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Sino-Cuban Ties Concern US

by LADB Staff

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Ever since the collapse of the Soviet Union, the US government and many conservatives have expressed fears that the People's Republic of China is extending its influence in Latin America. While some of these concerns come from the paranoid right, they also have showed up in the editorial pages of The Wall Street Journal, State Department pronouncements, and Congressional hearings.

China moves into Panama

China's activity in this hemisphere has increasingly figured in US policy concerns because of its business activities in Panama after the US handed the canal over to Panama at the end of 1999. Although these concerns were largely muted in White House and State Department statements, they were openly and sometimes hysterically voiced by rightists in Congress, the media, and the Cuban exile community. Before the canal handover, Panama awarded a contract to run the ports of Cristobal and Balboa to a subsidiary of the Hong Kong shipping company Hutchinson Wampoa. The US was particularly displeased that Hutchinson Wampoa won the concession even though its bid was higher than rival bidders Kawasaki-Cooper T. Smith, a Japanese-US consortium, and California-based Bechtel, which had strong backing from Washington (see EcoCentral, 1996-09-05).

Since then, many conservatives who opposed the 1977 treaty relinquishing the canal have accused the State Department and the Democratic Party of compromising national security by ignoring the supposed Chinese threat. During a 1998 hearing by the Senate Foreign Relations Committee chaired by Sen. Jesse Helms (R-NC), Adm. Thomas Moorer, former head of the Joint Chiefs of Staff, said, "We must at all costs get the Chinese out of Panama (see EcoCentral, 1998-07-09)." In hearings before the House International Relations Committee in 1999, Rep. Dana Rohrabacher (R-CA) said Panama was "in the hands of communist China," and had been infiltrated by Chinese and Cuban agents (see NotiCen, 1999-08-12). Rohrabacher's aide, Al Santoli, thought he had uncovered an intricate Chinese strategy for the Western Hemisphere.

First, China places hundreds of agents in Panama and uses it as its base of operations to move into countries no longer controlled by the US and former Soviet Union. Simultaneously, China takes over Panama's major ports to control access to the canal, builds communications and intelligence-gathering facilities in Cuba, and uses campaign contributions to the Democratic Party to soften US resistance.

In the year of the handover, Senate Majority Leader Trent Lott (R-MS) wrote to the Defense Department warning that US security interests were at stake because Hutchinson Wampoa was "an arm of the People's Liberation Army (PLA)" and able to prevent US naval vessels from traversing the canal. "It appears that we have given away the farm without a shot being fired," Lott wrote.

Cuba-China connection After the Chinese advance into Panama, the supposed threat became associated first with the longstanding belief that Cuba was a menace to US security and more recently with the theory that Cuba and Venezuela had become an axis of subversion and aggression in Latin America (see NotiCen, 1999-04-08).

Instead of viewing these connections as part of the globalization process the US favors, they are being interpreted in conservative circles as evidence of a Cuba-China axis. Some of the more hyperbolic warnings are reminiscent of the threats posed by the Chinese Red Menace as perceived by the China Lobby during the Cold War. Cuba and China have exchanged visits by high-level officials since the mid-1990s, including recent state visits by Chinese President Jiang Zemin to Havana and by President Fidel Castro to Beijing. The two countries have signed a long list of agreements on tourism, trade, telecommunications, sports and cultural exchanges, military cooperation, and manufacturing. Cuban officials describe these agreements as a strictly commercial alliance.

During a tour of six Latin American countries in 2001, the Chinese president paid a visit to Havana as the two countries signed agreements that included a Chinese commitment of US\$400 million to underwrite various projects with Cuba. The funds come from the China Import and Export Bank to help Chinese companies do business in Cuba.

One such Chinese company is being backed in the manufacture of television sets, video cassette players, and air conditioners for export to Cuba. China is now Cuba's third-most-important trading partner behind Venezuela and Spain. Bilateral trade in 2003 was US\$357 million and US\$254 million in the first half of 2004. Cuba currently carries a relatively low US\$24 million trade deficit with China, down from US\$115 million last year. China's chief imports from Cuba are pharmaceuticals, medical equipment, citrus, tobacco, and seafood. Cuba's major imports from China are television sets, bicycle manufacturing machines, and telecommunications equipment.

