

Notes on the Political Economy of Cuba — Part II

Burn Down the

By Rudi Mambisa

Following is the last of a two-part series. The first, in AWTW 1989/14, focused on agriculture. It dealt with how sugar cane came to enslave Cuba and capture even Castro and his armed rebels once they seized power. This second half takes up the consequences. — AWTW

V. The Evolution of Neocolonial Planning

In 1963 Castro went to the USSR to discuss stepped-up trade; shortly after, Cuba's plans to cut back on sugar production turned to plans to increase it.

For Che Guevara, who was in charge of Cuba's economy, the words "socialism" and industrialisation were equivalent: they meant the development of the productive forces. The goal was to accumulate surplus as bountifully and quickly as possible — which meant growing sugar. As he explained, "The entire economic history of Cuba has demonstrated that no other agricultural activity would give such returns as those yielded by the cultivation of sugar cane. At the onset of the Revolution, many of us were not aware of this basic economic fact, because a fetishistic idea connected sugar with our dependence on imperialism and with the misery in the rural areas, without analysing the real causes, the relation to the unequal balance of trade."⁵³ In other words, he imagined that the decisive feature of Cuba's dependency was external — to whom and for how much its sugar was sold, rather than seeing dependency as inherent in the organisation of capital in Cuba itself. It amounted to believing that "socialism" means doing a better job of running the same old plantation.

Through the mid-1960s until

1970 the Cuban government attempted to run the economy by direct command from top government officials and to mobilise all possible resources to drastically increase sugar production, with the idea that the surplus could then be used to buy industrialisation. Because of official efforts to stir up popular enthusiasm to achieve bourgeois goals during this period, and because of Guevara's emphasis on "spiritual" rather than material rewards for labour, some scholarly critics of Cuba have erroneously labelled this Cuba's "Sino-Guevarist" or "Maoist-Guevarist" period, a confusion which, in turn, has been adopted by leading pro-Cuban scholars as well.⁵⁴ A more correct understanding was put forward by a writer who pointed out that the Cuban leadership was "coining slogans of the Chinese type while staking everything on development of the Russian type."⁵⁵ What he meant was that the Cuban government was trying to use a "Chinese" method — or a caricature of one, since the Chinese revolutionary policy of relying on the masses was not simply a matter of stirring emotions but rather based on their political consciousness and all-around initiative in politics and economics, and did not exclude paying people according to work — for "Russian" goals, i.e., for the purpose of accumulating surplus in the most profitable sectors of the economy rather than building up the economy in an all-around way, based on balanced and simultaneous development of agriculture, light industry and heavy industry.

The Cuban government had no choice but to switch to "spiritual" rather than material incentives during this period because the economy was a disaster and remained so for

well over a decade. This didn't mean that its policies became revolutionary, for as Mao himself remarked about similar developments in Poland in the 1950s, "Overemphasis on material incentives always seems to lead to the opposite. Writing lots of cheques naturally keeps the upper strata happy, but when the broad masses of workers and peasants want to cash in and find they cannot, the pressure to go 'spiritual' is no surprise."⁵⁶

From the mid-1960s on, Castro's government subordinated everything to the goal of obtaining 10 million tons of sugar in the 1969-1970 harvest. The sugar was sold through advance contracts but the harvest was a failure and the sacrifice of the rest of the economy left the island in a shambles. In the 1970s Cuba began using the methods of economic calculus introduced during the 1965 Liberman reforms in the Soviet Union. This method formulates economic plans by weighing possible profit and loss as determined by complex economic calculations — simulating a free market mathematically, and applying capitalist criteria on every level, while maintaining state ownership over most of the means of production. In fact, these techniques associated with Kosygin in the Soviet Union were not fully implemented there until the advent of Gorbachev; in this sense, Cuba can be considered a pioneer in some of the economic policies brought in with *perestroika*.

The 1975 First Congress of the Communist Party of Cuba institutionalised the logic that had implicitly set the country's general orientation since the revolution, with the change that henceforth it was to be applied nakedly, thoroughly, systematically and from top to bottom, by computers instead of guesswork.

Cane Fields!

"The peso should really control all economic activity", the Congress resolved.⁵⁷ This is tantamount to declaring the accumulation of capital as the *purpose* of Cuba's economy. However, the consequences of such economic policies for Cuba were different than for the USSR. The USSR was an imperialist superpower, while Cuba, upon joining Comecon (the Soviet bloc common market) in 1972, was consigned to the role of sugar producer in the Soviet-led division of labour — the same position it once was assigned in the U.S.-led Western bloc.

The SDPE (System of Economic Management and Planning) enthroned at the Cuban Communist Party's First Congress in 1975 set workers' wages according to bonuses (up to 30% of base rate) for meeting or surpassing production norms and allowed for awards to administrative and technical personnel of up to the equivalent of an extra month's salary per year. In 1980, the system of "free or direct labour contracting" gave management the right to hire and fire with few restrictions. In the mid-1980s, with the introduction of "permanent productivity brigades", the system was further refined so that workers were paid according to the profitability of their particular small-scale work unit.

Then in 1986, in the wake of the collapse of sugar and oil prices, the Cuban Communist Party's Third Congress called for a "return to Guevarism" and renewed emphasis on "spiritual incentives". Guevara's writings and slogans in praise of "spiritual incentives" were hauled out of the storerooms where they had mouldered since the early 1970s, and Castro, who had barely mentioned Guevara for a decade and a half, began to crank out references to Guevara at a furious rate. The

threat that Gorbachev's perestroika might mean even further belt-tightening in Cuba sent Guevara's stock soaring still higher on Castro's rhetorical market and fueled a "rectification" campaign that is still continuing. Its basic content is austerity. Castro has had no trouble in factoring this "Guevarism" into the Soviet-installed "economic calculus" that replaced Guevara's more impetuous style of management, because they share the same underlying orientation.

Today it has become undeniable that Cuba's economic prospects are as bleak as those of the rest of Latin America. But the theory of "comparative advantage" Guevara espoused is still brought out to claim that at least Cuba has used sugar cane to buy some development. To refute this claim, it must be shown that *this development itself has been a driving factor in Cuba's current disaster*, or, in other words, that what Cuba has "bought" with its sugar sales money has not been socialism, but increasing dependency.

VI. The Industrialisation of Dependency

What has been accomplished in the thirty years of Cuba's post-revolutionary development and the decade and a half since the adoption of the SDPE?

The most dramatic change has been the mechanisation of loading sugar and much of the process of cutting it, a feat unmatched anywhere else in the world. If this had not been accomplished, it would not have been possible to abolish the tiny plots on which families sustained themselves during the "dead season" between harvests.

