

## **The Cuban Trade Embargo**

Fidel Castro is a militant revolutionary from the island of Cuba. He remains as one of the most prominent socialist leaders in the world. Like many militant leaders his rule came from the hostile takeover of a pre-existing government. During the revolution of 1959 Fidel Castro rose to become the next ruler of Cuba. His command of the Cuban government was adamantly opposed by the United States at the time, because Castro pledged allegiance to communism and the Soviet Union. Castro made some drastic changes in the lives of all the Cuban's living on the island. He took most of the wealth away from the upper and middle-class citizens, causing them to flee the country (mainly to the United States). The economics of Cuba became more centralized and private schools were taken over by the government. Church's were taken over by the government and clergy were sent into exile. Along with all the suppression of freedoms came the improvement of literacy, as well as, improved sanitation and health. Castro built hospitals in rural areas and controlled them with the government (Miami).

Even though some strides were taken to improve the well-being of the citizens of Cuba, it was thought by the U.S. that the human rights of the Cuban citizens were being violated. The United States government thought that something needed to be done and that Castro was a threat to neighboring countries. The first actions taken by the U.S. was to begin a trade embargo with Cuba.

The United States trade embargo with Cuba stems over the past forty years. First implemented in 1960 by the Eisenhower-Nixon administration, the embargo was

only a partial restraint on trade, excluding food and medicine supplies, to the island. The embargo, along with other actions in 1960, was an attempt to destabilize Fidel Castro's government power in Cuba. In 1961, an unsuccessful invasion of Cuban soil by the United States called the Bay of Pigs added to the social unrest between the U.S. and Castro's Cuba. While the failed invasion made the United State look foolish, it further strengthened Castro's power and reputation as a leader in Cuba (Miami).

In October of 1962 the tension between the Soviet Union, Cuba, and the United States hit a climax with the missile crisis in Cuba. Nikita Khrushchev, the Soviet president at the time, brought nuclear capacity bombers and nuclear missiles to Cuba. The United States detected the bombs and quarantined Cuba with their navy. After a twelve day standoff the Soviets removed the missiles from Cuba (Miami). Throughout the crisis Castro had little say in what the Soviets were doing in Cuba, thus, exposing his dependence on the Soviet Union military and the economic support needed from the Soviets.

The Kennedy administration added further restrictions to the embargo with Cuba by outlawing any travel and financial and commercial transactions with the island in 1963 (Economic Embargo). Since the Kennedy administration, there have been many alterations of the Cuban Trade Embargo but it has yet to be abolished. For some reason or another, lobbyists have managed to keep the embargo in tact. This paper is going to attempt to explore the various effects the embargo has had on Cuba since the fall of the Soviet Union in late 80's early 90's. Various elements will be

taken into consideration like, economic trade partners, healthcare, human rights, religion, and other important effects/causes of the trade embargo.

### **Economic Trade:**

Cuba took a huge blow in 1990 with the fall of the Soviet Union. At the time it was one of Cuba's main trade partners. Cuba's Gross Domestic Product (GDP) dropped sharply over the next four years. The country was in dire need of new trade partners. The United States was not going to be one. The United States further tightened their trade with the hurting country. In 1990 the U.S. passed the Mack Amendment which "prohibits all trade with Cuba by subsidiaries of U.S. companies located outside the U.S., and proposes sanctions or cessation of aid to any country that buys sugar or other products from Cuba (Economic Embargo)." This was another attempt by the U.S. government to try and rid Cuba of Castro by economic means. The first Bush administration was quick to join the chance to punish Cuba and in 1992 passed the Cuban Democracy Act "which prohibits foreign-based subsidiaries of U.S. companies from trading with Cuba, travel to Cuba by U.S. citizens, and family remittances to Cuba. The law allows private groups to deliver food and medicine to Cuba. (At this time, 70% of Cuba's trade with U.S. subsidiary companies was in food and medicine. Many claim the Cuban Democracy Act is in violation of international law and United Nations resolutions that food and medicine cannot be used as weapons in international conflicts) (Economic Embargo)." Despite all the restrictions put on by the United States Castro and his Cuba managed

through the tough years following the Cold War. The fall of the Soviet Union forced Castro to look elsewhere for trade. He immediately looked to Europe for trade opportunities. As the figure below shows

