

Central Intelligence Agency



Washington, D.C. 20505

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20 August 1984

MEMORANDUM FOR: The Honorable Robert M. Kimmitt  
Executive Secretary  
National Intelligence Council

SUBJECT: Your Memorandum of 17 August 1984, Subject:  
White House Digest: "Castro's Cuba:  
A Model for Arrested Development"

We have no comments on the attachment to the subject memorandum.

STAT



Executive Secretary

cc: Mr. Charles Hill  
Executive Secretary  
Department of State

Colonel R.J. Affourtit, USA  
Executive Secretary  
Department of Defense

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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

August 17, 1984

Executive Registry

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MEMORANDUM FOR MR. CHARLES HILL  
Executive Secretary  
Department of State

COL R.J. AFFOURTIT  
Executive Secretary  
Department of Defense

STAT

Executive Secretary  
Central Intelligence Agency

SUBJECT: White House Digest: "Castro's Cuba:  
A Model for Arrested Development"

The NSC requests final review and clearance of the attached  
White House Digest by August 24, 1984.

*Robert M. Kimmitt*  
Robert M. Kimmitt  
Executive Secretary

Attachment:

White House Digest

DCI  
EXEC  
REG

## CASTRO'S CUBA: A MODEL FOR ARRESTED DEVELOPMENT

In the 25 years that Fidel Castro has ruled Cuba, he has consistently portrayed his revolution as a model for Third World states that wish to escape the burdens of underdevelopment. Castro presents Cuba as a success story, implying that the country was woefully underdeveloped in 1959 but now boasts impressive statistics in different areas of economic development.

Such a portrayal ignores many important facts and is deliberately misleading. Cuba before January 1958 was well ahead of most other, if not all other Caribbean states in many significant economic areas.

In 1958 Cuba enjoyed the highest Gross National Product (GNP) and per capita income in the Caribbean Basin after the U.S. It had significantly larger numbers of cars and telephones than its Caribbean and Central American neighbors. Moreover, the numbers of such items were steadily rising in the years before the Castro takeover.

By 1975, however, several Caribbean Basin countries had passed Cuba in some of these economic indicators, demonstrating that while some progress had been made in Cuba, it did not approach the progress made during the same years in non-Communist countries.

Eight other Caribbean Basin states, all of which were well behind Cuba in such things as numbers of cars, telephones, and televisions in 1958, made great strides in all these areas by 1977. In Cuba, on the other hand, there was nothing approaching the improvement in the other eight states. If anything, Cuba has shown itself to be a model of arrested development.

Nevertheless, impressive sounding claims are made by Castro and on behalf of Castro. One of these is the supposed improvement in the infant mortality rate in the years since 1959. Again, Castro began from a high level. Cuba's infant mortality rate in 1959 was 32 per thousand. This was better than most countries in the world, including Germany, Italy and Spain. In 1970, the rate had risen to 38 per thousand, although Castro claims to have reduced it to 19 per thousand by 1980.

Castro also takes credit for improving literacy and medical care. In the area of literacy, the rate in 1959 was 78% and rising. Castro's "success" has been simply in doing away with remaining pockets of illiteracy. Improvement in medical care, measured in numbers of people per physician, has also lagged well behind the improvement made in other developing countries.

In the meantime, the Cuban economy has grown completely dependent on sugar and on a huge Soviet subsidy. Cuba has failed repeatedly to increase the amount of sugar harvested and the

annual yield of this primary export crop remains the same as it was 25 years ago. The Soviet subsidy to Cuba last year alone amounted to \$650 million in military assistance and \$4 billion in economic assistance. This accounts for one-fourth of Cuba's gross national product and averages \$11 million per day.

### Introduction

Cuba is similar to Ohio both in size and population. It is frequently presented as a model for underdeveloped states because of the alleged improvements that have been made in a number of economic indicators since Castro marched into Havana on January 1, 1959.

The model that is held up for emulation by a number of North American scholars is actually one of rigid state control of the economy and greatly restricted civil liberties.

A Mexican scholar recently wrote about the difference between civil liberties and what he calls the "elemental liberties," which he claims Cuba has conquered. He is typical of many apologists for Cuba when he says:

"How are we going to say to all of these people [Mexicans, Salvadorans, Guatemalans] that they must fight socialism to defend their liberty of expression? What liberty? Do we really think that all these miserable people can express all their frustration, bitterness and anger? Let us think for a moment that we might talk to the Nicaraguans of those fundamental liberties that the Cubans have conquered.

