

U.S. Cuba Sequence Of Events Which Effected Agricultural Trade Relations From 1959 To 2000

REGINA LAROSE AND
JOHN LAROSE

MidAmerica Farmer Grower

HAVANA, CUBA

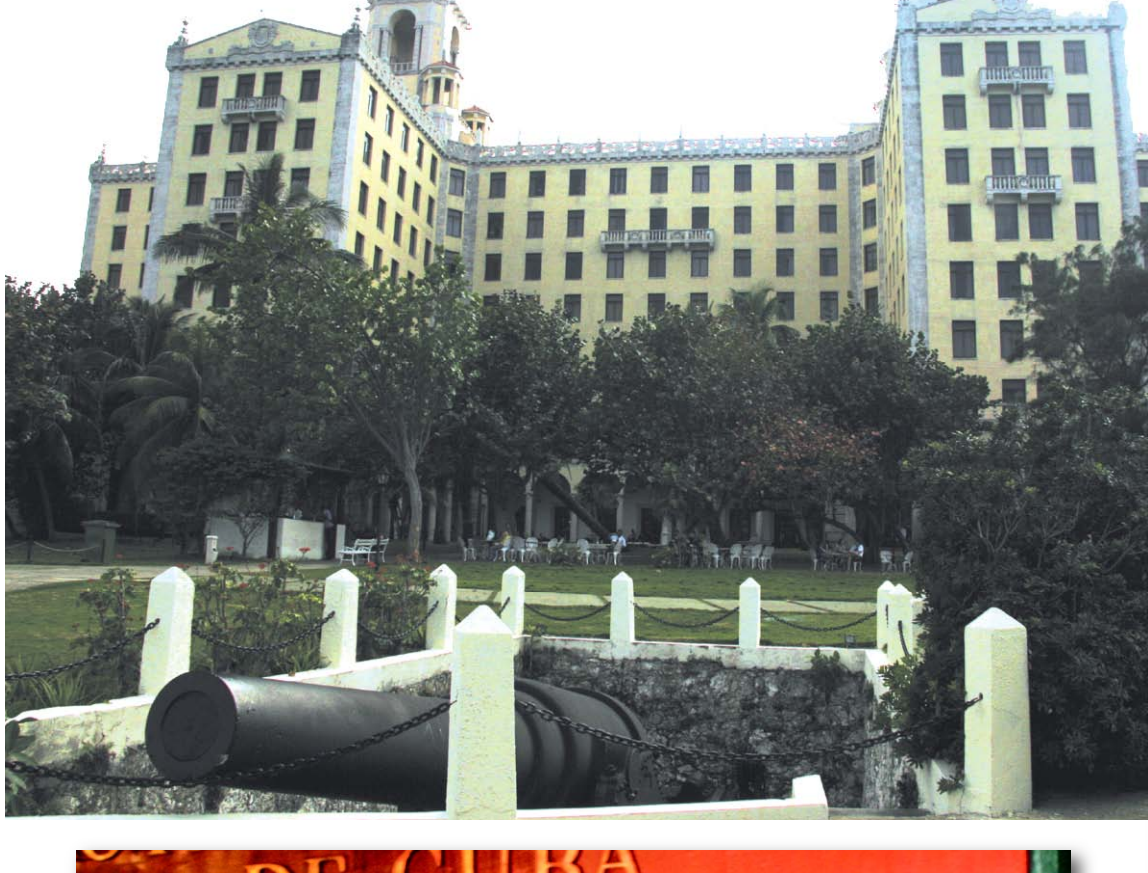
With Fidel Castro handing the reins of Cuba over to his brother Raul, Cuba has been gaining national attention in the news. The Cuban embargo is a topic of interest to those of us interested in agriculture. Researching Cuba before 1959 is fascinating but also daunting. Compiling 48 years of history since the embargo, into one short article is im-

this assumption.)