But this degree of industrialisation of sugar has not freed Cuba

from sugar monoculture. Sugar workers and their families represent one-sixth of the total population. Sugar also takes up one-third of the country's industrial means of production. It represents 82% of the country's exports,⁵⁸ little changed as a percentage since the 1920s.⁵⁹ The only real difference from the pre-Castro situation is that now 69% of the sugar is exported to the USSR and its bloc instead of to the U.S.⁶⁰

Although the percentage of cultivated land planted to cane has risen to 75%, the total amount of land actually under cultivation has declined⁶¹. Canefields considered too isolated or hilly to be profitably farmed by machine are now simply abandoned, and for that reason, the government has not attempted to boost sugar production from its recent average level of about eight million tons, about the same as in Batista's time. Aside from a few export crops like citrus fruits (which have replaced tobacco as Cuba's second most important export), food crop production has shrunk. This is not because more food can't be grown or because it is not needed, but because it cannot be produced profitably according to imperialist criteria. Non-sugar agriculture sank from 35% of total farm production in 1962 (an historic high point) to 29% in 1976, livestock declined from 34% to 31%, while sugar production rose accordingly.⁶² Although there was some investment in rice, with production shifting from labour-intensive to capital-intensive methods (i.e., from the "Chinese" model to the "American" model), the amount of this most basic staple of the Cuban diet allotted each individual under rationing was cut in the 1970s and held down in the 1980s because demand continued to far outstrip domestic production and

imports in general had to be squeezed somewhere.⁶³ Production of yucca, malanga and beans dropped precipitously; milk production declined; production of potatoes, tomatoes and pork rose somewhat faster than population growth. Only in eggs (which are especially amenable to high-tech capital-intensive production) has there been big progress.⁶⁴ But the chickens eat Soviet grain.

According to the United Nations' Food and Agriculture Organisation (FAO), Cuba's agricultural performance overall, including sugar, was tied for last place in Latin America from 1962-1976.⁶⁵ Since 1976 sugar and citrus fruit production have improved considerably but not production of the items that make up the basic diet of the masses.

The individually-owned farms and co-ops which utilise 8% and 12% of agricultural land, respectively,⁶⁶ present a complicated situation, since they grow export crops (tobacco, coffee, even sugar cane) as well as producing most of the root-crops, vegetables, dairy and other domestic foodstuffs. Overall, this land increased its productivity more than state land between 1962 and 1984.⁶⁷ Nevertheless, this sector was drained by low government prices for produce (especially until 1976) and taxes (from 1982-1986, during the period when free farmers' markets were allowed).⁶⁸ After 1986, these markets were abolished and once again obligatory government prices were fixed. The 1986 move coincided with difficulties in securing chemical inputs for the cane-fields due to the shortage of foreign currency, and the Cuban government reacted predictably. This, too, shows the structured dependency of Cuban capitalism, because while from the point of view of capitalism taken in the abstract, i.e., of production efficiency, the individual and co-op sector should have received more, not less, state support, still the sugar crop is far more vital in terms of earning the foreign capital the economy is addicted to and which is of paramount importance to Cuba's comprador-bureaucrat ruling class.

In the decades after the revolution, Cuban industry grew at an average rate of 5% according to an estimate for the years 1959-1972 given by a critic of Castro,⁶⁹ and

6.5% during the years 1965-1980 according to a competing estimate by a more pro-Castro researcher.⁷⁰ This is not very impressive in itself. During the first decade and a half, manufacture as a share of overall production is said to have declined sharply.⁷¹ Since then, there has been some industrial development; Cuban industry has been more "successful" than agriculture, in terms of the increased value of its output. But in qualitative terms it has only industrialised dependence, because of the relations between industry and agriculture, because of the relations between various branches of industry itself, and because of the relations between Cuban and imperialist capital. South Korea is an example of a country that has attained the status of a major exporter of manufactured goods without ceasing to be crushed by imperialism. In other words, Cuba's most basic problem is not the level of its productive forces but its production relations. Again, the comparison with Mao's China is useful, since China was a far poorer country that accomplished much more than Cuba by travelling an entirely different road.

First, regarding agriculture, Mao established a general policy of taking "agriculture as the foundation and industry as the leading factor", as a Chinese textbook on political economy written under the leadership of Mao's line explains.⁷² This means "the support of agriculture by all trades and industries is an important characteristic of the socialist economy."⁷³ China's agricultural production rose by 1.5 times from 1949-1970 in China, and food grain production doubled during this period, while industrial production rose by 18 times.⁷⁴ Although Mao saw agriculture as an important source of accumulation, he was most emphatic that the development of the economy overall had to mean developing agriculture as rapidly as possible and not looting it to build up industry at the expense of agriculture. In Cuba, agricultural output has stagnated for the last 30 years and food production in particular has suffered. Mao regarded a proper balance between agriculture and industry as indispensable for the proletariat's ability to ally with and transform the peasants, and he contrasted this to the exploitation of agriculture by indus-

try and of the rural areas by the cities in bourgeois society.⁷⁵

Agrarian revolution as the only means to feed the people is one aspect of its importance for new democratic revolution. The other is that development of industry also depends on the development of agriculture, in terms of cheapening wage goods (the food and other goods people buy with wages), providing important raw materials necessary for self-sufficient industry (such as foods to be processed, cotton, hemp, leather, wood, etc.) and in providing a market for industrial production of both consumer and producer goods. In most imperialist countries, agriculture developed in the earliest stages of industrialisation. In Cuba, however, both before and after Castro's revolution, the linkages between agriculture and industry have been weak and industrial production has been oriented by foreign capital rather than by the needs of agriculture and overall economic development. This disarticulation between industry and agriculture in Cuba is no different from the pattern of development in other oppressed countries in Latin America and elsewhere.

The question of whether or not industrialisation serves the development of an integrated national economy also involves the mix of what is produced, that is, the relations between the various sectors of industry, including the balance between the production of the means of production (machinery and physical inputs, i.e. department I goods) and of wage items (for consumption, i.e. department II goods). The extreme imbalance and disarticulation between these two production departments is another important link in the chain that binds Cuba to foreign capital.

In the last decade Cuba has increased its ability to partially or wholly produce a few department I goods, so that today it produces about a third of the capital goods it uses. This is considerably lower than Brazil, Mexico or South Korea, to take what bourgeois economists consider "positive" examples of industrial development in the Third World, and qualitatively different from revolutionary China, which became basically self-sufficient in capital goods. Furthermore, the

advances in producing capital goods Cuba has achieved are leading away from balanced industrial development and a self-sufficient economy.

Almost 30% of Cuba's domestically-made producer goods are for machines to plant, harvest, load and mill sugar cane, without counting those items indirectly destined to serve cane, such as transportation goods, which make up the second biggest category after machines.⁷⁶ The mechanisation of the cane harvest has led the development of capital goods production, and indeed, Cuba's industrial development. But because it is rooted in the linkages of sugar cane (that is, the backward linkages, involving the process of planting and harvesting cane, principally, as well as, to some extent, the forward linkages involving processing sugar and cane products), the evolution of Cuba's capital formation has not been able to escape the general lines imposed by imperialist production relations. It has actually demanded an increase in imports. Cuba does not produce bulldozers, tractors, excavators, etc., nor the other agricultural inputs it depends on, such as pesticides, herbicides and chemical fertilisers. At the same time, light industry (essentially for consumer goods) has lagged far behind the country's needs, because of the allocation of industrial resources to the needs of sugar cane, instead of developing a light industry based on agriculture that in turn can both fulfill the consumption needs of agricultural and industrial working people, and serve as a market for producer goods and a source of accumulation.

