P.S. to the NEWS
by PHYLLIS SCHLAFLY
Box 618, Alton, Illinois 62002
Phone: 618-462-5415

RELEASE: May 13

TRADING WITH CASTRO

The American economic system is largely built on a relationship known as "buy now and pay later." Retail merchants engage in ingenious advertising to persuade prospective customers to enjoy their merchandise today, while promising that the payment be painless because it is postponed.

In many other countries, such a system would be too risky to depend on. In America, it works because the seller, first, extends credit only to those who have a steady income and a record of paying their bills, and, second, the law enforces the buy-sell contracts. Businessmen don't spend much time advertising their wares or extending credit among those who lack visible means of paying for their purchases in the near future.

It is a puzzlement, therefore, to watch otherwise keen American businessmen panting at the prospect of trading with Fidel Castro. In the last few weeks, there has been a steady stream of leading businessmen traveling to Havana to fawn over Fidel.

Castro has been playing the game like a clever con man. He entertains the businessmen at rum-and-lobster luncheons, he passes out good Havana cigars, and he sends the Americans home with truckloads of gifts.

But when you wipe away all the razzmatazz of meeting with a head of state, the plain fact is that Castro isn't a good prospective customer because he doesn't have the money to pay for what he wants to buy.

Castro's Communism has ruined the economy of Cuba, once one of the most productive in Latin America. Soon after he came into power, he de-emphasized sugar in favor of industrialization. After that failed, he disrupted the economy again by a massive effort to reemphasize sugar. Sugar is Cuba's main source of hard currency, but today the market price of sugar is below Cuba's cost of production.

(more)

Like all Communists countries, Cuba is always starting a new five-year economic plan when the previous one flops. The Cuban economy is in desperate financial straits, and Castro is kept in power only by Soviet subsidies, estimated to run to at least $3 million per day.

Practically all consumer goods are in short supply. In this once coffee-drinking nation, Cubans are now rationed to one ounce per week.

The fault is not in the Cuban people. The several hundred thousand who have emigrated to the United States have proved that Cubans are hardworking, skilled producers, and good citizens. The fault is in Communist control.

It is also a puzzlement to watch the American politicians, the same ones who are always talking about "human rights." A good antidote for their enthusiasm about Castro is a recent interview with Garland Grant, a Milwaukee man who hijacked a Northwest Airlines plane in 1971 and has been living in Cuba ever since. Grant isn't the sort of person we relish getting our information from. A member of the Black Panthers, he committed an outrageously criminal act endangering the lives of 59 people on that Boeing 727 jet.

Grant's comments on Cuba do, however, ring with the sincerity of six years' first-hand experience. His main goal is to get back to the United States because Cuba is so horrible and "everybody is too scared to say anything." It doesn't bother him that this would mean spending most of the rest of his life in a U.S. prison. "Just open my cell door," he said, "and I will walk in.... I'm all for the United States now. I 'd even wear a Nixon button."

Grant now sweeps floors in a Havana hotel for $100 a month. He says he is "living like a dog," and blacks are treated worse "than in the worst parts of Mississippi." Grant spent two and a half years in jail, not for hijacking, but for picketing the Cuban Ministry of the Interior. He lost an eye from a beating by a prison quard.

(end}

PeS. to the NEWS *Gt.a €* ,
RELEASE: May -
by PHYLLIS SCHLAFLY
Box 618, Alton, Illinois 62002
Phone: 618-462-5415

TRADING WITH CASTRO

The American economic system is largely built on a relationship known as "buy now and pay later." Retail merchants engage in ingenious advertising to persuade,prospective customers to enjoy their merchandise today, while promising wil1 that the payment be painless because it is postponed.

In many other countries, such a system would be too risky to depend on. In America, it works because the seller, first, extends credit only to those who have a steady income and a record of paying their bills, and, second, the law enforces the buy-sell contracts. Businessmen don't spend much time advertising their wares or extending credit among those who lack visible means of paying for their purchases in the near future.

It is a puzzlement, therefore, to watch otherwise keen American businessmen panting at the prospect of trading with Fidel Castro. In the last few weeks, there has been a steady stream of leading businessmen traveling to Havana to fawn over Fidel.

Castro has been playing the game like a clever con man. He entertains the businessmen at rum-and-lobster luncheons, he passes out good Havana cigars, and he sends the Americans home with truckloads of gifts.

But when you wipe away all the razzmatazz of meeting with a head of state, the plain fact is that Castro isn't a good prospective customer because he doesn't have the money to pay for what he wants to buy.

Castro's ColTTilunism has ruined the economy of Cuba, once one of the most productive in Latin America. Soon after he came into power, he de-emphasized sugar in favor of industrialization. After that failed, he disrupted the economy again by a massive effort to reemphasize sugar. Sugar is Cuba's main source of hard currency, but today the market price of sugar is below Cuba's cost of production.

{more)

Like all Communist countries, Cuba is always starting a new five-year economic plan when the previous one flops. The Cuban economy is in desperate financial straits, and Castro is kept in power only by Soviet subsidies, estimated to run to at least $3 million per day. The few products that Cuba has to sell -- cigars, rum, nickel, citrus and fish are only a fraction of the volume necessary to pay for what , Castro hopes to buy.

Practically all consumer goods are in short supply. In this once coffee-drinking nation, Cubans are now rationed to one ounce per week. Although the need for housing is acute, the government has decreed that buildings may be no more than five stories tall because Cuba cannot afford to import elevators.

The Castro regime is ambivalent about promoting tourism as a source of dollars. This would require a large capital investment in hotels and modern facilities. Why would Americans go to Cuba and put up with inconveniences when Florida has such beautiful beaches and everything else a tourist could want? Furthermore, it is not at all clear that Castro really wants to have Americans traveling over the island, or wants to devote scarce Cuban resources to the goal of making American tourists comfortable.

Finally, there is that thorny problem of Angola. Will Castro withdraw his troops, or keep them in Africa to expand their role as conquerors? Returning American businessmen said that Castro has fixed a date for withdrawal. The catch is that he wouldn't say what the date is. For all we know, the secret date could be the year 2000.

Cubsa problems are not caused by the Cuban people. The thousanclswho have emigrated to the United States have proved that Cubans are hardworking, skilled producer and good citizens. Cuba's problem is Conmunist control.