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Summary of points made by Dr. Fidel Castro at lunch at the British Embassy Residence, Havana on July 10, 1963

Relations with the United Kingdom

When the Ambassador mentioned Castro's references to his readiness to discuss compensation for expropriated American property, Castro took the point at once and immediately said that this applied to British property also. He would like to see a realistic agreement with us over this related to Cuba's capacity to pay. The question of railway pensioners and other personal cases might also be considered. He would also like to see expansion in trade. He recognized that the balance of trade with the United Kingdom was at present in Cuba's favour but there had sometimes been difficulties over goods which Cuba wanted to buy in Britain. A contract to buy six bulldozers for instance, had fallen through, presumably for political reasons. There was another case where Cuba had wanted to buy machinery for a factory but found that it could not be brought into operation because a very small part, of American manufacture, could not be supplied. Perhaps all these problems could be discussed together. Inevitably, in the early days of the Revolution there had been excesses but they had now advanced beyond this phase. He was anxious to prove that the Cuban Revolutionary Government was serious and that its word could be trusted.

2. He now realised that the Revolutionary Government had made a mistake in the past by failing to cultivate close relations with the Western missions. He was anxious to put this right. He was sorry that Sir Herbert Marchant was now leaving Cuba but he hoped that he would be able to have the same friendly relationship with his successor and he looked forward to working with him for improved relations between Cuba and Britain.

Relations with the United States

3. The latest American measures freezing Cuban assets in American banks and prohibiting financial transactions between the United States and Cuba, were of no importance economically but they had a political significance. They showed that the Americans were still bent on a course of hostility and aggression. There were countless examples of this. In the arrangements for the delivery of medical supplies in exchange for the release of prisoners, they had tried to go back unilaterally on the agreements and had delayed the arrivalof the last ship load. (Vallejo added that $10 million worth of the supplies were still outstanding.)

4. American policy towards Cuba had been a succession of errors. Their open hostility, for example, had only damaged their own reputation throughout Latin America and increased sympathy for Cuba. Their encouragement of emigration to the United States had done the Cuban revolution the service of removing from Cuba the social class that was out of sympathy with the revolution. In this respect, Cuba had been more fortunate than the countries of Eastern Europe. American measures to discourage Western shipping had obliged the Russians to increase their own merchant fleet to the disadvantage of other maritime countries. Some 280 ships were now being

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built for the Russians in Britain, Scandinavia, Holland, Italy and Japan in addition to their own construction.

5. Kennedy did not want war but it was difficult to accept at their face value his more reasonable utterances about the world in general or Cuba in particular, when they were so often offset by contradictory and bellicose statements. It was no use Kennedy complaining about the Berlin wall when he was erecting his own wall around Cuba.

6. Cuba and the United States were, after all, in the same planet and it was absurd that they should not live together on reasonable terms. There was no reason why Cuba should not have the same sort of relationship with the United States as it has with Canada for example. President Kennedy was, of course, under extreme pressure from Congress and the press. The Administration knew that the revolution was secure internally and that any aggression from outside would lead to a very grave international situation. Consequently the Administration was more sensible than their critics. It was inevitable that the opposition in the United States should try to make political capital out of the Cuban question. If the Republicans won the next election, they would become sensible and the Democrats would become extremists. Kennedy was beset by problems from all directions. Congress had frustrated his legislative programme: the future of the Dollar was uncertain: there were constant criticism, strikes and racial troubles. It was impossible for him to give calm thought to serious questions and he would not be surprised to hear he had lost his reason by the end of his period of office.

7. Cuba was ready for normal relations with the United States and was prepared at any time to discuss all outstanding questions including compensation for expropriated property. He did not know when good sense would prevail, but sooner or later, perhaps in one year, perhaps two or perhaps even ten or twenty, hundreds of thousands of American tourists would again come to Cuba. The Cuban Government were already preparing for this. It was for this reason that they were trying to improve the standard of cooking in restaurants. If the tradition of good cooking were lost, it would take years to restore it.

