

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MEMORANDUM ON REASONS OF A SOCIAL NATURE JUSTIFYING THE ADOPTION OF A NEW CUSTOMS TARIFF IN CUBA

Addendum

ANNEX 2

Of the categorical imperatives which have impelled the Cuban Government to establish a new Customs Tariff, the most dramatic is that relating to the need for:

(1) creating new centres of work and enlarging those already in existence, as a means of combating under-employment, unemployment and under-remuneration of the Cuban population, due fundamentally to structural deficiencies in the national economy arising from its colonial formation and other causes, aggravated by a more rapid increase in population than in production; and

(2) protecting the population - as far as possible - from the periodical crises in sugar, the sole main crop.

It is not for altruistic reasons or from humanitarian sentiments that modern governments concern themselves with the opportunities for employment and income levels of their populations. The experience of history has shown that a population which has work to do and is getting a reasonable income, develops a purchasing power which makes it a consumer of a great variety of goods and services, stimulating national production and imports from abroad. It has means with which to educate itself and to live a happy and healthy life. It does not envy the well-being of others; and it is tolerant of the political, social and religious ideas of others. It is, in brief, a factor of national solidarity and progress, and of international co-operation and understanding.

A population with high unemployment and under-employment figures, which is not earning enough to support its families, which has no means with which to enjoy comfortable accommodation, give itself enough food, provide for the health and educational needs of its children, to enjoy leisure and be able to contemplate old age without fear, has not only not got the purchasing power to stimulate the economic activities of the country or constitute a market for foreign imports, but actually furnishes an element of unrest and agitation liable to have recourse to violence. It is, in brief, a factor of national disintegration, difficult to govern and easily penetrated by extremist demagogic propaganda, which engenders international hatred and rivalry.

For that reason modern governments are greatly concerned to facilitate the employment of the human potential of the country, with the aim of creating a state of general well-being which, in that it allows of the development of democracy and freedom, infuses vigour into economic activities. Peoples become ungovernable and bellicose when they have no opportunities of employment or income, and their earnings do not permit them to enjoy well-being.

In Cuba the structural deficiencies of the economy, and the peculiarities of production, have not allowed a development of a sufficiently high national income, stable and well-distributed for each Cuban to feel satisfied that he is able to provide for the necessities of life. Opportunities for employment are not adequate, and under-employment, unemployment, and under-payment are such serious evils that they constitute a factor of social demoralization, economic weakness, and political instability. This situation is extraordinarily sensitive to any national or international event, and has a disturbing effect on the peace of the home and the outlook of the young. The fear of poverty, arising from the inadequacy of incomes, and lack of confidence in the future, due to scarcity of opportunity, cause a tendency to seek to solve problems by violence.

The Cuban Government is making an intense effort to investigate its natural resources and the most adequate means of developing, by a well-planned use of them, existing sources of work and income, and also creating new ones. But for that, it is necessary to begin by studying and getting to know the realities of the human potential. As it was recently expressed by W.S. Woytinsky and E.S. Woytinsky in World Population and Production (New York, 1953), "of all the factors that govern the distribution of economic and political power in the world, the human factor is by far the most important. Such physical assets as fertile soil, favourable climate, sea, rivers, and mineral deposits are, of course, vital for the well-being and growth of a nation. But the geographic environment is only the bare stage for the drama of history - men are the actors". Without them, neither land nor capital would become productive.

The state of population in Cuba

According to the Cuban General Report on the Population, Housing and Electoral Census of 1953, the population of Cuba that year reached 5,829,029 persons in an area of 114,524 square kilometres, that is to say, fifty-one inhabitants per square kilometre. 3.8 million persons were fourteen years of age and over; and of the latter 2.1 million persons, or 53.8 per cent, constituted the "labour force" of Cuba, of which 1.9 million, or 91.6 per cent, appeared to be employed and 174,000 persons, or 8.4 per cent of the said labour force, were looking for work, i.e. were technically regarded as unemployed.

Though the General Report on the Census of 1953 drew attention to the fact that registration had been carried out at the height of the sugar harvest (28 January 1953), and to the importance of the problem of under-employment, indicating that of the 1.9 million persons classified as employed, almost 10 per cent, or 184,000, were working less than thirty hours a week, these figures attracted the attention of the National Economy Council, since they were not in

agreement with the figures arrived at in the serious studies carried out in Cuba on the subject, and varied from the 174,000 unemployed of the 1953 Census to the million of which the demagogues spoke, from which it was obvious that the unemployment could not have been measured accurately.