**GDP AT CONSTANT 1981 PRICES AND YEARLY GROWTH\***

TOTAL		
Year	Millon pesos	% variation compared to previous year
1990	19 008.3	-2.9
1991	16 975.8	-10.7
1992	15 009.9	-11.6
1993	12 776.7	-14.9
1994	12 868.3	0.7
1995	13 184.5	2.5
1996	14 218.0	7.8
1997	14 572.4	2.5
1998	14 754.1	1.2

\*figures from the University of Miami Cuban Database

Cuba struggled, losing high percentages of their GDP from 1990 through 1993, but in 1994 trade with European countries began to be established allowing growth for the first time in the 1990's.

Another reason for Cuba's economic upswing was because they were becoming a more self sufficient society. Agriculture is one aspect that has changed dramatically since the fall of the Soviet Union. Cuba received most of their oil from the Soviets and when they fell Cuba did not have enough fuel to power their farm tractors and machines. So as a result the Cuban's resorted to oxen. The process was slow but the number of oxen on the island has risen from about 100,000 to over 400,000 in 1998 (Harris). While using oxen instead of machines, Cuban farmers stumbled upon an amazing discovery. They realized that with the oxen they could

plant and harvest crops during the island's rainy season. This meant that Cuba now had three growing seasons and the crop output increased over time.

As illustrated below one of Cuba's largest natural resources and exports is nickel. The chart shows that nickel exports from Cuba more than doubled since 1994.

**Quantity Nickel Exports by Region of Destination, 1994-99** *Metric tons*

	1994	1995	1996	1997	1998	1999
<b>Total</b>	<b>29,060</b>	<b>37,955</b>	<b>55,157</b>	<b>59,460</b>	<b>68,313</b>	<b>67,181</b>
<b>Intermediate</b>						
<b>Products<sup>a</sup></b>	<b>13,499</b>	<b>20,016</b>	<b>25,612</b>	<b>26,587</b>	<b>30,547</b>	<b>29,110</b>
Americas	11,791	19,628	24,893	26,577	28,686	28,693
Asia	0	0	40	7	347	385
Europe	1,708	388	679	3	1,514	32
<b>Charge nickel</b>						
<b>(Class II)<sup>b</sup></b>	<b>15,561</b>	<b>17,939</b>	<b>29,543</b>	<b>32,873</b>	<b>37,766</b>	<b>38,071</b>
Americas	34	48	281	501	381	775
Asia	1,215	1,319	2,195	6,764	7,370	6,708
Europe	14,312	16,572	27,069	25,608	30,015	30,588

<sup>a</sup>Nickel-cobalt sulfide.

<sup>b</sup>Nickel-cobalt oxide and nickel-cobalt sinter.

Source: International Nickel Studies Group.

Even though the United States has refused trade with Cuba, they have managed to find sources for their raw materials elsewhere. Compared to the early 90's Cuba's trade is booming with benefactors from Europe and a little going to Asia. Cuba has strong ties with fellow Caribbean Island countries and has lucrative trade with those islands. Canada is also a big partner with Cuba. Canada imports food and raw materials from the island grossing over 200 million a year (Miami). In 1995 Fidel Castro spoke in Trinidad and Tobago at a conference for the Association of Caribbean States (ACS), and in his speech urged the 25 countries present to establish their own trade organizations free of U.S. control (MacGuire). He has earned the respect of his peers in the Caribbean and has fought his way out of a terrible situation, the fall of the

socialist trading block. During the hard years from 1989-1993 Cuba imported goods mainly from Canada, Argentina, and Mexico, averaging at or above 100 million dollars a year (Miami). This shows that many of the other powerful nations in the Americas support Cuba and their government. The United States is isolated in their belief that the embargo should still be intact.

