

[Speech given by Fidel Castro Ruz, president of the Councils of State and Ministers at the Ceremony to Inaugurate Retraining Courses for Workers in the Sugar Industry, held on the Grounds of the Eduardo García Lavandero Sugar Mill in Artemisa Municipality on October 21, 2002 \[1\]](#)

Date:

21/10/2002

Dear Workers in the Sugar Industry,

Dear New Students,

Today will surely go down in history. As was said here, the concept of creating employment^¾and certainly one of the most important kinds of employment ^¾ out of studying is being put into practice for the first time. But that's not the only thing happening here today; at the same time a contingent of several thousand workers who have been made redundant as a result of the restructuring of the sugar industry is initiating an ambitious and grandiose program to retrain workers in that industry. Those are two things.

Now, to understand the significance of and need for restructuring we have to take a quick look at history. I am sure that there will be no doubts remaining and that at the same time as a measure of great use and importance to the economy is taken a new and extremely promising phase in the sugar sector is being launched.

I notice the almost total silence that there is at this ceremony among the 10 000 people gathered here.

I said it was essential to look at the history of sugar production and the sugar industry. It began more than 150 years ago. During the first half of the 19th century, the country's most important product and export was coffee. Tobacco was too, for a short time. We only have to remember the first tobacco growers' struggles in our history in Santiago de Las Vegas who rose up against what I think was called the tobacco levy.

I think that with the historical research that is being done now, knowledge about this era will be within reach of our compatriots. Sugar, tobacco and coffee were very important sources of income for the country.

I have read about two almost consecutive major hurricanes, category 4 or 5 hurricanes with winds of over 300 kilometers, which occurred between 1844 and 1845 and practically wiped out the coffee plantations in western Cuba. At that time there were no coffee plantations on any mountain, nor in any mountain range, those were virgin territory, rather, they were mostly in the region of what is now the province of Havana. They actually extended as far east as Matanzas and as far west as Cayajabos, where there are still some ruins of the French farmers who, having left Haiti, came as far as those regions to settle. Of course, the first place they settled was in what is now Guantánamo province—very

close to the island where Santo Domingo and Haiti are located— after there had been a huge rebellion, almost at the beginning of that century, of the hoards of slaves who worked there producing coffee.

When that French colony was almost the world's only coffee supplier, many of those coffee growers emigrated to the island of Cuba. Sometimes they brought some of their slaves with them. However, what they mostly brought was their experience and they found excellent conditions in that province, so that in the 1868 war the patriots had to launch an offensive against that province.

Of course all of those oligarchs, slave owners and coffee producers supported the colonial government so the battles were hard fought. Maximo Gómez led that offensive and the Maceo brothers were there too.

History tells of violent conflicts. Every coffee plantation became a quasi-fortress and the coffee plantations extended as far as the area near Santiago de Cuba. Around Gran Piedra there are still some ruins of those coffee plantations. We visited them once and we admired how technically developed they were, the way they used fertilizer, mostly lime, to create the ideal soil conditions for coffee, the streams for washing the coffee, all those operations that machines do today. They are still ruins there, near Santiago, and there are also ruins around Cayajabos, as I said, in the mountainous region that borders on Pinar del Río. But the big expansion of coffee production, in fact, occurred on the flat and fertile lands of the province of Havana and naturally, all that development was based on slave labor.

It was when those natural phenomena more or less wiped out the coffee plantations that sugar cane growing was given a boost.

Previous to this, Cuba had reached the position of being the world's biggest coffee producer and exporter in those years, but the owners of those coffee plantations, the owners of those lands, pushed for sugar cane growing and Cuba also became the biggest producer and exporter of sugar—I don't remember any other country [exporting sugar] back then.

Back then there were around 300,000 slaves, the majority of whom, of course, were employed in growing and processing sugar. From that time on a market for Cuban sugar began to develop in the United States, but Cuba also supplied Spain, Europe with sugar, although its major market began to be the U.S. market. This is why, when the blockade and the cancellation of Cuba's sugar quotas happened, after 1959, a market that took more than a century to develop was destroyed.

It was at that time that the idea that there is no Cuba without sugar was born, and that was true until very recently. These big sugar mills capable of producing tens of thousands of tons of sugar, and some more than one hundred thousand tons, didn't exist then; rather there were hundreds—I'm not sure but I think that between them, Havana and Matanzas provinces had some 1000 small sugar mills. Steam wasn't used yet, animals were used to power the machines. However, throughout the second half of that century advances were being made, and sugar mills were being created, some of them larger and more modern. At that stage the use of machinery and of steam was introduced, the capacity of the industry was growing and sugar production was growing too. The Spanish colony made its living from it; it was one of Spain's biggest sources of income, income that came from its colonies. It had lost all its other colonies on the continent but it called this colony the jewel of the crown, mostly because of its sugar output.

The central idea of Maximo Gómez, Maceo and the most important leaders of the 68 war, the one called the Ten Years War, was to invade the west, because the war began in an eastern area where they were many peasants or independent producers, although some were big land owners too, along with the independent peasants. The slave system had not taken root, except in Guantanamo, and that was where the war started. There were some sugar mills; Carlos Manuel de Céspedes owned one of them and the first thing he did, on that October 10, 1868, was to free the slaves. These were not slave provinces, I repeat, they were rather provinces of farmers, cattle owners, although there was some sugar in that region where that war began. In Camagüey, it was mostly cattle, there was no significant

sugar output but there was a lot of cattle ranching. Las Villas already had a larger number of sugar mills, but it was mainly a farming province. This is why the war that broke out in the east easily spread to Camagüey, and to Las Villas.

They tried to extend the invasion as far as was possible. The Mambises tried to get as far as the zone that supported the Spanish colony, that supported the Spanish army with its production and income. When the last War of Independence began in 1895 — there had been a so-called Little War beforehand— Martí's idea was, obviously, to fight a lightning war which would begin everywhere at the same time. But the struggle began anyway with Maceo's landing in the Baracoa region, and Martí's near Playitas in what is now Guantánamo province in difficult, precarious conditions when they lost their weapons, which every one knows about.

There was a big uprising in Oriente, which soon spread all over. From the very first the idea was to invade the west, the strategy was to spread the war to the whole country and, basically, to destroy the principal support of the Spanish government, the main source of income for Spain's colonial budget; most people know that history. It is well known that the sugar mills were destroyed, cane was burned. And that invasion got as far as Mantua, there was virtually no cane field left anywhere on the island, not anywhere. You can see the influence that sugar cane already had on the life of the country.

When that war ended with the U.S. intervention, reconstruction of the sugar industry began. First the existing plantations were replanted and later the creation of huge plantations began in the provinces in Oriente and Camagüey. Those who intervened had the best, the ideal conditions for investing in that industry, in that product which had been destroyed during the last war. And that is how the industry was rebuilt, partly with Cuban capital but mostly with U.S. capital, and sugar growing spread to virgin zones, we might say, from Camagüey to Guantánamo.

In fact, huge extensions of woodlands, of mahogany and other precious woods were cut down and the precious wood used as fuel in the sugar mills. At that time there was not even a market for that kind of wood, there was plenty of it in this hemisphere and elsewhere. So sugar plantations and the huge estates which surrounded Holguín were created, I spoke about them that day in Holguín in the ceremony where there were 400,000 Holguinians present under a heavy downpour. I was born near there, near Birán. But those huge estates were all over the place, some were bigger than 100, 000 hectares, the United Fruit Company's. Other companies even managed to own up to 200,000 hectares of sugar cane fields. The labor force was not big enough and big immigrations from other Caribbean islands began. Tens and tens of thousand of Caribbean islanders, mostly Haitians, came.

Slavery had been abolished a few years earlier, but that brought almost no improvement. I think that slavery was abolished in 1886, but the living conditions of the former slaves continued to be exactly the same or at times even worse than when they were slaves, because when a slave died, the owner lost capital. After slavery was abolished, the former owners did not care if they died, or got sick, or went hungry. Nobody took care of them.

The country's economy began to revolve around the sugar harvest and with the sugar harvest, what people called "dead time". But there is no doubt that sugar production was the backbone of, was the county's entire economy, the other things produced were for home consumption.

