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Documents Regarding Impending Visit to Czechoslovakia of Ernesto “Che” Guevara, president of the Cuban National Bank

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Summary:

These concern preparations by the Czechoslovak government for the visit of Ernesto "Che" Guevara on 23 October 1960. The primary topics of discussion are economic assistance to Cuba and advice on raw material production, as Cuba was in the process of nationalizing its economy.

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R e p o r t

About talks with the Cuban government representative Mr. Ernesto Guevara

I.

The president of Cuban National Bank Ernesto Che Guevara, who is actually one of the most influential personalities in the Cuban economy, is expected to visit the Czechoslovak Socialist Republic on 23rd October 1960. He is de facto in the function of a Deputy Chairman of the Cuban government, and as for importance, he ranks the third after Fidel Castro. He is originally an Argentinean; he acquired Cuban citizenship only recently.

He actively fought against the Peron dictatorship in Argentina, then alongside [Jacobo] Arbenz in Guatemala, and since 1955, together with Fidel Castro against the Batista dictatorship. In 1956, he was among the 82 of Castro's comrades who in the beginning of December landed in Cuba and out of whom only 12 were left by the end of 1956. He grew to be the most capable commander of the revolutionary army, and successfully led one of the key strikes against the Batista army.

We can assume that during his stay in the CSSR, he will namely want to discuss construction of a car factory in Cuba, granting of further credit of about \$50 million, and maybe, the question of possible cooperation within the Council for Mutual Economic Assistance [COMECON].

He is scheduled to leave the Czechoslovak Socialist Republic for Moscow, supposedly to negotiate another credit earmarked for construction of a metallurgical factory with capacity of about 1.2 million tons, expanding the capacity of a steel mill from 130 thousand tons to 200 thousand tons, construction of an oil refinery, and for geological exploration. Mr. Guevara supposedly wants to negotiate in the USSR possible participation in the Council for Mutual Economic Assistance to some extent.

We expect to discuss with c. Guevara the following:

- Agreement on rules of economic cooperation;
- Import of non-ferrous metals from Cuba, if possible long term;
- Sending a short-term expertise of the National Planning Commission on control and planning of the Cuban national economy;
- Sending experts requested by Cuba and accepting Cuban experts in Czechoslovakia;
- Some issues arising from current exchange of goods.

II.

Proposal of our position on issues that need to be discussed with c. Guevara

1. Further development of economic cooperation between the Republic of Cuba and the CSSR

The Cuban government is going to start planned control of the Cuban economy.

Since Cuba currently lacks necessary know-how, experts and experience, a Cuban governmental economic mission, led by the Director of the National Institute for Land Reform A.N. Jimenez, visited the Czechoslovak Socialist Republic in June of 1960 and consulted with the National Planning Commission's Chairman cde. Simunek and his first deputy Pucek on the issues of planned development and control of economy, and showed a genuine interest in Czechoslovak know-how, experience and experts.

At the end of discussions, Mr. Jimenez presented the Deputy Prime Minister and Chairman of the National Planning Commission cde. Simunek with a proposal, approved by some members of the government (including Fidel Castro), on economic cooperation in international trade based on specialization of production resources (translation is in Attachment No. 1).

The National Planning Commission recommends to grant the Cuban request and to accept the Cuban proposition of economic cooperation and to modify it according to the attached text of the Czechoslovak counter proposal of a framework agreement between the government of the Czechoslovak Socialist Republic and the Revolutionary Government of the Republic of Cuba on principles of economic cooperation (Attachment No. 2) in order to clarify and align it in terms of the Czechoslovak economic possibilities and create a framework for gradual closing of concrete agreements.

Since this involves a politically important matter, it is recommended that the Politburo of the CPCZ CC approve the material before our position is conveyed to Mr. Guevara. If it is approved, it is recommended to propose to Mr. Guevara that the agreement be signed on behalf of both governments either in Havana or Prague. A meeting could follow of representatives of the planning authorities in Havana or Prague in order to work out details of the signed agreement.

Sending experts from the National Planning Commission to Cuba in order to provide expertise in planning and control of the economy

At the conclusion of discussions in the Czechoslovak Socialist Republic, Mr. Jimenez sent a letter to the Deputy Prime Minister and Chairman of the National Planning Commission cde. Simunek on behalf of the Cuban revolutionary government, in which letter he asks for sending an expert of the National Planning Commission to Cuba where he could get familiar, with the help of Cuban experts from the Central Planning Council, with the issues of the Cuban national economy, and could prepare outline recommendations for development of specific sectors of the economy (translation of the letter is in Attachment No. 3), on the basis of which the Cuban government could subsequently ask for complex expertise. He also asked cde. Krajcir in writing for sending a trade expert (Ministry of International Trade is getting ready to send him).

