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June 22, 1995

WHY FURTHER A FAILED POLICY?

Dear Colleague:

H.R. 927, the Cuban Liberty and Democratic Solidarity Act introduced by Rep. Dan Burton (R-IN), and its Senate companion, S. 381, introduced by Senator Jesse Helms (R-NC), seek to tighten and internationalize the provisions of the embargo against Cuba. The following news articles shows that this approach is flawed for several reasons.

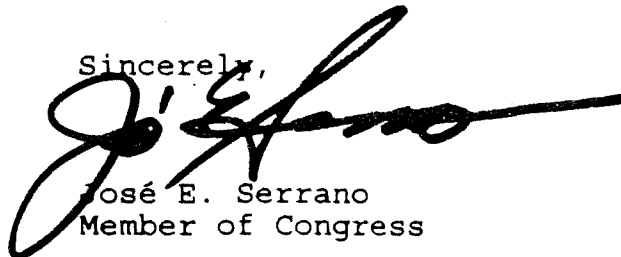
* **H.R. 927 violates the sovereignty of independent nations.** The extra-territorial reach of the bill, which penalizes countries that have commercial ties with Cuba, have brought protest from Canada and Mexico, among others.

* **H.R. 927 ignores the recommendations of the Pentagon study.** A new Pentagon-commissioned study of Cuba and of U.S. policy advocates the normalization of U.S.-Cuban relations in order to prevent total economic collapse, political chaos, violence, bloodshed and suffering in Cuba.

* **H.R. 927 neglects the need for a new approach.** The free flow of ideas and goods is the best advertisement for both capitalism and democracy.

The vindictive and inhumane approach advocated by supporters of the embargo has not worked in over 30 years and it is time to consider alternative measures to change our relationship with one of our closest neighbors. I urge you to consider the information contained in these news articles as you evaluate the U.S. policy on Cuba.

Sincerely,



José E. Serrano
Member of Congress

Congress Move on Cuba Irks Canada and Mexico

By CLYDE H. FARNSWORTH

TORONTO, May 22 — Canada and Mexico have joined forces to defeat proposed American legislation that would tighten the 33-year-old trade embargo against Cuba.

The extra-territorial reach of the bill, which penalizes countries that have commercial ties with Cuba, has brought the protests of the two North American Free Trade Association partners and their unusual cooperation in Washington.

In separate letters to members of Congress, the Canadian Ambassador to the United States, Raymond Chrétien, nephew of Prime Minister Jean Chrétien, and the Mexican Ambassador, Jesús Silva-Herzog, say the measure seeks to regulate what their countries can and cannot do and warn of almost certain retaliation.

Concern is so great in Canada that an all-party delegation of members of Parliament is about to take arguments against the bill directly to the halls of Congress.

"We're going to explain how this bill interferes with our sovereignty," said Paul Zed, chairman of the Standing Committee on Industry of the House of Commons.

"It irks a lot of us in Canada, and we're not going to take it lying down," said Mr. Zed, a New Brunswick Liberal who heads the delegation jointly with Bill Graham, a Toronto Liberal who is chairman of the Foreign Affairs Committee of the Commons.

The bill, which has strong backing in both houses of Congress, is spon-

sored by Senator Jesse Helms, the North Carolina Republican who heads the Foreign Relations Committee, and Representative Dan Burton, the Indiana Republican who heads the the House Subcommittee on Western Hemisphere Affairs.

Canada and Mexico mainly object to provisions that ban the import of sugar, syrups and molasses from any country that buys these products from Cuba, prohibit American foreign subsidiaries from having any financial dealings with Cuba, and deny entry into the United States of foreign citizens deemed to have had dealings involving property in Cuba expropriated from Americans.

The Globe and Mail has observed tartly that Canadian executives would enter the same prohibited category as political militants and convicted felons.

Sherritt Inc., a Fort Saskatchewan, Alberta, mining company that recently started producing nickel in Cuba, and Delta Hotels and Resorts, with its nine Cuban properties, are among Canadian companies that could be hit by sanctions in the Helms-Burton bill.

Canada and Mexico say the legislation violates undertakings of the United States under both the free trade agreement and the new World Trade Organization.

Beyond the adverse effects on political, trade and economic relations,

Ambassador Chrétien grumbled, the bill "would undermine the integrity of an international legal system which serves both our countries."

By trying to force trade partners to squeeze Cuba, the bill sets up a secondary boycott, Canada and Mexico argue. But it has long been illegal in the United States for union members to act against an employer to get it to bring pressure on another company. And in international relations the United States has traditionally opposed secondary boycott situations, like Arab pressure on third countries to isolate Israel.

