

March 17, 1964

Letter from Dutch Embassy, Havana (Pos), 17 March 1964

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Summary:

Ambassador Pos forwards a letter detailing an exchange between First Secretary of the Embassy Reinink and Fidel Castro.

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SECRET

493/122-GS.21. Havana, 17 March 1964.

Meeting with Castro.

With reference to earlier notice from our side through a different channel, below a note from Dr.Reinink [First Secretary of the Embassy] containing some particulars of his recent meeting with Fidel Castro.

The Ambassador,

Dr. R.H. Pos.

Note attached to letter no.493/122-GS.21. S E C R E T.

On 11 March around half past two René Vallejo, Fidel's personal physician, had called me to say that Castro wanted to talk to me and would receive me at four o'clock. Vallejo himself would come to pick me up. A few minutes before the agreed time Castro's sphinx-like physician appeared in front of the Embassy behind the wheel of an Oldsmobile and invited me to sit next to him. In the back was a soldier with a submachine gun resting on his knee. We slowed down in front of the entrance to a street in the same district that contains the Dutch and a few other Embassies. The entrances had, as had been established on earlier occasions, been blocked and were guarded by sentries. After the sentries had recognized Vallejo they raised the barrier and a short while later we stopped in front of an apartment building the entrance of which likewise was guarded by soldiers. Vallejo led the way up the stairs to the third floor. The door of the apartment that accommodated the "Supreme Leader" was opened before we had even reached the end of the stairs and just afterwards I found myself in a spacious, but not luxurious, flat, probably previously inhabited by someone from the upper-middle class. Castro has several of such apartments. Primarily out of safety considerations he never stays at the same address for long. As such he is someone with no regular place of [illegible, presumably "work"] or residence.

Vallejo led the way to the kitchen where Castro, this time smoking a pipe, dressed in an undone pajama top from which his chest hair protruded and in uniform pants, was busy stirring a pan of milk. Without removing the pipe from his mouth Fidel greeted me with an "hola" ["hello"], slapped me on the back, and explained that he was undertaking an attempt to make ice cream. The prime minister had apparently only just gotten up. At least he looked unwashed and uncombed. The young woman who was also present in the kitchen looked rather more groomed but I was not introduced to her. Dressed in a fashionable red dress and scuttling about on sharp spike heels she let herself be commanded by Castro and helped him, as far as her attire permitted, with the stirring and mixing. Occasionally Fidel took a draft of his brew and asked me to do the same. After it had been finished and put in the refrigerator the prime minister took me to the living room, offered me a chair, and himself sat down in a rocking chair.

While he laboriously filled his pipe I had the opportunity to look around. The room led to a spacious terrace onto which a valuable parquet floor had been laid. Apparently this was where Castro performed gymnastics. There was a rowing machine and weights; in one of the corners stood a buck, and opposite hung a skip rope. The living

room itself was furnished frugally but [in a] modern [style]. Here and there a submachine gun and some heavy caliber handguns were scattered about. The doors to some of the bedrooms were open. A number of them contained camp beds, clearly intended for the members of his bodyguard. Although the terrace was located on the side of the street, any opposite neighbors did not have a view of it as this was obstructed by about six closed cubicles which looked like little dressing rooms but probably were also intended as sleeping space for Castro's bodyguards.