Latin America

8. Almost the whole of Latin America was in a state of political instability due to the pressure for social change and the inability of the present governing classes to maintain power in the face of it. This pressure could not be resisted by force. If the Americans, or anyone else, tried to do so, they would learn the same lesson the French had learnt in Indo China and Algeria. The Alliance for Progress was no answer. It was too little and too late and was in any case more than cancelled out by the rising prices of the products which Latin America had to import and the falling prices of their exports of primary products. One or two countries were exceptions. Mexico had had a revolution: its economy was flourishing: and it could be said to be stable. For other reasons, Uruguay also was reasonably stable. In Chile and perhaps even Peru, there was a chance of the necessary social

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change being achieved peacefully through elections. On the other hand, Argentina, Venezuela and Paraguay were in a state of total instability. Revolution in these countries was inevitable within years rather than months, but years rather than decades. The position in Brazil, Columbia and Ecuador was also precarious.

9. The revolutionary situation in Latin America as a whole was due to the economic and social conditions of these countries: the disparity in wealth, lack of schools, housing and medical services, and so on. Intellectual and professional classes, unlike those in North America for example, were depressed and impoverished and therefore disposed towards revolution. Cuba had not created this situation. But it did serve as an example. The Americans had contributed to this by their mistaken policy of open hostility towards Cuba which had increased sympathy for the Cuban revolution and dislike of the Americans. People naturally took the side of David against Goliath.

10. United States policy towards Latin America was bi-focal. For instance, when Haya de la Torre came to power in Peru, he was hailed as the "chemically pure" (a favourite phrase of Castro's) representative of the responsible liberal democrat. His overthrow by a military junta was deplored by the State Department and recognition of the new government delayed for a month, during which time Betancourt in Venezuela, another "chemically pure" liberal democrat enjoying United States support, shouted encouragement from the sidelines. This was obviously because he feared an American recognition of a military coup in Peru would encourage his own soldiers. After a time however, the Pentagon, the other focus of American foreign policy, succeeded in having the new Peruvian government recognised.

11. Russia

When Castro spoke about Russia, which he did briefly before lunch and at length towards the end of his visit, he did so in a tone of ecstatic enthusiasm almost of reverence, lowering his voice to a tone of mystical awe. Much of what he said was factual and descriptive and repetitive of what he has already said publicly in his speeches.

12. Everywhere he had gone in Russia, he had found an astonishing degree of interest in Cuba and an enthusiasm for the Cuban revolution. He had been greatly impressed by ordinary Russians that he had met on his journeys. They were genuinely concerned about peace but were not panic stricken over the prospect of war. They were confident, optimistic hard-working and well-organized. He contrasted that with what he had seen of the American people (making no allowance for the different circumstances of his visits) many of whom had seemed to him to be full of despair and hatred but he did say Siberia reminded him of the United States West in its simple and dynamic atmosphere. He contrasted too, the Russian leadership with the American. In Russia, everything works so smoothly and is so well organized but Khrushchev and the other leaders had plenty of leisure to think clearly and to spend with foreign visitors such as himself. On the other hand, in a country like the United

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States there was such confusion and conflicting pressures of all kinds that the job of government under modern conditions had become impossible.

Military

13. All the arms supplied by the Soviet Union, including the "modern equipment" recently delivered, had been provided free. Cuba had had to pay for Czech supplies but much of the military equipment received from them was Russian (the implication being that these had also been free). If Cuba had had to pay for military supplies or if they had had to balance their trade with the Soviet bloc, they should have been bankrupt. Speaking of the equipment which Cuba now had, he referred to anti-aircraft missiles, land-to-sea missiles and land missiles.

14. It would be necessary to keep Soviet technicians in Cuba only as long as there is a threat from the United States.

15. While Cuba was entrenched and ready, it could not be overwhelmed by a full scale invasion in 24, 48 or even 72 hours. (He implied that this had been a major fear before.) This would be long enough for the situation to become international in character and very grave with a serious risk of a nuclear war. He believed that the United States understood this. Cuban defences against a surprise attack were now very good. They had developed means of obtaining information about troop movements and preparations on the other side which would give them warning. With the new means at their disposal, it was now impossible for arms or agents to be infiltrated by sea and virtually impossible by air. Counter-revolutionary groups had been cleaned out of Pinar del Rio, Havana and Matanzas Provinces. Even in Las Villas, they were now very much reduced.

