

## SHOULD WE LIFT THE EMBARGO AGAINST CUBA

A growing number of Congressmen and business leaders, encouraged by support from such diverse entities as the American Chamber of Commerce and Pope John Paul II, are proposing that we remove our trade embargo against Cuba. They assert that the embargo has failed, as no other country honors it, while a substantial amount of American goods circumvent the embargo. They emphasize that we are losing a lot of good business to other countries. They point out that the embargo merely strengthens the Bearded one, who can put the blame for his economic disasters on the bad, bad Yankees. Further, they note that we are negotiating with such actual possible threats to world order as North Korea and China.

Supporters of the embargo contend that if we just retain the embargo a little while longer, Castro will fold. They also argue that a condition to lifting the embargo should be the return of all real property seized by the Cubans belonging to refugees who fled Cuba when Castro came to power.

A problem exists in respect to return of these properties to the Miami-based exiles. Most of the land as to which restoration is demanded was originally obtained for minimal, if any consideration. In this regard, we reprint portions of an article concerning Cuba written years ago.

Fidel Castro blithely copied the Russian model of State-operated collective farms, ignoring the flagrant economic failure of the Russian collectives. The true solution to insuring the rights of the peasants and insuring greater productivity should have been obvious to the Cuban dictator.

The failure of Cuban Dictator Batista to properly tax land values resulted in land monopoly which led to the Castro takeover. In 1959, American-owned land companies included Atlantico Del Golfo Sugar Company with 500,000 acres, Cuban American Sugar, with 365,000 acres, Rionda Mills with 500,000 acres, United Fruit with 270,000 acres, West Indies Sugar Company with 200,000 acres, Mantai Sugar Company, 140,000 acres, and Guantanamo Sugar Company, 45,000 acres. ●●●●●●

When Castro announced a "land reform" plan to restrict farm land holdings to 999 acres, with excess land to be paid for at its assessed value by Government (in 20-year bonds at 4% interest), the landowners complained about the inequity of the payments.

As John Loeb, Board Chairman of the half-million acre Atlantico Del Golfo Sugar Company, noted in the Wall Street Journal (6/24/59):

"The value assessed for tax purposes is always low, and most of the values carried on the tax books for sugar cane land have not been revised for 30 or 40 years," stated the vice-president of another company."

The Wall Street Journal article added:

"Another sugar company executive claimed 'Our Company's land is carried on tax books at \$1,000 a caballeria (33.162 acres) although the land is easily worth \$4,000 a cab'.

"Relative to over 260 acres taken from United Fruit, Cuba's Agrarian Reform Institute, determined the value at \$6 million—although United Fruit itself put a value of \$32 million on the property in the company's books."

If Castro had any knowledge of economics, he would have allowed the ranch owners to retain their lands, but made them pay taxes on the true values of their properties. We suggest that in short order, large areas would have been put up for sale to small farmers at reasonable prices, the production on the remaining acres would have greatly increased, and the Government would have recovered greatly increased revenues. And the farm workers might not have just traded the tyranny of a plantation owner for the tyranny of a politically appointed State Farm Director.

By reason of Castro's insistence on State control and operation of the same big plantations formerly operated by private interests, gross mismanagement has created one crop failure after another, and Cuba has survived in large part only by reason of Russian subsidies.

Now, Cuba must rescue its economy the hard way.

We propose that this is the proper time for all Henry George organizations to promote trips to Cuba to convince Cubans that the Single Tax is the proper alternative to their present Stalinistic state socialism and equally repulsive corrupt monopolistic tyranny which prevailed in the ancient days of Batista. ●●●●●●