Historically, Canada and Cuba have shared strong trade ties, and in recent years tourism has thrived as well. More than 120,000 Canadians head for Cuban resorts every year, accounting for about a quarter of visitors from abroad.

In the Central American-Caribbean region, Cuba is Canada's second largest trading partner after Puerto Rico. Two-way trade was around \$220 million last year, with imports and exports almost in balance. Canada chiefly exports food products and imports nickel and sugar.

Mexico's two-way trade was somewhat smaller at \$161 million. Mexico imported only \$11 million, mainly rum and tobacco. Exports of \$150 million included oil and chemical products and detergents and soap. Pemex, the state-owned Mexican oil monopoly, has some investments in Cuban refineries. Mexican officials also report recent investments in telecommunications. With its own sugar crop, Mexico has not bought sugar from Cuba since 1990.

But the sugar import prohibition raises serious concerns for Canada, which annually exports \$500 million worth of products containing sugar to the United States. Much of this commerce is from American-owned subsidiaries like Kraft Canada Inc., which employs 400 in Cobourg, Ontario, and makes cereals and other packaged foods containing sugar. Canada imports about \$400 million of American products containing sugar.

So, Canadian officials point out, trade hostilities over Cuba could erase nearly \$1 billion of bilateral trade and the thousands of jobs it generates.

"We're not challenging the right of the U.S. to impose an embargo," said Bruno Picard, an aide to the Canadian Trade Minister, Roy MacLaren. "We share similar goals regarding democracy in Cuba and a market-oriented economy. But we disagree on the means to get there. We favor more engagement and dialogue, rather than a boycott."

**A Canadian says a
U.S. bill 'interferes
with our
sovereignty.'**

Economic Liberalization of Cuba Favored in Study of U.S. Stance

By Dana Priest
Washington Post Staff Writer

A new Pentagon-commissioned study of Cuba and of U.S. policy toward the island says that continued economic liberalization under the communist regime led by Fidel Castro would cause the least upheaval in Cuban society and have fewer negative consequences for the United States than other alternatives.

The \$285,000 study is the work of U.S. and Russian policy analysts, including some who handled Cuba in the government of the former Soviet Union. It says that radical economic reform under Castro, or his removal from power through death or a foreign-supported coup, would cause unpredictable turmoil within the Cuban armed forces and civilian society. This, in turn, could prompt U.S. military intervention and an unprecedented exodus of Cuban immigrants to the United States, the study says.

"Cuba is already a nation in historic transition. . . . With or without Fidel Castro in command, the country will undergo further

economic, social, and military transformations—perhaps modest and incremental, perhaps sharp and sudden," said the study, which has been circulated at the White House and on Capitol Hill.

The study was proposed and directed by a private consultant, Nestor Sanchez, a former CIA official who served in the Reagan administration as deputy assistant secretary of defense for international security affairs. In 1963, CIA agent Sanchez delivered a pen with a hidden hypodermic needle to a Cuban agent in Paris who had plans to assassinate Castro.

A senior Pentagon official described the study as a "crisis management guide" to be considered for use by administration and military officials in the event of a crisis in U.S.-Cuban relations. The views of some of its authors contrast both with prevailing U.S. ideology toward Cuba and Clinton administration policy of continuing economic pressure on the island.

"The economic lever in American hands is of crucial importance," writes Andrei Shosnikhin, president of the Center for Conflict Resolution in Moscow. "The United States could

involve the Cuban regime in negotiations which eventually could lead to fundamental changes in Cuba's policies. . . . Defeating Fidel Castro as a quintessential 'bad guy' seems to be an *idea fixe* in Washington, more important than producing a sensible solution for a nation subjected to decades of internal suppression and facing possible disaster."

Yuri Pavlov, former head of the Latin American Department of the Soviet foreign ministry, writes that some Russian leaders "have come to doubt the wisdom of effecting radical change in a socialist country overnight. . . . They believe that the Castro regime is evolving in the right direction and advocate the normalization of U.S.-Cuban relations in order to prevent total economic collapse, political chaos, violence, bloodshed and suffering in Cuba."

But the Russians do not expect much from the Clinton administration. Writes Andrei V. Kortunov, director of the Institute of the USA and Canada Studies: "U.S. policies toward Cuba remain rather static. . . . The Democratic Administration is too weak politically to dare to introduce any meaningful changes (e.g., to lift the trade embargo)" that might antagonize the conservative Cuban exile community.