Nor was there any knowledge, resulting from a scientific investigation, of trends in the course of a year among the unemployed as a whole, nor of the age, sex, main activity, occupation, branch of economic activity or category of employment of the individuals making up the whole. A programme of economic and social development, however, requires such data if it is to be properly planned. That was the main consideration which led to the organization of a sample survey of the position regarding employment, under-employment and unemployment.

Furthermore, considering especially the fact that the census was taken in the period of maximum employment in Cuba, the conclusion was reached that it was essential to have a permanent weekly sample survey, beginning with a complete year, with the object of being able to measure employment, under-employment and unemployment in the population of Cuba in the sugar harvest season in winter, in the "dead season" in spring, and in the intermediate periods and of determining the fluctuations of the phenomenon in the different economic areas, so as to dispose of reliable data for ascertaining the basis of the problem and for planning the most effective means of combating under-employment and unemployment through the economic and social development of Cuba, public works programmes, and adequate labour, fiscal, tariff and credit policies.

The Decennial Population Census of Cuba on 28 January 1953 (as in 1950) showed a total population of 5,829,029 inhabitants, composed as shown in Table No. 1.

Since the end of Spanish sovereignty in 1899 the population of Cuba has increased more than three and a half times, i.e. 371 per cent: from 1.6 million at the end of the War of Independence in 1899 to 5.8 million in 1953, as may be seen in the following table:

Table A

GROWTH OF THE POPULATION OF CUBA ACCORDING TO CENSUS RETURNS SHOWING
INCREASE AS PERCENTAGE OF 1899 FIGURE

(in thousands)

<u>Years</u>	<u>Total Population</u>	<u>Increase %</u>
1953	5,829	371
1943	4,799	304
1931	3,962	252
1919	2,889	184
1907	2,049	130
1899	1,573	-

Source: Department of Econometry of the National Economy Council, on data of the 1953 census.

The population of Cuba, as noted in the General Report on the Census of 1953 (Introduction, p. XXVIII), has been constantly growing, although at a varying rate, as shown by the following table:

Table B

ANNUAL RATES OF INCREASE OF THE TOTAL POPULATION OF CUBA: 1899 TO 1953

<u>Period</u>	<u>Rate (%)</u>
1899-1906	3.8
1907-1918	3.4
1919-1930	3.1
1931-1942	1.7
1943-1953	2.3
1954-1957	2.4 ¹

¹Estimated

Source: Department of Econometry of the National Economy Council based on data of the 1953 census.

The annual rate of increase is, however, decreasing: 3.8 per cent from 1899 to 1907; 3.4 per cent from 1907 to 1919; 3.1 per cent from 1919 to 1931; 1.7 per cent from 1931 to 1943; 2.3 per cent from 1943 to 1953 and an estimated 2.4 per cent from 1953 to 1957. These variations may be explained as follows. The maximum rate of the first years of independence must have been abnormal, as a consequence of three factors which would by their very nature diminish as time went on, namely a general sense of rejoicing on the birth of the new Republic, the arrival of many foreigners in the country, and the maintenance of a steady stream of vigorous Spanish immigration. The minimum rate of 1.7 per cent prevailing in the period from 1931 to 1943, must have been the result of the serious economic crisis of 1930-34, the immediate effects of the Revolution of 1933 of which the cessation of immigration as a consequence of the laws on the nationalization of labour was very important, and the restrictions arising from World War II which also made themselves felt. The recovery rate of 2.3 per cent from 1943 to 1953 may have been caused by a rising trend as the limitative effects of the world war disappeared, in that the population grew by itself, without the help of immigration, as appears to be borne out by the estimated increase of 2.4 per cent from 1953 to 1957.

The General Report on the Census of 1953 (p. XXVIII) considers the fall in the rate as a whole, but does not take into account the rise observed at the end of the period, and states that it was in accord with a similar trend among the nations of the Western Hemisphere, and attributes it to the urbanization of communities, the development of industry and commerce, and to changing social values.

