

# *From* Isolation *to* Integration

## The Future of US-Cuba Trade Relations

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Photo: Jeff Miller

**T**oday's Cuba. The revolution is well over four decades old. Universal education and health care are guaranteed for all. A full course of antibiotics costs US\$0.30 and a hospital visit is free. A farmer's child can study medicine, engineering, or theology without paying a cent. Women make up 62% of university graduates.<sup>1</sup> Cuba's AIDS rate is the lowest in the Americas and one of the lowest in the world.<sup>2</sup> The literacy rate is 96.8%. Men in the Central Park are still arguing about baseball.

While many governments and human rights groups around the world continue to criticize Cuba's human rights record, the island nation is also commended maintaining the economic human rights of its people by guaranteeing them the basic necessities, despite hardships caused by the US trade embargo and travel ban. The United States government remains Cuba's principal critic, often citing human rights violations as the reason for its hostile relationship with the island nation. But while the US is not alone in its concern about human rights in Cuba, it is the only country in the world that punishes Cuba with an economic embargo -- an embargo that is condemned year after year by almost every country in the United Nations.

The trade embargo didn't hurt as much before 1990, when Cuba was heavily dependent on the Soviet Union as its main trading partner. But when the Soviet Union collapsed, along with it went 85% of Cuba's external trade.<sup>3</sup> Cuba's GDP plummeted 35% over the next four years, starting what is called the "Special Period," a time of desperate economic hardship.<sup>4</sup> Cuban-Americans packed their bags to go back to Cuba, thinking that without the support of the Soviet Union, Communist Cuba's days were numbered.

Seeing Cuba sink into a crisis, the United States tightened the screws by strengthening the embargo, hoping that if they were desperate enough, the Cuban people would rise up against their government. The effects have been crippling

(see sidebar "How the Embargo Has Hurt Cuba.") But despite US efforts, Fidel Castro's government has not fallen as predicted.

After decades of isolation and hostility towards Cuba, a wide variety of US citizens and members of Congress from all political persuasions are reconsidering the failed US policies and encouraging a fundamental shift in favor of US engagement with the island. Where peace activists and liberal Democrats have for years urged an end to punitive policies toward Cuba, now farm-state Republicans and businesspeople are going public demanding the right to trade with our island neighbor.

Some visitors to Cuba, enamored with a country so isolated from corporate globalization, romanticize the embargo. They fear the day when Cuba will "open up" to the outside world, assuming that the streets of Havana will be over-run with the golden arches and Coca-Cola ads that dot the landscape of every other major city in this hemisphere.

**Is Cuba destined for a future of McDonaldization? Or will Cuba be able to manage trade and investment with the United States without falling in the same traps of neo-liberalism and deepening poverty into which so many Latin American countries have fallen?**

Those are the questions this document seeks to examine. What would trade look like between the United States and Cuba? Will the United States overpower Cuba, forcing the island nation to accept what it has spent nearly five decades resisting: a neo-liberal free trade model that exacerbates social inequalities? Or might Cuba create a new model of just trade relations on its own terms, still prioritizing the needs of the most vulnerable in society?

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<sup>1</sup> Meeting with Federación de Mujeres Cubanas, December 5, 2002

<sup>2</sup> cybercuba.com.mm

<sup>3</sup> *Cuba: Neither Heaven Nor Hell*, María Lopez Vigil, xviii

<sup>4</sup> "Cuba's Entrepreneurial Socialism," Joy Gordon, *Atlantic Monthly*, January 1997



## A Historical Perspective

Although Cuba was a Spanish colony, the United States has always figured prominently into its history. By the 1880s, 83% of all Cuban exports went to the United States, and only 6% to Spain.<sup>5</sup> Attempts to purchase Cuba started with President Thomas Jefferson, lasting until 1898 when President McKinley offered Spain \$300 million for the island. Not able to purchase Cuba, the United States turned to military might to bring Cuba into the ever-expanding US sphere of influence.