This lack of light industry has resulted in a continuing high burden in consumer good imports that must be paid for in foreign currency, while the bleeding of resources from non-sugar agriculture has meant that a continuing high percentage of the country's basic foodstuffs must also be imported.⁷⁷ All this in turn dictates exporting more of what Cuba does best: sugar. Because of these factors, the ratio of imports to overall production had already increased substantially in the late 1970s.⁷⁸ Exports were supposed to rise in parallel, but by the mid-1980s Cuba was not able to export enough to pay for the imports without which its economy cannot run. Hence its cur-

rent economic malaise, which, taken globally, comes down to a crisis of the organisation of capital in Cuba — and capital it must be, despite its "socialist" tag, since without the imperialist world market Cuba's sugar industry is nothing but useless hunks of metal and muddy fields. It is a crisis in which the immediate triggering factor is the increasing difficulty in the realisation of the capital invested in Cuban sugar cane (the turning of commodities into money capital) in the context of an imperialist world economy which is rendering increasingly enormous amounts of sugar cane surplus.

What of Cuba's non-sugar based industries? One of Cuba's biggest industrial success stories today is the manufacture of computer parts, which make up 2% of Cuba's total production of capital goods only a few years after start-up of this line.⁷⁹ They are designed to be exported for manufacturing computers in Eastern Europe. This kind of industrial growth within the imperialist "division of labour" assigned by Comecon was to play a major role in Cuba's future industrialisation efforts⁸⁰, although upheaval in Eastern Europe could substantially alter these plans.

Among Cuba's other major industries are wheat processing (using imported wheat); cotton, yarn and textile goods (using imported cotton); steel and metal processing (using imported raw materials to make unobtainable spare parts for ancient American machines); motor vehicle assembly, tyres (using imported oil); and chemicals (also using imported materials). The production of cement is one of the few lines mainly based on domestic materials.⁸¹

In addition to sugar, Cuba also exports high-quality tobacco products (hand-rolled cigars are its *most important manufactured export*), seafood, citrus fruits, coffee and nickel. It imports oil, machinery and transportation equipment, food (including rice, wheat, vegetable oil and low-grade coffee and tobacco, to the disgust of the masses), chemicals and inedible raw materials such as wood, pulp, cotton and natural fertilisers.⁸² From this list it is clear that what prevents Cuba from developing an independent economy is not *principally* a lack of natural

resources, but the supremacy of commodity relations, since much of what is imported could be produced in Cuba or replaced by something else, and the degree of need for much of the rest is to a large extent determined by these same relations.

Cuba's apparent lack of sufficient oil is a very serious obstacle. It has been argued that Cuba's poverty in hydrocarbons (oil, gas and coal) and hydroelectric potential (damable rivers) leaves it little choice but to rely on sugar cane, which is said to be "solar-powered", if it is to avoid an even greater dependency in consequence of the development of industries that could only run on imported oil.⁸³ First of all, however, Cuba does produce some oil, and it could not be ruled out that in the future a revolutionary Cuba might repeat China's experience of a country formerly declared "oil-poor" by Western experts that became self-sufficient in oil, thanks to the massive efforts of Chinese workers and technicians to solve problems of oil exploration and production. Current Cuban government policy is to discard this possibility; recently, exploration drilling at Veredero, considered to be a promising site for oil, was abandoned when Castro decided to develop tourism at Veredero instead.⁸⁴

Second, Cuba has made great strides in using *bagasse* (the dry pulp that remains after the sugar has been ground from the stalks) as fuel. Experience in other countries shows that bagasse and bagasse-derived products (such as alcohol) can power industry and transportation. Brazil's success in this was spectacular, until the falling price of oil internationally made it cheaper than ethanol, and the law of value demanded that this measure of potential economic independence be abandoned. So far, Cuba has used bagasse mostly to power the cane industry, rather than to attack its tyranny. Thirdly, much of Cuba's imported oil is used to fuel the processing of export products, such as nickel, which is one of the biggest single industrial consumers of energy; a revolutionary Cuba would halt this policy.

A graphic way to grasp Cuba's real status is to correlate the relationship between sugar exports and Cuba's overall economic perfor-

mance. The relationship is not quite direct, but in general, the value of sugar sales in any given period (as calculated by the price paid and the amount sold) plays a determining role in the economy's overall performance in that period, both because of the central role sugar earnings play in the country's economic indices and because industry depends on the foreign inputs bought to a large extent with sugar earnings.⁸⁵ Whatever Castro says or does takes place within that context, on that stage, within those *bounds*. No less than in slave and colonial times, Cuba's is still a fettered economy.

In revolutionary China, there was also a close correlation between successful harvests and industrial growth in any given year. The difference is that China's agricultural and industrial production served each others' development, while for Cuba, sugar cane is useless without the workings of the international circuits of capital through which this commodity's value can be realised and transformed into more capital.

The overall economic growth rate achieved at the price of such drastically increased dependency has been rather mediocre, only about 4% of GSP from 1959-1989 according to figures given by Castro.⁸⁶ Cuba's average GNP growth from 1973-1982 was 4.8% according to a London firm that calculates the neighbouring Dominican Republic's average yearly GNP growth during the same period as 4.5%.⁸⁷ South Korea's average yearly GNP growth 1962-1985 was 8.5%.⁸⁸ Actually, hidden in what Castro gives as Cuba's 30-year average is its more recent trend: little or no growth throughout the entire second half of the 1980s.⁸⁹

Of course, the average annual growth rate is no indicator at all of a country's liberation, since it reveals little about its relations of production. The point is, however, that Castro chose to follow the path of dependency with the argument that in this way Cuba would achieve the economic growth rate he falsely called a necessary precondition for national liberation. Thirty years later, it has achieved neither.

China, by contrast, sustained an annual average GNP growth rate of 5.6% from 1953-1974, according to

U.S. government statistics.⁹⁰ This was done with no foreign material aid, few foreign loans before 1957 and none at all afterwards, with absolutely no accumulated debt, foreign investment or any other form of national enslavement. This growth rate was also achieved on the basis of all-around balanced economic development and not the extreme disequilibrium produced by imperialist-sponsored growth everywhere else in the Third World, where a number of countries selected for intensive imperialist capital investments have achieved spectacular growth rates for awhile, only to run up against the limits of unbalanced and disarticulated growth.

The qualitative nature of socialist China's growth is far more impressive than its quantitative growth — but even so, the Chinese experience shows that quantitative economic growth can be achieved on the basis of thoroughgoing revolution against imperialism and its domestic allies. If Cuba had burned down the cane-fields, distributed the land of the latifundia to the former peasants and slaves, allowed those for whom there was no productive employment in the capital to return to the countryside and built up industry based principally on the resources and needs of agriculture, its economy might have grown faster, not slower; and at any rate it would have won national liberation and built socialism and not dug itself deeper into captivity with every hour of toil.

