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Cuba at the Crossroads

The Honorable Carlos M. Gutierrez

EDWIN J. FEULNER, Ph.D.: I welcome all of you to this, the kick-off of a seminar series that we will be holding here at The Heritage Foundation entitled “Cuba at the Crossroads.” We hope that this series will be a useful discussion of what a post-Castro Cuba might look like.

We are indeed honored today to have with us as inaugural speaker in this series the 35th Secretary of the U.S. Department of Commerce, Carlos M. Gutierrez. There is not a more qualified member of the President’s Cabinet, or indeed of any past Cabinet, to speak on this particular subject. The many issues that our government must consider in planning for a post-Castro transition are all very near and very dear to the Secretary’s heart and interests.

Today, although the Cold War is over, freedom continues to battle tyranny. Victims of Communism can still be found just 90 miles off our southern shore. Thankfully, we all recognize that Fidel Castro’s oppressive regime will end someday. The policies pursued by the U.S. government during Cuba’s transition will have a critical impact on the shape of the Cuban government and its economy. What will be the future role of Cuba in the hemisphere? This and many other vital questions must be answered.

Will Cuba be free at last after 50 years of living under tyranny to build a market-based democracy? Or will the Cuban government’s machinery force the Cuban people to endure more years of life in a brutal command police state? To bring greater awareness to these issues in the coming months, we are launching

Talking Points

- It is anti-Americanism as an ideology that drives Fidel Castro—not Marxism-Leninism or some triumph for the revolution.
- President George W. Bush’s vision for the Western Hemisphere is one of open political systems, open trade and investment, and economic opportunity for all. That is why we are actively pursuing free trade agreements with Peru, Colombia, and Panama.
- The Cuban embargo has been a success, and President Bush is determined to keep the policy in place and to continue to take initiatives to hasten the Cuban people’s day of freedom.
- The U.S. must stand ready to help the Cuban people to make a transition to freedom—not just elections, but everything that freedom can bring. We stand ready to welcome them into the community of democracies.

This paper, in its entirety, can be found at:
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this “Cuba at the Crossroads” series to examine the future of U.S.–Cuba relations from various perspectives, such as Cuba’s impact on U.S. national security; human rights and U.S. refugee policy; potential democratic reforms in post-Castro Cuba; sanctions, trade, and the future of Cuba’s economy; press freedom in Cuba; and the U.S. mainstream media’s view of the Castro regime.

Secretary Gutierrez has a personal and unique perspective on the U.S.–Cuba relationship. In 1960, when he was just six years old, his family fled the Castro regime for the United States as political refugees. Tragically, the Secretary also knows all too well the countless opportunities that he and millions of his fellow Cubans have been denied because of this brutal Communist dictatorship. Over the next few months, we hope that leaders from Congress and elsewhere will help us focus on the potential role of the United States in shaping post-Castro Cuba, the future of U.S.–Cuba relations, and the role of a newly democratic Cuba, which we all hope will evolve, and what that role might be in the hemisphere.

In fact, Secretary Gutierrez has recently returned from a trip around Cuba’s Latin American neighbors. He is now familiar with their hopes and concerns firsthand. Mr. Secretary, we look forward to hearing from you as you present to us an overview on these issues, and still much more from your personal perspective and from the Bush Administration’s perspective. Welcome to The Heritage Foundation.

—Edwin J. Feulner, Ph.D., is President of The Heritage Foundation.

SECRETARY GUTIERREZ: Thank you for the kind introduction, and also for The Heritage Foundation’s leadership on this important topic. It truly is a pleasure to be here to kick off the “Cuba at the Crossroads” series. As the Co-chair for the Commission for Assistance to Free Cuba, I am pleased to have the opportunity to present the Administration’s perspective on the subject of Cuba.

Yesterday I returned from a very exciting trip to Latin America. I was in Peru, Colombia, and Panama with members of Congress, and visited with businesspeople, union leaders, and government

leaders. We visited the three heads of state. It was just a very enlightening trip, and this is a great time for growth in our hemisphere.

Cuba’s Neighbors

In Peru, while the country has been shaken by the earthquakes just recently, they are going through a period of sustained economic growth the likes of which we have not seen in a long time. They are very committed to continue that growth; very welcoming of foreign investment, trying to find ways of continuing to grow; and developing jobs and developing prosperity in their country.

