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(FOUO 1/81)



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LATIN AMERICA REPORT

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COUNTRY SECTION

INTER-AMERICAN AFFAIRS

PILCOMAYO TERMED KEY PROJECT FOR ARGENTINE-PARAGUAYAN INTEGRATION

Buenos Aires LA OPINION in Spanish 9 Nov 80 p 11

[Article by Estela Araujo]

[Text] The name of the enterprise to be awarded the contract for the construction of the Encarnacion-Posadas bridge will be announced on 15 November. This is a new undertaking in the integration of Argentina with Paraguay which must be carried out because of floods which the Yacyreta Dam will cause at the stations of the ferryboats which formerly linked Encarnacion and Posada.

The railroad bridge will be completed by 1985. Its budget is \$80 million.

This bridge, considered a landmark in Latin American integration, will enable Argentina to be linked to Bolivia by means of the Trans-Chaco highway, now under construction, and with Brazil by means of the Amistad Bridge which joins Brazil and Paraguay near Itaipu.

The bids of the 11 eligible enterprises range from 162,463 to 303,498 pesos.

The possibilities of physical linkage with Paraguay are not exhausted with the Yacyreta and Corpus dams nor with the Clorinda-Puerto Elsa bridge over the Paraguay River nor the Encarnacion-Posadas bridge over the Parana River, to which will be added those which the dams make necessary.

There is a little known, almost forgotten project which offers the possibility of a real link with Bolivia as well as with Paraguay: the Pilcomayo Project.

The Pilcomayo River has a basin of 260,000 square kilometers, half of which is in Bolivian territory, 30 percent in Paraguay and 20 percent in Argentina. Its basic characteristic is that it is a very irregular river with great floods, has a changing channel and, like the Bermejo, carries a large amount of sediment. It originates in Bolivia in the Cordillera Real, and its flooding is due to the heavy rainfall in the low area, which occurs before it arrives in Paraguay-Argentine territory. Since there are areas of much seepage, at times it becomes a small arroyo. After passing the tripartite boundary marker at Esmeralda, the point where the three countries come together (Bolivia, Argentina and Paraguay), it crosses the Patino swamp which makes any navigation difficult.

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Other problems which occur along its course are the large roots, the banks and its constant changes of channel.

In 1860 Commodore Page, who belonged to a family of navigators, was able to navigate it for 250 kilometers in the Alpha but he was not able to withstand the difficulties of the voyage and died in the attempt. In spite of the fact that the expedition had three vessels which had been expressly made for it, there were such difficulties that in order to move forward, when they practically ran aground because of lack of water, they built dikes to increase the volume of water and thus get nearer to its source.

At the Fourth Meeting of the Ministers of the Plate Basin, it was agreed that a study should be made of the multiple use of the Pilcomayo River, with the consent of the three interested nations. In 1974 an agreement was signed making the town of Villa Montes, (Tarija Department), the starting point for a navigable canal, which is the basic element of the project, leading to its confluence with the Paraguay River. Additional benefits would be: potable water, irrigation and hydroelectric power.

Also being considered is a connection, by means of a 200 km route, with the projected lateral canal of the Bermejo River at approximately kilometer 700 on the Bermejo River.

The Argentine-Bolivian work group is at the present time working on this project, and the studies are considered to be well advanced.

At one time the Paraguayan press discussed the intervention of the Foreign Ministry of Paraguay at the Paraguayan-Argentine Commission with regard to the construction of a dam on the Riacho Porteno because, according to some sources, this river being located in Formosa and being a tributary of the Pilcomayo, the dam might decrease the latter's volume of water. This incident, without consequences at the level of foreign relations, shows, however, the importance attributed to the Pilcomayo as well as the difficulty which the San Martin Palace has always had in negotiating and coming to agreement with sensitive Paraguayan patriotism.

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COUNTRY SECTION

CUBA

'BOHEMIA' ROUND TABLE DISCUSSES SDPE

Havana BOHEMIA in Spanish 21 Nov 80 pp 16-23

[Participants in BOHEMIA Round Table: Gilberto Diaz, vice president of JUCEPLAN; Dr Marta Lugioyo, deputy chief arbiter of National State Arbitration; Arnaldo Alayon, director of credit to basic industry of the National Bank of Cuba; Wilfredo Marrero, director of financing to agriculture of the State Committee for Finance; and journalist Raul Lazo, BOHEMIA Economic Section]

[Text] As the Second Party Congress approaches, this MR [Round Table] offers an overall view of the progress in the process of implementation of the SDPE [Economic Management and Planning System], one of the most important economic aspects of the theses and resolutions approved during that great event of the Cuban communists. This work includes the development of four sub-systems: banking, finance, state arbitration and the stimulation funds.

A BOHEMIA round table like this one which aspires to bring the reader a report and succinct analysis of progress in the implementation of the SDPE is almost obliged to begin with a question in order to learn not only the results but something equally important. This is the method, the form followed by the National Commission for Implementation of the SDPE to supervise the implementation since this, to a great degree, can supervise in time and form those tasks in the implementation timetable that are developed according to plans. It also means that, when there are difficulties, it becomes necessary to take measures that can guarantee fulfillment of the plans.

Gilberto Diaz: At the first PCC [Communist Party of Cuba] Congress, the implementation of the SDPE was approved in one of its resolutions and in a work program in which the tasks, dates and organizations in charge of execution were specified.

In order to carry out those objectives, a mechanism of supervision over all those tasks to determine the degree of fulfillment was created by the National Commission for Implementation. Since the basic tasks of the system ended in 1978, the first inspection was made on 11 February of the past year, using a questionnaire and very detailed work through which all progress in the implementation of the SDPE was gathered in the budgeted enterprises and units. Later there were municipal and provincial plenary sessions to make a detailed analysis of the implementation timetable.

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In the second inspection, a similar method was used but improved based on the experiences of the first; much more precise conclusions were reached. This became a report that covers everything up to the present stage on the eve of the Second Party Congress.

Journalist: The bank, to a great degree, becomes a mirror of the SDPE since many of the mechanisms of the system are reflected in its activities. We would like to know how bank activity has been developed in relation to the functions assigned to it by the SDPE.

Arnaldo Alayon: I would like, first, to refer to the Cash Plan of the bank which we can define as the basic instrument to plan and control the movements of cash between the enterprises, budgeted units and other organizations and the people. This means the monetary income and expenditures of the people whose balance, which is under the responsibility of JUCEPLAN [Central Planning Board], serves as the basis for the elaboration of the Cash Plan. Along with the elaboration of the methodology of the Cash Plan in 1978, committees for the national, provincial and municipal cash plan were formed. Representatives of organizations tied to this activity--for example, MINCIN [Ministry of Domestic Trade], JUCEPLAN, the people's government sectors for trade, gastronomy, transportation, etc., the State Committee for Labor and Social Security and others--participate in these commissions which analyze the planning and execution of the Cash Plan. The Cash Plan proposal for the quarter elaborated by the bank and enriched by the opinions of the committees at the different levels, including final examination by the National Committee on the Cash Plan, is submitted quarterly to the Executive Committee of the Council of Ministers.

Journalist: What actions do those committees have?

Arnaldo Alayon: Let us say, for example, that a provincial committee reaches the conclusion that the sales plan for the merchandise is not being met because of deficiencies in wholesale supply. In that case, the committee suggests measures to correct this problem. If the problems must go to the national committee, it sends them to it so that it can take the pertinent measures. All this is done very quickly so the quarter can be carried out according to plan.

Journalist: What are the results of the Cash Plan?

