

New US economic attack against Cuba, long threatened, may hit soon

By W. T. Whitney Jr.

In 1996 Cuba was facing a big problem. The problem remains but is bigger now. To explain: in reaction to alleged Cuban misdeeds, the U.S. government had passed the Helms-Burton Law in order to fortify its economic blockade against Cuba. One of many Helms-Burton provisions enabled U.S. courts to exact money from foreigners using properties in Cuba. That way, former Cuban owners, self-exiled in the United States, would gain reimbursement for losses due to nationalization.

But soon after the Law's passage, the United States suspended implementation of that provision, known as Title III. Now on January 16, almost 23 years afterwards, Secretary of State Pompeo has raised the possibility that Title III would soon, at long last, be going into effect.

Until now the U.S. government at six month intervals has indicated that Title III was suspended for six months, at which point the announcement was repeated, and so on. Pompeo indicated that the suspended implementation set to begin on February 1 will last 45 days, not the usual six months.

He explained that the time would be dedicated to "careful review" so as "to expedite a transition to democracy in Cuba." He cited "the Cuban regime's brutal oppression of human rights and fundamental freedoms and its indefensible support for increasingly authoritarian and corrupt regimes in Venezuela and Nicaragua,"

The possibility that the U.S. government is about to actually implement Title III is deeply troubling to Cuban leaders. Such action would at once destabilize foreign investments and loans. Future investments and access to loans would be questionable. The flow of desperately needed foreign capital to Cuba, never bountiful, very likely would contract.

Cuba's economy continues to lag, as indicated by low rates of growth – 1.2 percent in 2018, necessity to import 80 percent of its food, difficulties in repaying loans, and persistently low levels of personal income.

Pompeo didn't wait for a decision on implementation to be announced. He reached out in his statement to Cuba's international trading and financing partners: "We encourage any person doing business in Cuba to reconsider whether they are trafficking in confiscated property and abetting this dictatorship."

Cuban spokespersons reacted as if a bomb had exploded. A tweet from Cuban President Miguel Díaz-Canel condemned "a new interventionist, threatening, bullying provocation." He castigated U.S. "violation of international law" and "political blackmail."

Cuba's Foreign Ministry issued a declaration emphasizing violation of Cuban sovereignty. The Ministry denounced any "new step that would reinforce in a dangerous way the blockade against Cuba." It renewed criticisms that the Helms-Burton Act extends the Cuban blockade to third countries, impinges on their independence, and disrupts normal international commercial relations.

The Ministry envisioned “demands from U.S. courts for the houses Cubans live in, the places where they work, the school attended by their children, and the polyclinic where they receive health care.” Court actions would result in “stealing [of] our wealth, infrastructure, land under cultivation, industries, and mineral resources.”

Cuba long has argued that nationalization of property and industries is legal under international law - as recognized by the U.S. Supreme Court in 1964. The Cubans point out that under the Helms Burton Law even Cuban exiles who aren't U.S. citizens may pursue claims in U.S. courts.

They recall that property owners were offered reimbursement for losses due to nationalization. As per U.S. advice, they refused. In response to Pompeo, spokespersons reminded the United States that if Title III does take effect, chaos will descend upon U.S. courts, particularly in Florida.

Since 1999, Cuba has been seeking compensation for “human ... and economic damages” caused by the U.S. blockade over many decades; pre-inflation estimates amount to \$181 billion and \$121 billion, respectively. Negotiations on the competing claims took place in 2015 coincident with improved U.S. – Cuban relations under the Obama administration. At that time the U.S. government was seeking almost \$9 billion in compensation for losses caused by nationalization. Half of that claim was on behalf of 10 corporations.

Analysts say the U.S. government so far has refrained from implementing Title III for fear of alienating allies who trade and cooperate with Cuba. They had complained immediately after passage of Helms-Burton. Generalized disenchantment with U.S. aggression directed at Cuba may have been a factor too. That's on display annually at the UN General Assembly when nations of the world habitually and overwhelmingly approve a Cuban resolution rejecting the U.S. blockade.

Speculation is in order as to factors behind the State Department's decision to consider putting Title III into effect. Niceties such as respect for allies, international trade accords, and the independence of nations may have fallen victim to the unilateralism now defining U.S. international behavior. And the Trump administration, beating back criticism of its incompetence and tolerance of criminal behavior, might assume that being tough on Cuba will help shore up its political base.

In any event, that administration, with the Pompeo announcement, is latching onto the most implacable and regressive brand of counter-revolution. Partisans of that sect have long found guidance as regards Cuba in a well known State Department memo from the Eisenhower administration. What Cuba needed, according to State Department official Lester Mallory, was a strategy that would cause human suffering. Mallory reasoned that rebellion would follow and that consequently Cuba's revolutionary government would disappear. U.S. reliance on purposeful cruelty has continued.

It's clear that the “study” period proposed by Mr. Pompeo presents opposition political forces with a nice opportunity. The Democratic administration of President Clinton was responsible for passage of the Helms-Burton Act. Subsequently no sizable element of either political party has taken up the task of fighting vigorously and persistently to end

the Cuban blockade. Now Democrats in the Congress, locked in struggle with their opposites, find an occasion to redeem themselves.

They would mount a real fight not only against implementation of Title III but the whole blockade system too. It was the Helms-Burton Act itself that awarded Congress responsibility for either ending or preserving the Cuban Blockade.