Coffee was product of lesser importance. When the United States occupied Cuba and a neo-colonial government was installed in this country, trade agreements were made which even went as far as to limit the development of other crops. Cuba was granted the market it already had and the growing market, which from that time on was the U.S. market. New output was exported to that country and under an agreement that they would buy sugar but the output of other food items, including rice and others would be limited. Anyway, the country's income, which was not the Cuban people's income —the Cuban people had to make do with the leftovers, the remains, they had to get something for the services they provided during the harvest or in crop growing between sugar harvests—but the country made its living fundamentally from sugar cane and one could say, without sugar there is no Cuba.

That saying continued to be true, we could say, up until 10 or 12 years ago. It had its ups and down. When there were wars, then it was Cuba who supplied the United States with all the sugar it needed, a curious, paradoxical thing with immoral overtones. Every time there was a big war, joy spread among sugar growers, because the price of sugar rose, and rose considerably, as a result of wars.

So the First World War happened, the United States took part in the second half, and then Cuba became almost the only sugar supplier to that nation, many of whose companies were the owners of the big sugar plantations.

I was remembering that after that war and the destruction and the problems that it caused there was a huge demand for sugar. I think that it even reached the price of 20 cents per pound —that will have to be looked up in the archives. That was an enormous amount in those days.

Thus, after the war, there was a short period which I heard people talk about when I was a boy as the time of the dance of millions. Almost nobody talks about that now, but people talked about it a lot in the '30s and '40s, about the dance of millions, when the price of sugar increased six or sevenfold. Of course, it was not the dance of the people's millions. It was the dance of the big sugar companies' millions, the big sugar mill owner's millions. There was, however, always something for the people, the leftovers were for the people, and the leftovers are not the same in a period when sugar is worth two, three or four cents as when prices rise to 20 US cents or more per pound.

The dance of millions didn't last long. The price of sugar fell suddenly and what came next was a catastrophe. It is not known how many owners lost their businesses or how many land owners and sugar mill owners also lost their property which was bought by other U.S. companies, or by some Cuban who had plenty of money.

Thus catastrophe followed the dance of millions. You work out how much suffering that meant for the population who had nothing, not land, even though the population was much smaller.

The situation of the sugar workers -- sugar being the most important source of employment in the country -- was extremely difficult. I couldn't say right now how many people were working in sugar, it might have been 200, 000, 300, 000 or more — I don't have the exact figures, the historians can look them up — when the catastrophe like that after the dance of millions occurred.

In the '20s, prices, the economy, etc. were on the road to recovery until another catastrophe happened, that of the 1929 crisis when the New York stock market collapsed. Well, that catastrophe affected the United States, ten of thousands of unemployed, affected the whole world and of course affected our country.

That crisis lasted many years and got worse, especially after 1930, 1931, 1932, 1933. The price of sugar fell as low as one cent because, on top of the international crisis, the United States imposed a tax on sugar and the price dropped as low as one cent.

But take careful note, some historian, some economists can do research into that era to compare the value or purchasing power of one cent of one dollar in the thirties, especially in 1932, 33. This was the time of Machado's government; the Machado dictatorship, an extremely hard and difficult situation which arose, and times of extreme crisis are favorable, naturally, to social struggles, rebellion and revolutionary processes.

So a great revolutionary process in our country arrived, after the wars of independence; it was the process that began with that crisis, under a repressive, bloody and, as a general rule, corrupt government.

Well, some building works were undertaken in that period, the Capital Building, or rather, they invested

a loan in the Capital building — today it's the Academy of Sciences. Then for years there was tax on a box of matches, and on other products - this was to pay off those loans.

A good project was undertaken: the Central Highway. There were some other useful building works and I think that they even made the Capital Building one inch higher —look at the level of chauvinism and imitation— so that it would be one inch bigger than the Capital Building in Washington. I think that the one we have here is higher than the Capital Building in Washington by one inch, I think. Well, we can rent it to them. We would have to ask the Academy of Sciences permission, wouldn't we? In an exchange of services we could rent out our Capital Building, the twin brother of the Capital Building in Washington. That was the degree of imitation we had, but that was with some of those loans that were made in the early stages of that government, before the great crisis of 1929 arrived.

That crisis lasted almost until 1940, almost until the beginning of the second war; it was the era in which a statesman, Roosevelt, won the elections in the United States. Roosevelt could say that he saved U.S. capitalism and he saved it by putting money into circulation; he applied a certain thesis of a famous economist who argued that one of the ways of getting the economy off its knees is by providing the masses with purchasing power. Roosevelt, within the capitalist system, and by undertaking public works, dams, a heap of things, put money into circulation and little by little they began to get out of the crisis.

Even the most hard-line neo-liberals find themselves tempted to apply those theories and they sometimes do apply them. That theory of lowering taxes, which have been cut in the United States, mostly for the richest sectors, is based on the idea that when taxes are lowered for tens of millions of workers, their purchasing power is increased and demand for goods increases and the factories start to produce. We will have to see how those theories work now that the situation is really complicated. The news we get about the world economy is generally very bad and the situation facing the U.S. economy is very uncertain. The principle is, however, inject money.

If Roosevelt did it by building, by investing money in building and in all kinds of public expenditure, this time they are doing it, to some extent, by lowering taxes. Even though this mostly benefits the richest, it is quite simply the equivalent to the possibility of people having more money so that they start buying cars again, building houses again, in short, all those luxury purchases that have become the trademark of consumer societies.

What our workers and our population in general suffered in those crisis years was awful. 20 years later people had not forgotten it, in the 50s, 50 something, people still talked about those Machado years, because people identified the Machado years with years of hunger, of great poverty. In fact, these were not the fault of those corrupt governments, they were the result of a world economic crisis, a second phase of sugar crisis. However, a second world war came along and once again Cuba became the supplier of sugar. There were German submarines all over the place, the United States at war in Europe and the Pacific— and it got most of its sugar supply from Cuba. The prices, given the value of sugar at the time, were reasonably satisfactory, it was a profitable industry, highly profitable because it was favored by certain preferential quotas which had a higher price than the world market price. I don't remember, but say sugar cost 4 cents a pound in the world market, quota prices were 6 or 7 cents a pound —the facts and figures about all this will have to be looked up— and that brought the country a significant amount of income.

Cuba had a sugar quota of between three and four million — more figures to look up— and Jesús Menéndez's struggle was precisely to get a fairer distribution of those preferential prices, of those profits for the workers. He started out and achieved prominence as a memorable fighter and sugar workers' leader by demanding those enormous earnings be more equitably shared out, that the workers receive a bigger share. This is why sugar workers truly adored Jesús Menéndez, afterwards treacherously murdered in the McCarthy era.

The constitutional government that followed Batista's government in 1944, before the Second World

War ended, the one led by a professor of medicine, Grau San Martín, was made up of people who in 1933 had made a name for themselves, earned some honor. However, they were actually people desperate to get into the government so they could speculate and rob using all means possible. When that government came to power, still at the height of the war, there were shortages of lard, of many of that sort of product, there was a degree of rationing and there were people who did big business dealing in all those rationed goods. Prío's government followed Grau's government and I think it was around the time the government changed hands that the assassinations of workers' leaders began. Since the worker's leaders with most prestige were the People's Socialist Party leaders, which was what the Communist Party used to be called, they began to murder, to eliminate those leaders who were strong, who had great prestige, a great ability to mobilize the workers; this was part of the policy implemented in our country.

That war had once again reaffirmed the truth of the saying that there is no county without sugar. Would this perhaps be the last one? No. We are still missing an important chapter in history, the triumph of the Revolution. Since they wanted to choke us to death they began to reduce our sugar quotas until they eliminated them all together, and, in order to get more backing from the OAS — that garbage! — and the support of the OAS countries, a large part of our x million tons was shared out among Latin American countries. Sweets for everyone, as Grau San Martín would say.

They shared our quota out among all the Latin American sugar-producing countries and even gave concessions to some Asian countries, the Philippines and others, when they shared out our sugar quota with its preferential prices. They left our country with sugar as its main source of employment and world prices, which were always below their preferential price. That was when another stage began for the sugar industry and we could say it was the best of all stages because when those guys had already stopped buying our sugar — it didn't happen all at once— the Soviets offered to buy one million tons of sugar. This was the first benefit we obtained from our relations with the socialist camp; we found a market. When those guys began to reduce their purchases, the Soviets began to buy from us; when they took our sugar quota away completely, the Soviets bought sugar from us at world market prices.