The National Planning Commission thinks it is right to grant the request of the Cuban side, and confirmed in writing its approval of sending an experienced expert. It is recommended to promise Mr. Guevara that an expert would be sent in shortest possible time. The Commission also thinks it would be constructive to recommend to Mr. Guevara that a 5 or 6 member group of experts from the National Planning Commission should be sent, which would consist of: 1 leader, 1 specialist for production issues, 1 for agriculture, 1 for issues of financial planning, 1 for international trade, and 1 translator, all at the expense of the Czechoslovak side; during 4-6 weeks, the group would get a better understanding of the main problems of Cuban economy, which are crucial for further development of economic cooperation between the Czechoslovak Socialist Republic and Cuba. The date of their departure would be agreed upon later.

It is recommended to inform Mr. Guevara about work assignment of the group as follows:

To prepare expertise of management and planning in a similar manner as the Soviet expert group did for us in 1951 recommendation of economic planning and how to deal with the most pressing issues of managing the key sectors of the national economy;

To review possibilities of further development of mutual economic ties (i.e. beyond the closed agreement), namely a rapid increase of mutual shipments of goods according to the needs of both countries, in order to expedite import and distribution of those Cuban products that were traditionally made for the USA and other capitalist countries, which is especially urgent now when the USA is strongly restricting trade with Cuba;

Also to study, which measures the Cuban side should take in order to secure long-term needs of both countries;

The results of the expert group's activities should be recommendations on organization of planning for Cuban economic authorities, and on the main problems of long and short term cooperation.

Possible import of non-ferrous ore from Cuba and cooperation in this sector

Based on consultations with experts from the Ministry of Metallurgy and Ore Mining who returned from Cuba at the end of September, there are several problems with ore mining and metal production whose solution by joint efforts would be beneficial to both sides. These are questions regarding exchange of goods, which can be resolved in short time, and questions of a long-term nature, which will require scientific and economic cooperation.

The core problems gravitate towards production of nickel. There are 2 plants in Cuba, the capacity of which allows for production of 50 thousand tons of nickel. The Cuban government nationalized one of them Moa with capacity of 25 thousand tons of nickel contained in the feedstock, before all aggregates could be made fully operational and before production problems could be resolved. The plant, built to the highest technical level and for new technologies, was soon afterwards shut down. That idled approximately 3 - 4 thousand people. Restarting the production will be a very complicated matter because Cubans in the plant are only in positions of middle technical level and know only basic technological parameters of production, and they do not possess documentation, which Americans removed or destroyed. Problems stemming from a unique technology and very complicated equipment are exacerbated by the fact that only part of the plant is located in Cuba, which does mining, ore preparation and production of feedstock - nickel and cobalt sulfides - while the other part of the plant, which makes final product from the feedstock, has been built in the USA. There is no documentation available for the second part of the plant either.

Given this situation, we cannot expect, even with the help of socialist camp countries, namely the USSR, that Cuba would be able to produce nickel in a closed cycle with the use of the technology introduced by Americans. However, we can assume that by collecting knowledge of and information about the first part of the process located in Cuba, and by trial runs of the technological guidelines, conditions could be created relatively soon for production support of this first part of the plant, which would be producing nickel and cobalt sulfides. Even though the socialist camp countries do not have the technology yet for processing this feedstock, the Soviet Union could possibly process these sulfides in some of its plants by adding them to their production

process, until the second part is built. It will be possible, though, to determine to what extent the sulfides can be added to production process only when the necessary experiments are done. Even for this partial solution, i.e. start-up of the Cuban part of the plant, an important prerequisite would be securing shipments of sulfur for the necessary production of sulfuric acid, which would be available from the plant Moa in capacity of 1,300 tons a day. Americans were shipping sulfur for this production in a molten state directly from the mainland.

Besides that, a technology is being developed in the CSSR for separating nickel from cobalt, which is different than that introduced by Americans. We hope that within 3 months from obtaining a required sample from Cuba, the feasibility of our method could be assessed for use with Cuban nickel and cobalt sulfides. This technology is much simpler and requires less investment than the one used in the second part of the plant located in the USA. It will be necessary to consult with the USSR on the many questions associated with production restart in Moa and how best to help Cuba.

