

## ***An Interview with Mark Falcoff, author of Cuba the Morning After: Confronting Castro's Legacy***

*Q. What makes this book different from all the others on Cuba?*

A. Far, far too much ink and air time has been wasted on debating whether the United States should or shouldn't lift the embargo on Cuba. *Cuba the Morning After* takes it as a given that sooner or the later the embargo will be lifted—the real question is, when we re-engage with Cuba, what will we find? And how will what we find affect Cuba's relations with the United States, and ours with it?

*Q. Well, what will we find?*

A. The first thing we'll find is that Cuba has changed so fundamentally in the last forty-five years that it will never again recover the intense, mutually profitable relationship it enjoyed with the United States prior to 1958.

We have to remember that in those days Cuba enjoyed a special arrangement (“the sugar quota”) that reserved a huge portion of our sugar imports for the island, at a high (subsidized) price. It was this benefit that made Cuba one of the three most prosperous Latin American countries.

Since then, Cuba's quota has been divided up among more than forty other countries. At the same time, over the last forty-five years scores of nations have begun to produce sugar. Today sugar is made in more than 100 countries, all anxious to export in a market that is flooded with the product. The U.S. sweetener industry has also greatly expanded—not just cane sugar (which is now grown in Florida as well as Louisiana) but beet sugar, which is produced in the Midwest. Then there's high-fructose sweetener, extracted from corn that is used in industrial applications (baked goods, candy bars, soft drinks). So we don't need Cuban sugar at all, and, in fact, there's no way it can once again reenter the U.S. market.

Anyway, Cuba increasingly has less sugar to sell to anyone. The industry is in ruins. Castro closed nearly half the sugar mills last year because of the deterioration of the plants and depressed prices.

*Q. Aren't there other things Cuba could export?*

A. Yes, and it does. It has had a modest revival in mining (nickel), thanks to Canadian investment, and has also made some progress in pharmaceuticals. But neither of these can hold a candle to tourism, which has become its primary source of hard currency.

*Q. Well, isn't that enough?*

A. No, it isn't. In order for Cuba to replace the old Soviet subsidy—which sustained the population at a modest level, nothing spectacular—it would have to gross \$30 billion a year in tourist receipts. That's impossible. In a good year Mexico grosses \$10 billion—and Mexico has infinitely more to offer the visitor.

*Q. How would you characterize Cuba's political system today?*

A. I am not sure that “communist” is the most accurate word to describe it. It certainly is at an ideological level. But with the creation of a dual economy—one based on dollars and typically in conjunction with foreign investors—and another one on virtually worthless Cuban pesos, we might more nearly liken it to a Caribbean dictatorship of the more traditional kind. You have a “first family”—in this case, the Castro dynasty—supported by the military and police and a network of intermediating bureaucrats and party opportunists, working hand in glove with often unscrupulous foreign partners. It reminds me more of the Dominican Republic under Generalissimo Trujillo or Nicaragua under the Somozas than of, say, the Soviet Union.

*Q. Doesn't this introduce some serious social tensions?*

A. It does, and it has. The legalization of the dollar, the creation of a tourist industry, and the entry of foreign investment have opened a huge gap in the society—between those with access to foreign currency and those without it. The first group is, evidently, very small—perhaps 3 percent of the work force. The rest of the country starves, or nearly starves.

At the same time much of Cuba's vaunted medical services have been reoriented towards foreign “health tourists,” principally from other Latin American countries, who come to the island for cosmetic surgery and other procedures, and who pay in dollars. This—not the embargo—explains why there is no medicine or needles or bandages in the so-called popular clinics.

But the most destabilizing factor has been the massive transfer of dollar remittances to Cuban families by relatives living abroad, mainly in the United States. In the past, a person had to be well-viewed by the government in order to have a few decent things—or even just to eat well. Now, however, that is no longer necessary—if one is lucky enough to have relatives in Miami, Mexico, or Madrid.

It is this new inequality that is driving the dissident movement, many of whose leaders, by the way, are ex-Communists who have been disillusioned by the course of events.

*Q. How does all this affect the U.S.?*

A. A great many Cubans have just given up on their country's future—and probably they are right to do so. The fundamental impact on the United States has been enhanced pressures to emigrate. Under existing migration agreements we take 20,000 unhappy Cubans off Castro's hands every year. But more now seek to emigrate illegally, and in fact many people have tried to make it to Florida on rickety rafts or other non-seaworthy vessels.