Cuba had already fought one long, hard war for independence from Spain and was engaged in a second one when the US intervened in 1898, turning Cuba's War for Independence into what would be called the "Spanish-American War" in the United States. No Cuban official was present at the signing of the Treaty of Paris where the US gained control of Cuba (as well as Puerto Rico, Guam, and the Philippines.) The US withdrew its troops only when Cuba agreed to include the Platt Amendment in its first constitution, giving the US the right to intervene militarily when its interests were threatened, and allowing for the establishment of US military bases on the island. The Platt Amendment was eliminated in 1934, under President Franklin Delano Roosevelt's Good Neighbor Policy, but the US base at Guantánamo Bay still remains as a painful reminder of that agreement.

Although Cuba gained independence at the turn of the century, it continued to be dominated by US interests. By the 1920's, US companies owned two-thirds of all farmland in Cuba and most of the mines. US mills produced most of Cuba's sugar, its principal crop. The US Tobacco Trust controlled 90% of its tobacco exports. US corporations controlled the gas, electric, and telephone utilities. In addition, Cuba was the playground of the US elites during the time of Prohibition in the United States.

In order to maintain a stable environment for investments, the US backed a series of Cuban dictators. Fulgencio Batista,

the most well-known, ruled for many years, both as president and as the military power behind other puppet presidents. When it looked like he was about to lose the 1952 presidential election, he orchestrated a coup, cancelled the elections and installed himself as dictator. A young law school graduate named Fidel Castro, who was running for Congress, had his own political aspirations temporarily dampened by the cancellation of the elections. He began to organize a movement that soon became the Cuban Revolution.

In 1953, he organized an attack on the Moncada Barracks, the second most important military installation in the country. The attack failed and most of the people involved were either killed or imprisoned, but it was effectively the beginning of the revolution that would triumph January 1, 1959.

Shortly after the revolutionary government took power, it began a series of radical changes: agricultural reform, nationalizations of foreign-held property, and an ambitious nationwide literacy program. Expropriations of private property made the new government unpopular with the US government and wealthy Cubans whose power in the country was threatened. Thousands emigrated to Miami, thinking that the revolution would fall as quickly as so many others in Latin America of that time period.

Meanwhile, the United States canceled its sugar purchase from Cuba, leaving Cuba without its principal source of income for the year. The Soviet Union stepped in, offering to buy the sugar at higher prices than the US would have paid. This was the beginning of Cuba's

affiliation with the Soviet Union and its increasing estrangement from the United States.

The polarity imposed by the Cold War painted Cuba as a Soviet base in the backyard of the United States. Soon, the 1961 Bay of Pigs invasion and the 1962 Cuban Missile Crisis solidified the antagonism between the two countries. The US embargo, declared in October of 1960 on everything but food and medicine, was expanded into a total embargo early in 1962. Cuba is still living under this embargo.

### Between the Embargo and Elián

1963	<b>Travel Ban imposed</b> US citizens can no longer travel freely to Cuba
1966	<b>Cuban Adjustment Act</b> US law states that any Cuban that reaches US shores, through legal or illegal migration, can stay in the country
1977	<b>US and Cuba open Interests Sections</b> (like embassies, but still without formal diplomatic relations) in each other's capitals
1980	<b>Maríel Boatlift</b> Massive emigration from Cuba to the United States. About 130,000 people leave Cuba
1990	<b>Collapse of the Soviet Union</b> Cuba's economy, dependent on trade with the Socialist bloc, begins downward spiral
1992	<b>Torricelli Act passes</b>
1994	<b>Rafter Crisis</b> Another period of emigration. About 35,000 people flee the hardships of the Special Period
1996	<b>Brothers to the Rescue</b> A plane by the Miami-based anti-Castro organization Brothers to the Rescue is shot down over disputed waters by the Cuban armed forces
	<b>Helms-Burton Act passes</b>
1998	<b>The Pope visits Cuba</b> , signaling recognition of Cuba by the world and a more friendly relationship with the church, which has historically rejected Communism

<sup>5</sup> *Cuba and the United States*, Jane Franklin, p.7

## *Current Trends*

In the past few years, the relationship between the United States and Cuba has changed significantly, with notable manifestations in the realms of public opinion, activity in Washington, and trade.

### **Public Opinion**

In 1999, after a protracted lull, Cuba burst back onto US headlines with the Elián Gonzalez crisis. The big surprise was that US popular opinion had softened considerably toward Cuba. A majority of the US public favored Cuba's perspective that the boy, rescued at sea after his mother drowned trying to reach the shores of Florida, should be returned to his father in Cuba instead of staying with relatives in Miami. Many saw this as a challenge to the US policies of antagonism toward Cuba, despite sustained lobbying for hard-line policies by the anti-Castro Cuban-American community.