There were no preferential prices in those first years. Later the campaign, the blockade grew worse. The plans for attack, sabotage, the Bay of Pigs invasion etc. began right from the first months. I think that it was perhaps in around 1961, I don't remember when they completely eliminated the sugar quota but we had already found a market in the Soviet Union. And later on, as the blockade grew worse, they also set a preferential price. It reached around two cents in the early years and of course, if there were price fluctuations and prices have often been marked by fluctuations, they paid us the high price that had been set on the world market. The price rose to six, to eight, to nine cents, and, as a rule, every time there were price fluctuations, they paid the price. In this way sugar began to play or was already playing a main role.

Well, the Soviets were not heavy smokers. We sold our tobacco elsewhere. We sold goods and sugar as well, to some extent, on the world market in search of convertible currency and to the USSR and then to other socialist countries through the barter system we had with them.

Soviet behavior was amazing. I remember when there was an outbreak of a strange deadly disease in the sugar cane, which reduced our sugar output considerably, and we couldn't meet delivery commitments. They met all the merchandise delivery commitments agreed to, even when we could hardly make even 50% of the sugar deliveries that we were supposed to make.

And so the years went by. Relations grew closer and closer. They bought our nickel and other products; our citrus plantations were developed basically to supply the USSR. Thus an amazingly important thing happened. When we used to make an agreement for five years, the prices of the goods were set, quite apart from what might happen with price fluctuations. We kept an eye on the purchasing power of a ton of sugar because of the phenomenon of unequal terms of trade, which is what operates in trade between industrialized countries and underdeveloped countries. At the beginning of a five year period it was x and at the end of that period it was 80%x. In other words, our money, which was sugar, was

loosing value, or purchasing power because the prices of industrial products were increasing — and in those agreements the price of sugar, of other goods could be fixed but not that of millions of products. So we suggested that a formula had to be found to compensate for that and that's how we reached the agreement on what was called a sliding price, in other words, if the prices of the main goods they exported to us increased, the price of sugar would increase proportionally.

It's obvious that we bought hundreds, thousands of all kinds of products; food products, industrial products, tractors, trucks, as much as we could buy there; televisions, washing machines, well, who better than the people know how many things we imported. I think that we made up a basket with a number of Soviet products and it included oil because they were our oil suppliers and that happened before the explosion in oil prices.

At the triumph of the Revolution, the price was U.S.\$14 per ton, not per barrel; a barrel was worth U.S.\$2.

As a result of the conflicts in the Middle East, at one of those times, some response mechanisms were created. An organization was born and prices rose considerably, to a high point which reached, I remember, U.S.\$35 per barrel — I don't now know in what year exactly, we will have to check. The price went up and up and up until later it began to slowly fall and fall for some reason or other. Oil production increased greatly. Industrialized countries looked for substitutes.

France, for example, developed an atomic energy plan until 80% of its electricity was generated by nuclear energy. Some countries like Italy did not build nuclear power stations, there was a lot of resistance, but then, in the early morning hours when the French had a surplus of electricity, the Italians bought electricity from them at a price, I think, of four cents a kilowatt. They closed down the thermoelectric stations during those hours and imported surplus electricity from France. Nuclear power stations, due to their technical characteristics, cannot be closed down without shutting down the reactor; the thermoelectric stations can, however, be closed down in the early morning hours, and so they were able to save oil, which was very expensive, and import cheap electric power.

To sum up, the industrialized countries had certain advantages: the first was that all the monetary surplus created by the exceedingly high prices was deposited in European and U.S. banks. So they had the money there to buy the oil they needed, the money recirculated, not to Third World countries but to the rich countries. But those who were industrialized were researching into car engines that would go twice as far per liter or per gallon or three times as far. The Soviets didn't have these concerns because they reached a point where they were producing up to 600 million tons of oil and 700 billion cubic meters of gas, which is equivalent to 700 million tons of oil. In other words, the USSR had the equivalent of 13 billion tons of oil, so apart from nuclear generating stations and apart from the hydroelectric stations it had built, it had more than enough oil and the world demand was not so great.

Sometimes I think they were not very worried because they certainly didn't have anywhere to store the gasoline and, in order not to have to throw it into the sea, they used it in engines which, as you know —the engine in the Zil for example— did nine kilometers to the gallon and some buses, especially the gas driven vehicles, trucks which were mostly what we bought, adjusting ourselves to the offers we received. The diesel ones were a little more fuel-efficient. This is important because those were the trucks we had left later on when the oil ran out. Add it all up.

The industrialized countries put their technology into practice, their research centers and their other options and they multiplied, you might say, the use of the energy contained in one ton of oil, compensating for those price increases using the methods I've mentioned and others. They also saved fuel in industry, always number one, when manufacturing cement, when manufacturing steel, when manufacturing anything. The fundamental priority was saving energy, saving fuel and they had the means to develop these technologies, plus the money on deposit in their banks.

Those in the Third world had neither money deposited in their banks nor the possibility of developing

the needed technologies, so what they did was to go incredibly deeply into debt. Since the banks had so much money on deposit, which came from oil, they lent money to many countries, including those in Latin America. At the time of the triumph of Cuban Revolution, in the first two years, 1959 and 1960, I think that the Latin American foreign debt stood at around US\$5 billion dollars, there was practically no foreign debt. It grew a little when the Revolution triumphed and the neighbors to the North began to lend money and provide services to Latin American countries, something they had never before done for those countries.

When the dance of the oil millions began, they lent the oil money without making any inquiries and thus they wasted and spent an incredible amount of money. Something else, however, also occurs in those Latin American countries. Since their currencies —any currency, no matter what its name is, peso, real, whatever— are all unstable and lately more so than ever, those who possess any money that arrives there are afraid that it will be devalued and that if they have the equivalent of \$100,000 it will turn into \$50,000 or \$20,000 or into even less. Therefore the tendency of the money loaned to those countries was for it to go back to them, either to pay for imports or as flight capital. See how the economy works, or worked, because that is not going to last much longer.

The oil money is kept in their banks, and this money is lent to the south and from the south it goes back to their banks. In each of these rounds what gets left behind is extreme poverty and more and more poverty and more inequality between the rich and poor countries. Thus this hemisphere, which had no debts, today owes about U.S. \$900 billion and then there are catastrophes, like the ones we have just witnessed in Argentina or in Uruguay. These catastrophes threaten who knows how many countries in the midst of this economic crisis, because a substantial proportion of exports have to be used to pay off this gigantic debt which they have already paid off once and are paying again. So since it grows bigger and bigger daily anyone might wonder: what possible future do these countries have? One doesn't have know a lot about history to understand that what awaits them is one crisis after another until crises become generalized and insoluble in this hemisphere.

Half the population going hungry is something never before been seen in a country like Argentina, which has two head of cattle per inhabitant, 60 million tons of grain, is self-sufficient in oil and other fuels and has a certain level of industrial development. This is the result of capitalism turned neo-liberal capitalism and then, neo-liberal globalization also creates these situations.

The theoreticians of the North, from anywhere up there, the university professors, should be asked, how are you going to resolve this problem? Because when they find a solution, they are already sinking even deeper. And crises, in that way, are going to become more and more frequent. Let's suppose they manage to get out of this one, how long will that last? Too many things have happened in the last decade to think that there might be an immediate period of growth. When one thinks about it, for every period of growth the abyss gets deeper and deeper, the system in the capitalist countries themselves and on a world level...

We now —this country — are surrounded by this crisis; it's impossible for it not to affect us in one way or another. However, if anyone sets out to compare the current situation in our country they will see a picture of new schools being built, the number of children per classroom being reduced in barely two years in the capital from 37 to 20 or less, because it is less than 20; mountains of new programs for training urgently needed, intensively trained teachers, for training urgently needed teachers for junior high schools, for social workers, all kinds of schools which offer young people the chance to go to university, opportunities that are almost limitless. And at the same time unemployment is not increasing, it is declining and this year it's already at around 3.5% or less.