By late Oct. of 1959 President Eisenhower gave approval to a program designed by the Department of State, in conjunction with the CIA, to support elements in Cuba opposed to the Castro government. (NSA)

According to the Evolution of the U.S. Embargo, by the Government Accounting Office (GAO), the sequence of events which led to the Oct. 1960, embargo on exports to Cuba excluding food and medicine, took place during May through Aug. of 1960.

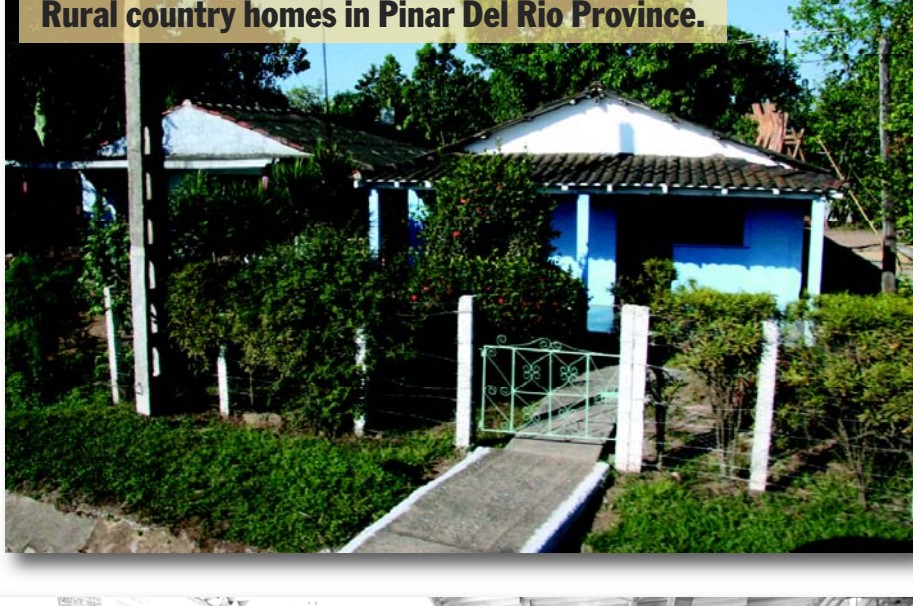
Hotel Nacional de Cuba located in historic Havana overlooking the ocean
Photo by John LaRose



Amadito Valdes performs at Hotel Nacional de Cuba in March 2008. Valdes is Cuba's best known timbal player. Over the past 40 years he has traveled the world with many of Cuba's top groups. He has starred with the Buena Vista Social Club phenomenon and was nominated for a Grammy for his CD Bajando Gervasio. His father was lead saxophonist with many of the best Cuban bands of the 20's-50's. Photos by John LaRose

In May

Rural country homes in Pinar Del Rio Province.



(Above Photo & Photo On Bottom Right) Typical farmers markets in Havana, Cuba.

Photos by John LaRose

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We have selected data from several sources in order to encourage our readers to take another look at Cuba. One such source is The National Security Archive (NSA). Documents released under The Freedom of Information Act are compiled by Washington University and made available to readers on their web site. Our intent is to generate interest in Cuba, an interest which motivates you to learn more about this fascinating island 90 miles from Florida.

The U.S. has been involved with Cuba since 1898, many years before the overthrow of Batista in 1959. Havana, the capital of Cuba, was once a popular vacation spot for American tourists. During the 1950's prior to Las Vegas, Havana offered tourists a warm climate as well as casinos for gambling. The U.S. was the major source of agricultural products imported into Cuba.

Before the Castro revolution, Cuban resources were concentrated in the hands of a few, according to the Economic Research Service/USDA. Eight percent of the landowners controlled over 70 percent of the land while U.S. owners controlled 25 percent of Cuban land. In agriculture U.S. companies were invested in sugar, cattle and tobacco. Over one half of Cuban sugar exports went to the U.S. totaling over one-third of U.S. sugar imports.

Not only was Cuba's foreign trade dominated by exports, and exports dominated by sugar, but the predominant buyer and seller was the United States, according to the University of Florida.