Net growth of population and of labouring youth

Apart from variations in the rate of growth of the Cuban population and their causes, the most noteworthy phenomenon is the net natural growth of the population which, at the present rate - that is to say, the balance between the negative factors (deaths, emigration, etc.) and the positive (births, immigration, etc.) - shows an increase of approximately 140,000 persons in 1956 and the attainment of working-age (fourteen) in that year of 120,000 men and women, which with an increase at a rate of 2.4 per cent in the years to come represents a factor of great importance in the demand for food, housing, clothing, education, health, etc. and in connexion with employment and unemployment problems and figures.

This natural growth is of particular importance in social and labour problems, because each year provision must be made for the needs of 140,000 more persons (a growing figure) and occupation found for 120,000 young people (also a growing figure) who annually attain working age. Although they do not all become integrated in the labour force - for according to present rates 47 per cent devote themselves to studies, 97 per cent of the women engage in domestic work, and a small percentage are incapacitated - there remain some 40,000, besides the continuous absorption of youths over fourteen, who having given up their studies or for other reasons, offer their services in the labour market, for whom it is necessary to provide opportunity for employment. If this is not obtained, there is a rise in the figures of unemployment, under-employment and under-payment. And as youth is impatient, with a mind full of illusions and a body full of physical vigour, it often does not stand up to the impact of disillusionment represented by the ruin of its hopes of employment and earnings, and frequently falls into juvenile delinquency and demagogic and communist agitation in the case of men, and demoralization in the case of women.

Concentration of the population

Another phenomenon of importance in the development of the Cuban population is the tendency to concentrate in a reduced number of towns, especially the capitals of the Republic and the Provinces. The phenomenon of the metropolitan area of Havana, practically absorbing the urban centres of Marianao, Guanabacoa, Santiago de la Vegas, Regla, Bauta and Santa Maria del Rosario, concentrates 1.2 million persons in the capital and its surroundings, i.e. 21 per cent of the total population of Cuba, with all the evils represented by such a macrocephalic condition.

The distribution of the urban population in 1953 shows that 35 per cent of the inhabitants live in towns of 100,000 inhabitants or more; 23 per cent in towns which vary in size from 25,000 to 100,000; and only 20 per cent in towns of 5,000 to 25,000 inhabitants; and 22 per cent in urban centres with less than 5,000 persons. The historical trend, according to the census, has been for towns of more than 25,000 inhabitants to grow at a faster rate than the smaller urban communities.

This is particularly significant, as it is an indication that the rural population of Cuba has begun to accentuate its tendency to move from the country to the town, abandoning agricultural production to seek in industrial and commercial activity and services opportunities for employment, already at saturation point, thus leading to unemployment with all its painful consequences.

Internal Migration

This phenomenon of internal migration or the movement of the rural labouring population to non-agricultural occupations, is indicated in the General Report on the Census, and it is shown that already in 1931 the census returns disclosed that the urban population was greater than the rural, contrary to what had hitherto been the case.

This fact appears to be due to the existence of more opportunities of work in the urban centres, the creation of new industries, better paid jobs, disequilibrium in regional balances of payments, better centres of instruction and services and a better division of labour which offered more opportunities and turned these rural masses into a reserve of unskilled labour.

The effects of this displacement are found in the increasing predominance of non-agricultural undertakings and a fall in the birth-rate of certain regions as mentioned earlier.

Study of the basic characteristics of the Cuban Population from the social-economic point of view

These phenomena tend to have an adverse effect on the development of the population of Cuba and opportunities of employment for the labour force, and are in turn affected by unemployment, under-employment and under-payment, causing considerable unrest among the population. The Cuban Government, concerned at this unrest, which, although active for some time, has become particularly aggressive in recent years, due fundamentally to the lack of opportunities of employment and the inadequacy of personal income in spite of periods of apparent prosperity caused by good sugar years, organized the Decennial Population Census in 1953 with the greatest care, seeking to obtain the main social-economic data; and on learning the results, it supported the proposal of the National Economy Council to carry out, with the co-operation of the National Demographic and Electoral Census Office (ONCDE) and the technical assistance of the National Census Office of the United States, a sample survey of employment, under-employment and unemployment, which was done from the end of May 1956, on the conclusion of the sugar season that year, to April 1957, and is still going on.