What about the lives of the people? Studies made by scholars of various degrees of pro-Cuban inclinations in recent years have tended to confirm, to one degree or another, some basic facts of dependency, but a persistent argument has been that at least the standard of living of the masses in Cuba is higher than most other countries in Latin America. The literacy rate is very high, as are some indices of health. Cuba's infant mortality rate (11.9 per 1000 live births in 1988) is the lowest in Latin America, and even lower than many minority ghettos in the U.S., as Castro brags with some justice.⁹¹ Critics have pointed out that Cuba had the lowest infant mortality and general mortality statistics in Latin America before Castro's revolution as well.⁹² The average live expectancy at birth in Cuba is 73, which

compares favourably with imperialist countries.⁹³ Cuba also resembles the imperialist countries in another way: it has achieved an advanced world-level suicide rate (21.7 per 100,000 deaths), which doubled between 1970 and 1985.⁹⁴

There has been no evidence of widespread hunger in Cuba. But the average diet is nutritionally very poor. The roots and beans that are popular favourites are difficult to obtain, because the government considers them too labour-intensive to grow, although unlike most of Cuba's export crops to which labour is allocated instead, *viandas* require little foreign fertilisers, pesticides and machinery. Few fresh vegetables are available. Fruit, produced abundantly, is for export. For the same reason, a cup of coffee is a luxury in this coffee-exporting country. Cubans often complain that they can't stand the inordinately large amounts of dairy products (often imported) and eggs included in the official diet, meant as a protein source to replace the (domestic) pork they enjoy. The sugar ration is four to six pounds of sugar per person per month (depending on the region), for home consumption, without counting the endlessly available free sugar in public eating places. A joke has it that the government introduced yogurt so that people will have something else to pour sugar on.

This diet is determined by the needs of an export-plantation economy. It does not promote independent economic development. It is not healthy (the Cuban government press brags that the country's diet brings about "the diseases of an advanced country" — high incidence of heart attacks, high blood pressure and related illness, obesity, etc. — as though this were a mark of Cuba's progress). And the masses don't even like it.⁹⁵

Havana has avoided the swollen shantytowns full of peasants surrounding many other Latin American capitals mainly because Cuba's population has grown little over the past decades. It has kept its birth rate low and shipped off its "surplus" population to the U.S. About 8% of its 10 million people have leapt from the frying pan into the fire, continuing a trend which began in the 1940s when Cuba's

countryside first began pouring its inhabitants into the factories and ghettos of the United States.

The majority of Cuban families live in the same houses their families occupied before Castro.⁹⁶ This is a shocking reflection of just how little social transformation there has been. In 1984, Cuba abandoned publicly-owned housing by requiring renters to buy the government-owned houses they lived in. This was meant to reduce the cost to the government of housing maintenance (70% of total housing expenditures — an indicator of how little new housing was being built) and to promote private construction and ownership of new housing.⁹⁷ Castro seems to have been taking lessons from Thatcher.

As far as the kind of “human rights” so beloved of the U.S. and its allies, under its 1976 Constitution Cuba has elections for local, provincial and national government which are much less blood-stained than when the U.S. was running Cuba and as democratic as any in the Third World (where the basic masses have no rights anywhere). The percentage of the population in prisons is about the same as the U.S., so neither side has any right to speak on this.⁹⁸

Few serious people today, especially abroad, bother to argue that Cuba is a very revolutionary society. They can't ignore the grim political climate. They tend to limit their claims to quantitative arguments, for instance, that there is more “equality” in Cuba than Brazil, in terms of the distribution of cash income between the uppermost and lowermost percentiles of the population.⁹⁹ The same kinds of arguments could be made for Sweden versus Germany, without touching the decisive question of what kind of societies they are. Furthermore, if the Soviet Union's Cuba were to be compared to the U.S.'s Puerto Rico, one could concoct an argument that Cuba chose the wrong imperialist master. There is always some oppressed country that seems better off than another one; that is no argument in favour of imperialism and imperialist domination.

In Cuba today, the various classes play the same role as before, and if there are new faces among today's government officials and heads of

factories and plantations, that is not very important to anyone but them. The Workers Councils, once touted as a key ingredient of Cuban-style “socialism”, are largely inactive and forgotten. There are discussions about how to fulfill the plan formulated for various enterprises, but there is hardly even any pretence of much more. “We do not discuss balance of payments problems with factory workers”, a head of Cuba's economic planning board told a researcher eager to prove Cuba's “socialism”.¹⁰⁰ Under current circumstances, any kind of “workers self-management” could only be fake anyway, because without a real revolution what happens in Cuba is not basically determined there. As for what Mao called “labour's greatest right”¹⁰¹ — the right to take charge of all society and transform the world — that doesn't even enter into Cuban rhetoric.

VII. Soviet “Aid” Is the Export of Capital

Some people argue that Soviet “aid”, “grants” and payments to Cuba do not constitute capital. But when they are examined, certain unmistakable characteristics appear.

Soviet transfers to Cuba take three forms: aid for particular projects, subsidies in the form of favourable prices for import and export commodities, and balance of payments loans (to cover the difference between what Cuba exports and its voracious import needs). These forms are rather intertwined in practice, for each kind of “aid” is so devastating that it requires a further form of “aid” in its wake.

First, Soviet-bloc direct developmental “aid” is the smallest component of the total, amounting to \$883.5 million in 1986.¹⁰² At the end of the 1980s, the bulk was concentrated in the building of 11 new sugar mills and the modernisation of 23 of Cuba's 159 mills.¹⁰³ Given what has been discussed so far, the odious nature of this “aid” should be clear.

Second, the famous fact that the USSR pays Cuba far above the world market price for its sugar is misleading. Less than 20% of the world's sugar is sold at that price. The rest is purchased on a long-term contract or quota basis or on some

other preferential terms. For instance, during 1988, when the “world market price” of sugar averaged around 11 U.S. cents (\$0.11) a pound, the U.S. purchased Philippine sugar at 18.5 cents a pound.¹⁰⁴ It would be difficult to argue that the U.S. did so out of benevolence. Aside from political reasons, such long-term above-market price contract arrangements are advantageous because they secure an assured quantity and quality of sugar at an assured time, which is of great importance for the continuous operation of giant refineries and vast markets. In fact, the U.S. consistently paid Cuba at a preferential price during the period when Cuba was a U.S. dependency.

According to a somewhat pro-Cuban economist, the cumulative price the USSR paid for Cuban sugar from the early 1960s until 1976 was above the world market price but *below* the average price that the U.S. paid for imported sugar during that same period.¹⁰⁵ After that, Soviet payments were set through a series of complicated and changing arrangements that initially meant somewhat higher sugar prices, but tended to fall in conjunction with the world movement of commodity prices. Soviet prices in the early and late 1980s were above the average price actually paid by the U.S. By 1987, when the world market price for cane sugar was 7.5 U.S. cents, the U.S. was paying its preferred producers 21 cents a pound, and the USSR was paying Cuba 37 cents according to the official rate of exchange for the Cuban peso¹⁰⁶ — perhaps less than the U.S. if the peso were expressed in terms of its real market dollar value.¹⁰⁷

Further, Soviet purchases are not, for the most part, paid for in hard currency, but rather in Soviet goods. As many studies have indicated, including one by the Cuban Central Bank itself, the average price paid for goods the Soviets send their captive markets is twice as high as world market prices for goods of the same quality.¹⁰⁸ One doesn't have to go this far to see that this form of Soviet “aid” to Cuba conceals Soviet extraction of Cuban surplus value.