The World Factbook lists Cuba's natural resources as cobalt, nickel, iron ore, chromium, copper, salt, timber, silica, petroleum and arable land. Hugh Thomas, the first scholar to produce a history of the Cuban revolution; wrote in his book, Cuba: The Pursuit of Freedom, "The mines were only worked when North America was waging a war. Peace brought inactivity. It was the same story as in the sugar industry. U.S. ownership of the mineral fields meant that the Cuban economy could never be seen as a whole. Even those minerals which were exported were left unprocessed...."

Thomas pointed out during the 1950s, "The importance of Cuba to the U.S. will not be fully understood without realizing that the U.S. companies engaged in Cuba read like the Who's Who of American business: total U.S. investment stood at \$1 billion; shareholding and commercial-political interest was widespread. Any action in Cuba which affected these interests would be bound to have widespread consequences."

During this time, 160,000 workers, over 90 percent Cubans, were employed in North American firms in Cuba, according to Thomas. "North American firms spent \$M730 in Cuba, of which \$M70 was in taxes - almost 20 percent of the Cuban budget. Many of these firms were Cuban subsidiaries of U.S. companies, dependent on the parent company for supplies. Any radical party in Cuba would have been driven to affect these interests since the U.S. business community dominated Cuban trade..." (1971, pp. 1171-1172).

The University of Florida's studies on Cuban agriculture before 1959 point out the lack of social studies conducted in rural Cuba. One of the most important social changes from the 1959 revolution was, "the countrywide income redistribution, which reduced the great disparity in living conditions that had previously existed between the cities and rural areas" according to a 1983 study done by Diaz-Briquets. Housing, electricity and water supplies, employment and education added to the inequalities experienced by rural Cubans.

CIA analysis Brian Latell, in his book After Fidel, describes the early life of Fidel and Raul growing up next to large American mining and sugar enterprises. He wrote, "Fidel objected bitterly to the comfortable lifestyles, private clubs, and neocolonial attitudes of the extended expatriate communities near the Castro family home."

According to The National Security Archive, in his victory speech given in Santiago, Cuba on Jan. 1, 1959, Fidel Castro stated, this new revolution will not be like 1898, "when the North Americans came and made themselves masters of our country."

Vice President Richard Nixon met with Castro in April of 1959 during Castro's first trip to Washington. In a memo to President Eisenhower, Nixon said Castro's primary concern was economic progress, placing freedom of speech, press and religion lower on his list of priorities for the development of Cuba. (NSA)

In Sept. of 1959, U.S. Ambassador to Cuba Bonsal met with Castro to express his concern with the treatment being given American businesses in Cuba. Castro responded saying that he "adores Americans, especially tourists, for whom he is planning great things." (NSA)

By the fall of 1959 Manuel Artime M.D., who joined forces with Castro just hours before his takeover, reported Castro has decided the state of Cuba will take possession of all land holdings, eliminating private property. Artime later became a leading anti-communist. (NSA and Spartacus Educational)

As of 1972, there were 5,911 claims of property certified by the United States Foreign Claims Settlement Commission in Washington D.C., U.S. companies hold approximately 57 percent of the total value. (U.S.-Cuba Trade and Economic Council, Inc.) (Editors note- we assume the remaining 43 percent are individuals but, we could not find documentation to verify

1960, Cuba and the Soviet Union resumed diplomatic relations. The National Security Archive, in the article, Bay of Pigs 40 years after, states as early as Feb. 17, the USSR had shifted from a cautious attitude to active support.

U.S. oil refineries in Cuba were confiscated in June. In July the U.S. suspended Cuba's sugar quota. By Aug., Cuba began nationalizing U.S. and foreign-owned property.

