

# The Cuban Revolution, the U.S. Imposed Economic Blockade and US-Cuba Relations

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*The victory of the Cuban revolution over the forces of U.S.-backed dictator Fulgencio Batista meant that January 1, 1959 marked the first time in 467 years that Cubans were not subjected to serfdom and exploitation by a foreign power. Spain was the first country to exercise dominion over Cuba beginning in 1510, up until the Spanish-American War of 1898. During this period, Spain engaged in the exploitation of Cuban natural resources and subjected the native population to forced labour. The Spaniards essentially distributed the "land and indigenous labourers" amongst themselves<sup>1</sup>. Both African slaves, which were originally introduced to the island by the Spanish, and the native population were forced to endure "harsh working conditions suffered under colonists"<sup>2</sup>.*

The Spanish-American War, which culminated with the expulsion of Spain in 1898, did not bring emancipation to the Cubans that had been fighting for their independence. Instead, this victory only substituted one oppressor for another, as the U.S. transformed Cuba into a neo-colony. From that point forward, the U.S. exercised imperial power over the island, exploiting its resources, and dictating Cuba's domestic and foreign policies. During this time, the Cuban economy was highly dependent on the U.S., as "74% of Cuba's exports were destined for the US, while 73% of its imports came from the US...the all-important Cuban US sugar export market and price were controlled in Washington" (Ritter, 2010, p. 3). In fact, "[b]y the 1950s, the U.S. controlled 80 percent of Cuban utilities, 90 percent of Cuban mines, close to 100 percent of the country's oil refineries, 90 percent of its cattle ranches, and 40 percent of the sugar industry"<sup>3</sup>. Havana also became a popular tourist destination where foreigners, particularly Americans, could indulge in gambling and prostitution.

The Revolution enabled Cuba to become independent of U.S. imperial power. One of the first acts of the new government was to nationalize foreign enterprises and utilities in addition to instituting a series of land and agrarian reforms. Washington retaliated by imposing a comprehensive commercial, economic and financial embargo in 1962, which blocked virtually all trade between the two countries and banned U.S. citizens from travelling to Cuba. The U.S. administration regarded the trade embargo as the best mechanism to achieve its objectives, which were aptly summarized by Lester D. Mallory, former deputy assistant Secretary of State, on April 6, 1960:

"The majority of the Cuban people support Castro. There is no effective political opposition... The only foreseeable means of alienating internal support is through disenchantment and disaffection and hardship... every possible means should be undertaken promptly to weaken the economic life of Cuba... a line of action which... makes the greatest inroads in denying money and supplies to Cuba, to decrease monetary and real wages, to bring about hunger,

desperation and overthrow of government”<sup>4</sup>

On December 17, 2014, nearly 55 years after the U.S. imposed its commercial and financial blockade against Cuba, President Barack Obama surprised the world by announcing his intention to enter into negotiations aimed at re-establishing diplomatic relations with Cuba. It is widely believed that this step, which will include re-opening the U.S. embassy in Havana, will pave the way for an end to the embargo and eliminate certain travel restrictions on Americans looking to visit the island. In fact, some progress has already been made with regards to travel restrictions, as Americans are now able to use their debit and credit cards on visits to Cuba. Additionally, as of December 2014, Washington allows Americans to visit Cuba for the following 12 reasons<sup>5</sup>:

“family visits; official business of the U.S. government, foreign governments, and certain intergovernmental organizations; journalistic activity; professional research and professional meetings; educational activities; religious activities; public performances, clinics, workshops, athletic and other competitions, and exhibitions; support for the Cuban people; humanitarian projects; activities of private foundations or research or educational institutes; exportation, importation, or transmission of information or information materials; and certain authorized export transactions.”<sup>6</sup>

On February 19th, approximately two months after Obama’s announcement, Cuban vice president, Miguel Diaz-Canel, met with nine members of the U.S. House of Representatives in Havana. Subsequently, a second meeting will be held in Washington on February 27th. This upcoming meeting holds considerable interest for citizens of Cuba, as many of them expect this meeting to be followed by an announcement of plans to lift the embargo<sup>7</sup>, partially or completely, on the part of the Washington administration. In reality, however, it is unlikely that the embargo will be lifted unless the Cuban government agrees to meet certain preconditions mandated by Washington. For example, “lawyers are scrambling to determine whether normalized relations with Cuba will create an opportunity to get compensation for lost properties [5,9138 US companies’ expropriation by the Cuban government after 1959 revolution] now estimated to be worth nearly \$7 billion<sup>9</sup>”. Further complicating matters is the fact that that lifting the embargo would require an act of congress; however, if Congress were to vote against eliminating the embargo, President Obama still retains the option of using his “executive power will” to bypass them and force the issue<sup>10</sup>.