"Let us tell them that ... in Cuba all the children receive free medical attention. That in Cuba no one dies of hunger. That in Cuba everyone has shoes.... And let us tell the Nicaraguans that in return for this there is no freedom of expression in Cuba and dissent is not allowed and give them the choice. What do you think they would prefer? To stay as they are, dying of hunger but exercising their liberty of expression? Or would they choose the other option?"<sup>1</sup>

This reasoning, besides revealing a certain amount of elitism, also assumes that Third World countries must choose between freedom and necessities. Further, it accepts the Castro line that his reign has been an economic success story.

### The reality - Cuba Before Castro

In 1958, Cuba was far ahead of most of its Caribbean and Central American neighbors economically. Moreover, many of the indicators used to measure such progress were rising throughout the 1950s.

Some of these advances had little to do with the political system the island had. Advances in technology, medicine and industry have taken place all over the world in the 20th century and all countries have benefitted to varying degrees. It is disingenuous for Castro to take credit for all the material advances that have taken place while he has held power.

United Nations Statistical Yearbooks and other sources from International Organizations clearly show that the people of pre-Castro Cuba were much better off than Nicaraguans, Costa Ricans, Salvadorans, or the people in the two countries of Hispanola.<sup>2</sup> A few examples will demonstrate this. It is most useful to compare Cuba with Costa Rica and the Dominican Republic since these states have had extended periods of democratic politics and free market economic policies.

Cuba in 1958 had about 5.3 times as many people as Costa Rica and about 2.3 times as many as the Dominican Republic.<sup>3</sup> However, the Cubans had 170,000 telephones, 13 times as many telephones<sup>4</sup> as Costa Rica and 9 times more than the Dominican Republic.

Cubans travelled around their island in 159,000 cars in 1958, on 7,000 km of paved roads. Costa Ricans had 15,000 cars, less than 10% of the Cuban figure, and less than 15% of the paved roads,<sup>5</sup> even though Costa Rica is less than half the size of Cuba.

Television was also readily available in the pre-Castro days. There were 500,000 T.V.'s in Cuba, compared with only 6,000 in the Dominican Republic. In fact, the Cubans had about six times as many television receivers as did<sup>6</sup> the 19 million inhabitants of eight other Caribbean nations.

#### Health Care:

Castro has also made many grandiose claims about improved health care, especially for the poorest people of Cuba. Once again, it is important to see what Castro had to work with and what the trends were in 1958. The year before, the U.N. reported that Cuba had about 6,400 doctors, more than double the number of ten years earlier.

Costa Rica had only 379 doctors in 1957 and the Dominican Republic had fewer than 600 (in 1954).<sup>7</sup> What this means is that Cuba was already well ahead of its neighbors both in absolute numbers of physicians and the ratio of doctors to inhabitants.

This undoubtedly accounts in part for the substantially lower death rates in Cuba, as compared to Costa Rica and the Dominican Republic. Interestingly enough, the death rates had dropped substantially in the latter two countries<sup>8</sup> by 1972, while in Cuba the drop was less than one per thousand.

Castro has resorted to an outright fabrication to claim success for lowering the infant mortality rate. Part of the legend of Castroism is that it is responsible for lowering the infant mortality rate from 60 per thousand to 19 per thousand. The reality is less impressive.

When Castro came to power, the rate was not 60 per thousand but 32 per thousand.<sup>9</sup> Lowering this rate to 19, which, by the way, is Castro's figure and not that of any independent health organization, is far less an accomplishment than going from 60 to 19.

In the first eleven years of Castroism, however, the rate actually rose to 38 per thousand. During the same period in Costa Rica and the Dominican Republic, the rate dropped substantially. What becomes clear from these figures is first, that Castro inherited an infant mortality rate lower than that of several developed states (Germany, Italy and Spain) and far lower than anywhere else in Latin America; and second, that the worsening of this rate in Cuba was virtually unique in the Caribbean area.

This is, no doubt, why Castro misrepresented the rate before he came to power. What is puzzling is that so many otherwise knowledgeable observers would accept Castro's figure without looking into it more closely.

Castro is praised by some observers for bringing life expectancy up to 70 years, certainly a respectable figure, if true. But once again, Fidel began with a higher figure than most of his neighbors. Life expectancy in Cuba from 1955-60 was 62, compared to 61 in Costa Rica and only 49 in the Dominican Republic. By 1975 it had risen to 69.5, for an increase of 12%. Costa Rica's rise was also 12% and the Dominican Republic went up by 18%.<sup>10</sup>

Castro's "achievement," therefore, was no better than democratic Costa Rica's and not as dramatic as the Dominican Republic's. More to the point, life expectancy has been increasing in most states not at war because of better medicines and health care. This has little to do with the political structure.

### Literacy:

Finally, there remains the question of literacy. Some of Castro's and his apologists' most grandiose claims are in this area and they are frequently used as justification for his totalitarian policies. Castro inherited one of the highest literacy rates in Latin America and an advanced educational system.

