Time to Lift the Ban on Travel to Cuba

Statement of Philip Peters Vice President, Lexington Institute

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Mr. Chairman, Congresswoman Ros-Lehtinen:

I applaud you for convening this hearing and I'm pleased to state my strong belief that an end to Cuba travel restrictions is squarely in the United States national interest.

Our Cuba travel restrictions have been debated for years, but today you face the issue in a new context.

Last August, President Obama took the very constructive step of allowing Cuban Americans to visit family in Cuba as often as they please, for as long as they please, and to send their relatives as much money as they please.

As a result, this is your choice: to change policy so all Americans are treated equally, or to maintain a policy that absurdly divides Americans along ethnic lines, allowing one group to travel to Cuba without restriction while subjecting all others to sanctions under the Trading with the Enemy Act for precisely the same activity.

This unprecedented and unfair treatment of American citizens is but the newest reason for ending all travel restrictions.

The oldest reason remains the strongest: that by blocking citizen contacts and their concomitant flow of information, ideas, and resources, we have erected an embargo on American influence in Cuba.

And we have done so at a time when we should be maximizing our influence, not restricting it.

The embargo on American influence

After fifty years of socialism and two decades after Soviet subsidies ended, Cubans and their government now confront two questions that will shape the next chapter of their nation's history.

In the political sphere, Fidel Castro has been out of office since 2006, his brother Raul replaced him, and their generation is taking its final laps. Cubans ask when the generation of leaders that fought in the 1959 revolution will bring someone from the younger generations – the vast majority of Cubans who grew up since 1959 – into the ranks of top leadership.

In the economic sphere, Raul Castro has started modest economic reforms, especially in the agricultural sector. But he has done far more to define economic problems – often with brutal honesty – than to implement solutions. Cubans continue to live with salary structures and a dual-currency system that generate severe, unfair income inequality, and they ask when their government will adopt policies that generate jobs, growth, and rational incentives to work.

Cubans alone will decide these and other questions, but there is every reason for Americans to do all we can to increase our influence in Cuba now. With great confidence in our values, Administrations of both parties consistently criticize Cuba's poor human rights record. With equal confidence in our values and our people, we should allow our citizens to travel without restriction to represent our country and the American idea in Cuba.

That may be what former Secretary of State George Shultz had in mind when he said last year, "I think our policy of sanctions against Cuba is ridiculous...particularly now that there's some transitioning of some kind probably coming about, we're much more likely to get a constructive outcome if there's a lot of interaction. And to try to prevent interaction under these circumstances, I don't think is sensible."

Our current policy toward Cuba has no parallel in the approaches we pursue toward communist countries such as China and Vietnam today. It is squarely opposed to the approach America adopted toward the Soviet bloc, where we championed the Helsinki accords precisely to promote the kinds of travel, exchanges, and unregulated people-topeople contact that we prohibit with Cuba today.

Engagement has impact

It is argued that Cuba is a special case where contacts will not result in influence; that foreign travelers cannot interact with Cuban citizens; that American travelers will have no impact in Cuba because travelers from other countries go to Cuba freely and have no impact themselves.

Every part of this argument is a myth.

Engagement from abroad does have a positive impact in Cuba. Foreign travelers' spending sustains private artists, restauranteurs, taxi drivers, and their families. Some private restauranteurs will tell you of European friends who provide equipment or other business assistance. Hundreds of Cubans rent rooms in their homes in Havana – often

supported by websites that friends set up abroad – and they sustain their families and pay employees because of a steady clientele of European lodgers. These bed and breakfast operations, estimated to number 5,000, exist everywhere in Cuba; in the small city of Baracoa on the island's eastern tip, a state hotel employee told me that private room rentals outnumber the beds in that city's state hotels. Employees of foreign companies in Cuba engage in unpublicized charity, donating medical aid, sports and dance equipment, and everything in between. Travelers from Europe, Canada, and Latin America, together with their churches and charities back home, support Cuba's Catholic Church – its charities, its youth programs and workshops for laity, its rehabilitation of churches and acquisition of properties for its pastoral and social programs. Through the United Nations Development Program, municipalities in Europe adopt and fund projects in Cuba, such as a private cooperative in Old Havana where women of all ages hone their skills in sewing and embroidery and pocket profits from their sales. Travelers from all countries pay taxes that fund the extensive renovation Havana's colonial core – its buildings, museums, plazas, housing, schools, and clinics – that is a signal success of historic preservation and a generator of thousands of jobs.

Americans would have similar positive impacts in Cuba, and some already do. My favorite example is a Havana synagogue that American donations helped to restore. Upstairs, there's a storeroom converted into a pharmacy that contains donated medicines, including many prescription drugs, carried by scores of American travelers. The congregation opens the pharmacy twice a week and gives medicines to Cubans who need them, and to Cuban doctors and nurses who need them for their patients.

But Americans are different in two particular ways.

With the exception of Spain, there is no country that has the deep historical and cultural ties that America has with Cuba. Baseball, jazz, Hollywood movies, Singer sewing machines, and scores of other memories are the touchstones of Cubans' thoughts about America and Americans, and they are part of the reason they welcome us when we go there.

Another important difference is ideological. Cuba's government doesn't call Canada "the empire," and it doesn't argue that Luxembourg maintains a "genocidal blockade" against Cuba. The Cuban government has used these images for years to justify its domestic policies, including its repression.