Obviously, even if all goes well, resumption of nickel production will take a long time. Importing ore from fully equipped quarries whose capacity is estimated from 1.5 to 2 million tons of ore a year, could partially help Cuba in this situation. Composition of this ore is similar to that of the ore from the People's Republic of Albania, the difference being that the Cuban ore contains 1.3 to 1.4 % nickel compared to 1 % for the Albanian ore. By importing between 100 to 200 thousand tons a year of this ore with higher nickel content, it would be possible to increase nickel production in the Sered plant [Slovakia] during the third 5-year plan (desirable), and to build up reserves for the considered increase of the plant's capacity. Also the GDR [German Democratic Republic; East Germany] could import about twice the amount of ore, which would lengthen the production expectancy of a newly built nickel plant, and it would substantially increase their nickel production (ore in the GDR contains only about 0.7 % nickel).

The second nickel producing plant is Nicaro with capacity about 25 thousand tons. It uses a technology that Czechoslovak metallurgists know fairly well. It is basically the same technology as used in the Sered plant. The Nicaro plant is still in the hands of a capitalist company with predominantly American capital, which closed it in the first days of October 1960 under the pretense that they have to pay Cuba high taxes. Cuban militia secured the plant. Shutting down production in this plant is undoubtedly to be a repressive measure from the USA because the Cuban government declared it would nationalize the plant at a convenient time. As for securing production of this plant after nationalization, the situation here is much better than in the case of the Moa plant. With short interruptions, Nicaro is producing since 1943 and it has a well-trained workforce knowledgeable about the production technology, as well as many middle management Cuban cadres. The CSSR could also contribute to ensuring proper operation of the plant by sending a group of up to 10 technologists and shop managers who are working with a large semi-production installation for nickel production in Vitkovice Steelworks. The USSR could possibly provide this kind of specialists as well. We should point out, however, that due to the change in ownership relationship of this plant, securing the delivery of about 7 thousand tons of ammonia a year is required, as well as a large quantity of coke for production of producer gas. Deliveries of these materials, and many other questions will have to be discussed namely with the USSR and some other socialist camp countries.

Cuba was getting a certain part of the Nicaro production in the form of sinter containing about 91% of nickel. The use of such material in the Czechoslovak economy has considerable potential. Following the nationalization of Nicaro, it may be possible to secure a considerable part of nickel deliveries for the Czechoslovak economy in the form of sinter.

Now let's move on to other possibilities of cooperation in utilization of Cuban natural resources.

By rough calculations of finishing capabilities, our experts estimated that Cuba is currently producing over 30,000 tons of rich copper concentrates containing about 10,000 tons of copper. There are other possibilities of increasing the resources of copper. The mined ore contains 2 to 7% copper. The concentrates were exported to the USA; the export was halted after the nationalization. Cuba is interested in building a plant for production of black copper, which would be exported. Building such a plant with capacity of 15 or even more thousand tons can be considered useful and advantageous for Cuba. Investment costs when using modern technology would be low, especially if it is not considered useful to simultaneously build a plant for production of sulfuric acid. Participation of the CSSR in such a construction could secure delivery of several thousand tons of copper. Until the plant is built, we should look for delivery and processing of copper concentrates partially domestically and (depending on the quantity obtained) in cooperation with other countries of the socialist camp.

Cuba also has considerable reserves of good quality manganese ores. As mined, they contain 37% of manganese and after processing from 48 to 49% of Mn. Currently, about 10 thousand tons of these processed ores is warehoused. Considering the difficult situation in supplying the Czechoslovak metallurgy with rich manganese ores, it makes sense to look into possibilities of importing Cuban ores and into conditions, under which this could be secured.

Similar possibilities exist in chromium ores that, true, contain only 33% of chromium (III) oxide but they have suitable composition as for other components. Since it is difficult to obtain these ores from countries of the socialist camp, we should explore the possibilities of importing Cuban chromium ores.

Significant aid to Cuba would be making order in their geological survey, mine organization, and keeping good documentation in the mines. The current situation is rather dismal. Many nationalized plants work with a minimum of confirmed reserves, exploration is not organized into projects, there is practically no mining/geological and survey documentation, etc. Aid could be organized by sending a group of geologists, mining engineers and surveyors who would at the plants ensure smooth operation and also help with training the Cuban cadres. The USSR is planning similar aid.