In fact, the literacy rate in 1958 was about 78%.<sup>11</sup> This was largely due to the trend toward urbanization and

industrialization. Castro's "success" has been simply in doing away with remaining pockets of illiteracy. Even this is not an unmixed blessing, since Castro's literacy program includes a heavy dose of Marxist-Leninist indoctrination along with the spelling lessons.

### Arrested Development - Cuba and Others Since 1959

We have seen that in 1959 Cuba was far ahead of its neighbors in numbers of telephones, cars, televisions, doctors, infant survivability and literacy. The improvements since 1959, however, have been far less dramatic than in states that have not had Communist governments or huge Soviet subsidies. Costa Rica and the Dominican Republic are prime examples of this.

By 1961, both Cuba and the Dominican Republic were emerging from long periods of traditional dictatorship, that of Fulgencio Batista in Cuba and Rafael Trujillo in the Dominican Republic. However, the Dominican Republic was in terrible economic shape and Cuba was far ahead.<sup>12</sup>

One of the easiest ways to gauge economic advancement is by looking at the Gross National Product (GNP) for various countries over a period of time. To see how this growth has been distributed, the most useful figure is GNP per capita.

In 1982, the World Bank stopped providing specific estimates for Cuban GNP per capita, but the best estimates are that the figure was somewhat less than \$1,400 in 1974 constant prices. Costa Rica, even with the financial difficulties it faced in 1981, managed a GNP per capita of \$1,430. The Dominican Republic's figure was \$1,260, which puts it in the middle range of Caribbean states.

Even more significant than the raw figures are the growth rates for these three states. From 1960-1981, both the Costa Rican economy and that of the Dominican Republic grew by an annual percentage of 3%. This is a healthy rise, considering that the world underwent two severe oil supply shocks during those years.

Cuba, with its centralized and bureaucratic economic planning, had a static GNP during those same years.<sup>13</sup> It is difficult to conceive a state's GNP not going up when one-quarter of that GNP is provided in the form of a Soviet subsidy. The performance of the Cuban economy has been a genuine disappointment when compared to free enterprise states.

Cuba's relative position on GNP per capita among its Latin American neighbors was high before the Communist takeover. In 1952, for example, only Venezuela and Argentina had higher GNPs

per capita than Cuba. By 1981, however, Venezuela, Uruguay, Argentina, Chile, Mexico, Brazil, Panama, Paraguay, Costa Rica, Colombia, the Dominican Republic, Ecuador, Peru and Guatemala could make the same claim.<sup>14</sup>

By 1976, the number of telephones in Cuba had almost doubled, although the number of telephones per capita dropped. In the Dominican Republic the number of telephones in 1977 was almost 7 times the 1958 figure.<sup>15</sup> In Costa Rica, there were more than 10 times the 1958 figure.

From 1958 to 1976, the number of passenger cars in Cuba was cut in half. In the Dominican Republic, there were 7.7 times as many cars and Costa Rica's number went up 4 times.<sup>16</sup> These two countries showed spectacular progress in attaining television receivers (over a 2000% increase).<sup>17</sup> Castro's increase from 1960 to 1977 was a mere 1.3%<sup>17</sup>

Another indicator of development is the number of people per physician. The Dominican Republic went from over 7,000 people for each doctor in 1957 to less than 2,000 in 1973. Costa Rica improved its ratio from 2,700 to 1 to 1,500 to 1 during the same period. In Cuba, which receives so much credit for improving health care, the ratio, while lower than the democratic states, actually rose slightly from 1960 to 1976 (from 1,020 to 1 to 1,120 to 1.<sup>18</sup>) -- during a period when Cuba's total population decreased by almost 10 percent.

Hand in hand with improved medical care is infant mortality. As we have seen, Castro managed to make that rate go up, which is quite a negative achievement. During the same period (1959-1970) substantially higher infant mortality rates in the Dominican Republic and Costa Rica were brought down substantially.<sup>19</sup> Finally, after 1972-73, the Cuban infant mortality rate began to drop, and currently stands at a respectable, but not a surprising, 19 per thousand.

Finally, most Latin American states have raised the life expectancy of their populations by a higher percentage than Cuba has. Cuba's life expectancy figure is high, 73 years, but it was also higher than most Latin American states in 1960. Since then, sixteen of Castro's neighbors have matched or exceeded the Cuban improvement, including very poor states such as Haiti, Bolivia and Honduras.<sup>20</sup>

### Conclusion

Castro has actually arrested the development that Cuba underwent during the 1940s and 1950s. Other Caribbean states, with considerably less to work with in 1959, and without a huge Soviet subsidy, have made great strides in addressing their economic difficulties. In some cases, they have surpassed Cuba in absolute figures. In virtually every case the improvement has been far greater.