It is well-known that the U.S. embargo has had tremendous consequences on the development of the Cuban economy. According to Havana, the direct economic damages to Cuba attributable to the embargo would exceed \$1.1 trillion<sup>11</sup> since 1962, “taking into account the depreciation of dollar against gold”<sup>12</sup>, with specific damages including the loss of earnings, monetary and financial restrictions, and social damages with regards to health, education, culture, the availability of food, etc. Additionally, “the embargo penalizes the activities of the bank and finance, insurance, petrol, chemical products, construction, infrastructures and transports, shipyard, agriculture and fishing, electronics and computing.”<sup>13</sup>

Despite its longevity and severity, the embargo was not particularly effective in achieving its objectives, as summarized by Lester D. Mallory. Cuban Socialism still managed to be lauded for a number of notable achievements, including attaining full employment, providing

universal health care services and universal access to free education, and achieving higher life expectancy, lower child mortality, lower child malnutrition, and lower poverty rates compared to any other Latin American country (Navarro, 2014, Vandepitte, 2011). In fact, a 2014 study published by the World Bank confirmed that Cuba's education system is comparable to those of Canada, Finland, and Singapore<sup>14</sup>. In the past, the World Bank also recognized that Cuba's international "success in the fields of education and health, with social services that exceeds those of most developing countries and, in certain sectors, are comparable to those of the developed nations"<sup>15</sup>. Furthermore, based on estimates from the United Nations Development Program, Cuba is ranked third in Latin America in terms of the Human Development Index (HDI)<sup>16</sup>. More precisely, according to the United Nations Human Development Report 2014, "Cuba's HDI value for 2013 is 0.815— which is in the very high human development category—positioning the country at 44 out of 187 countries and territories<sup>17</sup>".

In addition to its success in areas of human development, Cuba has also been active in providing practical foreign aid in the form of sending highly-trained specialists, such as teachers, doctors, and engineers, to developing countries where they are needed. Since 1959, Cuba has been sending doctors to countries in Latin America and Africa that are unable to meet the health care needs of their citizens on their own; this is a practice for which the island is particularly well-regarded. Currently, "around 50,000 Cuban health professionals work in 66 countries worldwide<sup>18</sup>". Recent examples of such assistance include sending Cuban doctors to West African countries during the recent Ebola outbreak and to Haiti after the earthquake in 2010 where they were largely credited with ending a cholera outbreak<sup>19</sup>. Additionally, Cuba also helps combat doctor shortages by providing free medical school to students from various developing countries. Havana's Latin American Medical School<sup>20</sup> is "the largest medical school in the world"<sup>21</sup>; since 2005, this institution has produced approximately 23,000 doctors and another 10,000 graduates are expected in the near future<sup>22</sup>.

Despite Cuba's many social achievements, the United States has made many attempts to undermine the island's revolution since the very beginning through propaganda, sabotage, and terrorism, including the planning and support of the Bay of Pigs Invasion in 1961. Fidel Castro was depicted as a military dictator who oppressed the individual freedoms of Cuba's citizens. In addition to anti-Cuban propaganda, the U.S. government also engaged in direct sabotage aimed at weakening the socialist government, including "chemical and biological warfare against Cuba", hundreds of attempts by the CIA to assassinate Fidel Castro, and the imposition of many economic and political sanctions that eliminated access to credit and loans from international banks and prevented free trade from flourishing (Blum, p.186-193).