The issues in ore mining and metallurgy can be summarized for negotiations with Mr. Guevara as follows:

Nickel

The Moa plant - to reach an agreement with the USSR about close cooperation and aid in bringing the Cuban plant to production, and about the most efficient approach to utilization and processing of nickel and cobalt sulfides.

The Nicaro plant - to consult with the USSR on the question of Czechoslovak specialists helping to ensure an uninterrupted production of the plant, preparing the necessary documentation for securing delivery of spare parts, and also the question of Czechoslovak participation in supporting the plant's production with materials and auxiliary materials [sic] (ammonia and so forth).

Import of ferro-nickel ores

Show interest in import of these ores up to at least 100 thousand tons a year for ensuring further growth of nickel production during the third 5-year plan;

In connection with the results of the upcoming negotiations with the APR about an increase in shipments of ferro-nickel ores, to explore possibilities of supporting an increase in capacity of the nickel plant in Sered by long-term shipments of ores from Cuba.

Import of nickel sinter

Secure within trade relations shipments of nickel sinter up to the maximum the Czechoslovak economy can utilise.

Copper concentrates

Explore possibilities of processing the copper concentrate in the CSSR and in friendly countries.

Explore possibilities of Czechoslovak participation in construction of a plant for production of black copper in Cuba.

Manganese ore

Verify suitability and scope of possible import of this ore to the CSSR this year and in the future.

Chromium ore

Explore usability and suitability of imports of chromium ores for the Czechoslovak economy.

Exchange of goods between the Czechoslovak Socialist Republic and the Republic of Cuba

Trade between Cuba and Czechoslovakia has been characterized by heavy Cs. trade surplus in recent years. The value of Czechoslovak export, almost exclusively consumer goods, was between 16 and 19 million CZK from 1954 to 1958. There was practically no import to the CSSR except for packaged tobacco worth small amounts of money. This situation resulted in a protest from the Cuban side and therefore, the Czechoslovak side started to buy sugar for re-export from 1955 to 1956. Exchange of goods was temporarily suspended due to introduction of licensing proceedings.

By negotiating long-term trade, payment, and credit agreements, and a protocol on scientific and technological cooperation, conditions were created for exchange of goods on a substantially larger scale, and for the necessary changes in the structure of Czechoslovak export. The pertinent agreements were signed in June of this year, and mutual trade is [scheduled to be?] increasing strongly in the coming months (Appendix No. 4).

Several Czechoslovak trade and technological missions visited Cuba, namely a special mission of the foreign trade enterprise Technoexport, and the already mentioned technological mission of the foreign trade enterprise Motokov. Negotiations of Motokov representatives resulted in closing contracts for 14 small engineering units (for instance production of locks, bolts, refrigerators, small gasoline motors, etc.) in total value about 35 million CZK; most of the shipments will be made in 1961. Negotiation of other representatives of Czechoslovak foreign trade enterprises resulted in unification of especially contracts for engineering goods. Engineering enterprises of international trade placed orders for 1960 worth more than 24 million

CZK in foreign prices by 1st October 1960, which is 244% of the original export plan for shipments of engineering goods. Non-engineering enterprises of international trade show slower increase of orders for 1960; their worth is 34.5 million CZK by 1st October 1960, which is 153 % of the plan. Since we can expect a continued flow of orders and a higher rate of their completion till the end of the year, we can count on total export worth more than 40 million CZK, which exceeds the plan almost up to 200%.

Beside trips of representatives of Czechoslovak foreign trade to Cuba, some leading Cuban trade officials visited the CSSR. The objective of the mission of A.N. Jimenez, Director of INRA (National Institute of Agrarian Reform), was to clarify and expedite shipments of some small engineering units, and to negotiate crucial measures in the area of economic cooperation. Mr. Maldonado, representative of the Bank of International Trade, which so far is the only authority of the foreign trade monopoly, visited the CSSR in August and presented the Czechoslovak side with a list of goods that Cuba wants to import from countries of the socialist camp in greater quantities in case of economic boycott of Cuba by the USA. The Cuban side was to specify quantities and values in this list in September. Based on this list, Czechoslovak foreign trade enterprises prepared preliminary reports of delivery possibilities; since the Cuban lists have not been amended and specified, these reports along with some offers from foreign trade enterprises were sent to the Czechoslovak Trade Department to be available to the Cuban side. Recently, the Cuban side presented the Czechoslovak Trade Mission a list of about 2,500 items of goods with requested quantities of import. The Czechoslovak delivery capabilities will be promptly reviewed and coordinated with other socialist camp countries, to which a similar list was also given.