In September 2004, a Cuban delegation attended a large commercial and investment fair in the Chinese port city of Xiamen one of China's international market-economy zones. The delegation represented 44 Cuban enterprises in such sectors as agriculture, tourism, fishing, biotechnology, and health. Cuba's Foreign Trade Ministry is trying to coax Chinese investment in Cuba's sugar-derivatives industry, in the production of medical equipment, in clothing manufacturing, and in other sectors.

The Cuban tourism and trade corporation Cubanacan has opened an office in China to promote tourism and is working on a joint venture with a Chinese company to build a tourist hotel in Havana and another in Shanghai. Cuba's Ministry of Tourism (MINTUR) said last year that the goal for 2005 was 2.3 million tourists of whom 20,000 would come from China. China took the unusual step last year of designating Cuba as its only official tourist destination in the Western Hemisphere. Chinese tour operators can sell travel packages only to Cuba and other official destinations.

China and Cuba are engaged in several other joint ventures. Four of those in China are in pharmaceuticals. The US has sporadically accused Cuba of using its research to make chemical-

and biological-weapons technology available to terrorist states (see NotiCen, 2002-05-23). Although the State Department has partially corrected that assessment, The Washington Times, The Miami Herald, and other newspapers have combined the charge with the claim that Cuba is considering the use of migratory birds as delivery systems for biochemical attacks on the US.

Meanwhile, Cuba is expanding its pharmaceutical exports and production facilities abroad. Weapons and spying figure in Cuba-China ties Causing special alarm among some conservatives are stories about a growing military coordination between China and Cuba. The Washington Times, quoting unnamed US intelligence sources, reported in 2001 that the PLA of China had made three arms shipments to Cuba's Revolutionary Armed Forces the prior year.

Asked about the report during a congressional hearing, Assistant Secretary of State James Kelly said, "We are very much concerned with this PLA cooperation and movement of military equipment in Cuba." A State Department spokesperson later said Kelly had misspoken, but the department did not specifically contradict the arms story, which has since been repeated as fact in many publications. Castro said the shipments were not of arms but of rice, beans, and other foodstuffs, building materials, and medical equipment.

Acknowledging that there was one shipment intended for the Cuban military, he said it consisted of cloth for uniforms, needles, thread, and similar nonlethal materials. Sino-Cuban cooperation in telecommunications has revived past fears of electronic spying and cyberwarfare against the US that were previously associated with the surveillance base the Soviets ran at Lourdes near Havana for four decades. When Russia abandoned the base in 2001 (see NotiCen, 2001-11-15), Cuba critics said China took Russia's place.

A 2004 report from the Cuba Transition Project at the University of Miami's Institute for Cuban and Cuban-American Studies said that the PLA was running cyberwar telecommunication-monitoring stations in and around Havana and Santiago de Cuba. Since 1999, the report says, PLA personnel have been monitoring US telephone and Internet signals and jamming US propaganda broadcasts on Radio and TV Marti from a station near Bejucal, south of Havana. Various news sources say that Cuba camouflages the activities at Bejucal by broadcasting short-wave programs from Radio China International.

China threat ill defined

Despite all the theorizing and conjecture on the right, the exact nature of the China-Cuba threat is unclear. Unlike US concerns during the Cold War that Soviet ties could lead to the spread of communism in Latin America, there is little mention in the China-fear literature about communism. Nor are there any suspicions that China will subvert communism in Cuba by introducing its brand of capitalism. The prevailing US view that China is an emerging capitalist state worthy of full diplomatic and trade relations with the US makes it difficult to present China as an enemy of free-market doctrines. And since the outcry about Panama has died down, there is less talk about an actual physical peril and more about surveillance stations intercepting personal and business communications to engage in corporate espionage.

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