Even more importantly, Costa Rica and the Dominican Republic have achieved this without prison camps, extensive convict labor, executions, political prisoners, massive emigration, or a repressive political system that stifles all forms of political dissent. In the meantime, the Cuban economy has grown completely dependent on sugar and on a huge Soviet subsidy. This is the future Castro has to offer his Third World imitators.

This repudiates the rather bizarre notion that somehow freedom and economic progress are incompatible. If Castro's Cuba is any example, stifling political and civil freedoms do not produce a trade off in greater economic development. For the Cuban people, 25 years of Castro has meant seeing their land become a Soviet protectorate and their sons become Soviet proxy troops.

Even if Castro did provide economic benefits, can any reasonable person contend that these excuse the Communist oppression that he has also inflicted on the people of Cuba? Freedom of speech, religion, assembly, dissent, and the press are the birthright of all men, whether they live in a prosperous developed state or an underdeveloped Third World state.

The idea that the people of Cuba should be compelled to trade this birthright for subsidized medical care is appalling.

However, Castro continues to receive high praise from many observers from non-Communist countries for his grandiose claims, much the same way avant-garde thinkers used to praise Adolf Hitler and Benito Mussolini for "getting their countries moving again." Perhaps before too long we will learn that Castro has also made the trains run on time.

#### Endnotes

1. Fernando del Paso, writing in El Proceso, a Mexican weekly magazine, 7 May 1984 pp. 36-39.
2. Haiti and the Dominican Republic
3. Many of these figures are taken from the study: "Comparative Developments in the Caribbean," by Norman Luxenburg. This particular figure is from the Latin America Statistical Yearbook 1981, Chapter IV.
4. United Nations Statistical Yearbook, 1962, Table 150
5. Ibid., 1960, Table 138 and Latin American Statistical Yearbook 1977 p. 290
6. United Nations Statistical Yearbook 1961 Table 186

7. Ibid., 1958 Table 176
8. Statistical Abstract for Latin America, 1977 Table 706
9. Ibid.
10. United Nations World Population Trends and Policies, 1977, Vol. I Table 75
11. Cuban Census of 1953, United Nations Statistical Yearbooks
12. See Roland A. Alum, Jr. Wall Street Journal 13 April, 1984.
13. World Bank, World Bank Development Report 1983 Oxford University Press, 1983
14. For 1952, "Tipologia Socioeconomica de los Paises Latinoamericanos," Published as a special issue of the Revista Interamericana de Ciencias Sociales, Vol. 2, OAS, Washington, D.C. 1963. For 1981, ranking results from the World Development Report 1983 estimates.
15. United Nations Statistical Analysis 1978 Table 167; United Nations Statistical Yearbook, 1979-80 Table 154
16. United Nations Statistical Yearbook, 1962 Table 140, and Ibid. 1978
17. United Nations Statistical Yearbook, 1978 Table 215
18. Statistical Abstract of Latin America, 1977, p. 116, and United Nations Statistical Yearbook 1978 Table 207
19. Statistical Abstract of Latin America, 1977
20. World Bank, World Development Report, 1983, Oxford University Press, 1983.

ARRESTED DEVELOPMENT: CUBA AND OTHERS SINCE 1959

<u>Telephones</u>	<u>1958</u>	<u>1977</u>	<u>% rise</u>
Cuba	170,000	321,000	188
Costa Rica	13,000	151,000	1,162
Dominican Rep.	19,000	127,000	668

Source: UN 1978 Table 167; UN 1979-80 Table 154

<u>Passenger cars</u>	<u>1958</u>	<u>1976</u>	<u>% rise</u>
Cuba	159,000	80,000	(50)
Costa Rica	15,000	65,000	433
Dominican Rep.	10,000	77,000	770

Source: UN 1978 Table ; UN 1962 Table 140

<u>Televisions</u>	<u>1958</u>	<u>1977</u>	<u>% rise</u>
Cuba	500,000	650,000	130
Costa Rica	7,000	155,000	2,214
Dominican Rep.	6,000	160,000	2,667

Source: UN 1978, Table 215

<u>Life Expectancy</u>	<u>1960</u>	<u>1981</u>	<u>% rise</u>
Cuba	63	73	16
Costa Rica	62	73	18
Dominican Rep.	51	62	22

Source: World Bank, World Development Report 1983

<u>GNP per capita</u>	<u>1981</u>	<u>Average Annual Growth, 1960-81</u>
Cuba	\$1,400	- 0.6 - +0.5%
Costa Rica	1,430	3.0
Dominican Rep.	1,260	3.3

Source: World Bank, World Development Report 1983