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ITRN 603: International Trade Relations  
April 30, 2014

### **U.S. Sanctions on Cuba: Letting Go is Hard to Do**

The United States levied its first sanctions against Cuba in the early 1960s after the new Cuban government under President Fidel Castro nationalized most foreign and domestic assets including 1.8 billion in US property.<sup>1</sup> Next, Fidel declared Cuba to be socialist, developed a close alliance with the Soviets at the ascent of the cold war and allowed them to stage nuclear missiles in Cuba. American politicians along with American multinationals and exiled Cuban nationals who lost their businesses or property to Fidel demanded strong action by the US government. Accordingly, the first set of sanctions included the freezing of 162 million dollars in Cuban assets in the US and halted all import and export between the US and Cuba. Sixty years later, the threat of the spread of communism is gone and US businesses harmed in Cuba have long moved on but the United States' strategy has still not changed.

Although problems with these policies are vast in scope and number, this paper will focus on three issues related to trade. First, the comprehensive sanctions cause American industry to miss out on many FDI and export opportunities. Second, the sanctions are causing the US a great loss of credibility on the world stage. Third, the sanctions have not worked and are therefore not worth the effort or opportunity losses they cause. However, Cuba is changing and opening up its economy regardless of the efforts of the US. It is up to the US to decide what role it will play in that change. Understanding that sweeping removal of the sanctions is unlikely, I propose that the US begins by reforming specific measures of related legislation that will lead to the quickest change. These proposals are prioritized based on whether they suit the needs of the most likely reform constituents; they are prerequisites for lifting other legislation later; and they are good sense but low costs ways to prove the US is serious about implementing change.

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<sup>1</sup> "Cuban Claims," *The Joint Corporate Committee on Cuban Claims*, accessed April 27, 2014, [http://www.certifiedcubanclaims.org/understand\\_claims.htm](http://www.certifiedcubanclaims.org/understand_claims.htm).

The rules governing the Cuba Trade Embargo are comprised of a combination of legislation.

Although this section discusses five main pieces of legislation, countless others of smaller scale have been passed and amended over the last 50 years. The first act, the Trading with the Enemy Act of 1917, was originally created under President Woodrow Wilson before WWI in order to restrict trade with countries hostile to the US. The act was meant to apply to countries with which the US was at war; Cuba is the only country to which the act is still applied.

The first policy drafted specifically for imposing economic sanctions on Cuba was the Cuba Assets Control Regulations of 1963. The regulations were created under the Trading with the Enemy Act and are administered by the Department of the Treasury's Office of Foreign Assets Control (OFAC). The act, though not law until the 1990s, was upheld by each successive president. This law is the main statute behind the Cuba Trade Embargo and covers the following general themes:

- **Prohibitions on most exports, imports and other financial transactions with Cuba.**
- Rules on travel of US citizens to Cuba (the Cuban government also imposes similar restrictions travel of Cuban citizens to the US).
- Rules on remittances from US citizens or businesses to anyone in Cuba.
- Rules regarding humanitarian donations to Cuba.
- Restrictions on telecommunications and internet communications.
- Rules disallowing inheritance of finances or property of American citizens to Cuban citizens.

The first category, the prohibitions on imports, exports and other financial transactions will be the focus of this paper because of its great scope and because it is the category in most need of reform. Once these restrictions are amended, the others sanctions can be altered quite easily since they are mostly tertiary methods for preventing financial resources from reaching the Cuban government.

The Trading with the Enemy Act and OFAC's Cuba Assets Control Regulations were the only statutes imposed by the US on Cuba until the fall of the Soviet empire. The US believed that proposing additional pressure on Cuba would guarantee the subsequent collapse of the Castro regime and permit transition to a democratic government since Cuba had lost its rich and powerful protectorate. For that reason, in 1992 the US passed the Cuban Democracy Act, also called the Torricelli Law after a congressman who

initiated the bill. Most notably, this law expanded previous legislation to include sanctions against other countries that provide assistance or do certain business in Cuba. These countries could be refused debt forgiveness or other economic assistance by the US government. An example of the expanded extraterritorial policies included in the law is a regulation that states that ships docked at Cuban ports could not dock at ports in the US for less than 180 days after, regardless of the origin of the products or shipping company. The law also further restricted remittances to Cuba from the US and travel from the US to Cuba. The US added that the Torricelli Law would be upheld until Cuba made a public commitment to hold free and fair elections and to respect human rights and basic democratic freedoms. Cuba would also need to stop providing weapons to non-governmental groups (which it had stopped doing right around the time Torricelli was passed).