Czechoslovak imports are hampered by considerable difficulties. True, the Cuban side presented an informative summary of their export capabilities but it became apparent that the current status of production and organization of Cuban exports is making purchases difficult. For instance, a trial shipment of iron ore did not happen because the ore was not available for shipment despite our ships being sent to a Cuban port twice upon Cuban invitation; promised shipment of copper concentrates did not materialize either for similar reasons. Only smaller shipments of sugar, hides, coffee and coco were carried out, and negotiations are pending namely about shipments of iron, manganese and chromium ores and concentrates of nickel and copper; possibilities of importing silk cord, sisal, etc. are being reviewed.

The current status of mutual exchange of goods indicates that in the near future (2 - 3 years), trade balance will show a considerable surplus on the Czechoslovak side. This surplus is estimated about 20 million CZK for 1960, and 30-40 million CZK for the next year. For increase in imports from Cuba, it will be necessary to develop those Cuban production sectors that can create for the Cz. side interesting import opportunities; this applies namely to ore mining and to some kinds of agricultural production, for instance corn, palm core, and coco. Czechoslovak experts can help in this area. Importing sugar either for domestic consumption or for direct or indirect re-exports can also facilitate decreasing the trade surplus or for direct or indirect re-exports, the pertinent negotiations have been initiated.

When talking with Mr. Guevara, it would be good to convey to him the Cz. opinion on the development of mutual goods exchange and to point out especially the necessity of increased Cuban export to the CSSR, which would substantially contribute to further growth of exchange of goods.

Development and status of goods exchange between the USSR and the Republic of Cuba indicates that in the near future, Soviet import capabilities will surpass the export capabilities. A clause was incorporated into the Soviet-Cuban and Czechoslovak-Cuban trade agreements, which allow transfer of assets to third country accounts, provided all parties agree. The Soviet side has requested a

preliminary information about a possibility of exporting some Cz. machinery in exchange for other goods, namely consumer goods, on the account of the Soviet-Cuban trade agreement.

We will propose in our discussion with the Soviet side to solve the problem of increased

Soviet purchases in Cuba by transferring the Cs. surplus balance of about 20 million CZK from 1960, and 30-40 million CZK for 1961. Transfer of the Soviet side's surplus remainders in interesting clearing accounts will be requested.

In connection with issues of barter and economic cooperation with the Republic of Cuba, correctness of the current system of territorial division of the foreign trade plan will be assessed. It may be useful to remove these countries from the capitalist sphere and to create in the foreign trade plan a sphere of countries with whom the CSSR and other socialist countries would develop and coordinate economic cooperation and technological aid.

III.

Proposition of our position on issues Mr. Guevara wants to talk about based on preliminary information

Credit request for construction of an automobile plant in Cuba

Cuban representatives, headed by Mr. Guevara, discussed with the Czechoslovak delegation, headed by the General Director of Motokov cde. Kohout, granting credit and technological aid for construction of an automobile plant in Cuba. According to Cuban officials, it would be a plant with capacity of 15 thousand passenger cars, 5 thousand trucks, 3 thousand tractors, motorcycles, diesel motors, etc. Cuba already talked with representatives of Renault about building this plant, as well as granting credit. Having compared the proposal of Cz. experts with that of Renault representatives, Chairman of the Cuban government Fidel Castro informed the Cz. delegation that he preferred the Cz. proposal. He especially appreciated the social aspect of the Cz. proposal (an apprentice center, and so forth). According to projections of the Cuban government, the plant should be built from 1961 until 1965. Cz. experts prepared a preliminary proposal of construction stages; assembly would be organized in the first stage, for which halls were built in Cuba, and gradually other production lines would be built (foundry, motor shop, cog-wheel and mechanical parts production facility, and so forth). The total investment amount is estimated as about \$70 million. Considering that the Cuban side hasn't practically tapped into the provided credit of \$20 million, Cuban representatives would request additional credit of \$50 million. Mr. Guevara will probably talk about this question during his visit.