During Jan. 1961, Eisenhower ended U.S. diplomatic relations with Cuba. In April of 1961 under the Kennedy administration the U.S. supported Cuban exiles during the failed invasion of Cuba at the Bay of Pigs. Capturing more than one thousand of the invading forces, Castro offered to trade the prisoners to the U.S. for farm machinery. (NSA)

In June 1961, The Tractors for Freedom Committee, chaired by former First Lady Eleanor Roosevelt, traveled to Cuba to negotiate with Castro. The final committee offer of \$3 million worth of tractors fell short of Castro's final demand for \$28 million in cash, credits or tractors. The committee dissolved after criticism targeted Kennedy's willingness to trade agriculture equipment for Cuban prisoners. (NSA)

In Feb. 1962, under the Kennedy administration the U.S. declared an almost total embargo on Cuba which included agriculture products. In Oct. to Nov. of 1962 the Cuban Missile crisis occurred. (GAO)

On July 8, 1963, The Cuban Assets Control Regulations (CACR) was issued under the Trading With the Enemy Act. No U.S. citizen or permanent resident alien, wherever located, and no foreign subsidiary or branch of a U.S. organization may export products, technology, or services to Cuba or to any Cuban national, wherever they may be located, or broker the sale of goods or commodities to or from Cuba or any Cuban national, according to the Office of Foreign Assets Control. The CACR prohibited travel to Cuba. The United States also froze all Cuban-owned assets in the U.S.

On Dec. 12, 1963, Attorney General Robert F. Kennedy tried to lift the Cuba travel ban. Declassified records posted June 29, 2005 by the National Security Archive include a memorandum from Kennedy to Secretary of State Dean Rusk, urging a quick decision "to withdraw the existing regulation prohibiting such trips." (NSA)

After the revolution Cuba became heavily dependent on Soviet support. Soviet assistance served to lessen the impact of the U.S. embargo. From Nov. 1965 under President Johnson until 1971 and President Nixon, the Freedom Flights program allowed 250 thousand Cubans to come to the United States. (GAO) Some of which have settled in Dade and Miami counties in Florida.

In Sept. 1991, President Gorbachev says the Soviet Union will withdraw all its troops from Cuba. In Dec. 1991, the Soviet Union terminated economic subsidies for Cuba worth \$6 billion annually. (GAO)

In 1990, Cuba announced a "Special Period in Peacetime" program to counter the loss of Soviet support. The program rationed food, fuel, and electricity and gave priority to domestic food production, development of tourism and biotechnology. (USDA)

In Oct. 1992, under George H. Bush, Congress enacted the Cuban Democracy Act which among other restrictions, restricted trade with Cuba by foreign subsidiaries of U.S. firms and prohibited any vessel that had traded in Cuban ports from loading or unloading freight in U.S. ports for 180 days except pursuant to a treasury license. (GAO)

In 1993, the Cuban Government established the Basic Unit of Cooperative Production (UBPC), breaking up large state farms. The land title remains with the state while the cooperatives have the right to use the land and make production and resource decisions. State enterprises provide marketing, technical assistance, production services and agriculture inputs. Producers are allowed to sell surplus production after delivering a contracted monthly quota to the state. (USDA)

In 1994, the Cuban government started farmers' markets. Producers' surplus can be sold at free-market prices. These markets provide 25-30 percent of the farm products available to Cuban consumers. (USDA)

The Helms-Burton Act of 1996 penalizes foreign companies that do business in Cuba by preventing them from doing business in the United States. The Helms-Burton Act allows U.S. citizens to sue foreign investors who make use of American owned property in Cuba. The justification being that these foreign businesses were trafficking in stolen U.S. properties. These foreign investors are denied entry into the United States. Title III of this law also states, ships docking at

Cuban ports are not allowed to dock at U.S. ports for six months. Traditionally the President has waived this title.

After lobbying by farm groups and agribusiness firms affected by declining agricultural exports and lower commodity prices in the late 1990s, Congress, in 2000 enacted the Trade Sanctions and Export Enhancement Act (TRSA). The TRSA authorized the sale and export or re-export of medicine and medical supplies, food and agricultural commodities to Cuba. (GAO)

The TRSA opened the door for agriculture trade into Cuba. The next article will discuss the volume of trade that has taken place from 2001 to 2008. Additional legislation taken by the Bush administration will be examined. Publication date for this article will be May 30, 2008.

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