As soon as the fifty-two weeks making up a year were completed, the data obtained were tabulated as shown in the following table:

Table C

SUMMARY OF THE EMPLOYMENT SITUATION OF
THE POPULATION OF CUBA

(May 1956 to April 1957)

(In thousands)

<u>Employment situation</u>	<u>May 1956 - April 1957</u>
I. Total population of Cuba	6,325
II. Civil population of 14 years of age or over ¹	4,127
III. Labour force	2,204
A. Persons with an occupation	1,843
1. Who are working	1,816
a. Salaried and self-employed	1,662
i. totally occupied (40 hours and over)	1,439
ii. partially occupied (less than 40 hours)	223
- who have worked from 1 to 29 hours per week	150
- who have worked 30 to 39 hours per week	73
b. Self-employed ²	
2. Who are not working (having an occupation)	27
B. Persons with no occupation	361
IV. Civil population over 14 years of age not included in the labour force	1,923

¹ Age established by the Constitution as minimum working age.

² In the enquiry this category was not taken separately.

Source: CNE, Department of Econometry, based on data of the Enquiry into Employment, under-employment and unemployment.

The result of the enquiry, summarized in the above table, shows that during the year in which it was carried out (May 1956 - April 1957), the total population reached a figure of 6,325 million inhabitants, with a population of 14 years of age and over of 4,127 million, of whom, after deducting 1.9 million persons of 14 years and over who were not included in the labour force, 2.204 persons of one or other sex remained as part of the labour force. The 1.9 million persons not included in the labour force consisted of housewives, permanently disabled persons, retired persons and pensioners, and persons with independent means, as shown in Table No.2 of the Appendix.

Of the 2,204 million persons constituting the labour force, 1,843 million represent the apparently employed, and 361 thousand, i.e. 16.4 per cent, were totally unemployed.

This figure, while very high by international standards, is however not an accurate reflection of the real social-economic position, because account must be taken of the fact that from the 1,843 million apparently employed in the labour force it is necessary to deduct 150 thousand (6.8 per cent of the labour force) working less than 30 hours per week (under-employed) which reduces the figure for the real working force totally employed and remunerated to 1,539 million persons, i.e. 69.8 per cent of the said force, quite apart from 154 thousand working for a relation without remuneration.

The unemployment figures (361 thousand), added to those for under-employment (150 thousand plus 154 thousand) amount to 665 thousand persons, or 30.2 per cent of the total labour force.

This fact, very serious by itself, assumes a really dramatic character when, in carrying out the enquiry into the incomes obtained by the labour force employed, i.e. its remuneration, one finds that - according to the enquiry (Table No.3) - 62.2 per cent of the persons working for pay or on their own account receive for their work less than \$ 75 per month.

The breakdown of the labour force by sex and age is shown in Table No.4 of the Appendix.

If we study the aspect of the dependence of the population on the economic activity of the country, we find that of the 2,204 million persons held to constitute the labour force, 39 per cent depend on agricultural production and 61 per cent on non-agricultural production (21 per cent industrial production, 19 per cent in services, 12 per cent in commerce, 5 per cent in transport, communications and warehousing, 3 per cent in other occupations and 1 per cent not working) as can be seen in Table No.5.

Seasonal and regional variations

Without embarking on a study of the fact and the importance of the centres of work which provide the labour force with the opportunity of earning a living in accordance with occupation, branch of economic activity and category of employment, which can be found in the Preliminary Report on Employment, Under-employment and Unemployment in Cuba: May 1956 - April 1957 which is shortly to be published by the National Economy Council, it seems appropriate to revert to the figures for unemployment, under-employment and under-payment, in order to indicate their outstanding features and their effect on the well-being and purchasing power of the population of Cuba.

Taking as a basis the figure of 361 totally unemployed persons, two phenomena are to be observed which have special economic, social and political significance. As can be seen in Table No. 6, unemployment rises rapidly at the end of the sugar season in April, to 435 thousand in the three months from May to July, increases in the summer to 457 in the three months from August to October, begins to decline with the preparation for the sugar season, to 353 thousand in the three months from November to January, and reaches its minimum figure, 200 thousand, during the peak period of the sugar season of 1957, thus showing the enormous social-economic influence of sugar in respect of the opportunities for employment and income of the Cuban people.