Arnaldo Alayon: Significant progress has been achieved which becomes concrete in better results than those originally planned for the finances of the people since its adoption in 1978. The support that the Cash Plan committees offer to the work of the bank in this area has been an important factor since they act quickly. This permits them to detect problems in time that can cause financial imbalances in the cash income and expenditures of the people. Nevertheless, there are still not only methodological problems but also aspects related to discipline in the fulfillment of this plan. In the first place, there is delay in the presentation of the cash plans by some enterprises; this causes disorganization.

Gilberto Diaz: We must emphasize that the problems are not caused only by deficiencies in planning the Cash Plan but in its execution also. This is a new mechanism that aims at better supervision over all the enterprises that produce or offer material goods or services to the people. It is linked to the economic

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calculation system in trade whose stimulation mechanism is only weakly developed. In short, sales mechanisms or stimuli are not always present in those enterprises, making them more like "receiving" enterprises than sellers. We have cases like the wholesale enterprises, to mention only one example, that "wholesale" to the retailers, forcing them to accept shirts or pants that are no longer worn. The gastronomic network might offer a smaller number of dishes than it really could offer. The lack of individual and management stimulation mechanisms causes this laxness which affects the Cash Plan and the balance of expenditures and income of the people. They reflect a major part of the movements of material resources and their monetary projection which concerns the standard of living of the people; that is why the Cash Plan is so important.

Journalist: In that sense, should the Cash Plan be converted into a valuable instrument to be considered in planning?

Gilberto Diaz: That plan is indeed being converted into a valuable mechanism for feedback for the planning process. This should mean that planning the distribution and the satisfaction of consumption is done based on demand, not supply. This is a road that we have begun to take recently. There is a work group that studies all these problems of deficiencies in trade and has made very interesting proposals about economic efficiency and stimulation of circulation. The Cash Plan has ended many of those deficiencies.

Arnaldo Alayon: All these situations of accumulation of resources, poor management, excess inventory and all the inadequacies in economic management evident in the commercial network and services as well as in the production sphere are also detected through /bank credit/ [in boldface], through loans due from the enterprises and pending obligations with the bank. In short, poor business management has repercussions on the financial situation and causes the enterprises to default to the financial organizations: the bank and the State Committee for Finance.

First, the bank had to train its cadres since there was hardly any national experience in credit matters. It was also necessary to draw up a set of general as well as specific norms for each branch of the economy which would consider the peculiarities of the credit financing of each of the enterprises. This was and is a complex task since credit is tied to the Cash Plan as we have already seen and to the budget, the National Economic Plan, the Price System, the consumption and inventory norms and arbitration. In other words, it is connected to almost all the subsystems of the SDPE. That is the reason for the complexity indicated above since it is necessary to know all those mechanisms and subsystems in order to grant credit correctly, keeping in mind the factors mentioned above, and to use it and apply it correctly as an element of supervision of the fulfillment of the enterprises' approved plans.

Journalist: Given that complexity and the fact that many of our readers are not familiar with this matter, it would be appropriate to define the essence, the function, of credit under socialism.

Arnaldo Alayon: Credit has a mobilizing nature; that is, it represents an important control mechanism in the economic and financial management of the enterprises. Deficiencies are reflected immediately in unendorsed loans. It helps the enterprises to expedite the rotation cycle of their means. The objective of the bank,

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therefore, cannot be to deliver a greater number of loans but to recover the credit granted as quickly as possible, avoiding immobilization of resources in our enterprises. This helps our economy become more efficient as those resources rotate faster and certain results are achieved using fewer financial and material resources.

Felino Quesada: Given the spectrum of readers of a nonspecialized magazine like BOHEMIA, we can simplify or explain this aspect without losing the essence. The fundamental objective of credit is to avoid unnecessary immobilization of resources in the economy beyond those that an open economy like the Cuban economy, with a great dependence on foreign trade and with supply sources thousands of kilometers away, already has to tolerate. Idle inventories are mentioned and many do not understand the reason for this adjective. Frequently, they are idle to the one who has them and does not need them but not to the economy. Credit pushes those enterprises that have those so-called idle inventories to get rid of them and make them available to others who do need them. Here we have a concrete example of how credit can mobilize resources. Of course, these excesses are also tied to the need to have much more reliable inventory norms so that there can be financial norms that respond to an objectively determined reality.

The essence of credit cannot be understood without understanding the content and functions of the inventory and consumption norms and without considering the problems of material stimulation. As the stimulation funds are developed, these will help the enterprises understand the in-depth content of the mechanisms and levers to develop economic efficiency that imply or are derived from the correct planning and use of credit.

Why? Because this affects profits due to the payment of high interests for the poor use of resources made available to business. By affecting profits, it can endanger the possibility of distributing rewards to the workers.

Journalist: We have seen what bank credit must be and do. It would be good now to analyze the results thus far.

Arnaldo Alagon: The bank began the application of credit mechanisms in 1978 with a very small group of enterprises under economic calculation. Actually, starting in 1979 when 1,783 enterprises--more than 60 percent of the total in the country--were operating under economic calculation, bank credit began to play an active and mobilizing role in the finances of state enterprises. Since that time, the main financial problems of the enterprises have begun to be detected, being reflected in not being able to pay back the loans granted on time. This development process permitted the bank to send a report to the government in the middle of 1979 on problems in the implementation of the SDPE detected through bank credit. That report showed the main financial deficiencies in the enterprises as well as their causes which were attributable to the enterprises themselves as well as to other elements derived from a nonuniform development of all the subsystems of the SDPE and the absence of instructions and methodologies which is not imputable to the enterprises.

All this has been achieved with great effort, especially in the training and development of the necessary cadres to carry out this task. There were a number of problems that hindered its development and that are still present. These problems refer to insufficient mastery of credit norms in the enterprises as well as in the bank, the use of resources with specific objectives and allocations in the

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enterprises without replacing the corresponding accounts on time, the increase in loans not endorsed materially which involve innumerable economic, accounting, organizational and management factors of the enterprises themselves, lack of arbitration and the incipient functioning of contracts between the enterprises, delay in receiving resources in the enterprises from their organizations, large accumulations of stock and other factors.

In the national inspection meeting on the implementation of the SDPE, the bank proposed some measures to solve the present problems, many of which have already been applied by the bank as well as by the organizations involved in the problems detected.

Journalist: The topic of bank credit leads us to the Collections and Payments System.

Arnaldo Alayon: The Collections and Payments System has developed favorably, gradually overcoming the difficulties that have occurred. In 1978, automatic credit in the seller's account which had to be applied in 1977 when reestablishing collections and payments in the country was eliminated. Later, it was necessary to decide that the invoice must accompany the collection order since the enterprises did not fulfill a general obligation to give the clients the invoice for the delivered merchandise. Once these two basic aspects were resolved, effort was concentrated on making the system more efficient concerning the delay between debits and credits in the accounts of the buyers and sellers so that the financial movement is closer to the material movement and the enterprises have their resources on time. The actual terms defined in Resolution 272 of November 1979 are 5 days for operations in the same town and 15 days for operations in different towns. Now approximately 2.5 percent of the total collection orders are processed beyond those terms.

Journalist: But the terms are so broad that they occasionally permit the buyer to obtain artificial "financing."

Arnaldo Alayon: We know that the terms are relatively broad and can hurt the selling enterprises. The problem is that they have been established keeping in mind, first, the time that the Ministry of Communications through the mail system needs to deliver the correspondence to the different destinations. Therefore, we do nothing by reducing them in the resolution if that decision is not backed by a real reduction in the time needed for the mail. Although not all the delay is attributable to the mail (only 0.9 percent according to the most recent figures), the remaining 1.6 percent is due to insufficiency of funds in enterprises with financial difficulties, without resources in their accounts to pay. The bank has proposed a set of measures to help solve the present problems. Some are already being applied and others will go into effect in 1981. One is to telephone all collection orders of more than 50,000 pesos, not those over 100,000 pesos as now. This measure will benefit the selling enterprises by quickly receiving the resources for the merchandise delivered.