Thirdly, there are the USSR's loans to cover Cuba's negative balance of trade (which reached an accumulated total of \$5 billion in

1976).¹⁰⁹ They have often been considered a further form of Soviet "aid" because they are long-term (10-12 year), at relatively low interest (2-3%), and payable in sugar or other Cuban exports. But long term or short, loans are a common means by which imperialism seeks to "skin the ox twice", as Lenin put it, once by robbing a country through unequal trade terms and again by compelling it to pay interest on loans used to finance this robbery.¹¹⁰ The apparently low interest rates are meaningless because of the role these loans play in holding together the overall unequal relationship. If current economic conditions have forced the USSR to hold payments and interest on its loans in abeyance for the last several years, this is similar to the situation faced by Western European and Japanese imperialism in regard to their loans to Cuba, and no different from what the U.S. has been forced to do in its relations with Cuba's neighbors in Latin America and elsewhere.

That Cuba does not find its arrangements with the USSR advantageous can be inferred from the fact that in years when Cuba harvests more sugar than needed to fulfill long-term contracts with the Soviet bloc, it sells the excess to the West at prices that apparently defy logic, for it would seem Cuba is losing money by passing up Soviet prices.¹¹¹ To some extent this is because the Soviets cannot always supply Cuba with the quantity and quality of goods required, but it also implies that Cuba finds its real terms of trade with the West no more unfavourable than those with the East bloc.

After sugar, the most important component of Cuban-Soviet trade is oil. In the high-price years for oil in the late 1970s and early 1980s, the Soviets charged Cuba less than the world market price for oil; in the low-price years for oil in the mid-1980s Cuba found itself obliged to pay the Soviets at above the world market price.¹¹² Cuba imports more oil from the USSR than it needs, paying for this oil with up to three-quarters of its sugar exports to the USSR.¹¹³ Cuba then turns around and re-exports the oil at world market prices. (Little oil actually changes hands. The Soviets trade a certain amount of oil in their refineries

in Eastern Europe for a similar amount in Venezuelan refineries. The Soviets then supply Venezuela's customers in Europe and Venezuela supplies Cuba — which in turn sells the oil to other Latin American countries which get it directly from Venezuela.) In addition, the USSR pays Cuba what it considers a subsidised price for Cuban nickel.

This system of trade is as grotesque as anything in the West and has nothing at all to do with the barter of use-values, as some people would have it. For example, in 1983-1985, when the world market price of sugar fell extremely low, Cuba used its available dollars to buy sugar from the Dominican Republic, enabling it to cash in on the slave-like conditions for Haitian field workers that make sugar so cheap to produce there, and sold this sugar to the USSR for oil, which Cuba then sold on the international market for more dollars. In both good years and bad for sugar, it seems that Cuba considers dollars more valuable than roubles.

When world oil prices rose tenfold in the decade after 1973, the price the USSR charged Cuba merely doubled. Presumably the production price of oil in the USSR did not change so drastically, so the result is one of the Soviet's accepting a less than maximum profit for one line of trade (whether it be purchases of sugar or sales of oil) in consideration of the overall profitability of these trade arrangements. If one simply considers the relation expressed in how many tons of sugar are needed to buy a ton of Soviet oil, and ignores the question of the possible values of both commodities in other markets, the terms of Cuban-Soviet trade deteriorated by one-half from 1977 to 1982.¹¹⁴

On the strength of its present and future oil earnings, Cuba, like many Third World countries, adopted a strategy of "debt-led development" in the latter part of the 1970s. Despite what appeared on paper as massive Soviet "aid", by 1988 Cuba's debt to U.S.-bloc countries reached \$5.7 billion. This is roughly comparable, on a per-capita basis, to that of the Dominican Republic.¹¹⁵ Starting in 1986, Cuba was unable to continue making interest payments. It had proved to be extraordinarily vulnerable to exactly the same

factors that unleashed crisis in similar countries in the West bloc, especially the general collapse of most raw material prices on the international market and the rise in interest rates on loans due Western imperialism. At the same time, since Cuba's oil and West-bloc sugar sales are denominated in dollars, as the dollar sank against Western European currencies, the dollar burden of Cuba's debts to European countries became crushing. Cuba has no trade with the U.S. but still the dollar had its revenge.

Cuba publishes no statistics on trade balance and overall indebtedness. Statistics released by the CIA are the most common source of information on this subject. They claim outstanding Soviet loans to Cuba reached \$8.2 billion as of 1986. If true, this plus the \$5.7 billion in unpaid Cuban debts to the West (which continue to pile up despite the lack of new money as unpaid interest payments become capitalised) would give Cuba one of the highest ratios of foreign debt/GNP in the Third World.

The CIA's estimates for how much Cuba has "cost" the Soviet Union maliciously inflate this figure by calculating oil and sugar according to world market values and counting the difference between this and the prices actually paid as a subsidy. On this basis they claim the USSR transferred to Cuba an average of \$2.5 billion a year from 1976-1982.¹¹⁶ But in contrast to the CIA's estimates, an academic team writing for the U.S. Commerce Department concluded, "what is apparently only a subsidy to Cuba in fact also accrues benefit to the USSR. Who gains the most from this is difficult to determine."¹¹⁷

We can't expect the U.S. government to expose the workings of imperialism. But Soviet-Cuban trade and financial relations present a murky picture which has never been thoroughly illuminated in any published analysis because too many factors remain secret or difficult to determine. The question has been posed why the Soviets choose to carry out their transactions like this, and the most reasonable guess is precisely because it conceals things so well. The Soviets and their Cuban compradors have deliberately chosen accounting methods which

obscure the real content of their relationship.

We should not imagine that imperialism consists simply in rich countries extracting value from poor countries, through unequal terms of trade or other means, as did Guevara and the "dependency theory" writers who follow him. More than a few people who call themselves Marxists can see no imperialism in the relations between the USSR and Cuba because they presuppose that imperialist domination can only lead to the "development of underdevelopment" and not a certain degree of growth and industrialisation. But imperialist domination does not at all preclude economic growth in a dominated country. An essential feature of imperialism, as Lenin pointed out, is the export of capital.¹¹⁸ This does not mean that the enterprises and industries, etc., developed in the countries dominated by imperialism must belong to the imperialists juridically, in name. What is developed through the export of capital is a production relation, in which increasingly vast sectors of the oppressed country's economy are integrated into the international circuits of imperialist capital and respond primarily to its needs. The more economic growth occurs under conditions of imperialist domination, the more the country's economy is disarticulated and distorted. The Soviets export their capital to Cuba in the form of petroleum, machinery and chemicals, but it is no less capital just the same. What results is the extended reproduction of dependent relations. Capital accumulates in Cuba only insofar as it is subordinate to imperialist capital and can function only within the bounds of the international circuits of capital, which is to say, only insofar as it is imperialist capital in Cuba and not really Cuban capital.

