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Department of State Official Otto Reich Draws Controversy

by LADB Staff

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Otto Reich has been moved out his job as assistant secretary of state for Western Hemisphere affairs and transferred to the position of special envoy with no announced duties. The transfer has irritated anti-Castro leaders who fear it portends a shift in the administration's hard-line policy.

Among those reportedly being considered as Reich's replacement was Anne W. Patterson, currently US ambassador to Colombia. Patterson was the choice of Secretary of State Colin Powell, but later reports indicated that Powell's preferences would be overridden in favor of former Sen. Jesse Helms's Latin America affairs aide, Roger Noriega. Reich's former deputy J. Curtis Struble has taken over as acting assistant secretary.

President George W. Bush named Reich as assistant secretary in a recess appointment in January 2002 after it became clear the Democrat-controlled Senate would not confirm his nomination (see NotiCen, 2002-01-17). The appointment expired at the end of the last session of Congress in November. Instead of announcing a resubmission of Reich's nomination to the incoming Republican-controlled Senate, Bush shifted him to the special envoy post placing him directly under Powell.

Reich is a former lobbyist for Bacardi and, during the administration of former President Ronald Reagan (1980-1988), headed the State Department's Office of Public Diplomacy from which he carried out a domestic propaganda operation in support of the Reagan wars in Central America (see NotiSur, 1993-10-22). He also served as ambassador in Venezuela and has been linked to the return to the US of terrorist Orlando Bosch (see NotiCen, 2002-01-17).

Since his appointment, Reich has been a focus of controversy. By some accounts his unsolicited advice to Latin American governments helped stir resentments against the Bush administration and neoliberalism, and increased votes for presidential candidates in the region who oppose those policies. He is widely suspected of encouraging the failed April 2002 coup in Venezuela against President Hugo Chavez (see NotiSur, 2002-05-03). He appeared to intervene in Bolivian politics by warning that if voters elected Evo Morales of the Movimiento al Socialismo (MAS) in the June 2002 presidential election, the US might cut normal relations with that country (see NotiSur, 2002-08-09).

On a swing through South America in July 2002, Reich drew criticism for instructing the Argentine government to commit to the austerity program of the International Monetary Fund (IMF) if it was to recover from its current economic crisis. An Argentine newspaper called Reich "a diplomatic nobody." In Brazil, where Reich received second-class protocol treatment from President Fernando Henrique Cardoso, he urged without success that Cardoso's administration follow the US policy of isolating Cuba. During his short tenure as assistant secretary, Reich placed Cuba at the center of the region's problems and insisted that the removal of President Fidel Castro was the solution.

Reich sees Cuba as the central destabilizing element in Latin America, a view consistent with the Cold War thinking of the 1980s when then President Reagan understood the social upheavals in Nicaragua and El Salvador as Soviet subversion carried out by a client Cuba. Although the Soviet Union is now gone, Reich pictured Cuba as a self-energizing force for destabilization. But, in tune with the official line fixed by Cuban exile leaders, Reich has focused lately on defending the trade embargo from growing assaults in Congress by claiming US taxpayers would have to pay for Cuba's delinquent bills. In an interview with the South Florida Sun-Sentinel, he said, "The fact is the Cuban economy is bankrupt....Our law allows us to sell for cash and there have been sales for cash....The [Bush] administration is dead set against extending credit to Cuba because Castro doesn't pay his debts. He's a deadbeat."

Reich's concern about trade has intensified since the successful US trade fair in Havana last year, where Cuban buyers signed contracts worth US\$90 million with US suppliers- -the purchases payable in cash. The sales dumbfounded pro- embargo leaders who had predicted Cuba could not buy much from the US. Castro's answer was, "There is no flight of capital here. So there is no risk that our country will not pay its bills if one day we are given credit" (see NotiCen, 2002-10- 10). As for developments beyond Cuba and Venezuela, the two countries he has concentrated on, Reich said, "If we worried about everybody who had a chance of coming to power, we would not have slept very well."

The Washington Post noted in a November editorial that Reich's preoccupation with Cuba could be glimpsed in a speech in which he devoted 20% of his time to Cuba while discussing the topic of US Latin America policy. Bush's failure to renominate Reich endangers US Latin America policy, according to a Wall Street Journal editorial Dec. 18. The newspaper's understanding is that the policy is based on the maintenance of cheap oil and the removal of President Chavez, whose regime "resonates with Colombian guerrillas, Fidel Castro, and other destabilizing forces in the region." The editorial accused Sen. Christopher Dodd (D-CT), a member of the Senate Foreign Relations Committee, of scuttling that policy by opposing Reich's confirmation. The editorial pictured Reich as the one man who "knows the players," and who solidified US relations with presidents-elect Luiz Inacio Lula da Silva of Brazil and Lucio Gutierrez of Ecuador.