Also reducing the present terms is being studied with the Ministry of Communications.

The above does not mean that eventually there will be delays in some branches imputable to the bank itself for not having adequate work organization or the training and experience required. It is good to emphasize that the main cause is the buyers' lack of resources to pay the seller.

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Journalist: Can the selling enterprise refuse to supply merchandise to a buyer that verifies that it does not have funds to pay for the sale?

Arnaldo Alayon: This has not been established although some selling enterprises do this. The weak operation of the contracting system and the lack of arbitration have caused cases of this nature which contradict the management principles of a socialist enterprise under the SDPE.

Gilberto Diaz: They have the right not to sell if the buying enterprise does not have funds. Using good material and financial planning, if an enterprise does not have the funds to pay, it should not be able to buy but occasionally it holds discussions with the supplier. Nevertheless, I feel that the terms are reversed here and, in reality, it is necessary to hold discussions with the insolvent buyer or the one who must give him funds to make the purchase. The enterprises cannot solve the problems of all society; those are state and political problems that must be solved at those levels. The enterprises have to watch their business management and we should have the mechanisms so that, as they defend those interests, they defend those of all society. Discussions have to be carried out at the points and levels indicated when these problems of insolvency occur. The selling enterprises should not be unilaterally pressured to supply their merchandise to a buyer who is going to create financial problems by not being able to pay. All steps must be directed toward strengthening and making the economic essence, the objectives of business management which must produce in order to satisfy demand efficiently, understood.

Journalist: All these statements related to bank activity have been very interesting. Now we will discuss those related to the State Committee for Finance.

Wilfredo Marrero: At the end of the second national inspection meeting for implementation of the SDPE, the state budget already has the central budget, a social security budget and the budgets of the provinces and towns. These are some of the basic financial achievements in the implementation of the SDPE.

Journalist: Since this round table pursues the basic objective of reporting on business activity, I believe it would be appropriate to focus primarily on the aspects related to contributions to the budget.

Wilfredo Marrero: The most important tax that the enterprises pay to the budget is the circulation tax. Its collection has faced serious problems with the main causes being: lack of fulfillment of the delivery and supply plans for production, problems in planning, lack of fulfillment in assortment and also lack of financial discipline which has and does directly and indirectly affect the collection of this important revenue.

Another basic indicator of income in the budget is the tax on profits. Here there are difficulties caused by inefficiencies that make the profits or losses planned by the enterprises as well as slowness in the redistribution mechanism of the organizations have an unfavorable effect on the budget. This has caused a deficit in it since it has been necessary to subsidize many enterprises that have greater losses than planned or those that could have profits but have a negative financial situation because of their credit due.

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Journalist: In other words, the State Committee for Finance provides those enterprises that have not been able to comply with the rules of the game in economic calculation with the means for their operation.

Wilfredo Marrero: In short, we can say that, considering these and other situations as well as experience in the operation of the budget with relation to the degree of organization reached by the implementation of the SDPE, the State Committee for Finance, coordinating the opinions of other responsible organizations, has had to temporarily use a policy of flexibility that slightly diminishes the principles and stipulations of some ties between the business activity and the budget, in order to provide funds to some enterprises so that they can continue operating. One of the immediate objectives of all the factors is to work to create the minimal conditions to eliminate this measure that has been applied provisionally.

Gilberto Diaz: In part, the State Committee for Finance has assumed a responsibility which, in our opinion, the ministries should assume since the State Committee for Finance cannot have integral elements of judgment to make those allocations demanded by enterprises that plan a larger profit than they can really attain. As long as those problems are solved by allocations from the State Committee for Finance, they will not be resolved since their solution must start at the organizations themselves. They have to answer for their integral operation including the finances of the enterprises under them. With the measures noted above, we are improperly releasing them from those responsibilities. In short, it cannot be an option to the organizations to respond and solve those financial problems; it must be an obligation. It is not a matter of formalities. These problems are caused by poor business management which has negative repercussions on economic efficiency: nonproduction, poor planning of supplies, increases in costs and low productivity.

Wilfredo Marrero: One of the other payments to the budget is the tax on gastronomy, lodging and recreation. Its planned contribution to the budget is not fulfilled, basically due to lack of supervision in the gastronomic enterprises which limits its revenue. Nevertheless, it should be indicated that there are other payments to the budget like the contribution to social security, the part corresponding to the amortization fund and the tax on enterprises showing films. There are no serious problems in their collection for the budget.

Journalist: What can you tell us about the financial norms?

Wilfredo Marrero: In 1977, the State Committee for Finance issued instructions for financial standardization of the means of rotation. Those norms were written and went into effect in 1978.

The conditions at that time were minimal. There were problems in primary information, very little experience in this activity, lack of personnel in the enterprises that had been recently created, etc. However, even with problems, as a result of great effort the levels of means of rotation were determined and authorized.

Fulfilling a task in the timetable for the implementation of the SDPE, the organizations elaborated the sectorial norms and they were approved at the end of 1979. These should help determine the new financial norms for the enterprises, this time with more favorable conditions than existed in 1977.

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Now, independent of the problems indicated in the determination of the financial norms, the enterprises have faced and do face serious financial problems due to an evident excess in their inventories.

Journalist: How is the mechanism of the financial norm connected to the SDPE?

Gilberto Diaz: The financial norm--tied to other economic categories like credit, inventory norms and stimulation funds--is a mechanism of business management to develop economic rationality. We can give an idea of the functioning of that mechanism. Due to different habits in the past, our enterprises have the tendency to insure their supplies by exceeding their real needs, producing inventory accumulations which are uneconomic. When these inventory accumulations are produced, they are reflected in an amount that exceeds the financial norm. Then the enterprises have to resort to credit and pay interests that reduce their calculated profit. Since the workers are interested materially because of the stimulation funds, the management of the enterprise must account for the reasons those funds are reduced. These mechanisms still do not function fully but as all the levers of economic calculation and material stimulation develop, they will work with more force.

Journalist: The achievement of a more objective basis for costs has an importance that affects the SDPE in many aspects from calculation of the profit to the basis for the formation of prices. What measures have been taken for the calculation of sectorial costs?

Wilfredo Navarro: The need for sectorial costs has been mentioned. It is appropriate to present the general situation of this important activity. There has been and is work on this but not the attention and urgency that it requires. There are delays and problems like: branches of the economy that still have not had their introduction approved, unimproved training, lack of experience and personnel for the elaboration of price tags, inadequate advice from the organizations and organs of the people's government, methodological incompatibilities, etc. All this infers immediate action by all the factors to accelerate the development of this important task.

Journalist: What measures have been taken to solve the incompatibility between the material and financial flow?

Wilfredo Navarro: Concerning the financing of investments for this year, 100 percent of the amount determined at the time of the presentation of the 1980 budget was allocated.

As new investments are incorporated, the incompatibility with the financial resources allocated begins. This requires reallocations based on financial execution since the plan is traditionally not fulfilled.

Considering these problems as well as the need that the organizations play a more active role in the execution and control of financial resources for investments, the State Committee for Finance has proposed a procedure in which the enterprises finance their investments with their own sources such as: part of the profits, part of the amortization of basic funds for replacement, revenue from sales and dismantling basic means, etc. If applied, it would be one step more of progress in the implementation of the SDPE.

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Journalist: Although the subject of finances has not been exhausted, we see ourselves limited by space in this MR so we must go on to analyze the progress. What needs to be done and what objective and subjective problems has arbitration run into?