A source of employment has been created, employment of all kinds for young people; for many young people who had no future, whose parents were worried about their future because families have two great hopes or have one great hope and one big worry. Hope number one is that their children get the chance to go to university; worry number one is that their children, without studying and without working could stray into the path of crime and could be punished and sent to prison.

All these plans that are being made for tens of thousands of young people mean employment at relatively young ages, knowledge, dignity, self-esteem and the chance to widen their future horizons and their future sense of self-worth and future social recognition. We have seen this happen.

A school built in six months for 2,000 social workers in Santiago de Cuba which has already graduated its first students and is getting ready to graduate the second group; a school in Holguín for another 2,000 —in this case a school of nursing, because we began to notice a shortage of nurses in Havana; dozens of social programs underway in the midst of a battle of ideas and which emanated from the battle of ideas, because the battle of ideas has strengthened the Revolution and has provided it with an extraordinary experience.

As we saw what happened all over the place and as we worked all over the place, we discovered newer and newer possibilities to satisfy newer and newer needs, or rather old needs, some of which we didn't even know about.

I would talk too long if I were to explain the social programs and the significance they have.

I have seen many visitors completely amazed, people who have had their heads filled up with lies and slanders about Cuba, when they understood that there are things where we have already achieved more than all other countries, including the developed countries, and we are going to stay ahead, this is a breakaway, they won't catch us up.

They won't catch up to us in education nor in health, [we will have] an excellent health service, not the one we have now when the country is suffering from the aftermath of special period, the aftermath of our mistakes too, and of subjective factors in our approach to some problems, but we are going to have an excellent medical service.

Culture is being revolutionized; there is a cultural explosion in the country. As we were saying to the dancers in the Garcia Lorca theater a few days ago, we have the idea, which might seem to be a dream, of being the best educated country in the world, in the broadest sense of the word; a country with a general, all round education, which includes not only professional learning but also knowledge about science, arts and humanities. We will be [the best-educated people in the world] by a broad margin and in a short space of time, — in some things we already are the best-educated country in the world.

Today we have human capital, which is something essential; more human capital than any other developed country in the world. They cannot recruit 500 or 1,000 people to send to Central America, they cannot recruit 1,000 doctors. Europe and the United States together cannot recruit the almost 3,000 doctors and health workers —even paying them the salaries they pay— that Cuba has working in 21 countries in the underdeveloped world. Nor can they have a school like our School of Medical Sciences with its 6,000 students, the overwhelming majority of whom are from poor areas of Latin America, plus another 1,000 from the Caribbean and from other parts of the world.

So our country today, in the midst of this crisis when we can see the catastrophe that is all around us, has not had to close a single school, has not had to give up any of the steps, any of the programs it is undertaking,

I am speaking to you optimistically, but the thing is you cannot even imagine the possibilities our country has if it does things the way it should. I have never seen so many possibilities which in the end will destroy, smash to smithereens the slanders and campaigns against Cuba. These opportunities will give our country strength in all fields, and the moment will come in which this immense amount of human capital will turn into economic wealth. I am not going to stop to explain why, but we know very well why.

I have spoken to you of the panorama we see around us and the contrast between it and ours; and

when, here in this ceremony, which has a very direct link to these ideas, I say do the things we must do, what we must do is very clear.

I can give you some information, what was the plan in this situation of enormous crisis. First there is one thing we have to remember. The socialist camp and the USSR collapsed and our sugar, which at one time reached a price of 40 U.S. cents [per pound] most of which we exported to the USSR —in the USSR it reached that price, it was less in other socialist countries, naturally. The Soviets had a resource with which they paid us, basically oil. The other socialist countries, depending on their ability to pay, also gave us preferential prices, 15 U.S. cents — that was an excellent price— and some of it we sold on the world market. When the USSR became a big consumer of imported sugar, that fact also influenced prices and influenced markets.

At one time I think the price dropped somewhat, because oil prices began to fall, even though we tenaciously defended the prices we had, arguing the principle that socialism means, first and foremost, helping the least developed countries in the socialist community to develop.

Even the capitalists in Europe, the European Community, have applied this principle. Among their members were countries like Portugal and Spain and others with a per capita output that was maybe half that of other countries and they got together, set up funds to help those European countries which were less developed, in order to help them catch up, the idea being to create the European Community which now exists and today issues the only currency which can compete with the dollar. Before the dollar was the one and only, now there is the Euro. We shall see how things develop, if it consolidates itself, if the Euro becomes a real, strong competitor for the dollar. From now on the money that escapes will not only go into dollar deposits. It will of course continue to escape, because they [poor countries] have no way to prevent it from escaping, not only because of corruption but because the system destroys them and forces them and because the International Monetary Fund forces this to happen, forces them to pay debts, to close schools, to close hospitals and obliges them [to give in to] the constant blackmail to which countries are subjected in order to be given a loan. This is the situation and nobody can deny that.

A prestigious Nobel Prize winner has just written a book talking about incredible things. He was one of the directors of the World Bank, talking of the established economic order. This writer is not an adversary, he is not a Marxist, he is an American Nobel Prize winner. It would be worth while to talk about and comment on what he says, it's incredible. It's not that he puts forward a new theory about what has to be done, but that he talks of the dreadful things that they have been doing which lead up to the brink of the abyss.

It would be appropriate to ask if it is the most logical, and it is almost the only thing that one can ask oneself, can such a system free itself from these methods? It would have to cease to exist, it has to apply them but by applying them it will also have to cease to exist. These are laws. Ways? These are going to be very diverse; they have not yet come on the scene, there is a whole arsenal of formulas. In Argentina they have changed government two or three times, an economic crisis appeared in Indonesia, as you know. It was the gendarme, had a powerful army supported by the West and the personal fortune of the head of its government amounted to U.S.\$40,000,000.

The people will learn and will adopt its own measures, in some places, the subjective factors. Look for example at the number of votes Lula received. And news is now coming in from Ecuador that a leader considered to be radical, originally a soldier, who is said to be a big fan of Chavez, was in first place in the primary elections. I imagine that everyone will now get together to try to block him, but you didn't see these kinds of things before.

We will see what happens in Uruguay, access to power will be gained one way or another, the Argentinean way or the Brazilian way. Now don't go thinking that this means a revolution; it means popular and progressive forces will gain access to positions of power. However, they are going to find economies that are so tied to and dependent on all these made-up formulas that they won't have an

easy job at all, so one can't expect revolution or immediate radical changes. No, no, the peoples' struggle will begin, the peoples' consciousness will be raised, and they will gain more knowledge.

Many citizens of the developed countries and many Americans —they organize through the Internet— will also be involved in the struggle to change this economic order. Citizens of the United States, Canada and other developed countries, with the support of Latin American intellectuals and activists, have organized big struggles in Seattle, in Quebec, in other American or European cities. When there are meetings of the Monetary Fund and the World Bank, the growing resistance is amazing. It had began to grow even before the crisis; people were worried about natural disasters, about environmental destruction, people who have become aware of poverty and hunger in the world, in a world that today has 6,300 million inhabitants and all kinds of very serious problems.

What is this world going to do? They can't start dropping atom bombs on it. This world is pressing to emigrate to developed countries, almost, almost invading them, risking their lives. On the Mexican border alone it is calculated that about 500 people die every year trying to emigrate. Pressure to emigrate will grow because there will be no other alternative but to develop the Third World but nothing that is being done contributes to this but on the contrary, it makes it poorer and poorer, there are measures to increase the plundering and exploitation.

Millions of consciousnesses in the developed countries themselves have been raised because of the magnitude and the seriousness of the problems and dangers that threaten the world.

I have given this explanation so that it can be seen more clearly what this order is creating and how our country, with its political system, this united people which voted today, is calmly advancing towards the future. One can see, for example, something phenomenal. Often our voters lists often reflected under-registration, because people who were out of the country at registration time did not appear on the list. Well, the number of people who are registered over and above the previous election, two years ago, reached 300,000, a spectacular increase!

