Behind the Obama-Raúl Castro handshake at Mandela memorial

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Outside of the empty praise heaped on Nelson Mandela for services rendered in saving South African capitalism, the memorial service in Johannesburg on December 10 offered the attending heads of state an opportunity for diplomatic maneuvering. Among the more notable examples was a brief handshake between US President Barack Obama and Cuban President Raúl Castro, which has been intensely discussed as possibly heralding a shift in relations between the two countries.

For its part, the White House maintains that the handshake was unplanned. Assistant to the President and Deputy National Security Advisor for Strategic Communications and Speechwriting, Ben Rhodes, said to reporters traveling with Obama that “nothing was planned in terms of the president's role other than his remarks,” and further, that “he really didn't do more than exchange greetings with those leaders on his way to speak; it wasn't a substantive discussion.”

The claim that the exchange of greetings was an unplanned event is not really plausible. Clearly, Obama and his handlers knew that Castro was going to be speaking after him and that the two would come into contact, and decided that this was what should take place. While some of the more breathless accounts of the exchange wondered whether it signaled a major shift in US-Cuba relations, the reality is that with the Cuban government's recent moves to open the island's economy more directly to the world market, major interests in the United States do not want to lose out on opportunities to their international capitalist rivals.

One of these opportunities is the recent implementation of a “special economic zone” and expansion of facilities at the port of Mariel. The $900 million port upgrade itself has been financed primarily by Brazil and headed up by the construction giant Odebrecht. The port facilities will be managed by PSA International, the Singaporean port operator which is involved in the operation of ports around the world. When fully completed, the port will be able to handle ships passing through the expanded Panama Canal, when that expansion is itself completed.

Of far more interest than the port expansion, however, is the 180-square-mile special economic zone, which will have much in common with such zones in China and other countries ruled by Stalinist parties. According to recently laid out rules, companies taking advantage of the zone will be granted 50-year concessions and complete ownership of their businesses, with assurances against expropriation. They will also be exempt from labor and customs duties and will pay no taxes on profits for 10 years.

Most important, though, will be the ability to exploit the inexpensive but well-educated labor force available in Cuba. Rather than hire workers directly, companies will hire workers through the government, which will function as a labor contractor, paying the workers a fraction of the money being paid by foreign corporations for their labor. Even with the overhead being paid to the Cuban Communist Party (PCC) for procuring workers and keeping them in line, the profit potential is enormous.

Outside of Brazil and Venezuela, which already have substantial trade ties to Cuba, other countries in Latin America and elsewhere are attempting to step up their trade ties with Cuba in preparation for the opportunity provided at Mariel and through the opening up of the Cuban economy for more direct exploitation by foreign capital.

A meeting of Committee on Business Cooperation between Cuba and Spain held in Havana last week discussed the Mariel initiative and noted a 10 percent increase in bilateral trade, which is projected to top $1

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billion for this year.

The Mexican government recently said it would pardon most of Cuba's $487 million debt during a recent visit to the country by Cuban foreign minister Bruno Rodríguez. The deal, which would leave Cuba to pay 30 percent of the total over a course of 10 years, was announced along a number of other agreements on credit, trade, extradition, and other matters.

Reports have also emerged that Russia will cancel 90 percent of its $32 billion Soviet-era debt, leaving it to pay $3.2 billion over 10 years. Russia remains one of Cuba's major trade partners, and trade between it and Cuba amounts to about $200 million per year. Russia also has among the more established oil interests in Cuba, with the firm Zarubezhneft to attempt another exploratory well after one earlier in the year failed to turn up anything. Estimates of Cuba's offshore oil reserves vary, with a US Geological Survey putting the number at between 4.6 and 9.3 billion barrels, and the Cuban government claiming 20 billion barrels.

It is in this context that recent shifts in relations must be seen. In a speech at a Democratic fundraiser in Miami, Obama said "we've started to see changes on the island," and said that the country needs to be "creative and thoughtful" on its attitude to Cuba. Several initiatives have been underway in recent months, including talks on resuming direct postal service to both countries and minor relaxation of travel restrictions and rules on remittances. Increased remittances have funded many of the more successful private businesses opened up under the regime's relaxed laws on "self-employment," and in some cases amount to a form of foreign investment.

Increased latitude has also been given to the Cuban Interests Section in Washington. Cuba's top diplomat in the United States, José Ramón Cabañas Rodríguez, has been given dispensation to travel around the country for business talks and lectures. In October, talked to business leaders and academics in Chicago, where Illinois's exports of agricultural products have jumped, from $2.6 million last year to $3.7 million through July.

Concerns within the ruling financial and corporate circles that Washington is sacrificing their profit interests to their competitors found expression last week in a *New York Times* editorial entitled "Lift the Cuban Embargo," which derided "Washington's senseless commitment to a failed 50-year policy toward Cuba."

For its part, the Castro regime is eager to make some kind of deal with the US along the lines of recent initiatives in Iran and Burma. No longer interested in keeping up its anti-imperialist façade, the petty-bourgeois nationalist ruling elite is trying to find some way to establish economic relations with the US while maintaining its own privileges at the expense of the Cuban working class.

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