Panama, of course, is today one of the fastest-growing countries—not just in our hemisphere, but in the world—and they are expanding the Panama Canal. It’s a \$5 billion project, a major expansion that’s going to have competitive implications—very positive competitive implications—for the whole hemisphere. And at this point, they’re growing 8 percent of GDP annually, *before* the investment in the Panama Canal and *before* the Trade Promotion Agreement with the United States. So Panama can well be one of the fastest-growing economies in the world.

In Colombia, I saw one of the most impressive turnarounds I have ever seen. We actually met with what they call “demobilized” paramilitaries, where they were actually out fighting guerrillas and in the very difficult, violent environment that they’ve had over 40, 50 years. And they’ve actually come in, turned in their arms, and become part of civil society. Tremendous change is taking place in Colombia, and in addition to that, the economy is growing faster than at any time we can remember. I believe their last reported growth was 8 percent of annual GDP.

In each country I saw opportunity, economic growth, and hope spreading amongst our neighbors. And while these countries and others throughout the hemisphere are embracing the promise of democratic reforms, the promise of economic freedom, we know that Cuba continues to march in the opposite direction. In Cuba, people remain repressed; the economy remains closed; the doors remain tightly shut and shackled by a repressive Communist regime. Cuba is, and continues to be, the human rights travesty of our hemisphere.

The Case for Free Trade Agreements

Worldwide trade and globalization have brought the corners of the world closer together in many ways. People are trading with each other, people are traveling, people are getting to know other countries. The world is becoming a smaller place in many ways. Our approach, the President's vision for the Western Hemisphere, is one of open political systems, open trade and investment, and economic opportunity for all. That's why we are actively pursuing, and why it's so critical that we pass through Congress, trade promotion agreements with Peru, with Colombia, and with Panama. It is very important that we get those through, and very important that we continue to give countries in our hemisphere the opportunity to grow, the opportunity to expand through free enterprise and democracy.

The economic case for free trade agreements is very clear. If you take just one aspect of the economic case, our exports to Latin America have grown by nearly 60 percent since 2001—and these are exports with countries with whom we have free trade agreements. Where we have a free trade agreement our exports are booming. And while export trade is important, it is not the only consideration. We know that trade goes hand-in-hand with democracy and with good governments, and we know that democracy and free trade are necessary to secure prosperity for the people of the Americas.

We have had an unprecedented amount of engagement with Latin America under President George W. Bush. Let me just give you a sense of the activity and the focus that have been placed on Latin America since the President took office: Six of the 11 countries with which we have implemented free trade agreements have been Latin American countries. President Bush has taken eight trips to the region, visiting 10 Latin American nations. Thus far in 2007, he has hosted or met with five hemispheric presidents at the White House, Brazilian President Lula da Silva at Camp David, and at the Caribbean Heads of Government meeting. In August, he met with Canadian Prime Minister Stephen Harper and Mexican President Felipe Calderon to discuss how to enhance the security and prosperity of the three sovereign countries of North America. Also, this

year in July, the President and Mrs. Bush hosted the first-ever White House Conference on the Americas, recognizing the many links between our society and those of our neighbors.

Embargoing a Competing Vision

There is, of course, a competing vision in Latin America. That vision seeks equality by spreading poverty, not prosperity. And I would suggest to you that that is too easy of a way out. If you want to have equality of opportunity, that's one thing. But to say "Let's make everyone equal by making everyone poor" doesn't strike me as a very exciting vision for the future. The competing vision also empowers governments—not people—and it discourages creativity, individualism, free speech, and free markets. Over the past decades, the Western Hemisphere has generally moved forward economically and politically. We have made great progress. Under the Castro dictatorship, Cuba has moved backward.

When the subject of Cuba comes up, one question that I'm always asked is, "The embargo has been in place for about 47 years: Has it worked?" And my answer to that is yes, the embargo has worked. One of the things that history never does for us is tell us what did not happen. We only know what has taken place. What we don't know is what could have happened. The embargo has denied Castro resources, and that's what the embargo was intended to do. For many of you who have read Cuban history, many of you who are well-versed in Cuban history—especially Cuban history since the coming to power of Fidel Castro—you will know that his regime's number one philosophy, their true ideology is anti-Americanism. That is the one single thing that keeps them together. That is the one single thing that Castro has believed in all of his adult life. It is almost as though Marxism and Communism are a tactic to remain in power, but the real ideology is a fervent anti-Americanism. So, the first goal has been to keep resources out of his hands.