Sáez told me that more than 98% of those registered voted. And we know it rained. In Havana itself yesterday there was one of the heaviest downpours I have ever seen. The opposite of what happens in the provinces happens in Havana, at midday 80% of people might have voted; many people vote in the afternoon. Yesterday, of course, this had more impact. According to the information I have, I think that, in spite of this, it was about 95.6% when the polls closed, or something like that. The number of those registered who did not vote was 4.4%. But turn-out was excellent, as was the enthusiasm.

They told me that in Arrtemisa 99 and a bit per cent of those registered voted. That is incredible. (APPLAUSE) There you have our people's unity, their general education and their political culture, their fair social system, or one that tries to be fair, tries and will always try to be ever more fair.

We are quite aware of the inequalities brought about by special period, among other things. But none of that prevents us from undertaking our social programs which can be summed up in a single sentence, let's say. The child of any Cuban family receive a better education than the child of American millionaires and multimillionaires.

Our education system is already in a period of reform and improvement because it still has many gaps but with gaps and all — and there are quite a lot of them, we are aware of that and we also know how we are going to solve these problems— at the primary level all the necessary conditions are being created to achieve the optimal quality. Now only 2.6% of children in primary school are in classrooms with more than 20 pupils. This problem should be solved by next school year, this figure should be zero by then. And Havana, which used to have the highest student/teacher ratio, almost 40 per classroom, and in hundreds of them, between 40 and 50 per classroom, now has a teacher and a classroom with no more than 20 students. You can see what a huge leap forward that is! Industrialized countries have dreamed of this and not one of them has achieved it nor will achieve it because they will not find the human capital in their system. They cannot motivate, as we have motivated, thousands and thousands

of young people to become primary and secondary school teachers trained in a new, intensive courses. We are now working on the secondary school level and from there upwards.

Being able to say this is something that only one country in the world, a Third World country, a country blockaded for more than 40 years, attacked, threatened, submitted to sabotage and terrorism until very recently can say, it has achieved it.

I mentioned, for example, the example of our doctors. I stress once again that our situation is different.

I was explaining that the measures related to sugar had to go back in history, to achieve what was achieved, the most extraordinary increase in wealth, resulting from the sugar industry. When the collapse came, here are some figures: in the year 1992, the price of sugar on the world market was 9.04 cents, and production that year was seven million tons. The USSR had fallen, it had disappeared; the price had already been reduced to 500 rubles, and then the preferential price was reduced to zero. When they bought any quantities at all, they bought them at nine cents. We had to seek out new markets, we had to seek out everything. Naturally, the cuts had already begun, there were already a lot of products that did not come in 1992. But at that price, sugar production was still profitable; the revenue it brought was infinitely lower, but it was still profitable.

What was the price of oil in 1992? It was 15.99. If oil is at 15.99, and sugar is at around nine or ten, then it is still profitable.

Production dropped abruptly to four million from one year to the next. This is when the effort began to raise production again, but it was very difficult. Without fuel, without fertilizer, with a major shortage of inputs, it was very difficult to surpass this figure. On the contrary, production decreased even further; at one point it went down to three million. Nevertheless, the effort continued to be made.

In 1993 production fell from seven to four million. The price of oil was 14.25, the price of sugar on the world market was 10.24; it had risen by just over one point.

Then came the year 1994. The price of oil, 13.19; the price of sugar, 12.04 on average.

In 1995, the price of oil was 14.62 – it had gone up a bit – and the price of sugar was 12.04.

In 1996 the price of oil went up to 22 dollars a barrel. The price of sugar went down to 11.41.

In the year 1997, the price of oil went down a bit, to 20.61. The price of sugar was 11.36.

In 1998, the price of oil went down again to 14.19. The price of sugar went down, to 8.77. That is to say, as of that year, sugar has consistently been below the price of oil, which rose to 19.32 that year.

In 1999 the price of sugar went down to 6.14, and oil was still at 19. In 2000, the price of oil was 30.35; the price of sugar, 8.14.

From that time on, with the exception of 2002, when it went down to 19.32, the price of oil remained between 20 and 30 dollars. For example, in 2001, the price of sugar was 8.36, and the price of oil was 25.85.

In 2002, the last harvest, the average price of sugar was 7.43. This was creating an unsustainable situation: the price of oil rising, the price of sugar dropping.

There is a circumstance that should be taken into account: in 1959-1960, after the triumph of the Revolution, with one ton of sugar, at world market prices, it was possible to buy eight tons of oil.

Today, at current oil prices, which have been hovering around 30-something, it takes two tons of sugar

to buy one ton of oil.

But back then, in addition, the sugar industry barely consumed any oil. The development of the Revolution led to the need for the mechanization of the sector. Those who lived off of cane cutting completely disappeared; and tens of thousands of people from the cities had to be mobilized to cut the sugar cane, until the machines appeared and the harvest could be mechanized.

Before the Revolution, almost everything was done by hand. With the exception of a few farms that had a tractor or a truck, all of the sugar cane was cut by hand, 100%. Oil was not needed when people cut cane. Once the cane was cut, it was gathered by hand, every last bit. It did not need to be transported to any of the hundreds of collection centers in the country today, which clean the cane cut by the machines, removing the straw, and using electricity. In other words, the cutting, gathering, transportation and treatment of the cane, and a large part of the planting, were all done by hand, and using oxen; lots of hoeing in the months of July and August. And there were more than enough people to do all of it. They cried for any payment at all offered to weed however many hectares of cane, they begged for work, in the off season, weeding the sugar cane by hand.

Then came the equipment. Machines and trucks compacted the soil, and then came subsoiling. Chemical products were used to eliminate weeds, but were very costly. Fertilizers were used to maintain the production capacity of the land.

Today, producing a ton of sugar at current oil prices raises the cost in hard currency of that ton of sugar by at least 40%. And so, what was the plan? The initial plan aimed for reaching four million tons in 2002, this year. But along came a major hurricane that wiped out the cane, cut it right down. In important provinces like Havana, Matanzas, Villa Clara, Cienfuegos and Sancti Spíritus, to a greater or lesser extent, it knocked over and destroyed the sugar cane with winds of over 200 kilometers.

In addition to all of the problems I have mentioned, of a historical and economic nature, there is also the fact that we live on an island, where there can be serious droughts, or sometimes severe flooding –climate changes have been highly visible in our country in the last few decades – and also hurricanes.

It was truly incredible to see two hurricanes pass through this year, along the same path, only 10 days apart, and wipe out the citrus crops on the Isle of Youth, and the citrus crops in Pinar del Río. Everything was on the ground, destroyed. They barely managed to gather up what could be salvaged and shovel it into a few trucks, to take it to the factories, and even so, they only managed to recover about 10% of its potential worth.

When the first hurricane passed through, grapefruit were selling at 1000 dollars a ton. Solely through the citrus fruits knocked down, the country lost between 15 and 20 million dollars, because these grapefruit ripen early, at a time when no one else can provide them to the market.

Two hurricanes came through in the space of 10 days. You have seen the mobilizations of people to Pinar del Río, because now they have to save the tobacco crop. This has put pressure on the country's reserves of products and everything else, a lot of pressure. But we told them in Pinar del Río, "Do not go below this figure, this amount of materials, and replenish it; never fall below this point, because another hurricane can come along." That is what we said in Pinar del Río at the time of the first hurricane, and ten days later we were back in Pinar del Río. The second hurricane had passed through, and when the second hurricane passed through, we told them again, "Do not go below these minimum reserves," even if it is for first aid, for providing some amount of housing or food. There are food reserves for these situations. And we were being threatened by a fourth hurricane.

The attitude we adopt in the face of a difficult situation is always the same. We imagine that it has already happened and begin to think about what needs to be done. We thought we were going to be hit by a fourth hurricane in less than a year, and that just a few days before finally completing the program for repairing, rebuilding and building 160,000 homes as a result of Hurricane Michelle, we were going to

have to start to repair the homes damaged by this hurricane. So, in other words, weather conditions always pose an element of risk within our plans for the production of sugar cane and sugar, and when a hurricane comes through, a large amount of cane has to be cut by hand. I am talking about objective factors.