In fact, according to a recent CNN poll, 86% of the US population supports a change in US policy toward Cuba. Even the Cuban-American community in Miami, the political factor most responsible for our government's hard line against Cuba, is fracturing. Some Cuban Americans believe it's time to try something new, seeing that the embargo hurts their family members and friends living in Cuba. Many Cuban Americans, especially those who have left in the last 15 years, left not because of dissent against Fidel Castro's government but because of economic conditions exacerbated by the US embargo, and to reunite with family members living abroad.<sup>6</sup>

According to a poll conducted in 2000 by Florida International University, 66.1% of Cuban Americans support free trade with Cuba in medicine, 56.3% support free trade with Cuba in food, and 52.8% support free travel. This is compared with statistics from the general US population, which were 89.8%, 86.3%, and 63.2%, respectively.<sup>7</sup>

Travel to the island by US citizens and officials has been greatly increasing. Every year the visitors include dozens of people in the US congress, state governors, as well as tens of thousands of US citizens who visit both legally, under one of the handful of tightly-controlled US government licenses; and illegally, with no license. In May 2002, former President Jimmy Carter visited Cuba, encouraging a productive dialogue between the two countries. At the same time that he urged Cuba to free its political prisoners and open up its political system, he also urged the United States to end the embargo and the travel ban, saying it was up to the US to take the first step.

### **US Government Policy**

In Washington, change is in the air. Both the House of Representatives and the Senate have formed a bipartisan

Cuba Working Group, made up in both houses of equal numbers of Republicans and Democrats. Despite increasingly aggressive anti-Castro rhetoric by President George Bush, the group is working toward an end to the travel ban, private financing of food and medicine sales to Cuba, cooperation on drug interdiction efforts, and the promotion of democracy in Cuba.

An amendment to end the travel ban, or at least its enforcement, has passed the US House of Representatives four years in a row, generally by large majorities, and in 2003 passed the Senate for the first time. President Bush has threatened to veto any legislation that would soften the embargo, and Republicans have worked hard, using a series of measures criticized by many as undemocratic, to make sure that the amendment to end the travel ban never reached his desk. Bush has never used his veto power in his entire presidency, and to exercise it in this case could be embarrassing to him.



Photo: Cat Coberly

### **Trade**

Despite the "one step forward, one step back" action in Congress, trade has begun to flourish between the two countries. In 2000, Congress passed, and President Clinton signed, a bill allowing sales of food and medicine to Cuba. While this could have been a significant easing of the embargo, the US continued to impose such onerous financing restrictions that trade still didn't resume. The United States had approved sales to Cuba but not imports, so all trade had to be one-way, with ships returning to US shores without any Cuban products as exchange. The bill also did not allow for trade credits, forcing Cuba, a cash-poor country, to trade exclusively in cash, which is not the way global trade is conducted. At the time, Fidel Castro pledged that Cuba would buy "not one grain of American rice" until Cuba could trade under the same conditions as all other US trading partners.<sup>8</sup>

That changed almost two years later, when Cuba was struck by Hurricane Michelle and large quantities of crops were destroyed, including both export crops, like tobacco and

<sup>6</sup> "Migration from Cuba Is Mainly Economic, Says Study," Patricia Grogg, InterPress Service, September 18, 1998

<sup>7</sup> Max Castro, remarks at March 28, 2002 conference "The Time Is Now to Reassess US Policy Towards Cuba, Coral Gables, Florida

<sup>8</sup> "Can US Farmers Break Open Trade With Cuba?," Lee Walczak, BusinessWeek, September 28, 2002

## Legislation that Tightens the Embargo

### **The Torricelli Act ("The Cuban Democracy Act of 1992")**

- ◆ Prohibits economic assistance and debt forgiveness to any country conducting trade with Cuba
- ◆ Prohibits US subsidiaries abroad from trading with Cuba
- ◆ Increases punitive measures for anyone breaking the embargo or traveling to Cuba
- ◆ Allows for some donations and exportation of food and medicine to Cuba
- ◆ Prohibits any ship that has been to Cuba from docking in any US port for 180 days
- ◆ Restricts remittances