Think about those times when Castro has had resources. In 1962, during the Cuban Missile Crisis, there were missiles stationed on the island. History has confirmed—and it has been written from members of the Communist Party in the then-Soviet Union and Cuba as well as to Castro himself—that

he wanted desperately to keep those missiles. And it wasn't enough that in exchange for giving up those missiles, he got a guarantee that the U.S. would not invade Cuba. He wanted those missiles, and at one point he was willing and ready to do whatever had to be done—even use those missiles. That was 1962. Think about the money he put in Angola, the resources he put into Africa (and I'm talking about military resources, not humanitarian resources). In Salvador, Nicaragua, Grenada, and throughout the world, he funded guerrilla movements.

So when he has had resources, those resources have not gone to benefit the Cuban people. The Cuban people are still standing in line waiting for food, and that food doesn't even last for the month that the ration card is for. That has not changed in 48 years. When he has had resources, it usually has been used to somehow threaten Cuba's neighbors and fund guerrilla movements—anything that can hurt the U.S.

Think about it: Anything that can hurt the U.S. That has been their policy for over 48 years, and that has been more important than putting a focus on the plight of the people in Cuba. So when there have been resources, Cubans have not benefited; only Castro, the Cuban military, and foreign Communist guerrillas have benefited.

When I say history doesn't record what doesn't happen, and doesn't give us credit for what doesn't happen, imagine what the last 48 years would have been like if Castro had had resources. If Castro would have had real monetary resources, imagine the things that could have happened over the last 48 years. They haven't. And that is why I say, yes, the embargo has been a success, and President Bush is determined to keep the policy in place and to continue to take initiatives to hasten the Cuban people's day of freedom.

The Cuban People's Day of Freedom

Our focus needs to remain on the plight of the people in Cuba, and that is why the U.S. authorizes humanitarian donations to reach the Cuban people. Our nation today is the largest source of help in Cuba, so if you look at remittances going to Cuba, if you look at humanitarian food aid going to Cuba, humanitarian medicine aid going

to Cuba, the U.S. is the largest provider. So this isn't about U.S. policy.

I'm always asked the question as well, "When is the U.S. going to change the policy? When is the U.S. going to lift the embargo?" And that's not the question. The real question is, "When will Cuba change its policies? When will the Cuban regime change?" This is about what happens in Cuba, not what happens in Washington, and we shouldn't get distracted with, "It's the embargo and it's everything else." The problem is the policy of the Cuban government.

The questions that people should be asking are:

- "When will the Cuban people be free to travel abroad and travel inside of their country?" It's amazing that we're asking that question in 2007.
- "When will the Cuban people be free to change jobs and create independent businesses of their choice?" You could be arrested in Cuba for selling a sandwich out of your kitchen.
- "When will the Cuban people be free to choose the education they want for their children, to visit any hotel or resort or other tourist area that they wish in their own country?" They can't go to these tourist areas, but tourists can. It's almost like apartheid, with areas of the country that are good for tourists but not good for Cubans.
- "When will they be able to watch and listen to independent, uncensored television and radio stations, to be able to read any book?" I'm constantly reminding myself how lucky I am that I can read anything I want.
- "When will they be able to read any book, magazine, or newspaper of their choice; seek employment with foreign companies on the island; choose any doctor or hospital they wish?"
- And also, incredibly, in the year 2007: "When will Cubans be able to access the Internet like any other citizen of the hemisphere can?" That's an amazing thing to think about: They cannot have access to the Internet and what that means for bringing people together.
- "When is it going to stop being a crime to be an independent librarian, a human rights advocate?"
- "When will the regime stop making arrests for the crime of—and this is in quotes—'danger-

ousness,' the so-called crime of dangerousness?" You can be arrested for dangerousness, and that is so vague that if you look dangerous you can be arrested for dangerousness.

- And another thing, too, the promises of the so-called revolution; in a country where there is such a large population of Afro-Cubans, you don't see Afro-Cubans in the leadership ranks of the so-called revolution. You just don't see it. "What happened to racial equality?"

