriky v 70. a 80. letech," c. 1983, Archiv Bezpečnostních Složek (ABS) [Prague], I SF 08/1 0067, p. 42.

⁸¹ "Ohlas na návštěvu generálního tajemníka ÚV KSSS s. Leonida Brežněva v Kubánské republice ve dnech 28.1.-4.2.1974," c. February 1973, NAČR, KSČ-ÚV 1945-1989, Praha - Gustáv Husák, k. 379, p. 3.

⁸² MINCEX, "5ta Conferencia Internacional", July 1981, CGD/MINREX, p. 7.

⁸³ "Současná hospodářská situace Kuby," c. April 1973, NAČR, KSČ-ÚV 1945-1989, Praha-Gustáv Husák, k. 377, p. 4.

⁸⁴ "Planificación de la medidas fundamentales de colaboración de los países miembros del CAME, tomando en consideración los programas específicos a largo plazo", XII Conference of vice-presidents of the central planning bodies of CMEA, 30 November-4 December 1981, Havana, c. 1981, CGD/MINREX, f. Cuba-CAME Ordinario, c. 1981, pp. 3-4.

⁸⁵ MINCEX, "5ta Conferencia internacional", July 1981, CGD/MINREX, p. 12.

⁸⁶ Langer to Krolikowski, 30 March 1979, PAAA, MfAA ZR 1856/81, p. 3.

presidents of CMEA's central planning bodies urged the Cubans to implement further measures in this regard.⁸⁷

Despite the resolutions of the PCC's First Congress, Cuba's overwhelming dependence on sugar remained.⁸⁸ In 1979, the so-called "Girón Campaign", which was aimed at transforming the eighteenth anniversary of the defeat of U.S. imperialism at Playa Girón into a "girón of sugar production", sought in several weeks to stimulate economic development with a focus on bringing in a higher sugarcane harvest than 1978's campaign.⁸⁹ Political benefits aside, the Cuban leadership also planned to capitalize on the higher harvest using its preferential treatment within the Council's framework. Following the rise in the price of raw sugar on the world markets, Cuba strived to sell maximum quantities of sugar on the "free sugar market" at the expense of its obligations towards the Socialist countries.⁹⁰ Simultaneously, as over 80 percent of its production, mainly sugar, nickel, sea products, tobacco, and citrus fruits, were exported, its economic progress depended on foreign trade. Accordingly, the Cuban actions, both in international organizations and in bilateral relations, were characterized by consistency and even tenacity, as a Polish embassy report critically observed. Cuba's top management sought to sell where higher prices could be obtained and buy where prices were most favorable.⁹¹ According to this strategy, Cuba fought "very relentlessly" to ensure the highest possible sales level for its exports. In the 1970s, this approach yielded the results pursued by Cuba. With more or less resistance, the Socialist states were ready to accept increased prices, and Cuba's leading trading partner, the Soviet Union, was willing to take any quantity of goods at almost any price.⁹²

Moreover, the Cuban government strongly disagreed with any government opposing its tactics. For example, Cuba criticized the Czechoslovak concept that Cuban sugar's preferential pricing was a form of economic aid, which the Cubans sought as fair and, thus, insisted it did not constitute a form of assistance. Instead, Cuba's official line presented the long-term price of sugar as the basis of Cuba's cooperation with the socialist states.⁹³ While they

⁸⁷ "Planificación de la medidas fundamentales", c. 1981, pp. 3-4.

⁸⁸ "Vermerk über ein Gespräch zwischen dem Vorsitzenden der SPK, Genossen Schürer, und dem Vorsitzenden der kubanischen Plankommission (Inceplan), Genossen Humberto Perez, in Berlin am 23. 7. 1979", 30 July 1979, PAAA, MfAA ZR 3720/82, p. 1.

⁸⁹ "Monatsbericht April 1979", 8 May 1979, PAAA, MfAA, ZR 1854/81, p. 3.

⁹⁰ "H. Spindler to Deputy Foreign Minister Krolkowski", 22 November 1979, PAAA, MfAA, ZR 1856/81, p. 8.

⁹¹ "Ambasada PRL w Republice Kuby: Raport Polityczny za rok 1973", c. 1974, AMSZ, DIII 1974, 49/78, W-9, p. 5.

⁹² *Ibid.*, p. 29.