Then, when the price of oil went up, situations arose. What was the production target, for example? Four million tons of sugar. Projected inputs: 412 million. Revenue from the 2.9 million tons left after subtracting the sugar for domestic consumption: 433 million. Therefore, under these circumstances, the labor of 450,000 direct workers, two million hectares of land, and all of the capital invested in industry and machinery, combines and trucks, would yield the country around 30 million dollars. With the level of culture and knowledge possessed by our country, this can be clearly seen as something dramatic.

Speaking of sugar prices, I should tell you how they were evolving this very year: in January, 7.43; the average price of oil until now has been 26.95, but it continues rising, and the threat of war in the Middle East – now they are going to wage war on Iraq – could considerably raise these prices. No one knows, no one is in a position to say what could happen if there is a war in Iraq, if the price might go up to 40 dollars. Contingency plans have been drawn up in the event of a drastic rise in price, over 30 dollars. We would basically guarantee essential services, food, electricity, a number of things, and say: let us dig in here and wait for two, three or four months to go by. Because it would create an extremely difficult situation, and not just for the sugar industry, but for all areas and services of the economy.

We must not forget that the terrorist attack on New York dealt a heavy blow to tourism, which had already been suffering a certain reduction in growth because the price of oil had raised the price of traveling, and the majority of tourists who come to Cuba travel from 8000 or 9000 kilometers away; the vast majority come from Europe, or Canada. An increase in oil prices raises the price of airfares, it has an effect. But in addition to this, an economic crisis was already in the making, it had been evident since 2001, an international crisis, and this would also have an effect on tourism.

And so tourism had continued growing throughout all these difficult years, almost 20% annually, and then, suddenly it fell by 15%, and a heavy blow has also been dealt to other exports, like tobacco exports, for example.

I was describing the evolution of sugar prices this year: January, 7.43; February, 6.25; March, 6.06; April, 5.75. Well, in April it became crucial to urgently adopt a decision, because the plan to sow 286,000 hectares was absolutely impossible to implement, it would have been disastrous, that was obvious.

If you analyze the situation of sugar on the world market, you will see that the price protection agreements of the past disappeared with neoliberalism and neoliberal globalization. The same thing has happened to the agreements on coffee, and this has been catastrophic for the countries of Central America, for example, which depend a great deal on coffee exports. In other words, the basic export commodities of countries like these have been subject to serious problems.

It was in April that an urgent decision was made; not another week could be lost, the only prospects for the future were extremely low estimated prices for the coming year. Imagine if we had sown the 286,000 hectares. There were already 8000 prepared and partially sown, fine, but not a single hectare more could be sown at that time. And we began to save right there, because with regard to the estimated expenditures, which would reach around 412 million – this was for the year 2002 – drastic measures were initiated to reduce fuel consumption.

We also must not forget that in April there was a fascist coup attempt in Venezuela, which interrupted our supplies, and for several months. This also had an effect, because we had to spend even more money to obtain oil. In situations like these, you have to devote the available resources to vital matters. And so this was when the decision was made to restructure the sugar industry.

What does this signify in economic terms – this is very important – this thing we are doing? Already,

faced with the prospect of a product with very few possibilities, this immediately means that the speculators control this market, and so no one can be certain of any price.

And then there is the matter of excess production. India has a reserve of 10 million tons, and it has raised its production to over 10, or over 15, I do not have the exact figures. Some told me that sugar production in Brazil is 20 million tons. The sugar cane that they had sown at a given point to produce alcohol, because oil was very expensive – at the time when it went up to 35 dollars a barrel, as I was saying, they sowed large quantities of sugar cane to produce alcohol to use instead of gasoline, because gasoline cost 500 dollars – later, when oil prices started to go down during a certain period, they converted this cane to sugar.

Mexico also increased sugar production; the United States was supposed to purchase a certain amount, but did not. That is to say, many countries increased sugar production, and now they are facing an extremely difficult situation.

But this is not, you could almost say, the main enemy of prices. The food industry has developed something called fructose from corn. It is a natural product with a higher sweetening power than sugar. I remember the times when there were little pills people used when they did not want to consume sugar, but then some said they were harmful to your health. But in this case that cannot be said, because this is a natural product, made from corn. The protein is used for other purposes, for other products. It has much higher sweetening power than sugar, and it costs half of what it costs to produce the same amount of sugar from sugar beets or other sources.

So we have seen the price of sugar decrease further and further, we have seen the downward trend, and now with an international crisis, the poor countries will also be forced to buy less sugar. There are no visible prospects for the future, no logical basis to believe that the price could rise again, even if only to 12 cents.

There was only one logical thing to do: restructure the sugar industry. What does this mean? Simply, to select the best sugar mills, with the best lands, the ones that produce or could produce sugar at a cost of less than even four cents. Of the 155 sugar mills, 71 have been selected that could reach this goal, according to all the calculations made, the efforts that have been underway, the work that Ulises mentioned here regarding the composition of the stock, and so on, so as to reduce costs to less than four cents. If it goes to four and a half cents, at least you do not lose money from the other revenues obtained by the country. The country exports tobacco, the country exports nickel, the country takes in revenue from tourism, the country receives revenue for services, the country has sources of income that have sustained it. But when you reach a point like this, it is impossible to plan on sowing 286,000 hectares of sugar cane; it is impossible to produce sugar like we have up until now.

Fine. But restructuring does not signify anything traumatic. There will be 71 sugar mills left from a total of 155, but the 71 have been well chosen. There is the Lincoln sugar mill, for example. There will be 71 sugar mills, and 14 syrup mills, to produce enriched syrup, for a total of 85, while 70 will no longer be used in sugar production. Is this a major trauma? No, because in the last five years, around 45 sugar mills have been out of use, almost all of these, except for two or three, have been out of use for five years; an average of 45 over the last five years, and for the last harvest, the one where we planned to produce four million tons, there were 50 out of use. So in fact, there are only 20 more sugar mills being shut down permanently than were shut down during the last harvest. It might seem like a terrible trauma, it might appear that way, but since there were already an average of 45 out of use and 50 shut down in the last harvest, there are really only 20 more sugar mills being shut down now.

According to the bases on which the restructuring is taking place, this will mean a savings of 200 million dollars, through the restructuring and the new production target, and revenues of around 100 million dollars.

There are some Third World countries that subsidize sugar. Brazil, for example, provides millions of

dollars, hundreds of millions of dollars in subsidies for sugar production, because if a certain number of mills were shut down, it would lead to very serious social problems for the hundreds of thousands of people who would be left unemployed. It is impossible, and this is the cause of one of the biggest headaches facing sugar cane producers.

In Mexico, I have heard, the sugar mills that were privatized under the influence of certain illusions are now being taken over by the state again. That is the role of the state in capitalist countries: every time an industry is in ruins, they take on the burden of all the costs and expenditures. In any of those countries, closing down a sugar mill is a tragedy.

In our country, the fact that 50 sugar mills were not in operation in 2002 has not been a tragedy. Not a single worker has been left without protection, without a salary; they have lacked for nothing. Our socialist state could shut down 45 sugar mills, without anyone realizing it. On the contrary, many things have improved at the sugar mills. They have been building homes, they have been improving the food provided to the workers, they have even been carrying out cultural activities. They have been organizing and creating a structure for sugar cane production in conditions favorable to this task.

The only thing happening now is the decision to permanently shut down the sugar mills that incur major losses. And far from creating problems, we know that there has been full understanding on the part of the sugar sector workers, in both the industrial and agricultural branches, with whom meetings were held as soon as possible, when everything had been well organized. Remember that the decision was made in April.

I publicly explained the need for doing this, and everyone knew that a restructuring was going to take place. There were of course concerns and questions, but all of these problems have practically been resolved.

Not a single worker will be negatively affected in the slightest. On the contrary, they will benefit considerably.

For the moment, the country is saving 300 million dollars; this is like a contribution of 300 million dollars to the economy. An expenditure of 200 million has been canceled, while 100 million will be earned; if there were to be an increase in sugar prices at any given point in time, the revenue would be a bit higher.

The remaining sugar mills have the capacity to produce up to four million tons. In addition, if it were deemed advisable, due to an increase in prices, the syrup mills could produce sugar as well. We know what every hectare can produce, if you irrigate, if you use fertilizers and have the necessary computers, or if we all have the capacity to do the calculations and realize that we are putting ourselves in a situation where there can be no harm done, and on the contrary, we can take advantage of any eventualities.