Marta Lugioyo: In the last national inspection meeting, this task was one of those on the implementation timetable that had not been fulfilled.

State arbitration is the final link to close that chain of subsystems that forms the SDPE. It constitutes a typical institution of socialist countries. In our country, the need for it was stated in the Programmatic Platform and in the Theses and Resolutions of the First Party Congress.

The first steps were taken in the creation of a work group. Decree 23 was dictated in 1978, creating the Arbitration Organs System and appointing the chief arbiters who have been the nucleus of the system. As stated in the mentioned decree, arbitration has been created to hear and decide conflicts of an economic, precontractual and contractual nature emanating from the monetary-trade relations among state entities, state enterprises and budgeted units; between those entities, enterprises and units and enterprises and units under political, social and mass organizations; and with agricultural cooperatives and private farmers.

The arbiter is a jurist who must have a very clear idea of economic problems. Later jurists and professionals with economic knowledge were selected to work on the territorial arbitration organs and the organizations of the Central State Administration. At the same time, an intensive program of training and publicity was started.

Journalist: It would be appropriate to point out the connection between arbitration and economic contracts.

Marta Lugioyo: Arbitration and economic contracts are closely tied. The organizations that were in charge of them were given the task of drawing up the general and special contracting conditions that arbitration requires to work. So that arbitration can begin its work, it is necessary to have substantive legislation--that is, general and special contracting conditions. Until now, only the general conditions for supply contracts have been approved. The general or special conditions for investment, freight transportation, operation of means of transportation, special sale of agricultural products and foreign trade contracts are still needed. We feel that all of these constitute the minimum requirements for our work since, without them, the efficient, just and productive work of the arbiters cannot be developed.

Journalist: In the development of our journalistic work, we have been given the impression that there are differing opinions as to whether the basic norms constitute a basis to begin arbitration.

Marta Lugioyo: Of course not. The basic norms are like a basic law for a civil code. The basic norms represent the basis for each one of the contracts to be developed since each one has special characteristics. The general and special contracting conditions must exist for us to begin to work. The procedural rules are pending approval and they have already been sent to the superior organizations for approval.

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In the initial question, you asked us what problems we had. One is precisely the lack of substantive legislation to permit the arbiters to develop their activities so that the Single Plan for Economic and Social Development can be fulfilled. In the last instance, this is the objective of state arbitration.

Where are we going? We have just started recently and we estimate that arbitration will begin to work before the end of the present year. This does not mean that arbitration has a "magic wand" that will solve all the problems. Not at all. However, certainly in its first stage it will learn why plans are not fulfilled. This question will no longer be an anecdote but become a way to discover the problems. Nevertheless, we have advanced in those aspects that the law gives us as the basis for our work. For example, at party levels, the territorial arbitration organs have met with those provincial enterprises that had not signed their economic contracts and, as "arbitrators," cleared up many problems.

Journalist: What problems were detected in those meetings with the enterprises?

Marta Lugioyo: There were many and varied problems. Some were ridiculous like a director of an enterprise sent a simple employee to sign the contracts for him without understanding what was specified in them. There are even those who ask, for example, for nails without specifying characteristics, size, delivery terms, material, etc. In short, it is necessary to strengthen and develop awareness of the importance of contracting since, otherwise, arbitration does not have a basis on which to work.

Gilberto Pizar: Arbitration has an enormous importance in the process of improving the mechanisms of economic management and planning in general and improving and increasing contracting. This is expressed not only by arbitration but by eliminating methodological inadequacies and others in the process of implementation of the SDPE. For this reason, we would have liked arbitration to begin functioning much sooner. We believe that that would have been possible; it is not necessary to wait for all the "legislative" conditions to begin the work. We are completely aware of the scientific and objective order of priorities that should exist between mechanisms or subsystems of the SDPE. For example, the inventory and consumption norms should precede the financial norms. Nevertheless, if at a given moment that sequence cannot be followed, we feel it is a mistake to paralyze all the others. The achievement of having all the mechanisms of the system functioning, the degree of experience derived from it, the problems that it discovers, etc., compensate for those temporary "lacks." This does not mean that we reject that degree of objectivity and scientific strictness in economic calculation. Quite the contrary. However, only what has been started can be improved since it is precisely the progress itself of the implementation of the SDPE which indicates the way, the steps that we should follow and the corrections of everything that has begun.

Journalist: We would like to know how the mechanisms of the economic stimulation funds are inserted in the SDPE and your opinion on those who see these as deformers of the economic awareness of the workers.

Felino Guesada: It is necessary to look at the elements of material stimulation broadly without "fear" that they can become deforming elements of awareness. Quite the contrary. They are factors that contribute to the formation of the economic awareness of the worker.

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Under socialism, the worker has a double position as owner of the means of production and producer. It is necessary to look for mechanisms that make that producer feel or have a greater awareness of his position as owner. When a worker overfulfills his norm or production or manufactures objects with good quality, that is a sign that he is properly using the means of production of which he is owner as society. There is no doubt that when he produces more, he benefits individually and socially since these increases in production are translated into an improved standard of living through an increase in new schools, hospitals, etc. Nevertheless, that at times looks like a "present" from society. Everyone does not always have a profound, integral understanding of the double position as owner and producer under socialism.

The direct benefits obtained through wages which are the basic form of payment under socialism and the stimulation funds help to make that double position more understandable. The stimulation funds tie the results of stimulation to the business activity.

Reward is not an obligation of the state but a recognition of economic results, efficiency in business management.

In a speech to the Agricultural Union, comrade Raul Castro stated, in reference to socialist emulation, that it was necessary to recognize efforts but to reward only results. In the policy followed by my commission, we have guided ourselves by this principle. Of the 191 enterprises that were in the position to form stimulation funds, only 79 formed them and only 59 formed them completely.

Socialism reveals its justice since no matter what harm an enterprise might suffer, the workers are protected. There are different ways for this like payment for interruptions to guarantee wages. Reward is not an obligation of the state but society's recognition of the labor collectives that achieve efficient economic results. We have to be very careful with the distribution of rewards because if we violate the principle expressed above, we run the danger of passing out money that does not have a material counterpart.

It is necessary, however, to explain that the stimulation system should be part of the integral system of moral and material stimuli under socialism.

The material stimulation system is not a magic wand that can solve all problems as some think. They demand proliferation of those "systems." The stimulation system cannot have the same variety as products that are sold in the stores do. The fewer, the better. What exists should cover all business activity. If the enterprises have fewer idle inventories, this is reflected by paying lower bank interest and, therefore, having higher profits. If it sells the finished production and fulfills its contracts, the results of that management will be better and more profit will be obtained. In short, the stimulation system should be integral, not partial.

It is necessary to improve the system that we have and adjust it to economic development and our specific characteristics since history demonstrates that these adjustments are necessary.

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COUNTRY SECTION

CUBA

ACHIEVEMENTS OF MECHANIZED WORK UNIT ASSESSED

Havana BOHEMIA in Spanish 7 Nov 80 pp 1-23

[Article by Andres Rodriguez: "The Final Visit"]

[Text] Evaluation of Pledges

With our fourth and final visit, BOHEMIA ECONOMICA completes the first cycle of work which it began at the end of 1978 to carry out concerning the economic operation of machinery at the 14 July cane-growing enterprise located in the municipality of Rodas, province of Cienfuegos.

When the report of our third visit was published in December of 1979 (see the BOHEMIA issue dated 28/12/79), a list of tasks which the enterprise had undertaken to complete within a period of 6 months, i.e. by June of 1980, was made public.