### Imports by Country of Origin

<b>Unit: Million US\$</b>					
<b>Europe</b>	1989	1990	1991	1992	1993
Belgium/Luxembourg	34.6	45.1	39.8	21.6	54.6
Czechoslovakia	112.8	75.0			
France	49.2	68.6	62.5	90.4	133.5
Germany	124.3	99.9	123.4	59.4	39.5
Italy	81.1	108.3	158.3	101.2	64.3
Netherlands	38.3	37.8	36.0	41.9	61.6
Romania	134.2	61.3	0.9	4.9	
Russia				191.0	
Spain	216.3	303.2	284.6	213.8	203.6
Sweden	28.7	14.9	35.3	9.8	8.3
Switzerland	32.6	31.5	27.3	24.5	12.3
United Kingdom	87.1	67.2	50.2	48.9	22.5

Sources: Anuario Estadístico de Cuba (1989).  
Cuba's trade partners data.

Cuba also maintained solid trade with European Countries throughout the end of the Cold War. The EU obviously supports Cuba and is in disagreement with the U.S. trade embargo. "...the United Nations has voted three years in a row (1993-1995) for the U.S. to end its unilateral blockade of Cuba. Even the Vatican, no friend of socialism, has condemned the U.S. for its cruel intransigence in the face of world opinion, and blesses Cuba's right to choose its own path (MacGuire)." With all this

opposition to the trade embargo one would think that the United States would ease of the clamp they have forced upon Cuba, and open up trade with them.

The U.S. is seemingly doing the opposite. In 1996 the Clinton administration signed the Helms-Burton Law into affect. This law "...imposes sanctions on governments, businesses or individuals from any nation who trade with or invest in any former US Holdings on the island. Any raw materials or goods totally or partially made in Cuba will be barred from entry into the US, and visas will be denied to anyone who has a family member with trade links in Cuba, regardless of their nationality (Hickson)." No one except the U.S. is recognizing the bill that was passed. The most vocal opposition came from the EU and Canada. Every single member of the EU rejected the law and the World Trade Organization (WTO) said it was a violation of trade rules. The law also gives Cubans living in the U.S. the right to sue the Cuban government for property lost after the 1959 rebellion, through the U.S. judicial system (Hickson). By including this clause the United States has put itself in danger of losing business overseas. It is outrageous for any country to make claims like these and not expect retaliation by threatened countries. "The United States has not the least bit of respect for any state on this planet, and it allows itself the luxury of signing a law which is itself illegal," said Ricardo Alarcon, Cuba's parliamentary president (Hickson)." The trade problems with Cuba are obviously causing the United States to be on bad terms with the rest of the world.

The trade embargo with Cuba was implemented with one reason in mind, and that was to overthrow Fidel Castro as leader of the country. It obviously has had little effect over the past 40 years and does not seem likely to work in the near future. All

that the embargo has done is Castro someone to blame for all of his countries economic and social problems (Cuba). As well as giving Castro a scapegoat it has cost U.S. farmers millions of dollars in exports every year. A study done by the Cuba Policy Foundation showed that U.S. farmers are losing as much as 1.24 billion dollars a year because of the blockade. The same study said an additional 3.6 billion dollars is lost in diverse economic activities (Cuba). In a world where money equals power it is hard to imagine a good reason for the U.S. not to reestablish relations with Cuba, a close and potentially lucrative trade partner.

### **Human Rights:**

One of the main current day reasons for the U.S. trade embargo in Cuba is the violation of human rights on the island. Fidel Castro is a military leader that demands the utmost respect from his citizens and this leads to a large amount of fear amongst members of the Cuban community. When taking over Cuba in the 1960's Castro claimed his newly acquired country as an atheist country and sent all religious leaders into exile from the country. In 1961 Castro expelled over 100 priests and another 460 left on their own due to military takeover of churches and religious schools. Castro even went as far as to announce, in 1969, that Christmas was no longer an official holiday because it interfered with the sugar harvest (American Atheist). Castro would later on claim Cuba as "secular" and not "atheist" but continues not to celebrate the Christmas holiday. In 1996 Castro visited the Pope and invited him to visit the island. Since the invitation and its acceptance Cuba has opened its doors to priests and nuns from around the world to come and hold masses all around the country (Radio

Havana). It is obvious from gestures like these that Castro is working to improve the well-being of his people. He is open to try new things now more so than ever before. Castro's openness to the Catholic Church, and the fact that he now allowed Catholics into the Communists Party caught the attention of policy makers around the world. The pope's visit was especially influential in Canada. Prime Minister Chrétien visited shortly after to meet with Castro and solidify trade relations (Basdeo 37). Religion is one of the most volatile issues of today, but in Cuba's case it could be one of the most unifying things to bring the people of Cuba and their government closer together.