7 If we study the regional aspect of the question, the enquiry already mentioned discovered a phenomenon of extraordinary importance for the political stability of the nation, in addition to its social-economic implications. As shown in the relevant Table No. 6, total unemployment is less acute in the Provinces of Pinar del Rio (4.8 per cent) and Matanzas (8.9 per cent), is felt intensely in Camagüey (12 per cent), assumes a serious character in the Provinces of Havana (21.5 per cent) and Las Villas (22.9 per cent), and is most serious in the Province of Oriente, which bears a relationship to the political stability or instability of the inhabitants.

That is extraordinarily revealing, for up to now there has been a considerable amount of comment concerning the greater or less passivity or conformism of the inhabitants of certain provinces in comparison with the reputed rebellious spirit or anxiety for progress of others, and fundamentally it seems that the curve of unrest is due more to lack of opportunities of employment and income than to any other factor.

This fact of the regional distribution of employment, together with the seasonal effect of the sugar harvest already mentioned, has an extraordinary impact on the well-being and tranquillity of the Cuban population, since the unemployment figures show that in Pinar del Rio it was at its lowest (3 per cent) in the three months from November to January and at its highest (6.6 per cent) from February to April; in Camagüey it was at its lowest (5.4 per cent) from February to April and at its highest (17.1 per cent) from August to October; in Matanzas it was at its lowest (7.5 per cent) from February to April and at its highest (10.3 per cent) from May to July; in Las Villas it was at its lowest (15.9 per cent) from February to April and at its highest (24.6 per cent) from August to October; in Havana it was at its lowest (18.5 per cent) from August to October and at its highest (33.5 per cent) (a really impressive figure) in the three months from February to April; due in some cases to the greater or lesser effect of the sugar season, to the harvesting of other produce, or to fluctuations in other economic activities, to which insufficient study is given.

Summary of the social-economic situation of
the population of Cuba

A dispassionate and objective study of the facts which we have related shows that in Cuba the labour force constitutes 34.9 per cent of the total population, and of that labour force only 69.8 per cent is really fully employed, whereas 16.3 per cent is totally unemployed and an additional 13.8 per cent is under-employed; and the position is made worse by the fact that, of the people who work for pay or are self-employed 62 per cent earn less than \$ 75 per month.

If account is taken of the fact that, according to a recent study (Walter Galinson and Arnold Zellner, International Comparison of Unemployment Rates in The Measurement and Behaviour of Unemployment, a Report of the National Bureau of Economic Research, New York, 1957, p.456) the unemployment rates were 0.4 in Australia, 0.1 in Belgium, 3.8 in Canada, 8.7 in Denmark, 10.2 in Germany, 2.7 in Norway, 2.2 in Sweden and 1.6 in the United Kingdom in 1950, not counting the United States of America, which only had a rate of 5 per cent in 1955, the gravity of the situation of the population of Cuba will be understood.

Add the fact that the enquiry was carried out during a period of bumper sugar crops and great economic activity, and that there is no telling whether this can last, and the need will be understood for the Cuban Government to seek employment for its growing population.

The people of Cuba, by temperament and tradition, are not resigned to living in wretched conditions, and they aspire to the minimum of well-being which is earnestly desired by all civilized, democratic and free peoples. We are now referring to the great mass of the people, the population taken as a whole. In Cuba, as everywhere else, a minority enjoys a high level of well-being and opportunity, but what is interesting and significant is the great bulk of the population. The Cuban Government and people are making a fine fight for economic development and moral progress, but they have great obstacles to overcome, such as excessive dependence on sugar production, the lack of diversity in agriculture and industry, the consequently vulnerable economy, and the need to maintain high exports of produce and to avoid excessive imports of consumer goods in order to avoid a drainage of dollar funds and prejudicing the essential development of internal production. At the present time the Cuban population enjoys a certain standard of well-being (although not distributed throughout the whole nation, as we have just seen), due to the energetic measures taken by the Government and a period of sugar prosperity; but the question is, how can that prosperity be maintained and developed in such a way as to correct the figures for unemployment, under-employment, and under-payment?

For the Cubans there is only one answer: the economic and social development of the country through the strength of her sons, with no external obstruction to this essential task. "Cuba today", states the Report on Cuba of the Mission of the International Bank for Reconstruction and Development (Washington, 1951) on page 3, 'faces both a problem and an opportunity.

"Her problem is to reduce her dependence on sugar, not by producing less sugar but by developing additional enterprises. Her opportunity is that her present prosperity offers her the means to do so by further diversifying her economy.