It is worthwhile recalling what was said at that time:

"BOHEMIA ECONOMICA will return in June of 1980.

By then, the board of directors of the enterprise promises to:

1. Establish and guarantee high-quality and reliable primary data on the economic utilization of the machinery.
2. Establish fuel consumption norms by farm activity.
3. Establish and properly utilize the roster, after discussion with the workers.
4. Keep up to date high quality checks of the central workshop and the central warehouse of the enterprise.
5. Reduce the tractors in unproductive departments to 15 percent of the total fleet.
6. Operate the fleet allocated for farm activities at a minimal level of 70 percent.
7. Reach an average of 7 hours' use for wheeled vehicles in the fleet allocated, and 5 hours for vehicles with treads.

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8. Transfer the central enterprise workshop to a new premise with better material and technical resources. This will also make it possible to implement the linking of the workers in that workshop."

And in fact, BOHEMIA ECONOMICA returned in June of 1980 to assess the pledges made publicly 6 months earlier with the management council at the 14 July enterprise.

The achievements, which we will list in the same numerical order as the pledges above, were as follows:

1. Partially fulfilled.
2. Partially fulfilled.
3. Fulfilled.
4. Fulfilled.
5. Fulfilled.
6. Fulfilled.
7. Fulfilled.
8. Unfulfilled.

And this, set forth in the briefest form, is the situation with the pledges.

It seems to us that it would be well now to set aside the five points on which fulfillment was complete, and go somewhat more exhaustively into points 1 and 2, which were partially fulfilled, and 8, which can be said to be entirely and absolutely unfilled.

Analysis of Point 1

We will set forth again the pledge made under point 1.

"To establish and guarantee high-quality and reliable primary data as to the economic operation of the machinery."

Why have we termed this partially fulfilled?

First of all, it should be realized, in order to avoid injustice or dishonesty, even if involuntary, that primary data, based on a real knowledge of the economic operation of the machinery, has improved in quality substantially if we regard it in the light of the 4 visits made in the course of almost 2 years (November 1978 to June 1980).

As graphic proof of this, we are including a sample in this work for the reader to see. In doing so we have avoided the childish method of choosing the best, because this would absurdly violate the spirit of systematic work pursued for a certain time.

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Really, on this fourth and final visit in the first cycle, as during the second and third, we repeated the same procedure in analyzing the quality of primary data district by district. And on this basis, we venture to state categorically that a substantial advance can be seen in the quality of primary data, it is worth reiterating.

As the reader will certainly see, it is a question of a substantial advance. The range of irregularities and even of openly false distortions, noted specifically during the second visit, were not detected on this last occasion. Also, without any doubt, there has been an increase in the sensitivity and concern of the comrades at the enterprise in this regard.

But a substantial advance, which can be relatively astronomical, is one thing, and the establishment and assurance of precise and reliable information is another very different thing. It is still very difficult to guarantee this latter.

With a somewhat more detailed examination of machinery checks, the not-inconsiderable path which still remains to be covered can be understood.

For example, there still is no effective control--or we saw none on our tours over the course of almost 2 years--making it possible to establish how many parts, batteries and tires for each of the vehicles making up the enterprise park has been consumed.

We want to stress the above. The same tractor may come into the shop several times in a month for bulb replacements, and there is no effective check as to why this occurs with this vehicle. Does it really require these replacements? And if so, how then can we deal with the causes leading to this abnormal replacement? Neither of the two questions is checked and therefore nothing is known about this detail.

Another example is the tires. Naturally, the enterprise knows how many tires are used by its vehicle fleet. In this specific case, in only 5 months 377 of the tires out of the planned 440 for all 12 months of the year have already been given out. Now then, is there an effective check on where and why they are being used? Why have five tires been issued for a single tractor? This is the case with the vehicle operated by Alfredo Ceveira in District 2.

If the answers to all of the above are wanted, there is no choice but to go to the workshops of the enterprise and to examine the work orders for the vehicles carefully, one by one.

To summarize, it is known what is consumed. But there is no effective check on where and why this consumption occurs.

Analysis of Point 2

Let us also restate the pledge made under Point 2.

"To establish fuel consumption norms by agricultural activity."

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On this point too we have termed fulfillment partial. Let us see why.

To begin with, we also believe it worthwhile noting here the interest expressed by the comrades at the 14 July enterprise in Cienfuegos, in particular in the economic sub-office, in the full implementation of the pledge with which we are concerned.

Nor is the preceding statement a mere formality. This interest could be felt in fact during the tours we made of the districts and vehicle platoons. But it seems that things are not very easy.

How much fuel should a machine for breaking ground consume? There is no precise data on this point, nor for any of the other farm activities performed by the machines, either at the enterprise or, to be fair as well as truthful, on the national level supervising this activity.

At the 14 July enterprise, then, and on the initiative of the enterprise, in view of the public pledge made, in two of the three districts fuel consumption norms have been established by farm activity, although if we adhere logically to what has already been said, they still lack the necessary accuracy and proper economic strictness. But apart from this latter, we believe that the steps taken in this regard by the enterprise in Cienfuegos can set a very useful example as to the importance of checking on fuel consumption by farm activity, and thus really determining the truth about such consumption.

Although it seems obvious to stress the urgent need of such control, we deem it pertinent to stress it within the framework of this work.

In the first 5 months of 1980, the enterprise had already used 75 percent of the fuel planned for the 12 months of this year. Let us examine this in detail.

Tons of Oil

Annual plan	944
Actual expenditure in 5 months	717

Thus, calculated on the basis of the total vehicle fleet of the enterprise, the consumption ran to an average of more than 1,000 gallons of oil per machine in the first 5 months of 1980.

Analysis of Point 8

Regrettably, in the evaluation of the pledges made by the 14 July sugarcane-growing enterprise, there was one which fell in the non-fulfilled category, that numbered 8, which said the following:

"To transfer the central enterprise workshop to new premises with better material and technical resources. This will also make it possible to implement the linking of the workers in that workshop."

Nothing was done in the promised period.

The fact that the present premises of the central machine workshop are in the very worst condition should be reiterated. And as a picture is worth a thousand words, we urge the interested reader to glance at the photograph pertaining to this aspect accompanying this work.

Also during the earlier visit (December 1979), the pledge to resolve the problem of water supply for the new workshop being built was made.

Nothing was done on this in the time allocated either.

As soon as all of this is completed (or if it has already been completed when this issue of BOHEMIA is distributed), we inform the 14 July cane-growing enterprise of our readiness to make it public.

Comments on the 14 July Cycle

This cycle pertaining to the economic operation of the machinery had its genesis in an agreement, if we might call it that, between the author, with the support of BOHEMIA, of course, and the comrades in the machinery department at the Vice-Ministry of Sugarcane Growing, now subordinate to the Ministry of the Sugar Industry. To do honor to the historic truth, Comrade Luis Toja, a young agronomical engineer who at that time was heading the agrotechnical office at that vice-ministry, contributed greatly to this agreement.

The goal was and continues to be to bring the problems which existed and which continue to exist in connection with the use of farm machinery for sugarcane production to the surface through the mass media.

Since these problems have to a greater or lesser extent extended to a good number of the sugarcane enterprises in the country, both parties believe that an excellent way to begin to deal with them was to take a given enterprise in some province or other as an initial reference point.

This was done, and in this way an enterprise in the province of Cienfuegos, the 14 July enterprise, located in the municipality of Rodas, was chosen.

It should be noted that this selection had nothing to do with any special situation at the 14 July enterprise, nor with the fact that it might be or was the most representative sample of inadequate use of farm machinery on the national or provincial level.

