



New Cuba policy: Mr. Rubio, would you like a cigar?

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WASHINGTON, January 18, 2015 – Disclosed this past Thursday, the first of the Obama Administration’s rule changes regarding Cuba, which follow last December’s announcement of a major policy shift, mean Americans can now more easily travel to this nearby island nation, just 90 miles from our coast. They can also bring back up to \$100 of Cuba’s famous cigars.

New rules will allow travel to Cuba if the purpose of the visit falls within one of 12 specific categories:

- Family visits
- Official government business (including government agency business)
- Journalistic activities
- Professional research and meetings
- Educational activities
- Religious activities
- “Performance” (cultural, athletic, competitive, exhibitions) activities
- Support for Cubans
- Private Foundation, Research Institute or Educational Institute activities
- Humanitarian projects
- Exporting or Importing information or information materials
- “Authorized” export transaction activities

Expanded commerce and trade rules will now allow travelers to bring up to \$10,000 in cash to Cuba, to use debit and credit cards there, and to bring back goods up to \$400, including up to \$100 in alcohol and tobacco.

Experts opine that because of the Cuban government's involvement in businesses in its country and the population's poor economic status, significant growth and returns for investors will grow slowly. What has now begun is exactly that, a beginning. Congress must lift the embargo, more laws and regulations must change, and Cuba must build an economy more receptive to outside investment. Experts say to investors: "be patient."

Nonetheless, these developments are positive in every respect.

- U.S. telecommunications and Internet companies will be encouraged to build infrastructure in Cuba and there will be fewer restrictions on the sale of equipment and services.
- U.S. farmers will benefit from increased exports.
- Auto-parts sales to Cubans will likely increase.
- U.S. insurance companies will have fewer restrictions selling health, life and travel policies to Cubans.
- Technology firms will be able to sell consumer electronics, including computers, mobile phones and televisions in the island nation.
- Financing projects for entrepreneurial and business training will be authorized.
- The cruise-line industry will increase its revenues by establishing an additional major tourist destination.

A good thing is happening here and more should be done to help it along. The positive economic impact will be significant.

Analysts at the Peterson Institute for International Economics report that without the embargo, Cuba would have exported almost \$5.8 billion in goods to the U.S. in 2011, while the U.S. would have sent \$4.3 billion in goods back. With the embargo, the only trade from the U.S. to Cuba was agricultural exports amounting to \$352 million.

Cuba will benefit dramatically. Its buildings, roads, power structure, water system, built decades ago and needing repair, will be improved or rebuilt. Growth is inevitable.

Josh Earnest, White House Press Secretary, said the changes will "empower the Cuban population to become less dependent upon the state-driven economy, and help facilitate our growing relationship with the Cuban people."

"We firmly believe that allowing increased travel, commerce, and the flow of information to and from Cuba will allow the United States to better advance our interests and improve the lives of ordinary Cubans," Earnest said in a statement. "The policy of the past has not worked for over 50 years, and we believe that the best way to support our interests and our values is through openness rather than isolation."

As legal restrictions ease, it is clear that citizens and businesses in the United States will benefit. As well, it is clear that Cubans will benefit, which will benefit the U.S. in turn.

Why then have certain right-wing media, and certain elected officials (whose job is to push for the betterment of society) so vehemently opposed the effort?

It is likely because they are politically motivated and mistakenly believe that opposing everything President Obama does will benefit them.

The first attacks offered the argument that relations with Cuba should not be eased until Cuba adopts a more humanitarian regime and until the Cuban people can enjoy freedom.

During his December announcement, President Obama correctly noted that the 50-year embargo did not modify the Castro regime, and “only provided the Cuban government with a rationale for restrictions on its own people.” Obama cited that the U.S. long ago re-established diplomatic relations with China... “a far larger Communist country” and that China is “similarly responsible for squashing dissent and is guilty of other human rights abuses.”

Secretary of State John Kerry offered comparisons to Vietnam.

“Beginning more than twenty years ago, I have seen firsthand as three presidents — one Republican and two Democrats — have undertaken a similar effort to change the United States’ relationship with Vietnam. It wasn’t easy. It isn’t complete still today. But it had to start somewhere, and it has worked. As we did with Vietnam, changing our relationship with Cuba will require an investment of time, energy and resources. Today’s step also reflects our firm belief that the risk and the cost of trying to turn the tide is far lower than the risk and cost of remaining stuck in an ideological cement of our own making.”

Other attacks claimed that Obama was appeasing dictators. But Senator Jeff Flake (R-AZ), applauded easing relations:

“For those who say that this is a concession to the Cuban regime – the moves that are being made today – that’s the wrong way to look at it... The policy that we have had in place for the last 50 years has done more in my view and that of many to keep Castro’s regime in power.”

The opposition is political and has no merit in reality. Foreign policy experts and commentators have long supported a deal with Cuba to improve relations.

- 2008: Brookings Project on U.S. Policy, Vicki Huddleston – “embargo has run its course.”
- December, 2012, Cato Institute, Doug Bandow – lifting embargo would have obvious economic benefits.
- February 21, 2014: *Financial Times* – lifting embargo means more space for “freedom” in Cuba.
- October 11, 2014: *The New York Times*’ editorial board urges Obama to end embargo.
- May, 2014: John Negroponte, former Director of National Intelligence, for a group of 44 Diplomats – call for Obama to loosen embargo.
- December, 2014: *The Economist*: Cuban Embargo has failed.

None of the naysayers can state why they are against expanding relations with Cuba. None can offer anything that suggests Cuba is a threat. Politics is the only reason, and because Obama “did it,” it must be bad, and they express opposition.

Perhaps the most vocal critic of the Administration’s change in Cuba policy is potential Presidential candidate Marco Rubio (R-FL), himself an ethnic Cuban. After President

Obama announced the policy change in December, Rubio came out in opposition on almost every news media that would entertain him to voice his opposition.

The only news media Rubio did not but should have appeared in was MAD magazine.

Rubio argued the “new policy is based on an illusion, on a lie” and sets a “dangerous precedent” that “will only cause other tyrants from Caracas to Tehran to Pyongyang to see that they can take advantage of President Obama’s naiveté during his final two years in office.”

He added: “It will significantly set back the hope for democracy of the Cuban people.”

Okay Mr. Rubio, what is your plan?

The International Trade Center tracks economic data around the world. Last year it reported that Cuba collected \$272 million from worldwide cigar exports. Spain was the number one importer, at \$86 million. The ITC says if just 3 percent of the U.S. population takes advantage of the \$100 import limit each year, the U.S. will become the number one importer, buying \$96 million.

Do you smoke Mr. Rubio?

Republicans have always espoused the desire for free market economies. What more need be said of this new Cuba policy?