### **The Helms-Burton Act ("Cuban Liberty and Democratic Solidarity Act of 1996")**

- ◆ Reduces US contribution to any international financial institution that transacts with Cuba
- ◆ Outlines the system of governance and economy that Cuba must put in place in order for the embargo to be lifted, including the stipulation that the government "does not include Fidel Castro or Raúl Castro."
- ◆ Allows US nationals whose property was confiscated in the 1959 revolution to sue Cuban government entities or foreign investors who "traffic" in (use or profit from) those properties (*this item has been waived every six months by the last two presidents*)
- ◆ Authorizes State Department to deny visas to anyone who has trafficked in confiscated property in Cuba and their immediate family members
- ◆ Codifies the embargo (so that it requires an act of Congress, not a presidential order, to end or change it)

sugar, and food crops. Cuba rejected the United States' offer of humanitarian aid because of conditions attached to it, but did for the first time agree to buy food. In December 2001, trade resumed between the two countries for the first time in 40 years. Fidel Castro was clear that the trade would last only as long as necessary for Cuba to recover from the hurricane.

However, rather than decrease, trade picked up. In September 2002, a US Food and Agribusiness Exhibition obtained a license to show its wares in Cuba, and 288 US agricultural producers and representatives from 33 state governments flooded the Havana Convention Center, far surpassing expectations.<sup>9</sup> The typical Cuban beans-and-rice diet was met with soy burgers, California Raisins, life-size dancing Spam, and Bloody Mary mixes. By the end of the exhibition, the Cuban government had signed \$92 million worth of contracts.

In December of 2003, 250 representatives of the US agricultural sector went to Cuba for three days of meetings

with Cuban officials about increasing trade, ending with a declaration by the US attendees that the embargo should end. By May 2004, Cuba had purchased \$715 million worth of food products<sup>10</sup>, bringing Cuba into the Top 50 of US trading partners (up from dead last in 2000) and making the United States the number one exporter of food products to Cuba.<sup>11 12</sup>

Many people in the US government and in the business world are still not satisfied with these numbers, given the proximity of the two countries and the potential they see in Cuban markets. At end of the 19th century, Cuba was the United States' third largest trading partner, and US trade with Cuba was greater than the sum total of all US trade with the rest of Latin America.<sup>13</sup> Many would like to see Cuba once again become a prominent trading partner of the United States.

Cuba currently spends huge amounts of money to transport goods from far away, when it could get the same goods much cheaper from the United States. It costs three times more for a shipment of food to arrive to Cuba from Europe than from the US and five times more from Asia.<sup>14</sup> Meanwhile, most Latin American countries have their own economies so controlled by the United States that it is hard to find any enterprise in the Americas which is not affiliated with or a subsidiary of a US corporation, and therefore subject to the Torricelli Act. (See sidebar "Legislation That Tightens the Embargo")

US business and agricultural interests are waking up to the market potential of Cuba's population of 11 million. Trade would benefit both Cuba and the US. For this reason, peace and justice activists have found themselves in recent years to be building strategic alliances with uncommon partners such as free traders and farm-state Republicans interested in agricultural sales to Cuba. After all, besides being an affront to sovereignty and a destructive policy, the embargo is an obstacle to free trade.

## *Free Trade in Cuba?*

This is where competing visions of the future collide. Some want to end the embargo so that Cuba's revolutionary project of centralized economic control and universal access to social services can flourish, finally, after over forty years of strangulation from the world's most dominant country. Others, especially those in Congress, see an end to the embargo as a tool to bring down Communism, using the logic that if blue jeans and rock 'n roll brought down the Soviet Union, the same can be done to Cuba. Others, in the business community, don't seem to care much about the structure of the Cuban economy as long as they can profit from it.

Under the revolutionary government, Cuba has maintained state-subsidized public services for all, guaranteeing protection for the most vulnerable sectors of its population.