Barack Obama's efforts to re-establish diplomatic relations with Cuba have, in some circles, been interpreted as an admission that Washington's repeated attempts to destroy the island's socialist government over the last five decades have failed. However, the possibility exists that this move could be part of a larger strategy aimed at undermining Cuban socialism and dominating the island. History has shown that Washington is not averse to intervening in the domestic affairs of other countries in order to further its own interests; this includes a long list of instances where the U.S. facilitated the overthrow of governments that did not fully commit to their dictates, including Guatemala (1953-1954, 1960), Indonesia (1957-1958, 1965, 1975), the Dominican Republic (1960-1966), Chile (1964-1973), Cambodia (1955-1973), Laos (1957-1973), the Congo (1960-1964), Greece (1964-1974), Bolivia (1964-1975), Zaire (1975-1978), Iraq (1990-1991), and Afghanistan

(1979-1992).

These and many other examples of successive American governments intervening in the internal affairs of other countries in order to destabilize governments that they viewed as even moderately socialist (incorrectly on some occasions) allows for some suspicion about the sincerity of the stated U.S. intentions for its re-engaging with Cuba.

For example, after its official re-opening, the U.S. Embassy in Havana could serve as a location for the planning and staging of strategies designed to facilitate the reversal of Cuban social, political and economic policies. Furthermore, there is also speculation that the motivation for re-establishing relations with Cuba could be to counter recent developments in the political and economic organization of Latin American and Caribbean nations, which have facilitated greater roles for China and Russia in the region.

Over the course of the last decade, Latin American and Caribbean nations have come together to create a number of economic and social organizations including: the Bolivarian Alliance for Our Americas (ALBA) in 2004; the Union of South American Nations (UNASUR) in 2008; and, the Community of Latin American and Caribbean States (CELAC) in December 2011. ALBA, which was originally created by Venezuela and Cuba and currently counts 11 nations among its members, aims to establish a common regional currency (the Sucre) that could eventually replace the U.S. dollar in international trade transactions. UNASUR, which was created primarily through the efforts of Venezuelan President Hugo Chavez with support from Brazil's Lula da Silva and Argentina's Nestor Kirchner, currently boasts 12 member countries. In addition to establishing a common currency, this organization also aspires for a common passport and parliament for its members, modelled on the European Union. Finally, CELAC includes 33 Latin American and Caribbean nations representing over 600 million people; it seeks deeper integration and greater cooperation among its member countries.

In 2010, Bolivia's President Evo Morales described CELAC as follows:

"A union of Latin American countries is the weapon against imperialism. It is necessary to create a regional body that excludes the United States and Canada. ...Where there are U.S. military bases that do not respect democracy, where there is a political empire with his blackmailers, with its constraints, there is no development for that country, and especially there is no social peace and, therefore, it is the best time for prime ministers of Latin America and the Caribbean to gestate this great new organization without the United States to free our peoples in Latin America and the Caribbean."<sup>23</sup>

Venezuela's late president, Hugo Chávez added the following at the 23rd Rio Group summit:

"Now here, in Mexico, a document, a commitment, the creation of a body of Latin America and the Caribbean, without the USA, without Canada (...) Now we can say from Latin America, from Mexico (...) we have revived the dream and project of Bolívar."<sup>24</sup>

The U.S. regards the creation of such organizations that strengthen links between Latin American and Caribbean nations as strategic threats. CELAC, for example, essentially serves the same function as the Organization for American States (OAS) but excludes the U.S. and Canada from participating. Furthermore, CELAC members will be receiving US\$ 250 billion in investments over the next decade from China. The U.S. will likely not look

favourably upon the prospect of losing access to the natural resources and enormous consumer market in this region to a key economic rival like China.

In addition to China, Russia is also gaining prominence as a significant economic player in the region. In July 2014, Russian President Vladimir Putin signed an agreement with Cuban officials granting Rosneft, an oil company that is majority owned by the Russian government, the rights to explore and extract hydrocarbon reserves located off of the island. During his meetings with Raul Castro and former leader Fidel Castro, which produced this agreement, Putin also “wrote off 90 percent of the more than \$30 billion in Soviet-era debt Cuba owed Russia<sup>25</sup>”. Perhaps Obama should consider following the Russian President’s lead and offer his Cuban counterparts a gesture of goodwill by forgiving the potential compensation that could be sought by U.S. companies for property lost on account of the revolution.