"Ample, unused human and material resources are available in Cuba with which her people might increase the nation's output, broaden its economic base and create a better standard of living for the population as a whole. Also, at the present time, Cuba has a financial potential of her own, which - if it can be effectively tapped - is adequate for her development.

"In addition, as long as present sugar prosperity continues, further large financial resources should be at her disposal for this purpose."

Although we differ from the view expressed in the Report that Cuba's financial potential is adequate for her development, the remainder of the diagnosis is correct. That statement about adequacy may be explained by the fact that it was made in 1950, but the measures that Cuba had to take in 1952 to prevent a serious economic crisis arising from over-production of sugar that year, and those adopted in the bold Plan for Economic and Social Development which she has put into effect since then to diversify her agriculture and industry, have shown in the realm of fact that the economic and social development of a country requires large amounts of capital which the national economy is not capable of providing immediately, even though it is able to support sound amortization funds and interest for payments on foreign long-term loans and investments. But facts have shown us not only that sugar is unable to provide employment for the whole population of Cuba, but also that it is unstable and sensitive to world political crises.

The key to the critical economic situation of Cuba lies in the excessive dependence of her population on sugar production. While this produces a corresponding situation of relative well-being when it attains a million tons of raw sugar for every million inhabitants, that is not always the case; and it does not provide sufficient employment for all the labour force of the country, merely producing work during the sugar harvest which only lasts some three months, with consequent under-employment and unemployment. This must be tackled by extending existing work-centres and creating other new ones to absorb the mass of under-employed and unemployed persons, although sugar production cannot expand in proportion to the increase in population, owing to the inelasticity of the demand for sugar, and aid will have to be forthcoming from other forms of production than sugar.

Moreover, sugar production is not a stable economic activity, since demand increases in times of war or risk of war, and decreases in time of peace. It is, therefore, very sensitive to booms and slumps, which profoundly affect the employment and income levels of the Cuban population, and repeatedly destroy their purchasing power. But how are the structural deficiencies of the economy of Cuba to be corrected, and how is her population to be protected from the periodical crises of her single crop, sugar?

Cuban economists and foreign experts have studied the country's economy and the situation of the inhabitants, and are agreed that Cuba needs to diversify her production and improve her international trade position, increasing her exports and rationalizing her imports, as a means of increasing and creating logical opportunities of employment and income for her growing population. For that, Cuba desperately needs - amongst other things - to replace her obsolete and inadequate Customs Tariff - and to revise her trade agreements to bring them into conformity with the new Tariff, so as not to diminish but on the contrary increase our trade with the countries which are the main buyers and sellers - of which the United States are pre-eminent owing to the large part they play in respect both of purchases - 64.4 per cent of Cuban exports - and of sales - 74.7 per cent of Cuba's imports.

"Cuba's chief need is to diversify her economy," the IBRD Report rightly states (op.cit.p.4); "she is peculiarly fortunate in having great and unused resources at her disposal.

"She enjoys a most favourable geographical position, within a few miles of the great American market and on important trade routes. She has an excellent climate and, for a tropical country, remarkable freedom from disease.

"Cuba's soil is exceptionally fertile and level. There is a surplus of good land. Rainfall is usually adequate and there is no frost. Further mechanization of the major crops is feasible. It is possible for Cuba, therefore, greatly to increase and diversify her agricultural production once certain impediments have been removed.

"She has a variety of mineral resources which have not yet been fully developed.

"Cuban workers are resourceful and quick to learn manual skills. Therefore, since Cuba is close to supplementary sources of raw materials, there are possibilities for the development of industries particularly those related to agriculture.

"Cuba's people are intelligent, able and quick to absorb modern knowledge; her businessmen are shrewd and capable, her doctors and surgeons among the best in the world, her architects bold and imaginative.

"In other fields, many Cubans are already alert to modern methods and technology and there is no insurmountable obstacle to training as many more as may be required or, in the meanwhile, to obtaining technical advice from abroad."