<sup>9</sup> "Some See Opportunities in Cuba After Recent Show," Alexandra Salas Rojas, October 8, 2002

<sup>10</sup> American Farm Bureau's Cuba Briefing Book Issue #10, John Skorburg, October 9, 2002

<sup>11</sup> Center for International Policy, Recent History of Trade Relations

<sup>12</sup> "Cuba Sympathizes With US Cattle Ranchers," Reuters, December 31, 2003

<sup>13</sup> *Cuba: Neither Heaven Nor Hell*, María Lopez Vigil, p. xiv

<sup>14</sup> Meeting with Alejandro Aguilar, head of the external sector of the Institute of Economic Research, January 2003

Health care and education are free and guaranteed for all people, accounting for 40% of the state's annual budget. Even during the extreme hardships of the Special Period, not a single hospital or school was closed, no public services were lost, and pensions and benefits were maintained.<sup>15</sup> Food, housing, utilities, and much more are also heavily subsidized by the state, considering these things to be basic human rights. These services have taken priority over profit.

Indeed, the Cuban economy is still weak. Salaries hover around US\$10 a month and even professionals like doctors and lawyers struggle to meet their basic needs. Whether the economic problems are a result of inefficient centralized planning or the embargo itself is a topic of constant debate.

The priority placed on universal access to essential services, unfortunately, sets Cuba quite apart from the rest of Latin America, most of which is investing in a neo-liberal model. (See sidebar "What Is Neo-Liberalism?") Unfortunately, the rules of neo-liberalism are dictated by powerful interests from the United States and the élites of Latin America, and they tend not to provide security for the most vulnerable members of society.

For example, with the North American Free Trade Agreement (NAFTA), Mexico threw open its doors to free trade and lost jobs, sovereignty, and its domestic agricultural system. Mexico is now a net importer of corn, a staple of not only the Mexican diet but also the Mexican landscape. Most of this imported corn comes from the US Midwest, where corporate farming is heavily subsidized in order to produce for other markets. The repercussions for the Mexican agricultural economy have been devastating. Farmers who have lost their livelihood to cheap US "crop dumping" in their country are being forced to urban centers to compete for



Photo: Tanya Snyder

## What is Neo-liberalism?

Neo-liberalism is the economic theory that less government regulation in business will create the greatest amount of prosperity for all.

### Neo-liberalism:

- ◆ Seeks to eliminate obstacles to a free market (such as tariffs or "non-tariff trade barriers" like environmental protections or unions.)
- ◆ Seeks to increase "competition" by privatizing basic services, making the basic needs of the people not the responsibility of the government but rather a device for making profits.
- ◆ Encourages countries to produce only what they produce most efficiently, exporting those products to earn hard currency to import everything else they need.

Therefore, rather than producing rice and beans to eat, a country will produce coffee to sell. But when the world coffee prices crash, that country is left without money to buy the rice and beans they could have grown themselves, and they are left to starve on fertile land.

wage work, often in foreign-owned factories (maquiladoras), further driving wages downward (wages dropped 50 percent in terms of purchasing power in the first eight years of NAFTA, leaving 73% of the population unable to cover their basic needs).<sup>16</sup> Many migrate to the United States, legally and illegally, looking for opportunities there. This trend is repeated throughout the region, always accompanied by increasing poverty.

Meanwhile, with free trade agreements like NAFTA and the Free Trade Area of the Americas (FTAA, still under negotiation), governments have an increasingly limited ability to create laws to protect their people or their land, if those laws are going to reduce profits at any time for any corporation. Creating a barrier to free trade is the worst wrong a government can do, according to these principles.

How can a Communist government with a centrally planned economy fit into a global trade system that is pushing aside Government so that the central players are multinational corporations propelled by profit motives? Cuba is the only country in the hemisphere that was not invited into the FTAA negotiations and it is a key player in the worldwide popular movement to stop the FTAA from being implemented.

If the FTAA passes and the whole hemisphere, minus Cuba, is integrated into a trade pact, it will be even harder for Cuba to set its own terms when negotiating with the United States. The US has come to expect favorable trade and investment conditions from its Southern partners. The US Interests Section in Havana states its mission in Cuba as working toward "a rapid and peaceful transition to a stable and democratic form of government that respects human rights and free market economies." Does "free market" necessarily mean that Cuba has to embrace the neo-liberal model before the US will establish normal trading relations?

<sup>15</sup> "Defending Socialism in Cuba," Hannah Caller and Cat Weiner

<sup>16</sup> Workers University of Mexico, MLNA 2002

## How the Embargo has Hurt Cuba

The Cuban government calculates that the embargo has cost Cuba more than US\$70 billion<sup>1</sup>. This policy prohibits any US company from trading with Cuba and it denies Cubans any product made in the United States, comprised of more than 15% US components, or manufactured by US businesses or their subsidiaries. Cubans use the word "blockade" (*bloqueo*) instead of "embargo" to emphasize the fact that extra-territorial measures make the policy much more all-encompassing than a unilateral trade ban.