"Only a strong and forceful President with an unquestionable conservative record could reverse longstanding U.S. policy toward Cuba," he continues. "Bill Clinton does not qualify."

Odd Allies Await Clinton If U.S. Shifts Cuba Policy

Several GOP Conservatives
Back Easing Sanctions
In Return for Reforms

By CARLA ANNE ROSSIGNOL
Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON - If President Clinton decides to ease sanctions on Cuba, he'll have some unexpected allies in a small but influential group of conservative Republicans.

Mr. Clinton's top foreign-policy advisers, Secretary of State Warren Christopher and National Security Adviser Anthony Lake, have both endorsed a plan to encourage change in Cuba by offering to ease economic sanctions in exchange for concrete reforms. The president's political advisers firmly oppose such a move. They still have hopes of carrying Florida, where many Cuban immigrants oppose rapprochement with Fidel Castro's Cuba, in the 1996 elections. Their case was strengthened last week after reports of a possible policy shift set off a fierce round of Cuba-bashing from congressional Republicans.

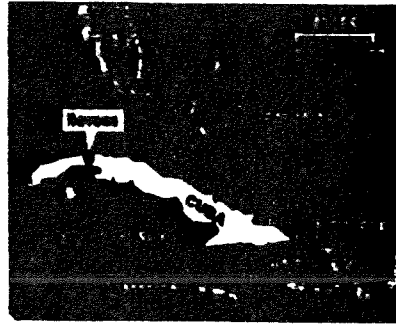
But not everybody in the GOP camp agrees. Indeed, over the past year, a number of prominent conservatives, including the late President Richard Nixon, National Review editor William F. Buckley and TV commentator John McLaughlin, have begun to speak the unspeakable, calling for a lifting of the U.S. trade embargo as a way to hasten Mr. Castro's demise. Instead of reflexively endorsing the embargo, this year's Conservative Political Action Conference featured a debate on the issue.

Reasons for Support

Gary Jarmin, a conservative political consultant who is pressing for a change in Cuba policy, believes there's a new constituency in the GOP for lifting the three-decade-old embargo. "Look at what Republicans care about," he adds, citing free trade, immigration and "not getting dragged into a military quagmire." He's hoping to lead a delegation of conservative congressional aides to Cuba next month.

For President Clinton, this new thinking from conservatives as well as a growing number of U.S. business leaders could provide much-needed political cover. Whether it would be enough to offset the opposition of the powerful anti-Castro lobby is far from certain. One top official says that last week's reaction "shows how much political work we'd need to do."

Conservatives' arguments for loosening up on Cuba are straightforward. They say the free flow of ideas and goods is the best advertisement for both capitalism and democracy. "The plain fact," wrote President Nixon in his last book, "is that . . . the



hard line against [Mr. Castro] has failed to get rid of him." The best hope for doing that, he added, is "to build pressure from within by actively stimulating Cuba's contacts with the free world."

The conservatives also warn that more pressure on Cuba could spark a bloody rebellion on the island, a massive outpouring of refugees and calls for U.S. military intervention. "A hard landing in Cuba would be far worse than . . . Haiti," said Mr. McLaughlin in congressional testimony last year.

It is that fear, along with the wave of 30,000 Cuban refugees last summer, that persuaded the Clinton administration to take another look at Cuba policy.

Administration officials insist they've never seriously considered lifting the embargo. They say they're going to have a tough enough fight trying to defeat legislation offered by Senate Foreign Relations Chairman Jesse Helms imposing new sanctions. Instead, they have proposed more-modest moves, starting with a rollback of sanctions imposed at the height of last summer's refugee crisis.

Administration Arguments

Before last week's Cuba bashing, administration officials believed they could make a politically palatable argument that the ban on sending cash to Cuba and restrictions on visiting the island have hurt average Cubans far more than the Castro government. They were also confident they could sell a proposal to increase "the free flow of ideas" by allowing U.S. news media to open bureaus in Cuba, and letting the Cubans do the same here.

The most significant and controversial recommendation would have the U.S. lay out a road map of economic and political reforms that the Cubans might take, beginning with a release of political prisoners and allowing human-rights monitors on the island. In return, the U.S. would offer a "calibrated" easing of sanctions or increased diplomatic contacts.

Officials acknowledge they have to do considerable political work before taking any moves on Cuba. If they decide to do so, they could have another ally in Richard Lugar, the Indiana senator and Republican presidential aspirant, who has called for direct negotiations with Mr. Castro and a "quid pro quo" easing of sanctions.