It is clear that the restrictions imposed on the Cuban people have nothing to do with the U.S. embargo and nothing to do with our policies. It has everything to do with Castro's desire and the regime's desire to stay in power. They may use the U.S. as an excuse for everything they do. "Why do we need such a strong military, and why do we need to spy on our people? Well, because the U.S. is going to attack us one day." That's not true. "Why is it that people don't have enough to eat? It's not because Communism doesn't work, it's because of the U.S. embargo." So all of that just confuses people; the reality is this is a regime that has done everything and anything to stay in power.

It's very ironic today, if you think about some of the debates going on in our Congress regarding free trade agreements with countries in our hemisphere, that there are some voices that will criticize and denounce the labor environment in Colombia. Yes, there are opportunities, and we know there are opportunities; we know there's always an opportunity to continue to grow and expand and be better. But it's interesting that those same voices that will criticize the labor environment in Colombia or Peru or Panama are the same people who want to engage with Cuba. They want to do business with Cuba, and they want to trade with Cuba. What about Cuba's violation of labor rights? You talk about violating labor rights, I don't think there's a country in the world where people have more restrictive labor conditions than Cuba, and just the rights of citizens in general. So it is a tremendous contradiction.

The President's position has been very clear and consistent: Unless the regime changes, our policy will not. We are prepared to respond to genuine democratic change in Cuba, and we are prepared to

work with Cubans who hold positions on the island as long as they are willing to change—and obviously as long as they don't have human rights violations. But we are willing to work with them. The succession from Fidel to Raul is a preservation of a dictatorship. We believe the Cuban people deserve to elect their leaders the same way that others in Latin America have been able to do. We recognize—and this is important—that the future of Cuba is in the hands of people in Cuba. The future of Cuba is in the hands of Cubans on the island; it is their country. Those of us like me, who came to the U.S., are now U.S. citizens. We have moved on; it's all about Cubans who are in Cuba, and that is where the focus needs to be. We do not have any desire to run Cuba, to take over Cuba; we don't have any military intentions in Cuba. Those are things that are said in Cuba to confuse people and to create fear. We want to help Cubans develop their future.

Our focus needs to remain on the plight of the Cuban people, and this is why that is our focus and we stand ready to help. We stand ready to help the Cuban people to make a transition to freedom—not just elections, but everything that freedom can bring; the ability to work where you want, the ability to read what you want, the ability to open up your little business, the ability to dream, the ability to think about a better future for your family, the ability to hope that one day you can visit foreign countries. All of the things that we have, we are ready to help, and we stand ready to welcome Cuba into the community of democracies. We are friends of the Cuban people and we can be their best friends. We are looking forward to the day when we can demonstrate that.

Questions and Answers

QUESTION: I agree with virtually everything you've said. It's anti-Americanism as an ideology that drives Fidel Castro, not Marxism-Leninism or some triumph for the revolution; that's rhetoric. When former President Jimmy Carter opened the Interest Section, the idea was that by talking and hugging and having a mojito we'd get closer to Castro. That process was aborted essentially by Fidel. He stays in power because he's the only guy in the world or in the hemisphere that has the audacity to

tell the United States to stick it. So he's going to stay there as long as he is well.

Raul is a different subject. The people under him, though, I'd like to have you comment on. They're in their 30s and 40s. They know perfectly well that Marxism-Leninism is a failure. They take their guayaberas off and go to Europe and do business in Milan and Paris. Those are the people that know what globalization is, and when you have a transition, they will be the people that will be able to work with us and the Europeans and change this country into something else.

SECRETARY GUTIERREZ: I think that the key question is below Fidel and Raul. We don't think any change will come from Fidel and Raul; we do not have these hopes, and I think it would be a bit naïve to think that Raul is—after 48 or 49 years of being the Defense Minister in a Communist regime—all of the sudden going to be enlightened to change. There are people—Carlos Laje, Felipe Perachoque—I don't think anyone really knows what they think because they have to say what they have to say to stay in power. And people inside the military, people inside the government who see and travel, they see what they're missing; they see what people in Cuba are going through. They understand, I hope, what they lack and what they could have and the shortages and what people have to go through for this so-called ideology.