We can't put a price tag on the human costs of the embargo, especially during the Special Period, when daily per-capita caloric intake fell from 2,908 in 1989 to 1,863 in 1995 according to the US Department of Agriculture<sup>2</sup>. The drop in caloric intake, accompanied by the fuel crisis that forced people to walk and bike everywhere, caused the average Cuban to lose an estimated 20 pounds by 1994.

Trade with the US would be cheaper than trade with Cuba's current partners in Europe and Asia because transportation costs would be so much lower. The American Association of World Health calculates that "if goods could be sent to Cuba from the United States, Cuba would save \$215,800 for each ship replacing a European freighter and \$516,700 for each ship replacing an Asian freighter."<sup>3</sup> In addition, foreign companies pass on to Cuba the extra costs of doing business with them that are incurred because of the restrictions in the Helms-Burton and Torricelli Acts.

Cuba has no access to medicines patented in the US and must wait the 17- to 22-year life span of a patent to use them. Though the Cuban public health system is internationally recognized for excellence, its hospitals lack countless necessary medicines and equipment. Although Cuba does not respect patents on AIDS drugs and produces its own, these drugs are still available only on a limited basis and are not guaranteed to all in need. Because of technological limitations and the difficulty of importing needed raw materials, Cuba is simply not capable of fulfilling the demand.<sup>4</sup>

Seventy percent of the companies that produce medical diagnostic equipment are US-owned, making that equipment inaccessible. US transnationals have bought up many pharmaceutical laboratories, including those that produce children's cancer drugs, forcing those laboratories to cut off their contracts with Cuba.<sup>5</sup> Third-country suppliers have cancelled other contracts because their equipment contained even a single component produced in the United States, or have sent the equipment without that vital component, rendering the entire purchase useless.

The embargo has also kept Cuban artists and intellectuals isolated, banning US citizens from editing works authored by Cubans, and keeping Cuban artists from charging for performances in the United States. Cuba is excluded from hemispheric meetings of Ministers of Culture.

The list goes on and on. Every Cuban has a story of how the embargo has hurt them. Everyone's life is touched by scarcity.

<sup>1</sup> Foreign Minister Felipe Perez Roque, Press Conference, April 9, 2003

<sup>2</sup> Cuba: Going Against the Grain, OXFAM America publication, p. 10

<sup>3</sup> "The Impact of the US Embargo on Health and Nutrition in Cuba," American Association for World Health, 1997

<sup>4</sup> Jesús Suarez, Cuban public health worker in AIDS sanatorium, December 2002

<sup>5</sup> "The Blockade is More Damaging Than Ever," Cuba's Report to the UN Secretary General, Granma International, September 21, 2003.

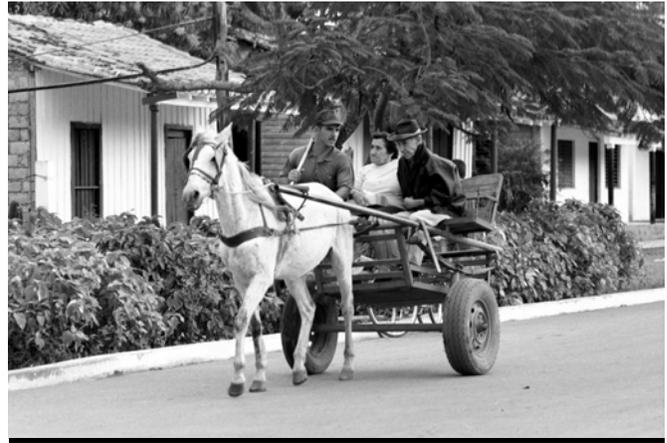


Photo: Becky Cook

## Cuba's Strategies

Today's free trade agreements often deal just as much with investment as they do with trade. An end to the embargo could bring both, but it is important to de-link the terms. Trade is much simpler, and is happening now (though in only one direction.) Cuba is willing to buy from and sell to the United States. That should constitute a market "open" enough for the United States to conduct business. Sales are currently made on a case-by-case basis between the Cuban government's food-buying agency, ALIMPORT, and US companies without a trade accord between the two governments. A trade agreement isn't necessary for trade between two countries, but would help clarify the new rules of the game for Cuba and the US.