Cuban Economy - Sugar

16. It was economic nonsense for a country to produce commodities for which conditions were so unsuitable that they could only be produced at a cost higher than the world market price. Each should concentrate on the products for which natural and other conditions were suitable so that the cost of production was low. For Cuba this meant sugar. Conditions in Cuba for sugar production were better than anywhere else in the world. Beet sugar in other countries could not compete because the cost of production was much higher. In Cuba the profit from an area of land under rice, for example, was only about one quarter of the profit of the same area under sugar. Cuba had an assured market for all the sugar it could produce, in the Soviet bloc. For all these reasons the Cuban Government was now going to put its major effort into increasing sugar production. The main weight of new investment would be into this industry. The aim was an annual production of nine million tons. The capacity of existing sugar mills was between 7 and 7½ million tons but some of these could be expanded and some new ones would have to be built. In the past, Cuban sugar production had been deliberately restricted especially after the suspension of the United States sugar quota when there was uncertainty about the market. There had also been a move to diversify the

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economy. The assured market which they now had in the Soviet bloc had changed the picture. Castro spoke as though this new policy of concentrating on sugar was already settled but he did at once stage say that the final decision was to be taken in mid-August. At another point in the conversation, he said that the Soviet Union were paying for part of their purchases of Cuban sugar in dollars.

17. Much research was being done on different varieties of cane with the purpose of planning the planting of it so that different areas would mature at different times over a period of many months. The policy of gradually expanding sugar production depended on the mechanization of cutting but this problem was well on the way to solution with Russian help. Research was also being done on by-products with the object of increasing the production of paper and synthetic textiles from bagasse.

18. There were now six million head of cattle in Cuba. By doubling the area of land planted with pangola grass, the Government hoped to double the number of cattle in a few years.

Banking

19. The bank accounts of private citizens would be respected "always, always". It was important that they should have confidence that their money in the bank was safe and this would encourage them to save.

Industry

20. It had been calculated that three factories would be sufficient to provide enough shoes for the whole population. This meant that there were 50,000 surplus workers in the shoe industry who were now being diverted to other employment. Under capitalism they would have been thrown out on the streets.

21. When asked about the need for incentives in the economy, Castro conceded the point but said that he thought the Cuban people were capable of sacrifice and would accordingly acquire a new socialist morality under which they would be willing to work for the good of the whole and not merely under the threat of unemployment or poverty.

22. There was much that socialist economy could learn from capitalism; there was very little difference between a state enterprise and a capitalist monopoly. The capitalists knew that a first rate administrator was essential. Inevitably after the revolution many incapable people had been appointed to key positions in industry for the wrong reasons because of personal friendships and so on. An important problem now was to find first rate administrators for all the state enterprises.

23. He had visited the Bacardi Rum factory in Oriente and in Bacardi's there were colonels. There should be no difficulty over supplies. It was intended to change the name and bring in a new Cuban rum which would be of best

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Bacardi standard. It would be much better than that produced in Puerto Rico or elsewhere.

Roads

24. 800 km. of roads were now being constructed in Oriente, where the present system was indecente. The new roads would pay for themselves within a year in the saving of labour and transport costs. This was a particularly desirable form of investment.

Religion

25. Asked what would be the future of religion in Cuba, Castro seemed to bristle as he seldom did, and asked what kind of religion was meant. (He presumably thought that we were going to "get at him" for his criticism of such sects as Jehovah's Witnesses and the Brothers of Gideon.) When told that we were asking about Roman Catholicism, he gave every assurance that the church and freedom of religion would be treated with "absolute respect". He several times repeated with great emphasis that contradictions between Christianity and Marxist-Leninism were secondary, not basic.

Education

26. Throughout Latin America, the greatest need was for education without which progress could not be made. So far, Cuba was the only country where this problem was being tackled. Illiteracy had already been abolished and higher education was now making such progress that Cuba would be able to do without foreign technicians in about ten years. 5,000 Cuban students were at present studying in the countries of the Soviet bloc. There were a number of Latin American students in Cuba who were receiving agricultural and technical training.

Crime and Punishment

27. It had been necessary for the Cuban revolution to introduce severe laws in the days when they were struggling for survival against American aggression and the internal counter-revolution. The first need had been to survive. On the other hand, no prisoners had been tortured or beaten in Cuban prisons since the revolution. At the time of Playa Giron it had been necessary to make 20,000 arrests but by the time of the October crisis last year, the situation had so much improved that no single arrest had been made. These harsh measures would be maintained only so long as they were necessary. The case applied to the death penalty which had recently been introduced for certain types of robbery. A revolutionary situation inevitably gave opportunities to the worst elements in society and this had to be dealt with.

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