The increasing prevalence of China and Russia in Latin America and the Caribbean represents a real danger to Washington’s future diplomatic, political and economic power and influence on a global scale. The strategic importance of these regions to the United States is clearly reflected in the Monroe Doctrine, which was established by the administration of President James Monroe in 1823 and stated “that further efforts by European nations to colonize land or interfere with states in North or South America would be viewed as acts of aggression, requiring U.S. intervention<sup>26</sup>”. Based on the spirit of the Monroe Doctrine, which essentially regards Latin America as the U.S.’s “backyard”, such Russian and Chinese advances in these regions could also be interpreted as acts of aggression, even though the nature of their involvement is quite different in comparison to the colonial ambitions of countries like Spain and Portugal in the early 19th century.

As long as Cuba exercises caution, does not lose sight of its own interests, and retains a certain degree of control when entering into negotiations with Washington, whether it be on February 27th or during any subsequent meetings, then it is entirely possible for the island to re-establish economic, financial and diplomatic ties with the United States without completely dismantling socialism and the benefits associated with it. Re-establishing diplomatic relations with Washington does not necessitate a clash with the aspirations of the revolution, because socialism does not require a closed commercial state, nor does it reject reforms aimed at revitalizing or strengthening the existing system.

Undertaking efforts to revitalize the Cuban economy is not a new phenomenon. In fact, Cuba has been trying to rejuvenate its socialist system since the collapse of the Soviet Union in 1991. The Soviet Union provided Cuba with a great deal of support since the triumph of the revolution and was credited with playing a crucial role in its survival. The collapse of the Soviet Union meant Cuba lost its most important trading partner, which accounted for approximately 80% of the island’s exports and imports at that time; Cuba also had to do without the generous subsidies it received from the socialist block. Consequently, the U.S. also took this opportunity to introduce new measures to further strengthen the blockade, namely the Cuban Democracy Act in 1992 and the Helms-Burton Act in 1996. As a result, Cubans experienced significant hardships and a pronounced decrease in their living standards in what became known as the “Special Period” during 1990 – 1995. During this time, the Cuban economy essentially collapsed and its inhabitants experienced severe shortages in basic supplies, including food and medicine, resulting in malnutrition and associated health problems. In response, new measures were taken to restructure the Cuban economy, especially in the area of tourism. Many of the hotels and resort chains that are joint ventures with Spanish and Canadian companies are outcomes of the reforms that

were implemented in response to the “Special Period”.

Re-establishing diplomatic relations with Washington and the movement towards free market policies will not diminish Cuba’s standing as a symbol of the global anti-imperialist movement. In reality, programs aimed at gradually liberalizing prices, privatization, abolishing the ration system, and eliminating the dual currency have been underway for about a decade. That means the model that was conceived in the early years of Cuban revolution has been evolving in order to meet the changing needs and desires of the Cuban people, which have also been evolving with developments in the international political, economic and social arenas. In other words, policies designed to revitalize the socialist system by reducing reliance on social engineering were being put in place since 1991. History has shown that granting too much power to a central planning authority, in terms of organizing the social, political and economic activities of a state, has the potential to engender a situation where constant interference on the part of the government becomes inevitable. In fact, it could be argued that social engineering and the American embargo were the two main enemies of the Cuban revolution. A more open economy can provide buyers, sellers, and producers in the marketplace with greater freedom with which to coordinate their activities voluntarily and achieve common goals and ends for society without the need for constant interference on the part of state authorities. The current progress made in terms of re-establishing a normalized relationship with Washington might witness further progress in Cuba’s socialist system. Hopefully, this can be achieved through a cautious and sensible approach that will ensure Cubans never return to the serfdom that preceded the 1959 revolution.

**Notes:**

<sup>1</sup>1. [https://archive.org/stream/KacikeJournal/yaremko\\_djvu.txt](https://archive.org/stream/KacikeJournal/yaremko_djvu.txt)

2. [https://archive.org/stream/KacikeJournal/yaremko\\_djvu.txt](https://archive.org/stream/KacikeJournal/yaremko_djvu.txt)

3. <https://revcom.us/a/056/cubahist-en.html>

4. <http://rt.com/op-edge/us-cuba-economic-benefits-089/>

5. <http://rt.com/op-edge/us-cuba-economic-benefits-089/>

6. <http://www.treasury.gov/press-center/press-releases/pages/j19740.aspx>

7. October 2014, despite the United Nations General Assembly’s resolution calling for the U.S. trade embargo against Cuba to be lifted for the 23<sup>rd</sup> consecutive year<sup>1</sup>, Washington once again elected to maintain its embargo.