Investment is another issue. This involves other countries helping to create entities in Cuba, such as tourist hotels, nickel mines, or oil wells, in order to make a profit. In order to pull itself out of the Special Period, Cuba started in the early 1990s to engage in joint investment ventures with foreign firms. The Cuban Law of Foreign Investment of 1995 was designed to respond to social needs and national interests, allowing for foreign investment in order to have sufficient capital in the country to ensure for the survival of Cuba's economic system.

Virtually all foreign investment in Cuba is part of a mixed venture in which the Cuban government owns at least 51% of the entity in question and earns at least 51% of the profits. This percentage does not have to be only in money — Cuba's share can be in the form of real estate or infrastructure as well. All investment contracts have an expiration date, at which time the entire entity can revert to full Cuban ownership. In addition, foreigners cannot buy the land itself. Ownership of the land always belongs to Cuba.

In 1994, when foreign investment started coming in, foreign capital comprised more than 80% of the investment in the tourist sector — the sector that the Cuban government slated for the quickest improvements, since it was seen as the most able to bring a quick influx of capital. Now more than 80% of that investment is national and more than 60% of goods traded in the tourist sector are Cuban.<sup>17</sup>

<sup>17</sup> Meeting with Gladys Hernández, economist at the Center for the Study of the World Economy, January 29, 2003

## *A Vision of Future Relations*

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Another factor working in Cuba's favor is the double-edged sword of its exclusion from international lending institutions. While many Third World countries, mired in debt, are forced to accept certain debt repayment conditions — often called "structural adjustment" programs — that include privatization and neo-liberal trade policies, Cuba can make its own decisions free of the pressure of debt repayment.

As for the fear of a McDonalds springing up on every corner, economist Gladys Hernández says, "McDonalds might come. But first will come food and medicine of high quality; real development. When foreign entities invest in whatever they want, it ruins the economy and the environment and doesn't solve our problems." That's why, she says, Cuba won't allow just anyone to do business in Cuba. The proposal needs to be in line with Cuba's national priorities.<sup>18</sup>



After two experiences of having the rug pulled out from under them when the power on which they were dependent suddenly fell away, Cuba is well aware of the importance of diversification of trade. In the words of one prominent economist, "Cuba understands very well what a relationship with the United States means. That's why we know how important it is to diversify our partners and achieve a balance. [We won't] repeat the errors of the past."<sup>19</sup>

Cuba is a leader in the movement of resistance to free trade policies that increase poverty in the Third World. In re-designing its own economy to embrace some foreign investment, it studiously avoids these policies and maintains state control. Aware of the danger of trade agreements that present "conditions of equality when [the countries involved] are very far from being equal," Cuba strives to build trading relationships that take into account the economic and developmental conditions of each country in order to benefit both parties.<sup>20</sup> Meanwhile, the trade between the US and Cuba has continued post-Hurricane Michelle because it benefits Cuba to pay lower prices for grains and transportation.

The end of the embargo won't lead to the a McDonalds invasion simply because the embargo isn't the force that keeps McDonalds away. The embargo exists because Cuba's economic system does not allow free reign for US companies. The embargo doesn't save Cuba from false development and unjust trade systems: *Cuba* does.

Clearly, the tourist boom and Cuba's economic reforms of the last decade have had their effects, some positive, some negative. Cuba has been acting on its best guess as to how to emerge from a deep economic crisis with the best of their social and economic system intact. Though one can sense a shift in cultural values, this must be measured against the increased economic and food security of the people.

However, we must not overvalue the benefits brought by the isolation from the US over the last four decades. In the end, the embargo is designed to be punitive, and its effects have been enormously destructive. It must end so that Cuba can, finally, make its own decisions free from colonialism, dependency, aggression, and strangulation. Although the embargo cannot claim all the responsibility for Cuba's economic problems, it does serve its purpose, which is to inflict hardship upon the Cuban people.

How will the United States interact with Cuba in the future? That depends, partly, on the demands of public opinion. It is up to us to raise our voices and ask our government to join us in the task of building a future of peace and justice

What might that future look like?