It was simply that it was necessary to begin the discussion somewhere, and it was decided--by the comrades in the province of Cienfuegos themselves, with their way of plunging into the solution of problems--that it would be at 14 July.

And so we began to pursue a systematic effort which, beginning with a survey which was certainly representative of the workers and machinery chiefs, we carried in depth into a whole complex of aspects pertaining to the problems which interest and concern us.

In pursuing this systematic effort, the first cycle of which is now concluding, for almost 2 years, it should also be made clear that in bringing the problems

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to the surface and to the attention of the public, we were motivated and continue to be solely by the legitimate and valid desire to contribute to creating an environment for their resolution, as well as passing on their experience to other enterprises in the country with similar characteristics.

Going deeper into this aspect, we deem it suitable to reprint a paragraph from the report published in our periodical on 28 December 1979, in connection with the third visit in the cycle. We said then: "This is a joint effort by a press organ and a state enterprise so that socialism will win out, and demonstrate in fact its superiority over capitalism not only because it liberates man from exploitation, but because it is more productive and is the only system capable, as its basic economic law says, of satisfying the material and spiritual needs of society."

What was the reaction of the leaders of this enterprise to the systematic critical and analytical approach? We must say that in a general sense it was positive, without the defensive posturing and justifications which fatally conceal problems and block their definitive solution, just as stones and tree-trunks block a KTP-1 combine.

If at a given moment, and we do not doubt that this happened, this approach offended personal susceptibilities or publicized someone's shame, we are certain that it spurred revolutionary ardor concerning the work.

But if this was the attitude of the leaders of the state enterprise, it would be unacceptable to fail to mention the comprehensive and fraternal aid provided by the party at all times.

In this connection, we want to go back again to the report published in December of 1979 in connection with the third visit. In that report we said the following:

"As on earlier occasions, the municipal committee of the Communist Party of Cuba in Rodas has provided firm support for the undertaking by BOHEMIA ECONOMICA. The usual thing, then, would be to express our thanks publicly for this support, but we are not going to take this step.

"The municipal committee of the party in Rodas believes that this is its duty and not a generous gift. And it has shown this in practice by making use, as a necessary working tool, of the systematic, critical and public study we have made of the machinery at the 14 July cane-producing enterprise."

And this precisely is the best colophon which can and should be attached to the purpose, already explained previously, of this cycle of work. It has served as a working tool for facing, dealing with and resolving problems and shortcomings. Otherwise, this effort could not have flourished throughout its duration.

One might ask now why, with this fourth report, we are ending the first cycle concerning the 14 July enterprise, if it still faces difficulties.

First of all, the 14 July enterprise is not a goal in itself but as has already been explained was a point of reference for achieving a great goal from our

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journalistic trench: contributing to the development of an atmosphere of solution to the problems analyzed.

Consistent with the above, the problems pertaining to the utilization of cane-growing machinery do not comprise a specific situation at the Rodas enterprise under discussion, but a phenomenon which has existed in a number of cane-producing enterprises in the country, including those with greater area and production volume than this enterprise.

The next thing therefore is to extend our systematic approach and begin the cycle at another enterprise.

Finally, an approach to the mechanization potential the country has achieved in these 20 years of revolutionary government is necessary. We believe that this factor is the basis of the importance of this systematic cycle of efforts begun approximately 2 years ago.

Currently, the Cuban cane-growing sector has an impressive mechanization level including:

100 percent preparation of the ground,
50 percent (almost) of the harvesting,
98 percent of the loading, and
85 percent of the transportation.

Similarly, the transformation which has come about in the means of production is plainly profound. Nowadays, our cane-growing sector has:

2,000 caterpillar tractors,
30,000 tractors with wheels,
3,800 cane loaders, and
2,500 harvest combines.

The revolution then has equipped the cane-producing enterprises in the country with an extraordinary quantity of machinery which, however, is still not being used at full capacity.

To conclude, one historic detail. In 1958, the last year of the capitalist era, there were in Cuba for all farm activities some 15,000 tractors.

Status of the Eight Tasks the Enterprise Pledged
to Complete Between December 1979 and June 1980

Entirely fulfilled	5
Partially fulfilled	2
Unfulfilled	1

Comments are included in the text.

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COUNTRY SECTION

CUBA

REVIEW OF CONSTRUCTION PROJECTS IN HOLGUIN NOTED

Havana BOHEMIA in Spanish 14 Nov 80 pp 32-35

[Article by Alberto Pozo]

[Text] Of course, we like the city of Holguin because we see it growing like a human being. On every trip we notice the boom more, and we come to this part of the country several times a year. We are pleased by the vigorous life and development manifested here. It is an emotional experience for social psychology fans. Why do its buildings, streets and parks give off this human warmth? The answer must be found in the way of life of Holguin's men and women.

We were reflecting on this while Llanos, the photographer, asked for the menu at the Santiago Hotel.

"The waitress who is waiting on you got married in the sugarcane field after she finished work clearing cane."

Speaking was Anselmo Oramas, a friend of the reporter and manager of the hotel. A warm embrace, words of greeting.

"I always look out for your journalistic interests," he said with a broad smile.

"How did it happen, Minerva Pena?"

"We were staying at adjoining camps. He looked into my background, my reputation. . ."

"I said to myself: She is a revolutionary, a hard worker, a serious girl. This is the woman I need," says Desiderio Barroso, assistant manager of the El Niquel Cafeteria and an internationalist. He is studying at the School of Management.

"A courtship in only 2 weeks, so fast. . .?"

"When two people understand each other, that's instantaneous," answers Barroso.

"We've been married for 3 months and we haven't had a single fight," claims Minerva.

To give you an idea of the two people's human qualities, their comrades paid for their wedding and honeymoon, and that doesn't happen spontaneously.

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"Just think what a mess I was in! I had no one to leave my younger son with, the one who's ten (I have another, 13 years old, who is on scholarship). It was the first time I was in danger of missing my voluntary work."

"And what happened?"

"My mother said to me, 'Daughter, you can't miss work. I'll take care of the boy.' You see, I spent my first married days at this hotel, the Santiago."

With a population made up of this kind of human being, you can understand perfectly well why the Holguineros have succeeded at clearing the cane and in other areas of the economy.

For example, the sugar production quota for the 1976-80 5-year period has been 98 percent fulfilled, which means a 10 percent growth over the previous period. Installed capacity has been expanded by 20 percent. The Holguin sugar harvest is now contributing 10 percent of the nation's total production.

However, the Holguineros are not satisfied with their industrial efficiency. They are aware that project delays have had a negative impact in recent years, making optimum repairs impossible. Natural factors (such as rain) as well as subjective ones have left their mark.

This harvest, on the other hand, has been achieved with good supplies of materials. Since last year efforts have been made to make efficient repairs. We can say that to date the area is exceeding its scheduled quota.

At the recent Provincial Seminar on Harvest Propaganda, Aristides Pisonero of the Holguin Sugar Department stated: "We are certain that this year will see an improvement in quality. We will finish around 30 April, and we will fulfill our quota."

Pisonero explained that some brigades are already at work repairing roads through the cane fields, an effort that has been of vital importance in this province in past harvests. At present eight new storage centers are being built.

All this leads to the conclusion that the Holguin harvest will once more be a success, while at the same time progress will be made in industrial efficiency, even at the crucial Nicaragua and Guatemala plants. As for agriculture, during the 5-year period production has jumped from 40,000 arrobas per caballeria to 57,000.

Seemingly Unimportant Details. . .

This is a province of human details. When First Secretary Miguel Cano participated in the National Seminar on Harvest Propaganda, also held recently, like a good host he presented an overview of the province. He dealt summarily with the achievements of the 5-year period, and turned to a series of measures oriented toward human beings.