The Government and people of Cuba are following the advice of the IBRD. They are taking steps to diversify agriculture, paying special attention to the derivatives of sugar cane, and developing the sowing of rice and other crops; a Law to Stimulate Industry had been promulgated and is working with success;

and great facilities have been granted to promote the exploration and development of oil and mineral ores. But all of that has fundamentally been on the basis of tax and duty exemptions, and financing by the State banks with the co-operation of local private banks. The population of Cuba is growing faster than the possibilities for employment and income provided by these economic activities, and the Cuban Government has found itself obliged to finance from public revenue great projects for roads, aqueducts, schools and hospitals, not only in order to meet social needs, but also to avoid as far as possible an increase in under-employment and unemployment. Even though it has met with partial success in recent years in this task, due to all the measures mentioned, it has not managed completely to control the situation, which constitutes a potential danger in the event of any economic contraction or recession.

Therefore the Cuban Government, while continuing its investigation into employment and its effects on the population, has commenced an enquiry into Cuba's natural resources, with a view to compiling a survey of the wealth of the nation and to its better utilization, and is offering all kinds of guarantees to foreign investors with the object of promoting as rapidly as possible the agricultural diversification of the country and an adequate industrialization, within logical and reasonable limits, with the object of creating new sources of employment and income for the growing population, so that it may enjoy a decent standard of living rendering possible the development of the country in an atmosphere of political, economic and social stability.

The Cuban Government has done, and is doing, all this without international financial help. The people of Cuba need, and are glad to receive, investments of private foreign capital. They do not want gifts or presents; what they ask for are opportunities for employment, and that their efforts to obtain it, and their longing for progress, should not be thwarted from outside.

The Cuban Government considers it necessary, for reasons of a technical nature and of an economic character set forth elsewhere, to provide the country urgently with a new efficient, technical, and modern Customs Tariff, which will facilitate, and not prejudice, the creation of new sources of employment and income, complementary to those already existing and not substitutes for them.

"There is no safe compromise", states the Report of the IBRD (National Economy Board, Summary of the Report on Cuba of the Truslow Mission, Havana, 1951, p.15), "between those who are content to let matters drift and those who are alert to Cuba's vulnerability and will work to reduce it.

"The choice before the people of Cuba is clear cut. They may take advantage of their present opportunity to start to substitute a growing, dynamic and diversified economy for their present static one" (words of 1950 which went unheeded) "with its single crop dependence" (and that is what we are in the process of doing). "This may be a very long and arduous task. It will involve great effort and some sacrifice of tradition and comfort. But it can diminish present risks and instabilities and it can prepare the economy to meet a reduced demand and price for sugar and increasing competition in its production.

"This choice is plain and the Mission believes that failure to choose the dynamic alternative can bring to Cuba consequences of the utmost seriousness.

"War prosperity has created new standards of living for many of Cuba's people. If her economy cannot maintain these - at least in some reasonable degree - in less prosperous times, it will be subject to great political strains.

"If leaders have neglected to prepare Cuba for this, they will be held to blame by the people, and, if that should happen, control may well pass into subversive but specious hands - as it has done in other countries whose leaders have ignored the trends of the times."

Geneva, 1957.

APPENDIX I

Table No. 1

COMPOSITION OF THE TOTAL POPULATION OF CUBA
BY SEX, AGE, RACE AND NATIONALITY, 1953

	<u>POPULATION</u>
TOTAL	<u>5,829,029</u>
<u>AGE</u>	
Under 15 years of age	2,117,665
15 to 34	1,936,651
35 to 44	730,160
45 to 54	502,919
55 to 64	291,397
65 and over	250,237
<u>SEX</u>	
Men	2,985,155
Women	2,843,874
<u>RACE</u>	
White	4,243,956
Black	725,311
Yellow	16,657
Half-breed	843,105
<u>NATIONALITY</u>	
Born in the country	5,598,598
Born abroad	230,431

Table No. 2EMPLOYMENT: GENERAL SUMMARY(May 1956 to April 1957)

(In thousands)

<u>Activity</u>	<u>Total</u>	<u>Men</u>	<u>Women</u>
<u>LABOUR FORCE</u>	<u>2,204</u>	<u>1,890</u>	<u>314</u>
Paid or self-employed	1,662	1,396	266
Without pay, for a relation	154	151	3
With occupation but not working	27	19	8
Seeking work	361	324	37
<u>NOT INCLUDED IN LABOUR FORCE</u>	<u>1,923</u>	<u>217</u>	<u>1,706</u>
Occupied at home	1,563	-	1,563
Permanently incapacitated or retired	140	103	37
Students	192	97	95
Persons of independent means	28	17	11

Table No. 3

MONTHLY INCOME BY SEX AND AGE, IN PERCENTAGES
(May 1956 to April 1957)