- ◆ An unconditional end to the embargo
- ◆ An end to the travel ban
- ◆ An end to US support of anti-Castro dissidents
- ◆ Removal of Cuba from the list of nations sponsoring terrorism

We cannot forget, either, that US contact with Cuba happens within the context of US hegemony in the world, especially in the economic realm. Thus a just future must also include new trade policies for the rest of the hemisphere that are democratically decided and that would bring real development to poor countries, not greater inequality. (For more information on trade in other parts of Latin America, order "Hemisphere for Sale" at [www.witnessforpeace.org/publications](http://www.witnessforpeace.org/publications).)

These are some ideas toward a vision of better relationships within the Americas. Latin America can no longer be looked at as the "backyard" of the United States as it was in the 19th century. The time has come for the United States to recognize and respect the right of each country in the hemisphere to the political and economic system of its choosing. In terms of Cuba, this will be a seismic shift in the relationship between the two neighbors and could mean the difference between aggression and *amistad*.

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<sup>18</sup> Meeting with Gladys Hernández, economist at the Center for the Study of the World Economy, January 29, 2003

<sup>19</sup> Meeting with Juan Triana, Center for Studies of the Cuban Economy, January 30, 2003.

<sup>20</sup> Meeting with Ministry of Foreign Trade officials, April 23, 2003

## *A Small Group of Committed Citizens...*

The above demands may seem overwhelming. They are a step toward a vision for a just and peaceful world, and that world often seems out of reach. But the situation is changing rapidly. The embargo, which has caused so much pain for so many years, seems almost ready to fall away to the garbage heap of historical mistakes, despite the ups and downs in the state of relations. We need to work with the free-traders to lift the embargo but be ready to part ways with them afterwards. We support Cuba's right to the economic system of their choosing, even if it doesn't include the system of free trade the US would choose for it.

There are many ways to do this. Witness for Peace has many resources for activists, largely available on the website, [www.witnessforpeace.org](http://www.witnessforpeace.org). We see education as the key to change. Some ideas:

◆ **Lobby your Representative and Senators.**

Remember, emails aren't as effective as hand-written letters or phone calls, which aren't as effective as in-person visits to members of Congress in their district office or in Washington. Find out if your representatives are members of the Cuba Working Group. Thank them if they are, and if they're not, encourage them to join. Talking points, sample letters, and tips on how to set up and conduct a lobby visit are available at [online](http://online).

◆ **Educate your community.**

You can give talks in your church, university, or local high school about Cuba and the possibilities for change. Make sure you bring a sample letter to Congress or some other activity that they can do right there. Bring educational materials.

◆ **Work with the media.**

While we can't all be featured columnists in the New York Times, access to the media is easier than you may think. Most local papers would be happy to get a well-written opinion piece from a local person, and even large-circulation papers publish letters to the editor. The letters section is one of the most-read parts of the newspaper. Radio call-in shows are also a good way to be heard. And if you've been to Cuba yourself, you are a news-story waiting to happen.

◆ **Take action!**

A good way to get media, a good pressure point for talking to your representatives, a good excuse for talking to groups, is to do a street action. It can be as simple as a small protest in front of (or inside!) the office of an unfriendly member of Congress, or as creative as you want.

◆ **Educate yourself.**

In order to educate others, you'll need to educate yourself first. There are lots of good resources out there, but there's nothing like seeing (smelling, tasting...) Cuba for yourself, asking your questions of experts, and wrestling with the on-the-ground realities and contradictions of Cuban life. Witness for Peace brings delegations all year round on various themes. Join one that's on the schedule or organize one of your own!

◆ **Learn from Cuba's example:**

Fight the imposition of neo-liberalism in the Americas! Join the Stop Unfair Trade Campaign, aimed at defeating the FTAA, the Central American Free Trade Agreement, and other trade agreements that would further widen the gap between the rich and the poor and ensure US economic domination over the Americas.

◆ **Become a WFP state or district coordinator.**

A more just policy will only come through long-term coordinated action. WFP is building up our grassroots power, and you can help!

This isn't just about Cuba. If we succeed, we will be living in a country we can be proud of, whose values of liberty and democracy obligate it to respect the liberty and democracy of other countries, whether or not their decisions coincide with the profit margin of large corporations. If this is the country we want to live in, this is the movement we are called to build.



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