Pope John Paul the Second

One of the biggest fears of people in Cuba is Castro's use of his military power. Citizens of Cuba are regularly harassed by a group of militants called the black berets. Castro's uses them to "rough up" anyone who they think are linked to anything counter-revolutionary, or people who are breaking minor laws around the community (Robins 41). The fact that Castro has instilled such fear in the everyday lives of his citizens does not help how the United States views Castro as a leader. It is minor things like the black berets that Castro must eliminate to gain the respect of

other countries around the world. The control that the government has over the businesses in Cuba forces many smart, young individuals to work jobs they are way overqualified for. The thought of becoming rich in Cuba is almost like a dream for the average citizen. “In Cuba, the only way to do a little better than the rest is either to get a lucrative black-market racket going, such as selling cigars stolen from the factories, or to get a job in the tourist sector (Robins 48).” There are multilingual college educated people serving as tour guides in Cuba just to be a little better off. In other countries they could be successful businessmen. The opportunities are taken away by the governments control over everything. Other entrepreneurs risk a life of crime to earn a few extra dollars in the black market.

Women have it worst of all. A lot of young attractive women resort to prostitution with hopes of getting married and leaving the country. “A sad byproduct of scarcity combined with tourism is prostitution (Robins 48).” It is a shame to see people having to degrade themselves just to earn an extra dollar. These able bodied young people could be doing such better things if given the chance. It is important for Castro to give the people their rights back and quit punishing them for speaking freely or starting their own businesses. People don’t deserve to be controlled in such a way. It would be easier for Castro to gain trade partners if he stopped suppressing his people and started working with them to better the country. Even though Castro has improved many parts of the country he still has many things to work on. The United States State Department does not feel that Cuba has taken necessary steps to foster trade relations with the United States. Richard Boucher, a spokesman for the State Department, said “Cuba has not taken any of the steps necessary to make

improvement of relations possible. Cuba must free political prisoners, carry out 'free' elections and guarantee human rights, before any changes in US policy will come about (Cuba)." That is a tall order that the United States is demanding for Cuba. The part about free elections would be tough for Castro to administer, because it would put his position as president in jeopardy. The other demands are more reasonable and action should probably be taken. The US and Cuban governments should strive to come to a compromise in Cuba's domestic policies.

### **Education:**

The Cuban government under Castro took over everything when he came to power. Included in the takeover were schools which are now controlled by the government. What Castro has done with the schools is definitely one of the bright spots in his 40 years as ruler. One of Castro's main goals during the revolution was to provide better education and healthcare to the people. His government set up a system of free schools, while shutting down all private and religious schools on the island. Today every child has access to schools in the country. "The Cuban educational system has certainly brought literacy to the vast majority of the population (Robins 53)." Even children living in the rural areas of Cuba have access to the 12,600 schools and 47 universities found on the island (Acosta). Below is a picture of a typical classroom found in Cuba.



Judging by the picture, the schools in Cuba are obviously not up to the standards of the United States, but at least they are available for kids to attend.

Throughout all of the 1990's Cuba has been fighting through its worst economic conditions since Castro's rise to power, but in spite all of the trouble the schools have remained open and free. Without support from the United States it is hard for the schools to have adequate teaching tools for the children. "The U.S. trade embargo has created trouble getting supplies to the Cuban teachers, such as paper, pencils, crayons, finger paint, and other basic supplies (Clark)." With aid from the United States, Cuba can further improve their educational status and continue to develop educated workers to help pull Cuba out of their economic hardships.

In March of 2002, the Cuba Business publication reported that 20,000 students had graduated from technical schools that year. Cuba is probably the best educated island in the Caribbean and it shows in their technology and development. It would be in the United States' best interest to become involved in what Cuba has to offer the world. It would make both countries better off. It could even open up job

opportunities for teachers and healthcare workers from the United States. It would also be a great travel destination for tourists from the States, because of the beautiful climate and island appeal.