8. These companies include “ExxonMobil, Coca-Cola, Freeport-McMoRan, Colgate-Palmolive, Procter and Gamble, Goodyear, Firestone, General Motors, Owens-Illinois, Avon Products, Starwood Hotels & Resorts Worldwide and many others”

(<http://www.globalresearch.ca/the-economic-sanctions-against-cuba-the-failure-of-a-cruel-and-irrational-policy/7024>).

9. [http://www.nytimes.com/2014/12/22/world/cuba-seizures-now-present-opportunities.html?\\_r=0](http://www.nytimes.com/2014/12/22/world/cuba-seizures-now-present-opportunities.html?_r=0)

10.

<http://www.globalresearch.ca/repealing-the-us-embargo-on-cuba-the-legislative-process-in-the-us-congress/5424312>

11. <http://rt.com/business/186528-cuba-embargo-economic-damage/>

12. <http://rt.com/business/186528-cuba-embargo-economic-damage/>

13. <http://www.cetim.ch/oldsite/2003/03js04w4.htm>

14.

[http://www.worldbank.org/content/dam/Worldbank/document/LAC/Great\\_Teachers-How\\_to\\_Raise\\_Student\\_Learning-Barbara-Bruns-Advance%20Edition.pdf](http://www.worldbank.org/content/dam/Worldbank/document/LAC/Great_Teachers-How_to_Raise_Student_Learning-Barbara-Bruns-Advance%20Edition.pdf)

15. [http://www.huffingtonpost.com/salim-lamrani/world-bank-cuba-has-the-b\\_b\\_5925864.html](http://www.huffingtonpost.com/salim-lamrani/world-bank-cuba-has-the-b_b_5925864.html)

16. "The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living... a long and healthy life is measured by life expectancy. Access to knowledge is measured by: i) mean years of education among the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older; and ii) expected years of schooling for children of school-entry age, which is the total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) rates" [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/CUB.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/CUB.pdf)

17. [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/CUB.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/CUB.pdf)

18.

<http://country.eiu.com/article.aspx?articleid=1782243562&Country=Cuba&topic=Politics&subtopic=Forecast&subsubtopic=Political+stability&u=1&pid=532225237&oid=532225237&uid=1>

19. <http://www.un.org/press/en/2014/sgsm15619.doc.htm>

20. "The University of Toronto has 850 medical students and Harvard University has 735. ELAM has twelve times more students than those two schools combined: 19,550."

([http://www.thestar.com/news/world/2012/06/02/cubatrained\\_doctors\\_making\\_difference\\_around\\_the\\_world.html](http://www.thestar.com/news/world/2012/06/02/cubatrained_doctors_making_difference_around_the_world.html))

21.

[https://www.ted.com/talks/gail\\_reed\\_where\\_to\\_train\\_the\\_world\\_s\\_doctors\\_cuba/transcript?language=en](https://www.ted.com/talks/gail_reed_where_to_train_the_world_s_doctors_cuba/transcript?language=en)

22.

[https://www.ted.com/talks/gail\\_reed\\_where\\_to\\_train\\_the\\_world\\_s\\_doctors\\_cuba/transcript?language=en](https://www.ted.com/talks/gail_reed_where_to_train_the_world_s_doctors_cuba/transcript?language=en)

23.

[http://en.wikipedia.org/wiki/Community\\_of\\_Latin\\_American\\_and\\_Caribbean\\_States#cite\\_note-teleSURtv.net-10](http://en.wikipedia.org/wiki/Community_of_Latin_American_and_Caribbean_States#cite_note-teleSURtv.net-10)

24. [http://en.wikipedia.org/wiki/Community\\_of\\_Latin\\_American\\_and\\_Caribbean\\_States#cite\\_note-15](http://en.wikipedia.org/wiki/Community_of_Latin_American_and_Caribbean_States#cite_note-15)

25. <http://america.aljazeera.com/articles/2014/7/11/cuba-russia-putin.htmls>

26. [http://en.wikipedia.org/wiki/Monroe\\_Doctrine](http://en.wikipedia.org/wiki/Monroe_Doctrine)

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