--Efforts are being made to guarantee a herd of cattle for each plantation to ensure vitally needed dairy products for harvesters.

--An ice plant will be built at each plantation so that all can enjoy a delicious food-beverage: "guarapo."

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--At each storage center a kiosk will be put in for the sale of cold cuts for snacks or to supplement the diet.

--Lunch will be brought to the field in mobile dining facilities for combine workers. Afterwards, when circumstances permit, these facilities will be used to take the workers to the beach and other recreational areas.

--The construction of housing in rural areas will be facilitated in order to encourage the stability of the work force.

Afterwards, thanks to Jose Sanchez J. of the Peoples Government Restaurant Department, we were able to see the plan for the kiosks. When we visited El Manguito, a historic place where the highways from Moa to Banes meet (linking the towns in between) our comrades from the restaurant enterprise invited us to return in a few days to see the kiosks installed at the storage centers of the Fernando de Dios and Lopez Pena plantations in the municipality of Baguanos. We were assured of the same in other municipalities.

Thus, here is an answer to something we had seen before: the province's concern for meeting the needs of man, of human beings.

We had a refreshing break: a tour of the city of Holguin. We could see that Holguin is reviving traditions that benefit human beings, that make society's life more pleasant and help keep spirits high.

Perhaps because of our age we are able to appreciate more the presence of shopwindows and the appearance of the stores in general.

One evening we went for a stroll along the four blocks that delineate Calixto Garcia Park, one of the most beautiful parks in the country, a symbol of the province. What a pleasure it was to look at the stores! We have traveled all over the country, and we can safely say that there is no other region that can compete with Holguin.

The lighting, the design, the tastefully selected articles, their presentation (which meets rigorous standards)--all leave a pleasant feeling in us on this nocturnal stroll, and show us how far we have come in the commercial sector. We can already see the abandonment of the ration book. Some people think that the mentality of rationing still persists. But if they took this walk they would see that we have only one problem left: footwear.

Our visit coincided with the reduction of prices for imported clothing. The stores were overflowing. Earlier electrical appliances had been reduced in price. (Of course, what is happening in Holguin is a national policy.) This is the policy of the parallel market. Thanks to this idea, supply is gradually being reconciled with demand. And something more important is being achieved: the waste of ration books is being avoided, so people no longer take "what I've got coming." Now, little by little, we are letting the law of supply and demand take effect. And we all profit.

The presentation of goods is one of the aspects of quality of service. The way the public is treated is also being improved, although it is not perfect yet. There is still not total efficiency in sales.

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This commercial activity undoubtedly contributes to the service of mankind, of human beings, which lies behind Holguin's economic success.

Laterites of Development

It is no secret that sugar is our main economic sector, to the extent that it accounts for more than 80 percent of our exports. Except for the city of Havana, the other 13 provinces produce sugar, some even more than Holguin. But this province is the single bastion of laterite production. This privileged position is due to the fact that in this province lies the only belt containing this mineral compound which includes nickel, cobalt, chrome, iron and aluminum oxide.

The Yankees, who had appropriated all our wealth before the revolution, had been exploiting nickel at the Nicaro plant since 1943. They were ready to begin operations at the Moa plant, but their desires remained just that.

In their frustration, they made sure Cubans would not be able to produce in the plant now named Pedro Soto Alba. The Heroic Guerrilla is part of that courageous history. That was our first great technological triumph.

Since then, both plants have been producing nickel and cobalt, and have been contributing to our development. Because enormous investments were required, we were not able to build other plants until a few years ago. Now we are building the nickel complex at Punta Gorda, which will have the capacity to produce 30,000 tons a year. It will cost more than 400 million rubles. A twin plant at Quemado del Negro, close to Baracoa, is in the initial stages of construction. A mechanical complex is also being built to serve the two plants and others in the province.

Moa, thus, in recent years has drawn national attention. Men have gone to work building things under whatever conditions were present.

In heroic labor, our youth and those who lost the "divine treasure" of Ruben Dario's poetry, have been working shoulder to shoulder, sometimes in poor conditions.

Recently, a valiant effort has been made to improve living conditions. The community of Moa, without leaving the trenches of labor, has contributed to the new situation. The results can already be seen in the labor movement's promotion of culture; in the development of sports; in restaurant supplies (although one must insist on quality of service) and in recreation, which is becoming more and more diverse (from the use of beaches, rivers and forests to the creation of camping groups and excursions). So far there has been an invigorating stimulus in this area that should be a source of encouragement to everyone.

But while the nickel plant requires an investment of 400 million, we are already in the first stages of something that will demand a much greater investment: the great project of the national iron and steel industry. This technological giant will be located very close to the Nicaro plant in the Corua-Cajimaya region. The first members of the vanguard have already arrived; eventually there will be an army of more than 10,000 construction workers.

There is already concern, as in Moa, for meeting the needs of these thousands of men. Is the municipality of Mayari ready to meet this challenge? The best way to

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find out is to go to the scene. We were accompanied by Comrade Jose Sanchez, whom we mentioned earlier. We found Roberto Carballo, director of the Restaurant Enterprise of the municipality (sure enough, he was working on the Popular Festival of the Guatemala plantation, in that area), and we did not catch him unawares.

The Mayari base is already being strengthened. It will provide decisive support for the assimilation of the work force. There are also plans for Felton, right next to the future site of the iron and steel plant. Plans have already been made for the reinforcement of social conditions in Nicaro (in our opinion, less advanced than those of Moa), and attention has even turned to the nearby beach of Corinthya, where work is beginning already. This part of the plans corresponds to the municipality of Frank Pais, however. In sum, what did we want to find out? Whether there was an awareness of the need to work on the social infrastructure that will be demanded by the construction workers soon, and later by the technicians who will be settling there to run the huge factory. There is a plan in existence, and we will present it in parts, as it is formulated. Without a doubt, the problems of an unstable work force experienced by Moa should be minimal here. We have already gone through that experience.

Impetuous Construction

The impression of overnight growth which strikes anyone who travels in the province of Holguin is the result of the impetuous development of construction, which has led to investments totaling more than one-third of the national 5-year quota for industry.

Here is a summary of some of the industrial projects planned for the 5-year period:

- Support base, Moa
- Diesel plant, Moa
- Construction Materials Industry facilities in the metallurgical development zone
- Sherbet plant, Banes
- Torula yeast factory, Mayari
- Tile factory, Holguin
- Oxygen plant, Holguin
- Concrete pipe plant, Holguin
- Ten storage centers

In the final stages are:

- Pasteurizing plant
- Sodium feldspar plant
- Beverage factory
- Bread baking plant
- Water treatment plant
- 26 de Julio agricultural equipment manufacturing plant
- Nine storage centers

In education, 62 million pesos have been invested in various projects, which brings the total number of facilities to 79 and the number of students that can be taught to 56,000. Agricultural projects number 44, for a total of 14 million pesos. Social projects are valued at 21 million pesos, with a total of 45 projects. Among the latter are:

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- General Calixto Garcia Stadium, with a capacity to seat 30,000
- Guardalavaca Motel, with 225 rooms
- Pernik Hotel, with 202 rooms
- Camp in Moa for 5,000 workers
- Moa Hotel, 128 rooms (under construction)
- Swimming pools in Gibara and Banes
- Three polyclinics and a dental clinic (Holguin is noted for its high quality public health; the Lenin Hospital is one manifestation of its medical efficiency)

In agriculture, the province is a major coffee producer (the fourth largest in the country); in forestry, the Mayari enterprise, which covers the territory up to Baracoa, has distinguished itself nationally in the meeting of the SDPE [Economic Management and Planning System] quota; livestock is an important sector, particularly in terms of milk production; and poultry is a major sector as well. Improvements have been made in the vegetable sector, although the goal of 300 pounds per capita per year has not yet been achieved.