I was saying earlier that this was historic. Well, first I wanted to say something. This restructuring does not mean the disappearance of the ministry, far from it, nor of the hundreds of thousands of excellent workers, so well organized and with so much awareness acquired throughout history, and above all during the pre-Revolutionary and Revolutionary struggles in our country. It is entirely just that we should strive for this force to produce much more for the country, for the economy.

The sugar industry will not disappear, far from it. On the contrary, new lines will be developed. I could cite, for example, some of the major production areas. Sugar, including the 600,000 or 700,000 tons we consume ourselves, on which we can save more than 40 million. You see, there are the revenues obtained by producing sugar at less than four cents and continuing to strive to lower costs even more, and then on the sugar we consume ourselves, that is not exported, we save over 40 million dollars. Our sugar, the sugar we buy, will cost the country 40 million dollars less in expenditures. Just look at the benefits.

Energy will be produced. They have considerably improved the production of energy with the bagasse that is available. Final syrup: apart from the 14 syrup mills, the 71 will also be producing their corresponding percentage of syrup. Enriched syrup, which is something else, it is not final syrup, but rather the enriched syrup that will be produced by these 14 syrup mills. Liquid sugar, which is used extensively in the food industry. Yeast, a form of protein with a variety of uses. Organic sugar, because around the world there are a growing number of people who are terrified of pesticides, leading to an increasing demand for organic products that are not treated with any kind of chemical pesticides or herbicides or fertilizers, and that are fertilized instead with manure. Sugar cane wax, for the production of high molecular weight alcohols, in other words, for the production of PPG, a pharmaceutical product that is increasingly admired in the country and abroad. Sorbitol, another product with various industrial uses. Furfural; fatty acids; preserves; and other traditional and new products. New products are constantly being sought out. There is, for example, something called refined alcohol, an extremely high grade alcohol with a very high price, but with a limited market up until now. As the markets for some of these products grow, the decision can be made for a certain syrup mill to be devoted to producing this kind of alcohol, or for a certain sugar mill to be used for some other purpose, and when the calculations are made carefully, this will contribute more to the country's economy.

Another thing: the Ministry of the Sugar Industry will use the surplus lands to produce vegetables, fruit, milk, meat and other food, as well as wood and paper, which may be among the most promising production lines, given the extremely high prices of paper and pulp owing to the growing shortage of forests around the world.

All of these projects have been carefully studied. In some cases they may be changed; for example, a product may emerge that is more profitable.

They also produce organic fertilizers. There are considerable prospects for organic farms, because the produce raised on them could one day be exported, and these crops would be highly profitable.

The fact is that a million hectares of land will be available to them, over a million hectares, and much of this land is not currently under cultivation, because it was reserved for sugar cane.

The workforce now made available is not that great in number. These 20 sugar mills closing down, added to the 50 that were already not in use, will entail a labor surplus of between 58,000 and 60,000 workers. Many of these workers have had other employment during the time the sugar mills were not operating in one area or another, they help out. And so the potential workforce is no greater than 60,000, according to the studies carried out.

Fortunately, alongside the need for restructuring, and finding a solution for these workers, an upgrading program emerged for all sugar industry workers who chose to use it. How many so far have opted for the study program as full-time employment? I believe there are 33,200, more or less. How many are there, Ulises? There are 33,170 registered. And how many are registered in total for the course beginning on this historic day? There are 84,271, correct? That is because there are over 51,000 who will continue working and attend the upgrading classes at the same time. So the program that was conceived for the surplus workforce has now been extended to those who will continue working, because otherwise, they would be at a disadvantage, and there are 51,000 of them registered in the upgrading courses. Therefore, these courses are not only for those who make up the surplus workforce, but for a larger number of people. Who knows how high the total number could rise, surely it could reach 100,000.

I remember when we started the comprehensive upgrading programs for unemployed youth. At the end of the course there were 86,000, and today there are 116,000 young people between the ages of 17 and 30 registered, with every opportunity to study. There are over 30,000 who are senior high school graduates, and will soon be able to begin higher studies. They can either find a job or continue studying, as they wish. Any one of these workers in the upgrading courses can study, whatever they want, practically whatever they want. A workforce is being saved and trained, and if the moment comes

when they are needed, if new industries are begun here or elsewhere, we will have people who work in mechanics and have received vocational school training, or vocational training school graduates and have become engineers, or engineers who have continued to study and earned master's or doctorate degrees in engineering. Just imagine.

Now then, you all know that the average educational level in our country is already higher than ninth grade. And that does not tell you everything, because in the near future, with the new techniques being applied, and the programs being carried out, ninth grade graduates will have three times the knowledge of a ninth grade graduate today.

But there are also areas in the countryside where some people have not reached sixth grade. Many have learned to read and write, but have not gone past the sixth grade level. I do not have the exact figures by age group, but the average age is around 30. Now there are tens and thousands of young people registered who can study whatever they want, and they are guaranteed something that no other country in the world can do, not only because the system does not allow it, but also because they need a surplus of workers. We have a workforce reserve that is studying and being trained.

We can have 19 students per primary school teacher, but we can have 20, or 19, or 18, or 17, or 15. The quality of education is better that way, and we are going to do the same thing in the secondary schools.

Today a high school teacher has 40 students in each class, and can have 200 or 300 students altogether. Sometimes they do not even know all of their names, and they have no relationship with the students' families.

The program we are carrying out in the high schools is aimed at having one teacher teaching all the different subjects, with one teacher for every 15 students. This does not exist anywhere else in the world.

All of these things I am saying about education explain our absolute and total certainty that we will move ahead of all the rest, because we know what is happening in other places, and why it is impossible for them to apply the measures that we are applying.

And so there are a number of people, around 7000, who will be undertaking sixth grade studies in these schools, and then seventh and eighth grade. All of the rest have more than a sixth grade education, and many are junior high school graduates.

A total of 22,239 will be taking senior high school courses. I imagine that each one will choose what is best. If a man is 35 and a senior high school graduate, he can be given refresher courses and then study for a university degree. If he is 40, he may still have 20 working years left. If he is 20, it is better. If he is 35, he can work until he is 65.

There are many people who are 70 and do not retire, there are a huge number of professionals and intellectuals who do not retire at 60, and there are some professions where people are 80 and continue working, particularly in the intellectual sphere.

Now then, there are 10,639 in upgrading courses for higher level education; 5495 university educated professionals, because they, in this restructuring carried out by a government commission, with the ministry and the various organizations, have worked on drawing up these programs, which are tentative. One of these numbers could change, not only the number of those completing senior secondary studies, but also those in upgrading or refresher courses. And so there could eventually be as many as 20,000, or 30,000, or 40,000 who opt for university studies, while those who are already university graduates could opt for other degrees.

The sugar industry alone will contribute 4433 instructors, and I am not referring to that list anymore, which at this point includes 84,271 people, as I said.

As you can see, this is a form of employment. As part of the restructuring, they carefully reviewed everything, and not only those who work in the industry, but also in the support structures and enterprises, and there are thousands of university educated professionals available. And so now, not only are over five thousand going to undertake university studies after already having completed university degrees, but also they will provide 4433 instructors. You can see that this is a form of employment, these workers will become teachers.

Here we had the good fortune of seeing someone who was once a teacher, and then for many years was in charge of a group of cadres, but who has now proudly proclaimed here that she will go back to teaching. It was impressive to hear her speak and see her enthusiasm. This program is creating 4433 teachers in this way, who will enrich the hundreds of thousands, the more than 200,000 teachers in the Ministry of Education. You can see the benefits.

The Ministry of Education will provide 1617 teachers. There is no need for any new buildings, because the classes begin at 5:00 p.m., when all the high school students have finished for the day. And at all these sugar mills, like everywhere else in the country, there are high schools with computer labs and audiovisual equipment. One of the first things that can be studied, with a certain prior level of education, is computer science, and this will not cost a penny, except perhaps in certain cases where more computers will be needed. There is no need for any new buildings. All the audiovisual equipment is available, with no need for extra expenditures. The teachers are available with no need to increase the education budget.

I think they want to continue working in the sugar industry, and if that is their wish, we must respect the right of these teachers.