If Americans are allowed to travel freely to Cuba, it will be hard for the Castro government to maintain that the United States is Cuba's prime external enemy.

As Cuban blogger Yoani Sanchez wrote this year, "I have difficulty calling to mind a single day in these last fifty years without the warning that the powerful neighbor was thinking of invading us. What will happen with the slogan, 'Cuba Si! Yanqui No!'...when we are all greeting them here cordially? Most of the political speeches of the last fifty years would become anachronistic...What will the party militants think if they're ordered to accept those whom, until recently, they hated?"

Benefits of American travel

There are other benefits to ending travel restrictions.

Communication. For many American civil society institutions, current travel restrictions pose a prohibitive barrier to programs in Cuba. Most universities, high schools, religious congregations, professional associations, sports leagues, are not accustomed to seeking licenses from the federal government to conduct a beneficial program in a foreign country, even less so when they need to seek a second license (first from the Treasury Department, second from the Commerce Department) if they want to leave behind a donation that constitutes a restricted "export." Removal of these regulatory disincentives will vastly expand contacts between American citizens and civil society institutions and their counterparts in Cuba.

<u>Freedom.</u> Our belief in personal freedom and limited government should lead us to deny freedom of travel only where a direct national security rationale exists. No such rationale exists in Cuba's case. Sadly, our travel restrictions and the fines imposed on American citizens for "unlicensed travel," are more appropriate to a country like Cuba than to our own.

<u>Small enterprise</u>. Cuba's small entrepreneurs – especially private restauranteurs, artists, taxi drivers, families that rent rooms in their homes – will benefit from American travelers using their services. There are about 150,000 licensed entrepreneurs in Cuba – 5,000 rent rooms in their homes. Their numbers will expand, they will gain independence, and their families will have better livelihoods.

Agricultural sales. Cuba bought \$708 million in American farm products last year. Regular earnings from American travelers – combined with the price, transportation, and quality advantages of American foodstuffs – will in time turn Cuba into a stronger customer, with potential annual purchases of \$1 billion.

<u>Terrorism.</u> The Treasury Department office that governs Cuba travel, the Office of Foreign Assets Control, is also the key Treasury element in the effort to break al Qaeda's global money network. Its resources should be dedicated fully to anti-terrorism, not to duties such as licensing, investigating, and fining travelers to Cuba.

Lifeline to the Cuban government?

Some argue that if we allow Americans to travel freely to Cuba, the new revenues will "cast a lifeline" to the Cuban government.

Revenues from American travelers would certainly benefit the Cuban government, Cubans who work in the state tourism sector and earn higher-than-average incomes there, and Cuban private entrepreneurs. But there is no basis for arguing that the revenues that reach the Cuban government would make a decisive difference in that government's political fortunes. The socialist government has been in power 50 years, and it is not on the brink of collapse.

The CIA says Cuba's economy grew 4.3 percent last year, in spite of three hurricanes and a global economic crisis. Investors from all over the world operate joint ventures in Cuba. A Spanish company is leading an effort to drill for oil in Cuba's territorial waters. Venezuela pays Cuba more than \$1 billion per year for the services of Cuban doctors and other workers. Iran extended Cuba \$445 million in credits on November 7, 2009. Brazil extended a \$1 billion line of credit in 2008; the funds are being used for port and road development and other projects. China extended a new \$600 million line of credit to Cuba in September 2009, including \$260 million for grain purchases.

Even in the depth of Cuba's economic crisis in 1992 and 1993, there was no political unrest – not even when food supplies were reduced, oil supplies almost ran out, and power blackouts were constant across the island.

The track record is clear, whether we like it or not: Cuba's economic troubles have never led to political instability. If we base our policy on that expectation, we will be waiting a long, long time.

Our travel restrictions do not spell the difference between the Castro government's survival and its demise. They do spell the difference between a place that has the influence that open contact with American citizens and American civil society can bring, and a place where American influence is low, as it has been for the past 50 years.

Strategy

The assumption that the Cuban government's survival is immediately at stake has been repeated in many forms for the past five decades.

Sadly, many Cubans left their homeland in the early 1960's with the idea that a change of government would soon take place, and they would return. Those dreams were broken.

Erroneously, American Administrations such as those of Presidents Kennedy and George W. Bush have made similar assumptions the basis of policies that were intended to bring down the Cuban government. Those policies failed.

The beginning of any strategy in foreign policy is to understand the country toward which our policy is directed, and to put our ends and means in alignment. The regime change policies of Presidents Kennedy and Bush failed on both scores, in President Kennedy's case at the needless cost of many lives.

Today there are several stark realities that govern our approach to Cuba. Neither sanctions nor engagement can promise a change in Cuba's form of government. Indeed, there is no non-military strategy that the United States can devise to achieve that end.

What we can realistically do is to change our policy to increase American influence over the long term.

It is not necessary to invent new theories and paradigms; rather, we should look to the mainstream of American foreign policy.

As President Reagan said with regard to exchanges with the Soviet Union, "Civilized people everywhere have a stake in keeping contacts, communication, and creativity as broad, deep, and free as possible...The way governments can best promote contacts among people is by not standing in the way."

We should continue our principled defense of human rights in Cuba. We should continue to set the embargo debate aside for another day. And rather than hold our eleven million Cuban neighbors at arm's length, we should respectfully and confidently open every avenue of contact with them at a time when history is leading them toward a new world, and they are looking for answers.

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