VIII. Can There be Such a Thing as "Dependent Socialism"?

"Cuba could have avoided dependency only on pain of having renounced the revolution" — this is a common argument by Cuba's defenders. A French author, referring to what he considers the "considerable accomplishments of Cuba", asks rhetorically, "At what

price? The alignment with the USSR, despite often tumultuous relations. But what could Havana do in the face of U.S. aggression and its economic blockade? No country can live in economic autarky, especially when its economic exchanges rest on a single crop — sugar — to which all doors were suddenly closed. The only alternative was to renounce the revolution. That Castro and the Cubans would never do. The people of the Third World want to lift themselves out of poverty and national humiliation."¹¹⁹

The assumption in this argument is that "the revolution" exhausted its tasks when Cuba broke with the U.S. (or when the U.S. broke with Cuba). It was indeed a great step, and a revolution, when Batista and the pro-U.S. latifundistas and compradors were overthrown and the U.S. kicked in the nose. But imperialism, comprador-bureaucrat capitalism and the remnants of slave society and feudalism had not been kicked out. They remain the basis on which Cuban economic life is organised (and hence ultimately its political life as well). Therefore the revolution failed to accomplish any lasting radical change and its leaders became a new counter-revolutionary ruling class.

"The ownership system", the Chinese textbook previously cited emphasises, "is a social relationship.... Marx once quoted Aristotle's remark that 'the status of the master rests not so much on he who purchases the slave as on he who lords over him'. Marx continued, 'the status of the capitalist is established not so much by his ownership of the capital — which provides him the power to purchase labour — as by his power to employ the labourer, that is, the wage earner, in the process of production.'"¹²⁰ In other words, our criticism is not that Cuba entered into relations with imperialists who own capital, but rather that Cuba's labouring people remain imprisoned in a social relationship in which they can work only so long as it profits the accumulation of (foreign) capital and in which all the fruits of their labour go to build up a structure of capital which stands over them and against them. The Cuban working people cannot be masters in their own house as long as the house belongs

to somebody else.

As if he were determined to find ever more vivid proof of just how little Cuba's people count in Cuba, Castro has announced plans for tourism to bring in \$400 million a year, amounting to 40% of its present export earnings.¹²¹ How can a socialist society be built on such a basis, even in terms of what it implies for the material organisation of resources and society, not to speak of the presence of two million relatively privileged tourists from the imperialist countries, with all the social relations they carry as baggage and all the dollars at their disposal? How can a country that lives off imperialism's tourists support world revolution? And if it doesn't support the advance of the world revolution, how can the unequal development imposed on the world by imperialism be overcome and how can the world become communist?

It is not that communism is harder to build in a tourist colony than on a sugar cane plantation, only that the absurdity of the whole thing is more obvious. No socialist country can be built on the basis of any kind of monoculture, but the problem is deeper than that. As the Chinese political economy textbook explains, under socialism "the nature of social production has changed. The goal of social production and the means to achieve that goal have also changed.... [T]he purpose of socialist production is to raise the level of the material and cultural life of the proletariat and the labouring people, consolidate proletarian dictatorship, strengthen national defence, and support the revolutionary struggles of the peoples of the world. Ultimately, it must serve to eliminate classes and realise communism."¹²²

The "purpose of production" means the political line leading the economy and society. Under Mao's leadership, China's economic construction followed the strategy of "be prepared for war, be prepared for natural disasters, and do everything for the people".¹²³ Mao also said that "According to the viewpoint of Leninism, the final victory in one socialist country requires not only the efforts of its own proletariat and its broad masses of people, but must also wait for the victory of world revolution...."¹²⁴ This meant a whole series of strategic decisions in

terms of how to develop China's economy.

What does it mean not to "renounce the revolution", to truly hold out and continue the fight against imperialism? Internally, it has to include carrying out the greatest possible revolutionary transformation of all production relations, while also carrying out the ceaseless transformation of the superstructure (the realm of politics, ideology, culture, etc.) to clear the way for the further transformation of the relations of production and the development of the productive forces which ultimately define the limits of the revolution in a given country in a given period. Dependent development would go against the development of the material conditions for the elimination of classes and class distinctions, of the contradictions between manual and mental labour, between town and country and between industry and agriculture, and of the subordination of women by men that arose in association with the various successive modes of exploitation. It is impossible to transform the consciousness of the labouring people and turn society upside down under their dictatorship without relying on the abilities and initiative of the working people themselves in all spheres.

Further, since no country in today's world is "autarkic", in the sense of being isolated from the imperialist system economically, politically or militarily, only by doing everything possible for the advance of the world revolution is it possible to break out of the confines imposed by imperialism's division of the world into oppressor and oppressed nations, and this too must be taken into account in a socialist country's economic construction. The revolutionary proletariat must recognise the continuing existence of the law of value — the exchange of commodities according to the socially necessary labour-time they embody — and its economic planning must take it into account. But if this law determines what gets produced and how, then this means the expanded reproduction of all capitalism's relations of exploitation. Social inequalities, including between oppressor and oppressed nations, will be considered too costly to overcome and not be targets of

revolution. The advanced forces of production in the imperialist countries and the cheapness of manufacture and other advantages that come with it are not a reason for revolutionaries in the dependent countries to capitulate to imperialism, but rather part of the reason why they must do everything for the advance of the world revolution until it triumphs everywhere.

There can be no such thing as "socialist dependency", a concept put forward by those whose research has brought to light some powerful facts about Cuba's economic reality but who want to find something good about it anyway.¹²⁵ The contradiction Cuba faced was not self-reliance or internationalism, but rather *dependency* or internationalism, for the more a Third World country builds up its economy in a way that allows it to resist imperialist threats and aggression the more it can do to serve the world revolution. "Dependent socialism" is impossible because a dependent country cannot fulfill socialism's tasks.

Castro's flight of rhetoric about Cuba becoming "the last socialist country in the world" was not a solemn recognition of those tasks but a blatant expression of the country's most narrowly conceived self-interest, or rather the pathetic self-interest of a comprador clique. After all the crimes committed by Soviet social-imperialism over the last 30 years, including using Cuba as a pawn in the 1962 "Cuban missile crises" and ranging from the invasion of Czechoslovakia to the invasion of Afghanistan — all of which Castro loudly praised; after all the Soviet reactionary ventures in which Cuba took part, including those in Africa for which Castro first supplied troops and then dutifully brought them home when the Soviets were done with them — now, when it seems that the USSR might more strictly reconsider its accounts with Cuba, suddenly Castro begins to doubt Soviet "socialism"!

Castro welcomed the arms the Soviets offered free of charge with the idea of defending Cuba. In thirty years, Cubans have never used them except in pursuit of Soviet foreign policy objectives. With the exception of a very recent automatic rifle production facility, Cuba does not

and cannot manufacture its own weapons. Both in terms of who really controls the arms and even in the literal sense, Cuba still has no arms of its own but is only holding Soviet weapons.