Rocking back and forth vigorously Castro began to speak and started with an account of his economic policy. Sugar, agriculture, and cattle breeding were currently priorities in Cuba. At the beginning of the Revolution he had made some mistakes which included neglect of the traditional Cuban cultures in favor of an industrialization for which the country was not yet ripe or for which it did not possess the raw materials. This misconception however now belonged to the past. No country could develop properly without taking into account and making an appeal to the international division of labor. Cuba possessed excellent products which were unique and which given the necessary rationalization and mechanization would for example in the area of sugar production make it second to none. The USSR-designed machines for the cutting and loading of cane were most satisfactory and would more than counterbalance the shortage of professional reed cutters. Through additional scientific methods and good soil nutrition it would easily be possible to harvest ten million tons of sugar in 1970. 1970 was even a conservative estimate. Most likely this amount would already be reached earlier, possibly even already in 1968. The world demand for sugar was rising steadily so that Cuba would for the time being be assured of high prices on the international market; in any case such would be the case until approximately 1965. After this year prices would probably go down. Nevertheless for Cuba this could never be a disaster because it had assured sales to the USSR of 5,000,000 tons for the years 1968, 1969, and 1970, at a price of 0.06 USD per pound. I asked him if this contract did not mean he had become very bound and if perhaps it would not have been better to reserve large quantities of sugar for the international market, especially since he was so sure of rising demand. Castro responded that he had taken this risk gladly. The USSR would always continue to supply high-quality products such as oil and oil derivatives at a price lower than that of western oil companies; tractors and other agricultural machinery, chemicals, trucks, and so forth. Certain risks just had to be taken. As far as he was concerned he was prepared to immediately come to a like agreement with the Netherlands for example for the period 1965-1967.

Cuba would of course not remain an agrarian state. Based on its sugar it would gradually build a sucro-chemical industry and also develop other sectors of its economy. Yet this required money and technical expertise. Financially the outlook was considerably more positive than at the time of his coming to power. They possessed currency reserves of about 100,000,000 USD and this amount would increase significantly as a result of sugar sales in the international market. They had no great obligations of supply to the Asian "socialist" sphere. The Chinese People's Republic would receive only 600,000 tons in 1964, equal to the amount of the previous year. With the exception of the Soviet Union, Cuban trade with the Eastern European countries had now been dramatically changed. This trade was now mainly conducted on the basis of cash. Although Fidel did not delve into this subject any further it was clear that he meant that countries, especially Czechoslovakia, Poland, East Germany, and Hungary would only be able to obtain sugar if they were prepared to pay the world market price in US dollars. They had made a concession to Bulgaria by enabling this country to buy approximately 250,000 tons against a price of 0.06 USD for its canning industry.

Castro said he did not intend to save the foreign currencies he had acquired or to let them flow back to Moscow, in the way countries such as Japan saw their dollars disappear back to Washington. He planned to spend the money on capital goods. A substantial percentage of the Cuban income in convertible assets had already been and would also in the future be spent in Western Europe, next to the United States the most strongly industrially developed part of the world. They were already doing good business with England, Canada, Spain, and France. As far as England was concerned, he recollected the recently signed Leyland contract. Cuba would order future industrial equipment there, such as chemical plants. In France they had placed orders for trucks-Berliot-and equipment for road construction. Spain would supply freight and fishing ships, for the time being amounting to a total of 400,000,000 USD, of course if Madrid would remain firm in maintaining its commercial relations with Havana. To help it resist the pressure it was presently receiving from Washington Havana was prepared to let a certain percentage of the payment for its sugar shipments to Spain run via the treaty account [verdragsrekening].

Relations of Cuba with the countries of Western Europe are currently being cleared of the obstacles that for the most part had been brought into existence by the Revolution itself. Especially during the first years the Cubans had in a sort of hubris and inexperience oftentimes needlessly offended Western Europe, among other things by way of a nationalization policy that eventually could not but cause a negative effect. The Cuban Government understood this perfectly well and already began making a serious effort to pay its old, pre-revolutionary debts while also offering compensation to Western European companies for the branches that were nationalized [genaast] here, such as Shell. Castro did not say whether or not Shell had responded positively to this probing. He did add that he was also willing to indemnify Standard Oil and Texaco for their nationalized refineries. Responding to my guestion why he had not brought this to the attention of the interested parties themselves he remarked that he wanted to wait until after the [November 1964 presidential] elections in the United States before making a concrete proposal. To do so now could have politically unfortunate consequences. Washington would probably continue to cross Cuba until the elections. After that perhaps the conversation could become more pleasant. In any case he would have to come to an agreement with the US sooner or later. A solution of what he referred to as the "only small remaining problem" with the United States was vital to secure for Cuba the peace and quiet it needed. For this reason it was convenient for Cuba to lay the material foundations for such a solution. Incidentally it did have to be taken into account that, as more time went by, Cuba's interest in a resumption of commercial ties with America would decrease. Trade with Eastern Europe had now been reasonably well consolidated and Western Europe would also take an increasingly important position in Cuban foreign trade. Washington could or would not see that its policy toward Cuba was not only doomed to fail but in addition irritated its allies. The measures against the shipping of the United States' allies would come to backfire both for Washington and for its allies. After all, it forced Cuba to build a trading fleet of its own and thereby would make it less and less dependent on foreign tonnage for its overseas connections.

