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*TESTIMONY OF AMBASSADOR JAMES C. CASON*  
*President*  
*Center for a Free Cuba*

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Before  
The Subcommittee on Commerce, Trade and Consumer Protection  
Committee on Energy and Commerce  
2123 Rayburn House Office Building  
Washington DC

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Thank you very much for the opportunity to appear before you today to discuss a topic of t importance. Until very recently, I was a career Foreign Service Officer with 38 years experience, mostly in Latin America. One of my postings was to Cuba, where I was Chief of Mission from 2003-2006. I am speaking today as President of the Center for a Free Cuba, a non-partisan NGO and a 501C3 organization, and therefore, nothing that I say here today, supports or opposes any bill before Congress. We administer a USAID grant.

We at the Center for a Free Cuba provide humanitarian assistance to the people of Cuba and assist civil society and democratic activists there. We send uncensored information and shortwave radios to Cubans. The Center favors licensing measures announced by the President that will allow US firms to attempt to enter the Cuban telecommunications market. Havana limits its citizens' access to the internet, cell phones and other information or media out of its control. If Cuba expands the speed and availability of the internet, lowers the exorbitant cost at internet cafes, Cubans will communicate faster and more easily among each other and with the wider world. Greater access to and use of the internet by average Cubans, especially the young, will promote civil society and the democratic process there.

We support Cuban American travel to the island on humanitarian grounds, and travel by researchers, academics and others who make a serious effort to discover for themselves Cuba's reality. We are opposed to tourist travel by American citizens with no relatives on the island because such travel will only provide funds to the Cuban security apparatus which owns the tourist infrastructure. Such "bathing suit" tourism will do nothing for Cubans nor will it in any way help promote democracy. Mr. Chairman, I would like now to ask that a recent paper I wrote entitled "The Case against Travel to Cuba," be entered into the record.

Just as we oppose unprincipled tourist travel to Cuba, we do not feel that a unilateral ending of what remains of the embargo now will promote greater economic or political freedom in Cuba or great benefits to American companies. Havel and Walesa told the Center that nowhere in the world have authoritarian regimes changed their ways because of trade or tourism. It has been international solidarity, constant pressure, and tangible and moral support for democratic freedom fighters that have made the difference. When the Castros are gone, the embargo will serve as leverage in helping the military owners of hotels realize it is in their interest to support a democratic opening, for if they do, we can provide millions of tourist dollars and trade opportunities. As the Washington Post has recently editorialized, giving away what little leverage we have for nothing now will gain us nothing and will harm those fighting for change on the island. Please note that all the rest of the world trades and allows travel to Cuba, but that has not made any difference in the totalitarian nature of the regime.

As long as Cuba refuses to allow independent labor unions the right to exist, we oppose US businesses entering into joint venture arrangements with the Cuban government. Havana exploits workers, and takes up to 95% of what joint venture partners pay the government for labor. Strikes are not permitted, and many independent labor organizers

have been given long prison sentences. To invest in Cuba today is to participate in the exploitation of defenseless Cuban workers. I would not be surprised if, after freedom comes to Cuba, there is a backlash against Canadian, Spanish and other investors who have taken advantage of “docile” Cuban labor to make a fast buck.

American farmers are privileged in their dealings with Cuba. They get cash and take no credit risk. We are the largest food provider to Cuba. Why would any agribusiness exporter want to give credit to Cuba? Why would American citizens support such a measure when Cuba is an international deadbeat? It has defaulted many times and owes foreign creditors over \$25 billion, not to mention another \$22 billion of unpaid Cold War-era debt. Its economy is moribund and it is in arrears everywhere. Per capita, Cubans owe almost \$4000 each. Its debt equals 86% of GDP. It is the tenth most indebted country in the world. Its Moody’s credit rating is Caa1—speculative grade, very poor. Dunn & Bradstreet rate Cuba as one of the riskiest economies in the world.

I would note that Cuban’s average monthly wage is about \$20. The average Cuban lacks money for most necessities. US food goes largely to the tourist industry or is marked up 256% and sold to those who receive remittances in dollar stores. There is no consumer demand for our products and no prospects in sight for this to change until the regime begins to pursue free market economic policies. There are no Cuban entrepreneurs, no free market policies, no economic opportunity, and no purchasing power—there’s just the regime which resists change in a panicky attempt to maintain total power for the nomenclature.

Reuters reported last week that there is a severe cash crunch in Cuba and foreign businessmen fear Cuba could be near insolvency. The liquidity crisis has become critical. Small foreign businesses are reportedly desperate and are not being paid. State companies have been ordered to stop all imports. Prices and demand for all Cuban exports are down, and nothing suggests Cuba’s economy will get better soon.

Recent polls conducted in Cuba reveal that only 6% see the embargo as a problem. What they most want is for the government to give them a better life, a decent job, hope for the future. They say they want change, democracy and economic freedom. They want elections, to join the world, to be able to travel and run their own business in Cuba. Whether the US trades more with Cuba is irrelevant to their lives.

The Center for a Free Cuba opposes any loosening of restrictions on commerce with Cuba now for the following 5 reasons:

1. Trade and tourism will not hasten a democratic transition there;
2. Cuba is a terrible credit risk and cannot pay most of its bill
3. It exploits its workers shamelessly;
4. It is an insignificant market for US consumer and other goods;
5. Only the government, not the people, benefits from trade with us.

There are no Cuban exporters or entrepreneurs;

Mr. Chairman, only, if and when a new Cuban leadership demonstrates through deeds, not words, that it is moving towards democracy and market freedoms, we will be among the first to say, let's deal.

Thank you very much for allowing me to testify here today.