Speaking of the difficulties making themselves felt in Cuba lately, Castro complained of the burdens of making a revolution "ninety miles from the most powerful empire in history and 10,000 kilometres from the socialist camp".¹²⁶ But the USSR was not too far away to enforce a dependent development on Cuba that in turn has magnified its geographic vulnerability to the U.S. Castro's economic and military policies have led to a situation where its one and only real line of defence is the Soviet Union. He can hardly complain now if it seems that the cheque for which he sold out to the USSR might bounce.

It may be true, as some have argued, that if Cuba had not had Soviet backing initially, the U.S. would have invaded Cuba long ago. But there is evidence that the U.S. was not prepared to accept the consequences of a full-scale invasion and prolonged war in Cuba in the 1960s. Khrushchev's placement of Soviet missiles in Cuba in 1962 had more to do with jostling for advantage vis-a-vis the U.S. than with protecting the island. The subsequent U.S. invasion of Vietnam leaves no room for doubt of the U.S. imperialists' bloodthirstiness, and the 1965 U.S. invasion of the Dominican Republic demonstrates that the U.S. was determined to secure its "back yard", but one can wonder just how many wars the U.S. was capable of fighting at once, and with what consequences for U.S. imperialism. After all, the U.S. lost the war it did fight in Vietnam.

It is not written in any Marxist book that if Cuba had followed a more revolutionary path its regime would have been assured of survival. Since socialism was overthrown in huge Soviet Russia and China, there is no certainty that it could have prevailed in this small Caribbean island right under the U.S.'s nose. Cuba's people have many links to the U.S., and it is possible that some strata would not have stood for the loss of the relatively high standard of living they enjoyed through their association

with U.S. imperialism or that even broader strata would not have been able to resist the threats and lures held out by the U.S. But even this has two aspects, for if the U.S. certainly had its people in Cuba, Cuba had (or could have had) "its people" abroad too, including the many millions of people in the Caribbean and Latin America and others who looked to Cuba, even in the U.S. Thousands of people gathered to greet Castro at his hotel in New York's Harlem after he spoke at the UN in 1960, amidst mounting official U.S. hostility. It may be that Cuba would have faced and perhaps lost a war against the U.S. It also may be that if Cuba had embarked on a real revolution, and if it had fought for Marxism instead of revisionism, the consequences would have been enormous.

The "dependent socialism" idea holds that the Castro regime's often admittedly unsavory relationship with the USSR was the price for saving and developing "the first liberated territory of the Americas". A recent attempt to praise Castro quotes his speech in favour of the Soviet invasion of Czechoslovakia, "Will [the Soviets] send in Warsaw Pact divisions to Cuba if the Yankee imperialists attack our country, or even threaten to attack it?" You see, the author concludes, Castro really didn't like the USSR: "Rather than simply subordinating Cuba to Soviet policy, Castro was clearly attempting to parlay Cuban support for the Czechoslovakian invasion into stauncher Soviet protection for Cuba against U.S. imperialism."¹²⁷

Such may very well have been Castro's intentions, but the Cuban experience shows that while revisionism and nationalism may go together ideologically, in practice the same outlook that led Castro to sell out the world's peoples for the sake of "Cuba" led him to sell out the broader interests of the Cuban people as well. The views of Castro and his circle may have included some nationalist inclinations, but they were not able and really did not seek to carry out the thoroughgoing transformation of Cuban society in conjunction with the world revolution.

As Mao insisted, in today's world, the tasks of the democratic revolution (against feudalism and imperialism) cannot be accom-

plished by any bourgeoisie in the oppressed countries; the new democratic revolution is a part of the overall proletarian-socialist world revolution.¹²⁸ Although bourgeois forces in such countries will repeatedly clash with the production relations imposed by imperialism and semi-feudalism, their interests and outlook will bring the revolution to defeat if they are allowed to lead it, and they will repeatedly seek to do so. A nationalist outlook which sees the quantitative "development" of an oppressed country's economy as the supreme good in and of itself cannot guide that country to free itself of imperialist domination. Mao's statement that "only socialism can save China" holds for Cuba as well.

In 1966, at the Tricontinental Congress, Castro gave a notorious speech attacking Mao, saying that "When by biological law we start to become incapable of running this country, may we know how to leave our place to other men capable of doing it better."¹²⁹ It was no coincidence that this came at the time that Mao, not much older than Castro is today, was waging a life- and-death battle with revisionist leaders in the Chinese party who would take China on the road Cuba had followed, and arousing Chinese youth and in turn the broadest millions of the Chinese masses in the Great Proletarian Cultural Revolution, the furthest point yet reached by the world proletarian revolution. The two roads could not stand more starkly opposed. In 1989, the Cuban Party press was to rigorously defend the Tiananmen Square Massacre carried out by Deng Xiaoping, who had led the overthrow of Mao's successors.¹³⁰

The relations of production and all social relations in Cuba will continue to cry out for revolution until another generation of Cubans, armed with the outlook and method of Marx, Lenin and Mao and basing themselves on the most exploited and oppressed in Cuban society, as part of the international communist movement, lead the future authentically communist revolution that is the only solution to the country's humiliation and oppression. Until then Cuba must serve the proletariat and the oppressed of the world as a teacher by negative example. Its lessons, because they concern the revolutionary process from beginning to end,

particularly in other oppressed countries but even in the imperialist countries, are of both far-reaching and immediate importance. □

Footnotes

53. Cited by Brian H. Pollitt, "Sugar, Dependency and the Cuban Revolution", *Development and Change* (The Hague), 2 April 1986.

54. The term "Sino-Guevarism" was introduced in the 1970s by Carmelo Mesa-Lago, and repeated most recently in a book dedicated in large part to refuting Mesa-Lago and other anti-Castro "Cubanologists": Andrew Zimbalist, ed., *Cuban Political Economy* (Boulder and London: Westview Press, 1988). Although Mesa-Lago and Zimbalist have represented two poles of a debate about Cuba's economic performance, the former generally negative and the latter generally positive, their basic analytical models have much in common.

55. K.S. Karol, *Guerrillas in Power* (New York: Hill and Wang, 1970), p. 542.

56. Mao Tsetung, *A Critique of Soviet Economics* (New York and London: Monthly Review Press, 1977), pp. 98-99.

57. Cited by Kay, 1247. Kay gives a useful summary of the evolution of Cuban economic planning.

58. For the year 1983. Carl Henry Feuer, "The Performance of the Cuban Sugar Industry, 1981-1985", in Zimbalist (1987), p. 69.

59. Estimates of sugar as a percentage of Cuba's exports in recent years run higher, generally in the upper 80% range. See *Economist Intelligence Unit Country Profile: Cuba, 1988-1989* (London: 1988), p. 23.

60. Mesa-Lago, p. 82.

61. In 1986 and 1987. Calculated from Banco Nacional de Cuba figures cited in *EIU Country Profile*, p. 13.

62. *Ibid.*, p. 12.

63. Mesa-Lago, p. 203.

64. *Ibid.*, pp. 66, 158. Also see Benjamin et al., chapter V. In the late 1980s the rice ration was five pounds (2.3 kilos)/month, which these authors say usually lasted less than three weeks.