Not only Cuban sugar cultivation but also agriculture and cattle breeding had to be thoroughly modernized. Especially dairy production presented a serious problem. There was a severe scarcity of milk and milk products. Thus from the perspective of the abovementioned international division of labor the Netherlands could take an interesting position here. Castro said that one should not take too literally his remarks viz. that Cuba would in a certain amount of time surpass the Netherlands in the area of dairy production. He meant here to take the Netherlands as an example, as a model of an agriculturally highly developed country that, although small in surface area, had managed to secure an important position in the world both in the areas of agriculture and cattle breeding and the area of industry. What Cuba was especially lacking was technical-scientific "know-how." [...]

As part of the modernization of the sugar industry and the plans to come to a production of ten million tons of sugar Castro explained that here too he would like to appeal to Dutch goods. [...]

Next the prime minister suggested that Philips would resume its transactions with Cuba, particularly in the area of radio, television and electronics. I reminded Castro

that this company had for many years had a good market here as well as some commercial and technical branches the latter of which had however been nationalized by his regime in March of 1961. Yet according to Castro, this belonged not only to the past, but it was simply part of the "socialist" system. All the same, he said, this did not mean that Philips should not be indemnified for the losses suffered here. [...]

The impression the prime minister made on me during this long meeting was that of a dynamic, indefatigable man who is not only aware of his great power but also wishes to exercise it even in areas that would normally belong to the competencies of ministers. He is conscious of the inexperience and the bureaucratic disposition of a large number of his technical institutions. This explains why he urged me to send any possible communications not via the "bureaucratic apparatus" of Foreign Relations [i.e., the foreign ministry - ed.] but present them directly to him. It is hard to avoid the impression that one is dealing with a restless, almost chaotic man. He hates regularity, fixed working hours. and a fixed working place. A prime minister, also first secretary of the Party, who at four o'clock in the afternoon is in the kitchen in his dressing gown making ice cream and then takes out almost three hours for a conversation with a foreign diplomat certainly does not seem to attach much value to a normal schedule. Nor can one ascribe to Fidel Castro an exaggerated interest in protocol and etiquette; he is more boorish than informal, more roughly jovial than amiable. Yet he is by no means naïve but rather a cunning Galician who, when necessary, displays a tough tenacity and is prepared to use any means necessary to achieve his goal. He knows little about the West, at least too little to form a proper image of it. His convictions about the "capitalist society" come across as antiguated. Incidentally he also seems to have only a superficial impression of the reality of the communist world, primarily shaped by tendentious literature and information from his own Eastern European advisors. He does now seem to have woken up to the fact that that the one-sided economic orientation of his country toward the "socialist" camp has serious drawbacks and that the trading practices of these countries cannot always be reconciled with the so loudly proclaimed principles of "proletarian solidarity."

The Cuban economic advances are now also directed at the Netherlands. By formulating the abovementioned desiderata personally Castro wanted to take the shortest route and prevent the Cuban propositions from being treated or dismissed as not being very serious.

From this point of view some of them seem attractive, particularly the suggestions regarding the purchase of Dutch cattle, veterinary medical supplies, and installations for the preparation of dairy products. The execution of large projects, such as the supply of sugar plants, seem to be of a more complicated nature because these may involve more than only commercial and financial factors. The proposals concerning Philips, especially those regarding the question of indemnification, seem to merit serious consideration, as do those which aim to bring about a resumption of trade transactions in non-strategic products and goods.

Perhaps unnecessarily I should like to note that I mostly limited myself to listening to Castro's discussions and confined myself to remarking that his interesting suggestions would be expediently taken cognizance of by the competent Dutch authorities.

K.W.R. [Reinink]