### **Health care:**

Health care is one of Cuba's most prided areas. They are the most advanced countries in the Caribbean in medical research and healthcare. "When Castro became president, he combined health care and education, so children of all social and economic classes would be able to receive adequate health care (Clark)." Cuba even has daycare centers for young children where they receive regular medical check ups and baths. The daycares are important because hygiene in some areas of the country is poor and the daycares make sure childhood disease is not spread. Cuba was rated the best health care in Latin America by the Economic Commission of Latin America (CEPAL). They have the lowest infant mortality rate, the highest life expectancy, and the greatest number of doctors per inhabitant (Cuba 6). Castro has made sure that his people remain healthy throughout his reign and that is an important part of running a country.

Medical research is also a strong part of the Cuban economy. Cuba is, as of 2002, 90% self sufficient in providing medicine for their people's needs (Cuba 6). Cuba has researched, manufactured, and distributed a variety of drugs throughout the world. A new meningitis vaccine is being tested in Belgium now that was developed in Cuba (Cuba 6). The U.S. working in conjunction with the Cuban government

could break through many medical barriers if they combined their efforts. It would be a good way to start building a strong relationship if the embargo were to be dropped.

Hospitals are readily available to all citizens of Cuba. Just like their education, healthcare is free all around the island. In Havana alone, there are 8 major hospitals open to the public. All around the island are smaller versions of hospitals called clinics that provide everyday healthcare to ill people. The clinics play a major role in making Cuba the healthiest country in Latin America (Miami).



Above is a picture of a typical hospital to found in Cuba

### **The Future:**

The future for U.S.- Cuba relations is looking grim. There are many trivial reasons why the embargo is still in effect to this day, as well as some very legit reasons. In a democracy like the one in the United States makes it hard for political leaders to take a hard stance against the embargo. Florida is an important state in presidential elections with 22 electoral votes. Many residents of Florida are Cuban exiles, defectives, and family of exiles and defectives. If a presidential candidate had it in his platform to eliminate the Cuban trade embargo he or she would definitely

struggle to win Florida. The embargo has gone on for over 40 years and no one wants to be the person to end it. The anti-Cuba lobbyists have a lot of influence in the political scene. Take the case of Elian Gonzalez. The Cuba activists in Florida practically kidnapped the boy from his father who still lived in Cuba and “legally” held him for months. The U.S. government was not quick to send him back to Cuba, which was the right thing to do. It was all over the news for a long time. Any incident involving Cuba gets blown out of proportion by the media and gets drawn out longer than necessary. It will be difficult to convince politicians to end the embargo with Cuba.

Some of the more legit reasons for the embargo involve Castro’s treatment of the people in Cuba. He continues to violate basic human rights, even though he has made efforts to improve them. His country is efficiently run, but freedoms that people demand and receive in the United States are not always available to Cuban citizens. The United States is also demanding free elections which would put Castro’s position as president in jeopardy. Fidel Castro has worked so hard to remain the leader of his country and that is a luxury he would not easily give up.

The most important key to establishing relations with Cuba and ending the embargo is compromise. Both the leaders of the United States and the leaders of Cuba are very proud and it will be difficult for either side to give up any demands when it comes to issues dealing with the embargo. First and foremost the United States needs to make it clear that they will not try and kick Castro out of power. With that said the United States can then ask for better treatment of the Cuban people in exchange for say, allowing tourist to visit Cuba. This would allow Cuba to reap the

benefits of American tourism and that means more money for the Cuban economy. Before the United States allows tourists to visit the country Cuba should allow companies from the United States to start developing in Cuba. This could mean trade with our farmers for food and to go into joint ventures in health care and education. If the U.S. and Cuba start working together to develop medicines and in providing school supplies to educate the young people of Cuba, Cuba would be better off. The incentive for Cuba would be better materials to continue the free education and health care offered by the Cuban government.

If these small steps are taking at reasonable pace the future would look bright for U.S.- Cuba relations. It should be in the best interest of the United States to become allies with one of the most powerful Latin American countries. The EU which is not in favor of the embargo would be happy to see such a gesture by the United States after all these years of punishment. It would help the U.S. begin to foster better relationships with countries all over the world.

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