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Habana, March 6, 1941

MEMORANDUM

Conversation with Mr. William T. Shaddick, rural rehabilitation expert on the agricultural survey party

Mr. Ambassador:

Mr. Shaddick, who is returning to the United States today on the P. & O. boat, called this morning to say "goodbye" to you, and in view of your inability to see him, asked me to thank you for the courtesies which you have shown him and for your helpful comments and suggestions.

Shaddick, who impressed me very favorably, has spent about six weeks on the Island and has traveled, he says, close to 2,000 miles. He discussed his experiences and findings with me at considerable length and he is favorably impressed with the possibilities for rural rehabilitation in Cuba.

He says that the Cuban Government has in mind a rural rehabilitation program involving a resettlement plan which would put from 4,000 to 5,000 families on the land at an outlay of some $3,000,000, which they presumably hope to get from our Government. Shaddick says that, based upon his experience elsewhere, this plan is not feasible, as it would require extensive educational preparatory work which the Cuban Government is not equipped to carry out at this time.

He has visited, among other places, the sugar mills Baraguá, Francisco, Preston and Banes, where the mills themselves have done rehabilitation work which, while not a complete success, has been sufficiently encouraging to convince him that the solution of the problem lies in the extension of such work on the part of sugar mills, with the support of the Cuban Government.

Shaddick says that at Baraguá three cooperatives of laborers were formed, composed of mill hands, Haitian and Jamaican laborers, and canefield workers, totalling about 450 families. These cooperatives were furnished with land and with loans of up to 5,000 pesos each, without interest. The canefield group dissolved almost immediately; the other two have apparently prospered, although their membership has been reduced to about 80 families each. At

Francisco,

Francisco, which is owned by the Rionda interests, a different system is in operation, under which the mill and cane field laborers produce administration crops during the dead season. The growing of these crops is directed by the mill, which markets them and which also operates a crate factory in which, it is stated some 2,000 persons are employed during the dead season. This seems to have worked out very well although, according to Shaddick, large amounts of money have beenwasted in the development of this plan.

The most successful experiment seems to have been made at Preston and Banes, the United Fruit Company mills, where laborers have been given about 1-3/4 acres of land each which, in the first instance, is plowed for them and for which they are given seed and on which they must grow subsistence crops for their own consumption. During 1940 some 7,000 acres devoted to subsistence crops were under cultivation at Preston and Banes under this plan. It appears that the United Fruit Company makes the raising of these subsistence crops more or less obligatory and that it informs laborers that unless they do raise their subsistence crops they will be discharged. This appears to be outside of the law, but apparently gets results.

Shaddick visualizes some plan whereby the Cuban Government could cooperate with the several sugar mills in helping them to solve the dead season problem, the solution of which, he feels, would automatically take care of the question of rural rehabilitation. He feels that our Government may be of assistance to the Cuban Government toward that end. The main obstacle, in his mind, appears to be the political aspect as, apparently, the great majority of the so-called agricultural experts, technicians, etc., are political appointees, most of whom have little or no qualifications for their work. He says that there are presently 126 so-called agricultural inspectors at strategic points throughout the Island and who correspond closely to our county agents. Of these inspectors, whom Shaddick considers should constitute the most important element in any rehabilitation program, only about 25 or so have adequate knowledge of agriculture. Moreover, they receive salaries ranging from 60 to 70 pesos a month, with no allowances of any kind for travel or other expenses.

I have merely mentioned some of the highlights of my conversation with Shaddick, as I remember them. Most important seems to be the fact that Shaddick feels that the situation is hopeful and that it

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offers definite opportunities for constructive assistance.

I might add that Shaddick also said that Mr. Laguardia and the other members of the survey party have kept before them at all times the thoughts you expressed on the occasion of their first visit to the Embassy, namely, that the outcome of this survey was of vital importance to Cuba and that under existing circumstances it was absolutely essential that some really constructive and tangible developments should result therefrom and not merely "another report". He says that all their activities have been conducted with that end in mind.

A. F. N.

AFN/cd