⁹³ "Informace o jednáních o čs. hospodářské pomoci Republice Kuba", 25 March 1971, NAČR,

never openly admitted after joining the CMEA that the preferential above-world market prices of Cuban sugar constituted a form of assistance, in some conversations with their Socialist partners, the Cubans inadvertently admitted it. In the late 1970s, speaking to GDR's planning committee, the Chairman of the corresponding Cuban institution, Inceplan, Humberto Pérez, argued that the CMEA countries should continue to grant preferential prices to Cuba, upholding the principle that the exchanges between Cuba and the European members of the Council should not be affected by developments on the world market. Thus, Pérez, probably without realizing it, indirectly rejected the notion that sugar's price was economically justified.⁹⁴

THE LONG 1980s: ONTO THE ROAD TO THE SPECIAL PERIOD

In the first half of the 1980s, the integration between Cuba and CMEA member states continued to deepen. In 1983 alone, 87 percent of Cuba's foreign trade turnover was with the CMEA, with sugar taking 75 percent of its total exports.⁹⁵ Nevertheless, the sugar trade presented many problems and difficulties in Cuba's relations with its East European partners. Since the mid-1960s, the Soviet Union and Bulgaria, among others, have agreed to apply preferential prices to long-term purchases of Cuban sugar. Similarly, in the early 1980s, the Politburo of the Bulgarian Communist Party accepted the fluctuation in sugar prices to be linked to the prices of Bulgarian exports, which sought to stabilize Cuban exports' purchasing power. As a result, the accelerated increase in Cuban sugar price, which amounted to 460 rubles per ton in 1984, continued to deviate significantly from the international market price.⁹⁶ The Poles, however, offered very critical comments on the way the Cubans traded their sugar with them. Warsaw only imported token amounts of sugar from Cuba, which the Polish government perceived as an imposition as Poland produced and exported sugar.⁹⁷

In February 1986, PCC's Third Congress proposed an ambitious economic program to compensate for these difficulties. It drew a confident line according to which the future the Cuban economy will develop in a coordinated manner

f. KSČ-ÚV, KSČ-Ústřední výbor 1945-1989, Praha Gustáv Husák, Karton 378, pp. 4-5.

⁹⁴ "Vermerk über ein Gespräch zwischen... Schürer- Perez", MfAA, p. 3.

⁹⁵ See "Republika Kuba", 17 February 1986, Diplomatische Arhiv na Ministerstvoto na Vanshnite Raboti [Diplomatic Archive of the Ministry of Foreign Affairs, Sofia] (DAMVnR), d. 5, 1986, op. 43-48, pr. 158, p. 3 [3]; MINCEX, "5ta Conferencia Internacional", July 1981, CGD/MINREX, p. 6.

⁹⁶ "Doklad otnosno predstoyashitite razgovori", 14 October 1983, TsDA, pp. 9-10 [231-232].

⁹⁷ "Cuban-COMECON trade," 6 October 1977, National Archives and Records Administration, College Park, MD, RG59, CFPP, ET1977, 1977HAVANA00291, pp. 1-2.

with that of the other European CMEA members.⁹⁸ However, this contradicted the slowing economic pace in the Council's member states, as the Warsaw Pact states' foreign ministers stated during their December 1987 meeting in Moscow.⁹⁹ As Czechoslovak diplomats revealed, that in the 1980s, the Cuban government continued to intensely oppose the view that the higher price of sugar paid by the Socialist states was a form of economic aid. In line with their earlier insistence, the Cubans saw the long-term sugar price as a basis of long-lasting cooperation with socialist states and not as subsidy.¹⁰⁰ Repeating Che and Escalante's mantras, Fidel Castro slightly tweaked the premise to reflect on Cuba's special status with the CMEA, claiming that Cuba's favorable treatment was an example of the just and fair trading relations that should exist between developed and underdeveloped countries.¹⁰¹

By 1986, the PCC and the Cuban state authorities became very concerned about the country's deepening economic crisis and sought to launch accelerated change of Cuba's political, social, and economic life.¹⁰² By launching the so-called process of *rectificación*, they aimed to tackle negative tendencies and historical errors in the economy by applying new solutions to old problems. In November 1988, meeting Mikhail Gorbachev, Fidel Castro iterated that his reforms rejected universally valid formulas and noted that each party was free to seek its way independently.¹⁰³ Ironically, this drive was shared by Communist Parties from Berlin to Moscow, and this was not playing in Cuba's interests. As a result, Cuba's economic relations with all of the East European Socialist states deteriorated as Mikhail Gorbachev's *new thinking* was becoming the new political norm. Moscow's junior partners significantly reduced their trade with Cuba by 1989, which came at a significant cost to the

⁹⁸ Teodosiev, Perspektivi na sotsialno-ikonomicheskoto razvitie na Republika Kuba prez perioda 1986-1990 godini, August 1986, DAMvNR, d. 6, 1986, op. 43-48, pr. 211, p. 4 [6].

⁹⁹ "Itogovyi dokument rabochei vstrechi predstavitelei MID NRB, VNR, GDR, PNR, SSSR i ChSSR po voprosam otnoshenii s gosudarstvami Latinskoj Ameriki, 2-4 Dec. 1987, Moskva", 19 April 1988, DAMvNR, 1988, d. 1, op. 45-48, pr. 7, p. 6 [7].