The Wall Street Journal, The Miami Herald, and other newspapers took the exile position that Latin American policy needs a strong leader like Reich who would have ready access to the White House at a time when no one seems to be running the Latin American desks at the State Department.

Anti-Castro leaders pressure Bush to renominate Reich

The anti-Castro forces in the US were quick to go on the offensive to have Reich reinstated. A letter to Bush from Reps. Ileana Ros-Lehtinen (R-FL) and Lincoln Diaz-Balart (R- FL) sounded like an order telling the president he had gotten off the track of rewarding Florida exiles with executive appointments. They wrote Bush, "It is very important that you state your intention to resubmit Ambassador Reich as soon as possible, and that Ambassador Reich's name be resubmitted to the Senate at the earliest possible date."

Cuban exile leader Frank Calzon wrote an opinion piece in *The Miami Herald* warning that Bush could lose exile support if Reich's nomination were not submitted early in the next session of Congress. Calzon heads the Washington-based think tank Center for a Free Cuba, which is heavily subsidized by the US government through the nonprofit Freedom House (see *NotiCen*, 2001-02-22). Calzon wrote that Reich's removal would give a boost to anti-embargo forces that "want US taxpayers to subsidize trade with Castro." Further, wrote Calzon, failure to renominate Reich might suggest ethnic bias against Cubans. Some are already saying, "If Reich weren't Cuban American, he would have been renominated." He reminded Bush that exile votes clinched the presidency for him in 2000 and Florida Gov. Jeb Bush's re-election in 2002. If the president did not support Reich's renomination, a lot of Cuban Americans would want a better explanation than "he might not be confirmed," Calzon wrote.

The *Washington Times* published an optimistic report suggesting that Bush's foreign policy team, which includes several appointees of Cuban descent as well as veterans of the Iran-Contra scandal, would stop anti-embargo forces and harden US policy in the next session of Congress. Some of these appointees have predicted Reich would be confirmed in January 2003 as assistant secretary. Dennis Hayes, executive vice president of the Cuban American National Foundation (CANF), said he hoped the administration would "go on the offensive and actually push for a democratic revival on the island of Cuba instead of just relying on the embargo."

But the administration's long silence since moving Reich out of his office in November is not the usual signal for an impending high-profile State Department nomination. There was no public announcement lauding Reich, instead his belongings were transported to another, lowlier office space while Reich was abroad. The White House made a noncommittal announcement that Reich was "a trusted adviser and an important member of the president's team, with great expertise in the Western Hemisphere." After his new assignment as special envoy, he was not asked to accompany Powell on a Latin American trip in early December.

The *Los Angeles Times* reported unnamed sources as saying that Powell was working inside the administration to block Reich's renomination. Republican leader opposes renomination If renominated, Reich's rejection by the Senate Foreign Relations Committee has been all but foretold. Sen. Richard Lugar (R-IN), who will chair the committee, said he told Powell the post of assistant secretary requires "a big leaguer," and that Reich was not up to the job of handling the growing crises in Argentina, Brazil, Colombia, and elsewhere in the region. The job requires someone with "talent and scope" and rapport with Congress, Lugar said. "This is a peculiarly important time to get somebody in the State Department in the Latin American post who really has some more of these qualities than I find in Otto Reich."

William Goodfellow, executive director of the Center for International Policy, said, "What it indicates more than anything else...is that the tightening of the embargo and further restricting travel, that tendency, which has been clear in the last two years, is over." Although the White House said Bush plans to resubmit Reich's nomination, some leading farm-state Republicans urging an end to the embargo are expected to oppose confirmation. Retiring Reich from the key position he held underscores divisions within the Republican Party on Cuba trade and related issues.

Almost simultaneous with Reich's transfer, the administration floated the possibility that it would all but eliminate travel to Cuba, allowing only Cubans holding US citizenship the right to go there. The announcement may have been aimed at mollifying the exile hard-liners angry at Reich's removal. But congressional leaders favoring bills to end both the embargo and travel ban say they have nearly enough votes to override a presidential veto on those bills.

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