The Cuban side expects from construction of this plant and other small shops:

A partial solution to the unemployment problem (unemployment is currently estimated as 500-600 thousand people);

The automobile industry is considered in Latin-American countries as one of the important signs of industrialization;

The Cuban government wants to utilize the halls that Americans built.

The following position is proposed on any request of credit for the Cuban Republic for

construction of the above-mentioned plant:

Point out to Mr. Guevara that the projected low batch manufacturing implies low efficiency and consequently, high capital costs;

Recommend first organizing assembly from Czechoslovak parts. Their export can be facilitated with funds of the Ministry of Foreign Trade who expects decrease of exports of completed cars, and sees export of parts and their assembly at the destination place as means towards fulfilling the 5-year plan;

Recommend to Mr. Guevara that until 1965, Cuba concentrate especially on building facilities for production of tractors, trucks and other products, while construction of facilities for production of passenger cars could be organized after 1965. This approach would lower investment costs for building the intended plant from \$70 million to \$40 million for the time period until 1965. In such a case, credit of \$20 million would be required in addition to the \$20 million already granted. The additional credit could be created, as a preliminary thought, by transferring about \$10 million from credit reserves for less developed capitalist countries, and \$10 million from reserves for socialist countries. We can assume that this solution will be acceptable to Mr. Guevara because he himself does not support building the automobile industry in the foreseeable future, and prefers production of tractors and trucks. Granting larger credit is not feasible due to limitations of funding reserved for the 5-year plan. It would not be possible to cover larger credit both regarding credit reserves expressed in value, and regarding machinery and equipment required for such a credit;

As for assembly of passenger cars in Cuba from Cs. parts until their production is introduced, it will require negligible construction (estimated less than \$1 million), which could be drawn from the already provided credit. We suggest emphasizing to Mr. Guevara that payments for the shipped assembly parts have to be made within the normal trade agreement, and that Czechoslovakia is interested mainly in shipments of non-ferrous metallurgy products.

Exchange of opinions about participation of the Cuban Republic in the Council of Mutual Economic Assistance

According to the preliminary and unverified information, Mr. Guevara is going to talk in Moscow about Cuba joining the CMEA. Regarding this, Fidel Castro supposedly said that Cuba did not intend to develop complex heavy industry and would rather rely on heavy industry in socialist countries, especially in the member countries of the CMEA. It is, therefore, safe to assume that during his visit in Czechoslovakia, Mr. Guevara will discuss this issue with our representatives. According to preliminary information from the CSSR envoy to Moscow cde. Dvorak and from cde. Balaban, deputy of the CSSR representative, there is no official knowledge about this issue from the USSR. Therefore, if Mr. Guevara talks about this issue, we recommend to take this position:

Discussion about this question is only informative; a decision can be made only after consultations with all member countries of the CMEA;

Inform Mr. Guevara about the conditions for membership in the CMEA, which are based on an accepted Statute of the CMEA. Emphasize that based on this accepted Statute of the CMEA, only European countries may become members of the Council, and that other countries can participate in the work of the Council for Mutual Economic Assistance on selected issues.

Inform Mr. Guevara about the main objectives of the CMEA, namely coordination of plans for the next 20 years.

Delegate to cde. Balaban monitoring of this issue in the USSR and passing on immediately any information he obtains.

Providing technological aid to the Cuban republic

On 10 June 1960, the Minister of Foreign Trade signed in Havana a "Protocol on Scientific and Technological Cooperation between the Czechoslovak Socialist Republic and the Republic of Cuba." Based on this framework document, the FTE Polytechna sent in September 1960 its representatives to discuss concrete forms and general conditions of technological cooperation with the Cuban Republic. An agreement "General Conditions for Realization of Scientific and Technological Cooperation" was signed in Havana between the FTE Polytechna and two leading Cuban institutions:

National Institute for Agrarian Reform (Instituto Nacional de la Reforma Agraria), and
Central Planning Council (Junta Central de Planificacion).

At the same time, fundamental questions were discussed in the presence of our experts in Havana about our technological aid to Cuba with regard to differences in the Cuban economy compared to most of other less developed countries. The most pressing issues of technological aid in these three areas are:

Providing leading experts in the main areas of industry and agriculture who could solve the organizational questions, organize the administration, and solve the problems of short-term production planning and its development, and the investments problems;

Sending our production technicians to key enterprises and plants, sometimes only to one enterprise of a given [industry] branch, which has the best potential to become a showcase production facility where Cuban specialists could be trained, in order for these enterprises to start or increase production and to increase productivity.

