



# Some Trade Restrictions on Cuba to Be Lifted

The U.S. Congress has moved to lift some of the punitive economic measures the United States takes against Cuba. President Obama supports a partial lifting of the restrictions, though he has said he would not support normalizing relations with Cuba unless that country holds democratic elections — a qualification that we don't apply to other countries such as China.

The United States takes measures against Cuba such as a partial trade embargo, travel restrictions, restrictions on personal remittances to that country, and barring of entry to the United States of both people and ships that defy our restrictions.



The legislation lifting some of the trade restrictions is part of a \$410 billion omnibus spending bill. If signed by President Obama, Cuban-Americans would be allowed to travel to Cuba once a year, instead of the current policy of once every three years; Cuban-Americans could spend up to \$170 per day on the island, instead of the current \$50 (this in a country where the average salary is about \$20 a month); it allows Americans who sell food and medicine to travel to Cuba; and, according to the BBC, "should allow Cuban authorities to pay for US products once they arrive rather than pay up front before they are sent, a move some analysts say could boost rice sales to Cuba."

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It was expected that a Democrat-led Congress and Obama would make such a move because Obama wants to demonstrate a "change" in foreign policy. Moreover, if the polls are accurate, there is little likelihood of backlash by Americans: polls show most Americans are now for normalizing relations with Cuba, including large numbers of Americans of Cuban descent. Such an action could hardly backfire on Obama — at least when it matters, during his first term in office.

Many congressmen strongly favor lifting all of the economic penalties against Cuba. One congressman who has repeatedly called for open trade with Cuba is Ron Paul (R-Texas), who said in 2007:

In the name of helping Cubans, the US administration is calling for "multibillions" of taxpayer dollars in foreign aid and subsidies for Internet access, education and business development for Cubans under the condition that the Cuban government demonstrates certain changes. In the same breath, they claim lifting the embargo would only help the dictatorship. This is exactly backwards. Free trade is the best thing for people in both Cuba and the US. Government subsidies would enrich those in power in Cuba at the expense of already overtaxed Americans!

The irony of supposed Capitalist, free-marketeers inducing Communists to freedom with government hand-outs should not be missed.

Other congressmen are equally vociferous against such trade liberalization. Florida Senator Mel Martinez (R-Fla.), who emigrated to the United States from Cuba, said about the new legislation:



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"Modifying our nation's policies at this point would be counter-productive and reward a repressive, authoritarian regime that has shown little concern for the security or well-being of its citizens."

To get a handle on the issue, one needs to explore the rationale for instituting the punitive measures and keeping them in place. The embargo against Cuba began in 1962 after Cuba's then-new leader Fidel Castro seized the property of U.S. citizens and corporations, such as the United Fruit Company (now Chiquita Brands International Incorporated); and the United States tried to force payment for the confiscated properties. Other punitive measures came and went with world events and different presidential administrations: the Cuban Missile Crisis brought about travel restrictions and a freezing of Cuba's assets in the United States; President Jimmy Carter dropped the travel restrictions, only to have Ronald Reagan renew them.

The laws governing the present rules on the Cuba embargo are primarily the Helms-Burton Act of 1996, initiated when Cuba shot down two private planes with Americans onboard over international waters, and the Trade Sanctions Reform and Export Act of 2000, which allowed the sale of some agricultural products and medicine to Cuba for humanitarian reasons.

By turns, the punitive measures have been both defended and attacked. Those on the defense claim that if the measures are held in place long enough, popular support for a Castro government in Cuba would end, and the Castro brothers would be ushered out of power. Believers in the measures pushed this line of argument especially earnestly in the early '90s when Russia stopped propping up Cuba's regime. They successfully blocked removal of the measures, but though times became tougher in Cuba, Fidel Castro never lost his hold on power. Now Fidel's younger brother Raul is running the country.

It is likely the punitive measures against Cuba failed to have the desired effect largely because many of the truly disenfranchised and disillusioned Cubans — the ones not imprisoned or killed by Fidel — emigrated to the United States (one million) and other countries (one million), as compared to a total population in Cuba of just over 11 million. The punitive measures also gave Castro someone to blame (besides himself) for all of Cuba's economic ills, which he has apparently capitalized on successfully.

The defenders of the measures have found themselves having to justify continued actions against Cuba, considering the fact that the United States maintains no such measures against Russia or China. As recently as February 21, 2007, U.S. Commerce Secretary Carlos Gutierrez told interviewers that the reason for the disparity in treatment between countries is that China is building an "entrepreneurial culture where people are free to improve their own lives." He added: "To compare the changes that have been taking place in China … to the conditions in Cuba is the wrong comparison. I would put Cuba in the same league as [the police state] North Korea."

Historically, Gutierrez and those with similar views would be correct in their assessment as to the conditions in Cuba — citizens could not buy and sell cars unless they were built before the revolution, and people could not sell their property (the property the Cuban government allowed them to keep), they could only pass it onto children — but that is changing. Since taking charge from Fidel, Raul Castro sounds more capitalistic than U.S. President Obama. According to the BBC News, Raul told the National Assembly last year: "Socialism means ... equality of rights and opportunities, not salaries. Equality does not mean egaltarianism." Some reform has already been instituted: once Cuban farmers hit their annual crop quota, which is, for now at least, a manageable feat, any crops grown over this amount are the farmers' to sell.

The final major remaining argument of the defenders of the measures is that dropping the restrictions



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on Cuba without Cuba having first made public concessions to America's demands — property rights guarantees, freeing political prisoners, increasing free-market policies, and disbanding the Committees for the Defense of the Revolution (the "thought police") — would make the United States appear weak.

Or it could make the United States seem sensible because we would be according Cuba the same treatment that we accord to other countries that are not overtly hostile to the United States.

Those who attack the punitive measures believe that the United States has tried the punitive measures long enough without success and that the quickest and surest way to bring about positive change in Cuba is through lots of interpersonal interaction between Cubans and Cuban Americans. Also, they remind Americans that U.S. punitive measures are disdained nearly worldwide. Other countries don't like the fact that the United States is telling them who they can or cannot trade with, creating rocky relations with our trade partners and making trade disputes harder to resolve.

Of course, if relations improve significantly between the governments of Cuba and the United States, and the trade embargo were lifted completely, the United States would likely want to enact a "free-trade agreement" with Cuba that, if it follows true to form with past agreements, would see a very lopsided agreement being signed that made sure that some government and business factions in each country would become rich, at the expense of the middle class and poor. For now, a "change" in U.S. policy is rather academic — both Congress and Obama want to weaken or erase the restrictions on Cuba — we're left asking: "Is this the first step in a trail of change, or is it merely a symbolic gesture?"

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