Everything will be enriched, the future prospects will be enriched, and there are only 84,000 for now, we will see what happens in the future.

Around 100 sugar mills have technical schools, built a number of years ago by the Revolution, they have everything. And if more classrooms need to be prepared, any of these rooms that are freed up can be prepared.

What must be done now is to pay close attention to everything that happens, day by day, how large the numbers grow, how many workers decide to study, and not only as a form of full-time employment, but also to upgrade their knowledge. I can assure you that there is a fever for further studies throughout the country.

Languages will certainly be included in the programs, computer science, general knowledge, audiovisual equipment, study programs broadcast on television.

I can assure you that within a few months, seven or eight months perhaps, all of the provincial capitals and a large part of the rural areas will be receiving the new TV channel that is seen today in the city of Havana, the province of Havana, and Santiago de Cuba. The public will be informed of the day it begins to broadcast. The final tests are being carried out in one province, but I do not want to scoop the news from the educational channel, I will let them be the ones to announce the day it begins.

And so by the time this course is finishing up, our whole country will have the educational channel, as added support for all these programs. But in addition, there are 12 hours of educational programming on the other channels, two hours on Saturday, two hours on Sunday. Educational power is growing.

There are other things I have not mentioned. This country is developing a higher educational center of excellence. But we should not get ahead of events. It is already established and functioning, and will eventually have 10,000 students, we believe. The first 2000 are already studying, chosen from among the best senior high school graduates in the country. This capital is no small thing when it goes to work,

I can assure you. We see the same thing everywhere; while universities are shut down and budgets are cut elsewhere, our services to the people, in vital matters, are being increased, doubled or tripled, especially in terms of quality.

You were all witnesses to the 779 schools in the capital that were rebuilt, including 33 newly built ones, 779 schools, and it was all done in less than two years. They started construction in November or December of 2000. When visitors come, they simply cannot believe it.

We also have pilot projects underway in secondary schools, involving thousands of students. Around 7000 young people are receiving intensive training as junior high school teachers in accordance with the new principles, and they will be ready to go to work next year. We should not think in terms of quantity, but rather in terms of quality.

You can see for yourselves whether or not this is an important moment. This has come to surpass the initial goal, which was to provide employment as students for those who ended up as surplus labor in the sugar industry.

There has not only been a reorganization of the sugar mills. In all of the ministry's support enterprises, excellent work has been done, and the better that work is, the more people can be sent to study. But they will also have an advantage: they will no longer have to travel to Havana, or Santa Clara, or anywhere else to study for a university degree. They will be able to undertake university studies right in the sugar mills, just walking distance from their homes, and in the case of some on the cooperative farms, they will be able to get there on horseback.

The real fact that we can announce here today is that each sugar mill will become a university center (Applause). We will have to see how many senior high school graduates there are who have not finished university. Any town that has a junior high school or a vocational school, I repeat, can become a university center. Now that is really something unusual in this world, is it not?

When a school needs to be built, we build it, and we can build it if we save, if we do not throw money away, if we do not throw hard currency out the window, and money is being saved. And not only in this area; a whole series of measures are being adopted to save hard currency. And that is not all: the country's production of oil and gas is increasing, and by the end of this year, we will be producing the equivalent of 4.1 million tons.

Something else: next year, practically all of our electricity will be produced with our own fuel. What does this signify? The Guiteras plant, as soon as it goes into operation, thanks to certain investments, will save the country, at current fuel oil prices, 50 million dollars in fuel. And Cienfuegos, which is the only electric power plant still pending, with an initial investment – another will have to be made during the next two years – will already be saving 30 million dollars.

Add up 50 plus 30: that makes 80, and at the same time we are making investments in oil drilling, that have absolute priority. We are also investing in joint ventures for land exploration. The oil that is shared with the international companies is a bit more expensive, but our own can be produced for 40 dollars a ton, while the cost of fuel oil today is 160 dollars. In the joint ventures, we are partners, and the cost of the oil is slightly higher, because in these cases we have to add the part that corresponds to the foreign partner; that amount is reduced to a certain extent after their investment is recovered. The cost will end up being around 60 dollars a ton. I could add that there is a program underway for investment in oil production, in order to reach 4.8 million tons of oil and gas next year. An increase of 700,000 tons of oil equivalent, that will not only serve to replace fuel oil in the thermoelectric plants, but in other important production lines as well.

To continue increasing the exploitation of the natural gas produced along with oil, the second stage of the combined cycle in Matanzas will be concluded this year; the first is already functioning. The first stage of another plant, here to the north of Havana, is under construction and partially in use. The two

plants will have approximately the same capacity as one of the nuclear reactors we were working on for so long in Cienfuegos. They will operate 24 hours a day and exploit almost 60% of the energy contained in the gas.

These are advances of one kind and another and another, and if we add them all up, it might be possible next year for our country to dispose of some 600 million dollars in resources more than this year, in the midst of this whole situation, and always prepared for difficult times. We have to contemplate all of the possibilities.

If the economic crisis worsens, if a war breaks out, no one can predict the consequences of that war in one of the world's main oil producers. That country has one of the world's largest oil reserves, one of the largest! We must be prepared and organized to respond in the pertinent economic field, always knowing what is sacred and what is fundamental, and that cannot be touched. This country is perfectly well prepared to withstand three months, five months, six months if special restrictions were made necessary by problems of this kind.

This is the current situation in our country, which serves as the framework for this restructuring, this ceremony we are holding, and the beginning of the classes for 84,000-plus fellow Cubans.

I know I have spoken at length, but I felt it was necessary to take up your attention in order to offer you the explanations I believe to be advisable on a day like today, so that there is the greatest possible knowledge of what we are doing.

These are new ideas that have emerged, I tell you, in the midst of the battle of ideas; in a situation in which the country has been creative, and become organized, and developed its capacities. I do not ignore the errors, but there will be other times to talk about errors. We talk about them whenever we can, always in accordance with our belief in telling the truth to the people, without any kind of fear, because that is what contributes to an ever greater political awareness.

I do not know how those countries facing such major disasters will be able to work things out. There are countries, for example, with newly elected governments, that had the support of 70% of the population, but now have the support of 12%, or 13%, or 14%. How can the grave social problems of any country be solved without the support of the majority of the population, at least, without the support of the masses? Everyone knows that nobody trusts any political party anymore, because they have spent too long making promises, promises and more promises, while following a path that leads only to disaster.

Could we solve the problems I spoke of today if our people did not have complete trust in our Party, in our youth organizations, in our organizations of workers, of peasants, of students, of women, of the Committees for the Defense of the Revolution, of millions and millions? Can any one of you imagine that we could face problems of this kind in these moments, without that trust, without that unity of a people that has never been deceived, a people that has already succeeded in achieving a feat that could never have been achieved by any other country? It is difficult to withstand 43 years of a blockade and to have done what has been done in 10 years of the special period. The time is coming to reap the fruits.

For the moment, when the special period arrived for all the rest, and some proclaimed that the end had come for the ideas of socialism, here they will find a country that is prospering, advancing, doing things that countries living under the capitalist system could never even dream of doing. Yes, the feat we have achieved is becoming a unique case in all history.

Now we will see how they emerge from their special period, with all of the consumerism they have created, the world poverty, the 2.5 trillion dollars of debt. It would be interesting to observe the events, and report on them all along the way: they have achieved this, they have made a minor advance, they have regressed here and there. And our people will have enough awareness to know what the world is all about, and what is happening in the world. That is why history is so important, the history of our country, so that they know where things are happening and what the roots were of what our people are

doing today. And throughout the world, because communications truly have become globalized in the world today, everything, the economy, neoliberal globalization has been imposed and has led them to the current situation.

We must continue to work, with ever greater zeal, always prepared for any difficult situation that may emerge, profoundly hopeful about the future that awaits us, because it is being built on solid foundations.

I have nothing more to add, and I will conclude with the certainty, now more than ever, that all Cuban patriots and all Cuban revolutionaries, which has become a grandiose honorific title, will fulfill their duty.

Viva el socialismo! (Shouts of “Viva!”)

Patria o muerte!

Venceremos!
(Ovation)

(Translation of the Council of State transcripts)

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