Any drastic change in the political regime would, of course, open the prospect of massive Cuban emigration to the United States. Many Cubans no longer consider the United States a foreign country at all—they tend to confuse the Cuban suburbs of Miami with the country in its totality. Some even think of this country as a place where all the dreams of the Cuban Revolution have finally been realized!

*Q. Is Cuba a security threat to the United States?*

A. I think it was at one time, but no longer is—at least in the conventional sense. For example, work on the Jaragua nuclear plant has come to a halt and will never be resumed. The Lourdes electronic listening post has been rendered largely obsolete by technological advances. Nor do I think Cuba is presently involved in drug trafficking on a large scale, such as is the case with, say, Haiti or Barbados. However—and this is a big however—Cuba may well be involved in money laundering. In my book I explain in detail why I think so.

The real threat today is that Cuba, having lost its viability as a nation-state, may become a bottomless pit of uncontrolled migration.

*Q. What about biological warfare?*

A. Like any country with a pharmaceutical industry, Cuba possesses this capability. But at present I do not think it is exploiting it in that way. Castro's security policy could be summarized as this: he wants to seem a big enough threat to the United States so we won't invade, but not so big a threat that we feel positively compelled to invade. Any evidence that Cuba was engaged in biological warfare against the United States would push the equation off in the direction Castro doesn't want it to go.

*Q. What about property? Doesn't Cuba owe U.S. investors a pile of money for expropriated property?*

A. Yes, it does—more than \$6 billion now, with interest added. But oddly enough, I don't find this to be as big a sticking point as one might think. Many Latin American countries have expropriated U.S. property and eventually settled for as little as ten cents on the dollar. I think at the end of the day Cuba will receive that kind of settlement. After all, it's broke. It'll probably never again be a prosperous country. You can't get blood from a turnip. Nor would the United States wish to destabilize it by demanding a settlement far beyond its possibilities. However, Cuba will have to provide some restitution for expropriated American investors, if only symbolic. Otherwise it will put any new investment on indefinite hold.

I might add that the Cuban government's official view is that the United States owes it money—to compensate for the economic embargo. They want more than \$180 billion from us. I suppose that's just an opening gambit in a negotiation. I can't take it very seriously.

*Q. What about the Cuban-American community?*

A. Obviously it could play a very constructive role if it chooses to do so (and if circumstances on the island permit). It is the most prosperous Hispanic community in the United States. The problem is that it may not like what it finds in Cuba when it goes back—a society where people think that they're owed everything (free housing, free medical care, free education) without really working. Meanwhile, many Cubans resent the émigrés—or are envious of their success. The two cultures are very different.

And, of course, Cuban-Americans may find it difficult to work with whatever political regime is in place. What follows Castro is not likely to be a free-market democracy, but rather a blander and more bureaucratic version of the system they have now. This is bad for Cuba, of course. But I see no serious improvement in the foreseeable future.

*Q. Do you think the Cuban government is sincere when it says that it wants to engage with the United States?*

A. Yes and no. Obviously, like every Latin American country it wants to maximize its geographical position and its trade possibilities with the world's biggest market. If we normalized relations, the regime would gain not only resources but also an important lobby in the United States—investors who would naturally want to sweep its domestic atrocities and crimes under the carpet (as is the case in China). It would provide a new source of income for the army, party, and police. At the same time, the regime could depict the normalization of relations as a victory for the Cuban revolution, demoralizing its opposition, which in any case is very weak.

On the other hand, normalization of relations would deprive the country of much of its international importance and self-esteem. A lot of Americans have trouble understanding this angle. Cuba is a very important country in the world today because it stands for the defiance of the United States by a small nation literally on its doorstep.

Castro doesn't care at all about economics, or whether his people have enough to eat. He cares about his own importance in the media, particularly the U.S. media. If he had normal relations with us he wouldn't be any more important, say, than the president of the Dominican Republic. That prospect is simply unacceptable to him. That explains why we have to wait until his death or incapacitation for a renewal of relations. He doesn't want it.

*Q. But you say right at the beginning of your book that sooner or later we are going to normalize relations. What does that mean?*

A. It means that Castro, like the rest of us, is mortal. He is already semi-senile—at least, that's my impression from an evening spent with him a couple of years ago. Even if he doesn't die soon—his father lived to his early nineties—his present state of health suggests that he may be mentally incapacitated within the next two to five years.

But of course in terms of history, even ten years isn't very long. It gives everyone a chance to read my book!