Organizing a system of training Cuban specialists either in Cuba in the existing or newly built vocational schools, or by sending Cuban apprentices and students for practical study to the CSSR.

Considering the political-economical situation in the Republic of Cuba, all these measures will have to be taken very quickly because primarily the economic situation in Cuba could become critical in a very short time.

Our delegation negotiated with the central authorities and also with individual production plants direct technological aid to the Republic of Cuba, and together, requests of the Cuban side were specified as for sending 64 Cz. experts [to Cuba] and sending 20 Cuban apprentices for practical study to the CSSR. The FTE Polytechna sorted out these requests for Cz. experts and passed them on to pertinent ministries and central authorities of the CSSR for expedient realization of the part regarding sending Cz. experts to Cuba, and sending Cuban apprentices to the CSSR.

At the same time, a group of 18 Soviet experts was staying in Cuba for several months and prepared reports about the current status of the Cuban economy and about the possibilities of its further development, especially in the following sectors:

Mines and mining industry, metallurgy, geological and ore exploration, liquid fuels, energy and planning.

Based on these reports and consultations with the Soviet experts, Cuban authorities prepared a list of about 170 experts whom the Chairman Fidel Castro requested, in a personal letter to the Chairman of the USSR Council of Ministers cde. Khrushchev, to be sent to Cuba.

It followed from the talks of our delegation with Mr. Guevara, as well as with Soviet technological aid representatives, and with the Trade Councilor in Havana, that the USSR, in cooperation with other countries of the socialist camp, would provide the above-mentioned 170 experts. Also, Mr. Guevara, who is the highest instance for economic issues in Cuba, directly asked that sending these experts be coordinated between the USSR and the other countries of the socialist camp.

On their own initiative, representatives of the FTE Polytechna have initiated talks with the pertinent USSR authorities for the purpose of joint coordination of scientific and technological aid to the Republic of Cuba. Since some requests for Cs. experts in some sectors are overlapping with the requests made by the Cuban side to the USSR (in the count of 170 experts), cooperation with the Soviet SCFER has been partially agreed upon. First steps in this direction were also taken with representatives of the GDR and the PRP in Prague.

Based on the above-mentioned facts, we recommend drawing the following conclusions about providing scientific-technological aid to the Republic of Cuba:

Tell Mr. Guevara that the request of the Cuban side for sending experts from the CSSR will be fulfilled without delay;

Tell Mr. Guevara that we consider, in agreement with the Cuban requests, providing aid in the following areas as the most important and urgent:

Planning and management of the Cuban national economy,

Organization of the foreign trade monopoly,

Restarting ore mining and metallurgical production,

Providing a financial and banking consultant for the Cuban National Bank;

Convey to Mr. Guevara that we agree to accept Cuban experts in the CSSR immediately, as per request of the Cuban side.

IV.

Other findings and ideas

After consultations with the experts from the Ministry of Metallurgy and Ore Mining who personally visited ore mines and plants processing namely nickel and copper ore, we came to a conclusion that when assessing Cuban requests for an agreement on economic cooperation in exchange of goods and sending experts, we should consider that:

The Cuban government and its economic officials still lack experience in actual management of the economy as a whole and of individual sectors, and thus are not always able to objectively assess their capabilities and to formulate their requests accordingly;

The Cuban economy is furnished exclusively with American machinery and equipment. In the short term, shortages of auxiliary and spare parts, and aggregates should be expected, which could paralyze the whole industry to a great extent;

Considering this, we would recommend to Mr. Guevara to prepare a short-term (for instance 3-year) plan of reconstruction and development of the national economy as a basis for the economic policy of the Cuban government, and to offer help of Czechoslovak experts with preparation of the above-mentioned plan.

V.

We recommend that cde. Krajcir conduct the talks with Mr. Guevara, with the 1st Deputy of the Chairman of the State Planning Commission cde. Vlna participating.

We further recommend that Mr. Guevara be accepted by the President of the Republic and the 1st Secretary of the CPCZ CC cde. Novotny, by the Prime Minister cde. Siroky, with participation of c. Simunek, Krajcir and Vlna, and by c. Simunek with participation of c. Krajcir, Vlna, Smok, and c. Duris.

In agreement with the Ministry of Foreign Affairs, we recommend to award Mr. Guevara the Order of White Lion of the first degree in recognition of his efforts in developing contacts between Cuba and the CSSR.