Another symbol of the province is the KPT-1 plant, which is in a position to be able to meet its quota of 480 machines. It hopes to reach a production of 500 units.

The province is trying to meet its quotas honorably as a tribute to the Second Party Congress.

These quotas do not concentrate merely on production; equal weight is given to meeting human needs. There is no doubt that the struggle to maintain an equilibrium between these two factors is a major characteristic of Holguin.

The province has magnificent tourist facilities, which will be augmented with the opening of the Pernik Hotel in December. Why not come and experience its spirit for yourself, and enjoy its beauty and its facilities? We would like to make a special suggestion: Visit Guardalavaca and compare it with Varadero. In addition to calling the hotel desk, you may call long distance numbers 4041 and 4345 to make reservations directly. Holguin is worth the trip.

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COUNTRY SECTION

CUBA

EFFECT OF CANE RUST ON SUGAR PLANTINGS DESCRIBED

Havana BOHEMIA in Spanish 14 Nov 80 pp 46-47

[Article by Andres Rodriguez: "Experience and Criteria at the Villena Sugar Enterprise"]

[Text] We are also including our commentary on the considerations set forth in the technical theses being analyzed at the Variety Meeting as this issue of BOHEMIA is being distributed.

The sudden outbreak of the cane rust disease placed a large group of cane-growing enterprises in the country in a difficult situation for two different reasons. First of all, this disease has flourished in one of the most important commercial varieties (Barbados 4362), which covers a definitely important area. Secondly, a large number of the substantially affected enterprises were seriously limited in terms of other varieties available to deal with the onslaught of the cane rust as quickly as possible. As a result they had to turn to a generally speaking disproportionate increase in Jaronu 60-5, a variety with demonstrated agroindustrial qualities, which was selected at the beginning of the decade of the '60s by the experienced and impassioned Cuban cane grower, Eliseo Acosta.

At some enterprises, however, it was possible to deal with this disease with greater success. This was the case, for example, with the Ruben Martinez Villena enterprise in the province of Havana.

The cane rust struck this enterprise when it had 46 percent of its sugarcane area planted to Barbados 4362. Two years later, by September 1980, thanks to the intensive destruction of the variety affected carried out, it had been reduced to an insignificant 2.5 percent.

But the important question is how did this enterprise manage to defeat the disease?

Let us see, first of all, if it did so by means of increasing the above-mentioned Jaronu 60-5 variety, the most important commercial one today in our cane-growing sector.

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Percentage of Area Cultivated in Jaronu 60-5

1978	--	28
1979	--	32.8
1980	--	40.2

Certainly an increase is obvious, but it should be noted in this connection that the volume comes within the currently allowed parameters, and therefore does not represent a disproportionate increase to which other enterprises found themselves forced.

The deputy production director at the enterprise had this to say:

"Beginning in 1973, we have established variety nurseries, with the aid of the Bainoa experimental station of the Agricultural Science Institute, with a view to testing under the specific conditions of the soils our enterprise has."

We interrupted to ask if this meant that they were already prepared for the possibility of cane rust or any other disease.

"It can be said truthfully that we have been testing a number of varieties because we did not regard it as desirable for a single variety, however good it might be, to account for a high percentage of the sugarcane area of an enterprise. These preparations enabled us to have on hand planting cane for some new varieties, particularly Jaronu 64-11 and 64-19, to deal to some extent with the effects of the cane rust without having to increase the planting of Jaronu 60-5 excessively."

Let us now examine the increase in these new varieties, the introduction of which seems to be recommended in the technical theses of the Fourth National Cane Varieties Meeting.

Percentage of Cultivated Area

	1978	1979	1980
Jaronu 64-11	1.2	7.4	15.9
Jaronu 64-19	0.4	4.5	14.1
Mayari 57-15	0.1	0.6	3.3
Cuba 187-68	--	--	1.7
Cuba 323-68	--	--	0.4

An eloquent fact can be seen from the above. The 5 new varieties mentioned increased in importance from 0.7 percent in 1978 to 35.4 percent in 1980. And, a very important fact, all of these were increased on the basis of a study of their development under the specific conditions at the enterprise, a task in which, it is worth reiterating, the enterprise had the close cooperation of the Agricultural Science Institute.

Naturally, the fact that the Martinez Villena enterprise was in the best possible position to eliminate the rust without getting into the risky vicious circle of vastly increasing another commercial variety which is not invulnerable to the

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effects of the disease. A proof of this is the decline in agricultural yield (arrobas of sugarcane per caballeria), from which the enterprise has not yet been able to recover. Let us examine this in detail.

Farm Yield in Arrobas per Caballeria

1978	--	80,000
1978	--	69,000
1980	--	73,000

The deputy director of production also said the following:

"All of this experience leads us to the belief, which coincides with the theses at the Varieties Meeting, that none of these varieties should cover more than 30 percent of the cane growing area of the enterprise, because such a percentage enables us to avoid the traumatic effect of a disease or plague since it is possible to raze any variety which may be attacked in a single year.

"Similarly, and consistent with the above," he went on, "no enterprise should commit itself to a single variety. It should have, as the technical theses indicate, between three and five varieties."

And he made one final statement:

"In our view, the introduction of varieties into production is still going very slowly, with considerable delay. It is necessary to speed up this process."

Our Commentary

We had an opportunity, thanks to the kindness of the agrotechnical office at the Ministry of the Sugar Industry, to read in advance the six technical theses which are currently being analyzed at the Fourth National Sugarcane Varieties Meeting.

As we said in the paragraph introducing this article, we wanted to give our comments in connection with certain concepts set forth in these theses. We do so in the single and simple intention of contributing to some extent to the great goal of the meeting: to define the proper policy for varieties in our sugarcane-growing sector, as well as its other important goals, among them the proper root stock structure for our sugarcane plantations.

Thesis Number 3 on Variety Structure for Sugarcane Growing Enterprises and Areas

On page 48, we read the following:

"Varieties recommended for introduction: Cuba 227-59; Cuba 334-64; Cuba 147-66; Cuba 16-68; Cuba 187-68; Cuba 323-68; Cuba 819-67; Jaronu 64-11; Jaronu 64-19; Mayari 5354; Mayari 5715.

Our concrete question is why is nothing said about Tayabito 76-16 and Barbados 62163? What will their status be in the 1981-85 period?

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Thesis Number 4 on the Importance of the Root Stock Structure in the Results of Agroindustrial Sugar Production

On page 17 we read the following:

" . . . It must be said that with regard to this problem of age there is a certain suggestion or predisposition in discussing cane left standing. The poor handling of such cane during the harvest, basically due to the disproportion of this stock at the reception centers of the mills, has had a definite effect on this."

This precedes the posing of the following question, asked in a positive sense, on the same page:

"Aren't the cold-season plantings perhaps, from the point of view of the harvest, a form of cane left standing?"

It seems that we are dealing here with a very respectable, but at the same time very controversial, concept.

As an example of this last-mentioned aspect, we would cite the conclusions in an interesting work submitted as his thesis by a candidate for a doctorate in agricultural science, engineer Raul Espinosa Olivera, of the Agricultural Science Institute.

This researcher concludes, in essence, that the cold-season cane plantings produce greater sugar yields per unit of area than the spring plantings. If this is the case, then the spring cane left standing cannot be equated with the cold-season plantings, and therefore, could never be regarded as cane left standing in any form.

This is our commentary to date.

There are some still embryonic questions which we will leave pending until the national Varieties Meeting ends. Then we may return to the ring with further comments.

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