I think we have to wait until there is change, and there will be change soon, and we'll see what kind of leaders surface. But I believe, like you, that there are people there who want to change. They can't be as open about it as we'd like them to be. And one of the opportunities is to identify those people, because they're there, and we'd like to help them.

QUESTION: When freedom—a market-based democracy—comes to Cuba, what do you see happening to those Cubans who worked for and who were loyal to Fidel Castro? Is there anything we can learn from Iraq and the way those serving Saddam Hussein were dealt with?

SECRETARY GUTIERREZ: I mentioned that in passing in my comments, that people who are part of the regime who want to work for freedom, who really want to change, we will welcome all of them.

Obviously, there are some of those people who we just don't want to have anything to do with, who have had some very clear human rights violations over the years, and we know who most of them are. But in a country where, if you're not part of the system you're out—and being out may mean that you have no place to live—most people have to be part of the system. We recognize that we are going to have to work with them, and I think that's part of message, that we want to work with you.

There are people who have human rights violations and we know who they are. We do not have any desire to build relationships with them. But the majority of the people are just doing what they have to do to survive, and we would love to give them a shot at a better future.

QUESTION: Mr. Secretary, you're looking very sly after your tour of three countries in Latin America. The conference was broadly supportive of the bipartisan trade policy that was announced in May, and you spoke about the FTAs, so I'll address my question to that. My question is not to compare Peru to Cuba at all, but there are still lingering questions around some of the conditions of workers and the rights of people to enjoy democratic reforms. You might be familiar with the situation of Bishop Daniel Turley in the north of Peru, who recently received death threats because of a referendum that was taking place there. The local radio station was closed down by the government.

My two-part question is: 1) What reaction did you get from the members of Congress around the improvements that were being made in places like Colombia and Peru; and 2) How can we guarantee that this is not just a temporary fix and that, in fact, these types of democratic changes will be long-lasting?

SECRETARY GUTIERREZ: That's a good question. We actually met with union leaders in Peru and Colombia, and they are the first to recognize that there's still plenty of progress to be made, a lot of things they must do—although they have come a long way in terms of allowing unions and bargaining. The thing about an FTA is that it does force policy changes. An FTA is not for the next six months, it's for the next 20, 30 years; it's for the future. An

FTA can be a great catalyst for change. We have to be careful that we don't think that because they haven't done everything that we would have liked, we're going to punish them and not give them the FTA. Well, that's not going to help the people we want to help. The way to help them is to sign an FTA with them and make sure that both sides play by the rules of that FTA. That will be a great catalyst for change.

I think about Central America and what is happening there. In spite of the election in Nicaragua, I'm hearing that they are attracting businesses; they are trying to create jobs through foreign investment because they have this FTA. So the FTA has been a tremendous catalyst, and I think it will be so for any new country in which we enter.

QUESTION: Could you talk a little bit about Hugo Chávez and his relationship with Cuba? Does that concern you that it might ease his isolation a little and help the regime last longer than it otherwise might?

SECRETARY GUTIERREZ: The subsidies that Cuba receives today are quite substantial, and there is no question that the economy would be worse off without those subsidies that they are receiving. It is remarkable that after 48 years an economy has to receive subsidies in order to stay afloat. I think that ultimately what will count are results. We know what the results have been in Cuba, and I think

what history will point to at some point in the future is that here is this country with a tremendous natural resource at a time when the price of that natural resource has enabled it to come into a great amount of money. And I think the questions that history will ask are, "What did they do with that money? Was that money used to help people in that country, to help give them jobs, to help improve their lives?" Everything we are hearing suggests "no," but I think with time that will become very, very clear.

The other question that many people ask is "What is the true relationship between the two countries?" There is no doubt that there is a relationship between Fidel and the two leaders at the top, but how do Cubans really feel about their relationship with Venezuela, and how will it be after Fidel, and is there a real partnership there? About all these questions we will have to see, but I think the story that will be told in the not-too-distant future is the incredible opportunity that was missed with all this oil money that came in—that it just wasn't used to benefit the people in Venezuela over the long haul. I think it is just a matter of time before the results catch up to them and before they realize that. But yes, they are keeping Cuba afloat to the extent that you call keeping them afloat having people stand in line with a ration card to get 10 days' worth of food for 30 days. Yet without them, they'd be even worse off.