

# Head of US Chamber of Commerce visits Cuba

By Alexander Fangmann  
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The United States Chamber of Commerce, a political and lobbying group intimately connected to the highest echelons of American finance and business, sent a delegation of around a dozen corporate executives to Cuba on May 27. The three-day trip, the first visit by the Chamber since 1999, was intended to assess the pace of growth in the Cuban private sector and the environment for foreign investors, and to lay the groundwork for US investment and activity in the island, which has lagged behind that of its rivals in Europe and Asia.

Besides Chamber president Thomas J. Donahue, the US delegation included Steve Van Andel, chairman of Amway, a company specializing in direct sales of personal and home care products, and Marcel Smits, CFO of Cargill, the largest privately held company in the US, with interests primarily in agriculture and commodity trading. Both companies would stand to gain much from the lifting of the US embargo, Cargill from cheap labor available in Cuban agriculture, and Amway from an extension of its direct marketing model to the hundreds of thousands of Cubans laid off from state companies and left to fend for themselves as *cuentapropistas* or self-employed.

While in Cuba, Donahue and his cohort held meetings with Bruno Rodríguez, Cuban minister of foreign affairs, and Rodrigo Malmierca, minister of foreign trade and investment—one of the leading architects of Cuba's privatization and investment law changes. Chamber representatives also spoke with Cuban president Raúl Castro, after which Donahue said, "It was positive and we expect to talk again."

In the capital, Donahue addressed a group of government officials and students at the University of Havana, selling the virtues of free markets and private enterprise, and urging the Cuban government to extend

the legal and social changes ushered in since 2011 by the administration of Raúl Castro. Donahue stated, "The more Cuba can do to demonstrate its commitment to reform, and the more it can do to address and resolve disputes in our relations, the better the prospects will be for changes in U.S. policy."

Donahue's advice is essentially that of an envoy from a section of the US ruling class, which is currently conducting a high-level push for a normalization of relations with Cuba. On May 19, a group of advocates for more-open relations issued an open letter calling on US president Barack Obama to extend licensed travel and allow more types of trade with Cuba. The signatories of the letter include:

- John Negroponte, former director of national intelligence
- Retired Brigadier General John Adams, once Army chief of staff for intelligence
- Andres Fanjul, of the Fanjul family sugar empire
- Former NATO supreme allied commander Admiral James Stavridis
- Enrique Sosa, former president of Dow Chemical North America
- Joe Arriola, former manager of the City of Miami
- Jorge Pérez, CEO of real estate company the Related Group

Former US secretary of state Hillary Clinton wrote in a book to be released June 10 that she pushed the Obama administration to normalize relations, saying that the embargo was "holding back our broader agenda across Latin America."

This mixture of Cuban-American business figures and State Department, military, and intelligence operatives indicate the high degree of integration between the US state and corporate interests, and the importance to which American capitalism assigns a

change in the US-Cuba relationship after the decades-long embargo.

The key impetus for this reevaluation has been the actions of the Cuban government under Raúl Castro. The Sixth Party Congress held in 2011 under his watch introduced around 300 measures to reverse the radical reforms instituted by the petty-bourgeois nationalist regime following its seizure of power in 1959. This has led to the shedding of jobs in state companies, vast changes to employment and investment laws, ending of subsidies for basic goods and foodstuffs, reductions in social welfare, and the preparation of a currency unification that will likely lead to the shuttering of unprofitable state enterprises.

These measures, particularly the investment law, along with a free trade zone to be opened in the new port complex at Mariel, have business interests in the US licking their chops at the prospect of huge profits from the use of low-cost Cuban labor. The regime has created an enormous pool of potential labor for the trade zone. During his trip, Donahue characterized Cuba as “fundamentally different in terms of the number of people that are operating under the private system...not working for the government.” With further reduction in state social welfare provisions, interest in jobs at the port complex will likely rise.

Poverty in Cuba has increased drastically in recent years. Economist Carmelo Mesa-Lago has estimated that Cuban social spending has dropped from 37 percent of GDP in 2007-2008 to 30 percent and has resulted in cuts to education and health care. The poverty rate in Cuba is estimated at 26 percent of the population. Mesa-Lago estimates that Cuban purchasing power has eroded by 73 percent since 1989, the year Soviet subsidies ended.

US business interests been hampered by the US trade embargo and have mostly had to sit aside and watch as rivals in China, the Netherlands, Spain, Brazil, Russia, Canada, Mexico, and Venezuela conduct the majority of business with the island nation just 90 miles off America’s shore.

For their part, the Cuban elite around Castro and the Cuban Communist Party are tired of the relative deprivation they have had to endure sitting at the top of the impoverished country and are eager to live more like a Fanjul or a Pérez in Miami. From their perspective, the ideal outcome would be something like

the current Chinese regime, with a political monopoly by the Communist Party, and with a fully functioning market economy and private ownership of the means of production.

Like the former Soviet bureaucrats who dismantled the USSR, what the Cuban ruling elite fail to understand is that US imperialism is not looking for partners, but is intent on total domination, with an eye toward returning the island to its former colonial status, just as it is moving to reduce Russia to a semi-colony in preparation for a showdown with China. The “pivot to China” is no doubt playing a role in US discussions on Cuba, since it is currently one of Cuba’s largest trading partners. It would stand to play an even larger role due to the new Mariel port, which was built to support ships going through the expanded Panama Canal, and would facilitate trade between China and Latin America.

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