<u>Sex</u> and <u>Age</u>	Working for pay or self- <u>employed</u>	<u>Monthly Income</u>	
		<u>\$75 and over</u>	<u>Less than \$75</u>
TOTAL	<u>100.0</u>	<u>37.8</u>	<u>62.2</u>
14 to 24 years of age	100.0	16.4	83.6
25 to 34 " " "	100.0	41.2	58.8
35 to 44 " " "	100.0	44.8	55.2
45 and over	100.0	44.8	55.2
<u>MEN</u>	<u>100.0</u>	<u>39.5</u>	<u>60.5</u>
14 to 24 years of age	100.0	17.4	82.6
25 to 34 " " "	100.0	41.9	58.1
35 to 44 " " "	100.0	46.0	54.0
45 and over	100.0	46.3	53.7
<u>WOMEN</u>	<u>100.0</u>	<u>28.9</u>	<u>71.1</u>
14 to 24 years of age	100.0	12.9	87.1
25 to 34 " " "	100.0	37.8	62.2
35 to 44 " " "	100.0	38.0	62.0
45 and over	100.0	31.2	68.8

Table No. 4

LABOUR FORCE BY SEX AND AGE
(May 1956 to April 1957)
(In thousands)

<u>Age</u>	<u>Total</u>		<u>Men</u>		<u>Women</u>	
	<u>Labour Force</u>	<u>%</u>	<u>Labour Force</u>	<u>%</u>	<u>Labour Force</u>	<u>%</u>
<u>TOTAL</u>	<u>2,204</u>	<u>100.0</u>	<u>1,890</u>	<u>85.7</u>	<u>314</u>	<u>14.3</u>
14 to 24 years of age	641	100.0	539	83.9	102	16.1
25 to 34 " " "	537	100.0	448	83.5	89	16.5
35 to 44 " " "	463	100.0	394	85.0	69	15.0
45 and over	563	100.0	509	90.5	54	9.5

PERCENTAGE OF PERSONS BETWEEN THE
AGES OF 14 and 34
(May 1956 to April 1957)

	<u>Both sexes</u>	<u>Men</u>	<u>Women</u>
Population aged from 14 to 34 years of age	53.7	51.9	55.7
LABOUR FORCE	53.4	52.2	60.8

Table No. 5

DISTRIBUTION OF MANPOWER BY BRANCHES OF ECONOMIC ACTIVITY

(May 1956 to April 1957)*

(In thousands)

<u>Industry</u>	<u>Total</u>		<u>Men</u>		<u>Women</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
<u>TOTAL</u>	<u>2,204</u>	<u>100</u>	<u>1,890</u>	<u>100</u>	<u>314</u>	<u>100</u>
Agriculture	855	39	850	45	5	2
Non-agricultural	1,349	61	1,040	55	309	98
Industrial Production	468	21	399	22	69	22
Transport, Communications and Warehousing	105	5	102	5	3	1
Commerce	268	12	244	13	24	8
Service	418	19	216	11	202	64
Non-working	30	1	25	1	5	2
Other occupations	60	3	54	3	6	1

* 14 years of age and over

Table No. 6

GENERAL SUMMARY OF TOTAL UNEMPLOYMENT, SEASONAL AND REGIONAL

(May 1956 to April 1957)*
(In thousands)

Province	Annual average		May to July 1956		August to October 1956		November 1956 to January 1957		February to April 1957	
	Number	%	Number	%	Number	%	Number	%	Number	%
<u>TOTAL</u>	<u>361</u>	<u>100.0</u>	<u>435</u>	<u>100.0</u>	<u>457</u>	<u>100.0</u>	<u>353</u>	<u>100.0</u>	<u>200</u>	<u>100.0</u>
Pinar del Rio	17	4.8	28	6.4	17	3.8	11	3.0	13	6.6
Havana	78	21.5	94	21.6	85	18.5	71	20.1	62	31.1
Matanzas	32	8.9	45	10.3	40	8.7	29	8.3	15	7.5
Las Villas	83	22.9	99	22.9	112	24.6	86	24.5	32	15.9
Camagüey	43	12.0	47	10.7	78	17.1	38	10.7	11	5.4
Oriente	108	29.9	122	28.1	125	27.3	118	33.4	67	33.5

* 14 years of age and over