65. Mesa-Lago, p. 37.

66. Cited in Mesa-Lago, p. 38.

67. *Granma Resumen Semanal* (Havana), 22 January 1989.

68. Jose Luiz Rodriguez, "Agricultural Policy and Development in Cuba", in Zimbalist, ed. (1987), p. 32.

69. Andrew Zimbalist and Susan Eckstein, "Patterns of Cuban Development: The First Twenty-Five Years", in Zimbalist, ed. (1987), p. 7.

70. Mesa-Lago, p. 39.

71. Andrew Zimbalist, "Cuban Industrial Growth 1965-84", in Zimbalist, ed. (1987), p. 88.

72. Mesa-Lago, p. 72.

73. *Fundamentals of Political Economy* (Shanghai: 1974, published in English by M.E. Sharpe, White Plains, New York), p. 378.

74. *Ibid.*, p. 377.

75. *Ibid.*, p. 338.

76. Feuer, p. 378.

77. Feuer, p. 106.

78. Food and tobacco amounted to an average of 17% of Cuba's imports from 1982-1984. *EIU Country Profile*, p. 24. This compares to

an average 23% from 1959-1975. Mesa-Lago, p. 86.

78. Imports amounted to 35% in 1978, as compared to an average of 25.7% from 1946-1958. The share of the economy devoted to exports in 1978 (33.8%) was higher than the 1946-1958 average (30.6%). Figures before Castro's revolution are given in terms of Gross National Product and afterwards of Gross Material Product, and the changeover in accounting systems produces some distortions, though trend lines remain the same. Mesa-Lago, p. 79.

79. Claes Brundenius, "Development and Prospects of Capital Goods Production in Revolutionary Cuba", in Zimbalist, ed. (1987), p. 106.

80. *EIU Country Profile*, p. 18.

81. *Ibid.*, pp. 18-19.

82. *Ibid.*, p. 24.

83. Pollitt, "Sugar, Dependency and the Cuba Revolution", op. cit.

84. *Economist Intelligence Unit Country Report: Cuba No. 1 1989* (London), p. 17.

85. Mesa-Lago, p. 84.

86. *Granma Resumen Semanal*, 22 January 1989. GSP (Global Social Product) is a peculiarly Cuban measurement that roughly approximates the value of the Gross Domestic Product minus all services not directly related to production.

87. *Caribbean Economic Handbook* (London: Euromonitor Publications Ltd., 1985), pp. 82-83.

88. *Economist* (London), 4 March 1989, "South Korea's Miracle", p. 93.

89. *EIU Country Report*, p. 2.

90. Joint Economic Committee, *China: A Reassessment of the Economy* (Washington: U.S. Government Printing Office, 1975).

91. *Granma Resumen Semanal*, 22 January 1989.

92. Mesa-Lago, 166.

93. *EIU Country Report*, p. 12.

94. Sarah M. Santana, "The Cuban Health Care System: Responsiveness to Changing Needs and Demands", in Zimbalist, ed. (1987), p. 117.

95. See Benjamin et al., chapter XI.

96. Mesa-Lago, p. 174.

97. Susan Eckstein, "Restratification After the Revolution: The Cuban Experience", in Richard Tardanico, ed., *Crisis in the Caribbean Basin* (Newbury Park, Beverly Hills, London, Delhi: Sage Publications, 1987), pp. 224-225.

98. In Cuba, 30,000 out of 10.36 million. (*Latin American Regional Reports: Caribbean* (London), 12 May 1988) In the U.S., 674,000 out of a population of about 240 million (*New York Times*, 11 September 1989).

99. For instance, see Tom Alberts and Claes Brundenius, *Growth with Equity: The Brazilian Case in Light of the Peruvian and Cuban Experiences* (Lund Research Policy Institute, Sweden: 1979), or any one of Brundenius' similar studies.

100. Linda Fuller, "Power at the Workplace: The Resolution of Worker-Management Conflict in Cuba", in Zimbalist, ed. (1987), p. 152.

101. Mao Tsetung, *A Critique of Soviet Economics*, p. 61.

102. *EIU Country Profile*, p. 27.

103. Wilhelm Jampel, "Cuba: Pays-Membre du CAEM", *Le courrier des pays de l'Est* (Paris), November 1987, p. 15. Another form

of "free" Soviet aid is the current construction of four nuclear power plants, presumably to allow the USSR to put its oil to other uses. A new island Chernobyl would be bad enough, but this is a particularly perilous project for a country sitting under the sights of American bombers.

104. *Far Eastern Economic Review* (London), 1 December 1988.

105. Study by Willard Radell, cited by Richard Turits, "Trade, Debt and the Cuban Economy", in Zimbalist, ed. (1987), p. 175.

106. Andrew Zimbalist and Claes Brundenius, "Cubanology and Cuban Economic Performance", in Zimbalist, ed. (1988), p. 61.

107. Turits on peso/dollar exchange, p. 176.

108. Cuban Central Bank study cited by Zimbalist and Eckstein, p. 20. Similar figure cited by Mesa-Lago, p. 87.

109. Jampel, p. 16.

110. V.I. Lenin, "Imperialism, the Highest Stage of Capitalism", Vol. 22, p. 293.

111. Mesa-Lago, 184. Also Turits, p. 171.

112. Jampel, p. 22. Also Susan Eckstein, "Why Cuban Internationalism", in Zimbalist, ed. (1988), p. 171.

113. Turits, p. 176.

114. *Ibid.*, p. 175.

115. Figures for Cuba from *Latin American Regional Reports: Caribbean*, 21 July 1988. The Dominican Republic, with about six million population, had \$3.8 billion in outstanding foreign debt that year. (*Latin American Weekly Report* [London], 9 February 1989)

116. Turits, pp. 176, 178. He points out that this figure would have to be compared with the \$4.8 billion the U.S. government transferred to various agencies and individuals in Puerto Rico in 1985.

117. Theriot and Matheson, cited by Turits, p. 175.

118. Lenin, *Imperialism*, p. 240. See p. 300 for discussion of imperialism and the growth of the productive forces.

119. Maurice Lemoine, "Quelques mots avant l'atterrissage", in Lemoine, ed., *Cuba: 30 Ans de Revolution* (Paris: Autrement, 1989) p. 8.

120. *Fundamentals*, pp. 272-273.

121. *EIU Country Report: Cuba No. 4, 1988*, p. 12.

122. *Fundamentals*, p. 311-324.

123. *Ibid.*, p. 324.

124. *Ibid.*, p. 502.

125. A term used by Turits, p. 178-180.

126. *Granma Resumen Semanal*, 7 August 1988.

127. Frank Fitzgerald, "The Sovietization of Cuba Thesis Revisited", in Zimbalist, ed. (1988), p. 148.

128. Mao Tsetung, "On New Democracy", Vol. 2, p. 346.

129. Castro speech of 17 March 1966. Cited in Thomas, pp. 1477-78. Also in *The Guardian*, "A Fading Star in His Own Theatre", 15 April 1989.

130. *The Independent* (London), 17 August 1989.