

Economic blockade against Cuba – still alive and dangerous

By Tom Whitney

“The first thing that may be useful to clarify is that Cuba and the United States have never had normal relations.” Cuban historian Elier Ramírez Cañedo [moves from predatory](#) U. S actions against Cuba in the 19th century to U.S. assault on Cuba’s socialist revolution after 1959. Economic blockade was the keystone of that assault, he claims. Despite signs recently of improved bi-national relations, the blockade remains in force, weighing on people’s lives in Cuba.

Cubans still live with restricted imports of U.S. goods– except for agricultural products – and with the impossibility of selling Cuban products and services in the United States. Foreign companies still face large U.S. fines when products they sell to Cuba contain U.S. components or are the result, even in part, of U.S. investment. And ships bringing goods to Cuba from anywhere still may not dock in the United States for six months following a call to a Cuban port.

The U. S. government in recent years has imposed fines against the banks of many nations for the offense of handling dollars in business transactions with Cuba. The most recent three-year total for such fines against third country banks [exceeds \\$10 billion](#) - an amount that includes fines for violating U. S. sanctions against countries other than Cuba. Effects in Cuba are disastrous. The flow of payments for Cuban goods and services has slowed, and also of money from loans and grants. Pay for Cubans serving abroad sometimes doesn’t arrive.

Cuban officials were thus elated when the Obama administration announced March 15 that the U. S. dollar, the standard currency used in international commercial transactions, was freed for use in Cuba’s monetary dealings abroad. No longer would banks and other financial institutions face penalties.

But the U.S. government hasn’t implemented the order. Within days of the U. S. announcement, Cuban Foreign Minister Bruno [Rodríguez observed that](#), “the US Government is required to issue a political statement as well as clear and precise instructions that would provide legal and political guarantees to banks, in order to halt financial persecution.”

That hasn’t happened, and in April the chief executive of the Cooperative Bank of Great Britain informed Bank customers that his bank no longer would be serving a British Cuban solidarity group. He explained: “by

adhering to US sanctions, the Co-operative Bank is complying with [US extraterritorial legislation.](#)”

In fact, the U.S. blockade is as strong as ever. The Austrian TNT company [informed](#) Cuba’s Embassy in Austria May 12 that in obedience to U.S. anti – Cuban sanctions it would no longer be delivering messages and packages to the Embassy. After all, the U. S. FedEx Corporation had recently purchased TNT.

And, in accordance with a policy of importing from Cuba only those products produced by non-state entities, the U. S. government announced April 22 that coffee produced by Cuban cooperatives could now enter the United States. Nevertheless a month later the ban on coffee imports remained.

And, in late 2015 the European branch of PayPal, respectful of U.S. sanctions against Cuba, blocked payments from theatergoers planning to see a show whose title contained the word “Cuba.” A [German court unblocked](#) the payments in a ruling April 20.

In February the U. S. Treasury Department fined [Halliburton Corporation](#) and its foreign subsidiaries \$304,706 for supporting oil and gas prospecting in Angola. The announcement indicated that, “the Cuban Company Cuba Petroleo had five percent interest in the oil and gas consortium executing those works.”

Other recent news: foreign companies, having purchased Cuban rum and nickel, found their U. S. lines of credit cancelled and discovered also that no longer could they use U.S. banks to transfer funds, in any currency. And, foreign banks closed the bank accounts of Cuban health workers in Africa even though, again, no U. S. dollars were involved. Also, foreign subsidiaries of U.S. companies routinely deny services to Cubans working abroad.

Some tiny openings are detectable. Cuba’s national telecommunications company ETESCA reached agreement on cooperation with telecommunications entities in the United States. Cuban businesses have contracted with two U.S. hotel companies to administer hotels in Havana.

In February the two governments agreed that commercial flights between the two countries would resume. However, the U. S. government [has not responded](#) to airlines’ requests to set the process in motion.

Agribusiness interests in 2000 persuaded the U.S. Congress to legislate an exception to the blockade. U.S. exporters gained authorization to sell food products to Cuba, which even now imports more than 70 percent of food consumed on the island. Nevertheless, after a few flush years, U.S. producers lost market share in Cuba. The problem, as claimed recently by the [group “Engage Cuba,”](#) is that U.S. food exporters are still not allowed to

extend credit to Cuban food purchasers who must deliver cash so that food products may be transferred to a ship. Because U.S. banking services are off limits to Cuban importers, they must rely on the banks of third countries – at additional cost.

Elier Ramírez Cañedo, the historian cited above, asks: “Why has not Obama exhausted the full executive prerogatives at his disposal for converting the blockade against Cuba to an empty shell?”

In his recent article [“From Euphoria to Skepticism,”](#) Cuban academician and international relations expert Francisco López Segrera has an answer: “U.S. regulations for adjusting the blockade have the object of supporting Cuba’s private sector ... policy is aimed at ‘empowering’ the self-employed workers and private capital to the detriment of the public [sector], that is to say, the Cuban state.”