

In addition to the political importance to the Chadborne Plan in arousing the mass struggle of the workers I want to talk about the effect of the plan upon the sharecroppers (Colonos) which are being ruined by the Chadborne Plan. I cannot undertake to give an economic analysis, I will only briefly quote from the bourgeois press which says that the American imperialists, the American capitalists, have lost nothing by the Chadborne Plan. It is being calculated that the American sugar capitalists this year are collecting the harvest for the profit of 82 million dollars. At the same time the "colonos" have been reduced to absolute ruin by this Chadborne plan.

A further study of this can be made in a book written by a bourgeois writer in which it is proven that the existence of the share croppers is absolutely necessary for the existence of the sugar industry. Why? Because of that fact that the cultivation of sugar by the share croppers makes it unnecessary for the sugar trust to worry about the ~~mixix~~ maintenance or organization of workers. The share croppers are the Cuban small peasants. It would be wrong to maintain that all share croppers are small peasants, there are also among the share croppers well-to-do peasants, who are employing labor, but on the whole, studying the sugar industry for which we must formulate slogans, it is correct to formulate that in the villages our problem must be based on winning these small peasants for our program.

On this question I have much more material, but I have no time to dwell on it.

The second question, the financial condition of the Island. I believe that we can safely state that in Cuba there is no question of a financial crisis or an economic crisis. In Cuba it is a question of the collapse of the entire economy. I do not want to repeat once more the figures, but when sugar at the present time costs one cent a pound, and the chief basis of the economy is sugar, and since there can be no talk, as is said by one of the political speculators, of the bourgeoisie of Cuba developing its own national industries, when we consider the total collapse of the sugar industry, and the total lack of other industries, we must come to the conclusion that it is not just a crisis, it is bankruptcy. Cuba's income is derived from tariff from sugar, so with the expenditures of Machado, who spent \$25 million to build a palace, and \$150 million to build a special road, etc., they are looking for a way out, and are not able to find it. I will mention two figures, the state budget is \$76 million. The first three months of this year, there was a deficit of \$7 million,—under these circumstances a private enterprise would have gone bankrupt before. When I left Cuba the first time the government was already owing the workers engaged in public works for 14 weeks. The workers do not leave their jobs. They are dying of starvation, hoping they will get their wages, and be reemployed. At the same time it must be said that never has a soldier lived so well as they live now. In order to base themselves on the military, they have established almost a Soviet System,—the officer and soldier are comrades, nobody receives wages, but the soldiers do. They get personal presents from the president. This explains the fact that many of the attacks on the life of Machado have been failures, although lately the military also is beginning to show some signs of dissatisfaction.

Capital is flowing out of Cuba. In 1930, \$2,293,000 was sent out of Cuba, with the income from tariffs about \$100,000. What can Machado do. (Question: Why is the capital sent out? The terrorist activities and the general unsettled conditions are driving the capital out. To save their money, the capitalists send it out.) Machado wanted to fight against this flight of capital. He formed a commission which formulated regulations imposing a tax of 10 per cent on the exportation of capital. Representatives from the clearing house and the National Bank had a 15 minute conversation with Machado and told him that no idiot will bring money to Cuba, knowing that by taking it out he will have to pay 10 per cent tax. The next day a declaration appeared in the press that the story appearing in the press was a typographical error, something like the plan of Patronato of the CPUSA.