

Why Our Cuba Policy Is Wrong

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Proponents of the American embargo against Cuba argue as follows: By squeezing the Cuban economy enough, the U.S. government can make Cubans even poorer than Fidel Castro has managed to over the past 37 years through his imposition of Stalin-style socialism. Ultimately, the theory goes, some desperate Cubans will rise up and overthrow Castro.

There are at least three problems with this strategy. The first, and most overarching, is that it's immoral. It could succeed only by making average Cubans--already living in grinding poverty--even poorer. Most of them are completely innocent and, indeed, already want to get rid of Castro. And consider the irony: The defining feature of socialism is the prohibition of voluntary exchange between people. Pro-embargo Americans typically want to get rid of socialism in Cuba. Yet their solution--prohibiting trade with Americans--is the very essence of socialism.

The second problem with the embargo strategy is more practical: It hasn't worked. To be effective, an embargo must prevent people in the target country from getting goods, or at least substantially increase the cost of getting goods. But competition is a hardy weed that shrugs off governmental attempts to suppress it. Companies in many countries, especially Canada, produce and sell goods that are close substitutes for the U.S. goods that can't be sold to Cuba. Wander around Cuba, and you're likely to see beach umbrellas advertising Labatt's beer, McCain's French fries, and President's Choice cola. Moreover, even U.S. goods for which there are no close substitutes are often sold to buyers in other countries who then resell to Cuba. A layer of otherwise unnecessary middlemen is added, pushing up prices somewhat, but the price increase is probably small for most goods.

Some observers have argued that the very fact that the embargo does little harm means that it should be kept because it's a cheap way for U.S. politicians to express moral outrage against Castro. But arguing for a policy on the grounds that it's ineffective is simply bizarre.

The third problem is political. The embargo surely makes Cubans somewhat more anti-American than they would be otherwise, and it makes them somewhat more in favor of--or at least less against--Castro. He still publicizes the 'blockade,' his word for the embargo, as the cause of Cuba's awful economic plight and reminds his subjects ceaselessly that the U.S. government is the instigator. Some Cubans probably believe him.

Far from ending the embargo, the U.S. has gone in the other direction with the Helms-Burton law, named for Sen. Jesse Helms (R-North Carolina) and Rep. Dan Burton (R-Indiana). Its most controversial provision permits U.S. lawsuits against foreign companies if they use any property in Cuba that was confiscated from U.S. citizens. Starting on Aug. 1, 1998, even U.S. citizens who were Cubans at the time their property was stolen can sue. While this may sound reasonable to anyone who believes in property rights, the idea, applied consistently without regard for time or context, would lead down a path where few want to go. Native Americans, for instance, can, and do, make similar claims.

To enforce this provision of the Helms-Burton law, the U.S. government will make America off-limits to corporate officers, principals, or shareholders with a controlling interest in firms that profit from confiscated U.S. property in Cuba. The government has already used the law against a handful of Canadian and Mexican executives. Not just the violators but also their spouses, minor children, and agents will be kept out of the U.S. Again, note the irony. One of the most important achievements of free societies--one that distinguishes them most from totalitarian regimes--is that when one family member breaks the law, that person, not the other family members, pays the penalty. Totalitarian governments violate this principle of individual responsibility all the time, and Castro is the main such violator left in the world. Now the U.S. has joined him. Helms and Burton say they want to beat Castro. Castro has already beaten them--and us.

The more open trade is between Cuba and the rest of the world, the more experience Cubans will have with foreigners and foreign goods. They will learn that they don't have to be poor, that meat once a day doesn't have to be a luxury, and that they don't have to die from socialized medicine. The 'dollarization' of the Cuban economy, under which Castro allows people to exchange dollars for goods, has already started this process. The flow of dollars from relatives in

southern Florida has promoted dollarization further, making recipients of these dollars less dependent on the Cuban government for their daily bread. When President Clinton reduced the amount Cuban exiles in the U.S. could legally send to their relatives, he made Cubans more dependent.

One piece of evidence that advocates of the embargo must confront is Castro's own actions just before Congress voted on the Helms-Burton act. Here was a law that President Clinton had opposed and that, therefore, faced an uphill battle. Yet on Feb. 24, 1996, just days before the vote, Castro had his air force shoot down two unarmed civilian airplanes piloted by members of the the Miami-based exile group Brothers to the Rescue. No one on either side of the embargo debate has claimed that Castro is stupid. With his awesome intelligence machine, Castro certainly knew this action would make passage of the Helms-Burton law more likely. He presumably wanted to use it as new ammo in his propaganda. The embargo advocates point out that if full trade relations are resumed between the U.S. and Cuba, then Cuba's government will qualify for U.S. government aid. Such aid would definitely prop up Castro's regime, as similar aid has done for tyrants in Africa and elsewhere. So let's end the embargo, not give foreign aid to Cuba, and watch as Fidel fades forever into much deserved oblivion.