¹⁰⁰ "Informace o jednáních o čs. hospodářské pomoci Republice Kuba", NAČR, KSČ-ÚV 1945-1989, Praha-Gustáv Husák, k. 378, p. 4.

¹⁰¹ See Fidel Castro's interview with L'Espresso correspondent Gianni Mina, 28 June 1987, CSD, <http://lanic.utexas.edu/project/castro/db/1987/19870920.html> (Accessed, 14 November 2019).

¹⁰² "Informacja o republice Kuby" based on information from the Intelligence agency of the Polish army, 15 January 1988, Instytut Pamięci Narodowej [Institute of National Remembrance, Warsaw] (IPN) BU 2602/26842, p. 8 [86].

¹⁰³ Minutes of Conversation, Erich Honecker-Jorge Risquet, 17 April 1989, Die Stiftung Archiv der Parteien und Massenorganisationen der DDR zu den Beständen des Bundesarchivs (SAPMO BArch), DY 30/2462, p. 6 [439].

island. Additionally, Bulgaria, Czechoslovakia, and Hungary refused to renew various trade agreements with the Caribbean nation.¹⁰⁴

As Moscow was also confident that its aid could not be further increased, Cuba sought to improve its relations with the developed capitalist states to compensate for the deteriorating relations with the Socialist states and expand its international political room to maneuver in undermining the U.S. economic "blockade".¹⁰⁵ Despite some sporadic and inconsistent efforts, by 1990, Cuba once again failed to diversify its industrial structure, and the island nation retained its low-productivity monoculture economy, a critical Polish report stated. Based on a moderate technological level and fragmented ability to self-sufficiency even in the field of food production, the Cuban economy was characterized by a high degree of monopolization and almost total nationalization.¹⁰⁶ The impact of the crisis with the cessation of Soviet oil deliveries and the dwindling foreign markets of Cuban exports, especially sugar, caused the Cuban gross domestic product to decline by 34.8 percent between 1990 and 1993. Left on its own, Cuba faced the so-called Special Period in Time of Peace, one of its darkest moments.

CONCLUSION

As this paper has shown, sugar occupied a complicated place not only in Cuba's national economy but also in the relations with its East European Socialist partners. The original documents from a variety of East European archives consulted for this paper have demonstrated in closer detail that Moscow's junior partners from Berlin to Sofia had various reservations in their economic relations with the Caribbean nation. In the 1960s, the economic ties between Cuba and the Socialist states went along a winding path, ranging from the warm opening of 1960 through the near-freezing years following the 1962 Missile Crisis and the thaw in the late-1960s. Buoyed from preferential sugar prices and increased economic integration with the Socialist bloc, Cuba joined the Socialist commonwealth's planning organization, the CMEA, in 1972. In the mid-1970s and the early 1980s, the management of the Cuban economy and sugar exports faced the bloc's major criticism and disagreement. However, following the tenuous trade relations, which the Soviet bloc tolerated for the sake of maintaining the Cuban revolution as the "beacon of Socialism" in the Western Hemisphere, starting in the mid-1980s, the structural reforms undertaken by the new Soviet leadership caught Cuba off guard. Launching

¹⁰⁴ Rodríguez, "Fifty Years of Revolution", p. 31. See also Eckstein, *Back from the Future*, p. 88.

¹⁰⁵ "Kurzinformation zur Republik Kuba", October 1989, PAAA, MfAA ZR 1923/13, p. 10.

¹⁰⁶ "Kuba 1990-prognoza", February 1990, IPN, p. 1 [6].

its reform program, which ran against the course of Mikhail Gorbachev's perestroika, Cuba had to deal with a winding down of the economic cooperation with East European states, which came to a complete standstill in late 1991.

The East European diplomats seemed to uniformly accept that as sugar production remained the most important commodity for the country, it limited its agricultural and industrial development, distorting Cuba's entire foreign trade.¹⁰⁷ Cuba's fixed preferential prices consistently pursued from its East European partners allowed it to maintain an illusory semblance of short-term economic stability. However, the highly volatile prices on the world markets and the rise in the price of imported goods from the West presented the Cuban leadership with extremely critical situations.¹⁰⁸ Cuban planners realized the shortcoming of their monocultural economy and sought to develop nickel, fishing, and engineering industries, in addition to citrus production and processing, as the main ways to get rid of their country's sugar dependence.¹⁰⁹ Their plans were cut short by the very international conjecture within the very Socialist bloc, whose preferential treatment helped its economy survive for three decades under the U.S.' economic embargo, cyclic natural disasters, and nonessential main export commodity.

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¹⁰⁷ Péter, "Előterjesztés az MSZMP KB Politikai Bizottságának: Fidel Castro elvtárs magyarországi látogatása," MNL, M-KS, 288f. 32/1972/17 ö.e, p. 3 [24].

¹⁰⁸ "Vermerk über ein Gespräch zwischen... Schürer-Perez," MfAA, p. 1.

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