In 1982 Cuba was added to the State Sponsor of Terrorism list published by the US. The list was created in 1979 to record countries accused of supporting terrorism. Cuba was added for its support of revolutionary movements in Latin America and North Africa including providing training and weapons. Cuba's most recent action that is used to support its remaining on the list is a hotly debated incident in 1996 when Cuba shot down the planes of Cuban Americans it believed to be spies (this is the incident that preceded the passing of the Helms Burton Act). There are only four countries left on the list: Cuba, Iran, Sudan and Syria. Consequences of being labeled a State Sponsor of Terror include a ban on defense exports, restrictions on US foreign assistance and miscellaneous financial restrictions.<sup>2</sup>

Passed in 1996, the Cuban Liberty and Democracy Solidarity Act, or the Helms Burton Act, was the last major bill to add additional restrictions to the embargo on Cuba. Helms Burton, the most comprehensive and severe act since the Cuba Assets Control Act, further extended extraterritorial

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<sup>2</sup> "State Sponsors of Terrorism," U.S. Department of State; Bureau of Counterterrorism, January 20, 2009, <http://www.state.gov/j/ct/list/c14151.htm>.

actions, or “indirect financing of Cuba”<sup>3</sup>, and provided vast funding for anti-Castro / pro-democracy messaging campaigns and other issues unrelated to economics. Key provisions of Helms Burton include<sup>4</sup>:

- Title I of Helms Burton set into law the provision of the original economic sanctions that had been upheld by executive orders. This has made the legislation nearly impossible to repeal.
- Title II lays out a plan for economic assistance to Cuba along with an extensive list of actions Cuba must fulfill first in order to prove it is transitioning towards a non-Castro led democracy.
- Title III allows US companies and citizens to sue companies or persons who are perceived to have profited by the use of confiscated US property in Cuba. This includes the property of Cuban-Americans who were not US citizens when their property was confiscated.
- Title IV prohibits the entry into the US of individuals who work for companies that have profited from the use of confiscated property in Cuba.

The last major bill passed regarding Cuba, the Trade Sanctions Reform and Export Enhancement Act of 2000, actually loosened some of the restrictions imposed by former laws. Most notably, the law permits the trade of certain agricultural commodities, medicine and medical devices. It also further relaxed policies regarding remittances and travel.

Although the motivations and priorities behind the Cuba sanctions legislation has shifted throughout the last half century, the underlying theme is the goal to prohibit economic transactions between the two countries in order to force regime and policy change in Cuba. The sanctions on Cuba have completely halted any trade of goods, services, and knowledge between the two countries for over 50 years. Assuming an otherwise bustling trade in tourism, agricultural resources and others goods, this great loss of opportunity for trade has been costly for both economies. By 2002, the US was estimated to have lost over 68 billion dollars in economic losses since the beginning of the embargo<sup>5</sup>. Cuba has reported a loss of 70 billion for the same time period<sup>6</sup>.

A useful way to determine the effects of the embargo and how the US should move forward is

<sup>3</sup> “Helms Burton (Cuban Liberty and Democratic Solidarity Act),” accessed April 12, 2014, <http://www.treasury.gov/resource-center/sanctions/Documents/libertad.pdf>.

<sup>4</sup> Ibid.

<sup>5</sup> Tim Bearden, “Helms-Burton Act: Resurrecting the Iron Curtain,” June 2011, <http://www.coha.org/helms-burton-act-resurrecting-the-iron-curtain/>.

<sup>6</sup> Rémy Herrera, “US Embargo against Cuba: Urgent Need to Lift It,” *Economic and Political Weekly* 38, no. 41 (October 11, 2003): 4310–11.

to understand the interests at stake, namely who they are, what they want, and to what level the US should care.

### **Cuban-American interest groups**

Although the composition of the Cuban-American community is starting to shift, this group is largely made up of Cuban exiles who left the island after Fidel Castro took power. Many of these Cubans had suffered maltreatment for their political opposition and had lost substantial property and business holdings in the communist expropriation. These exiles and their families are the strongest supporters of the embargo and still hope that it will cause the fall of the communist government in Cuba. Their expectation is that many of them will return to Cuba and take up their former holdings when a new democratic system, or at least a market-capitalist system, is formed. The Cuban American community has traditionally held a powerful voting bloc in Florida and consequently in the US government.<sup>7</sup>

### **American Business Interests**

American business provided over 60% of the FDI into Cuba before 1960. Cuba, located 90 miles south of Miami, is a convenient destination for American tourists and exports. Cuba also currently imports 75% of their food<sup>8</sup>. This creates a substantial trade opportunity for American farmers. Indeed, since the passage of the Trade Sanctions Reform and Export Enhancement Act of 2000, the US has exported corn, poultry, soy and soy products, animal feeds, pork, wheat and other produce. Although much of this business has gone to the industrial farm operations in the mid-west, smaller agriculture operations are beginning to benefit as well. For example, medium scale apple farms in Virginia exported one million

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<sup>7</sup> \*During the Bush Presidency, there were sixteen Cuban-American members of the Florida state legislator and four in the U.S. House of Representatives. Lissa Weinmann, "Washington's Irrational Cuba Policy," *World Policy Journal* 21, no. 1 (April 1, 2004): 22–31.

<sup>8</sup> Ron Smith, "Cuba Trade Holds Promise for U.S. Agricultural Exports, Texas A&M Economist Says | Markets Content from Southwest Farm Press," *Southwest Farm Press*, accessed April 13, 2014, <http://southwestfarmpress.com/markets/cuba-trade-holds-promise-us-agricultural-exports-texas-am-economist-says>.

dollars' worth of apples to Cuba in 2013<sup>9</sup>. If further legislation reduces the financial and administrative hurdles involved in exporting to Cuba, many more types of farms will benefit. This potential boom to the American farm sector should look attractive to American policy makers who are intimately aware of the need to protect the farm sector<sup>10</sup>.

### **Cuban Government**

While still governed by the same political system controlled by the few remaining leaders of the revolution, the communist party congress and the military, Cuba has recently demonstrated signs of change. Since Raul Castro took the presidential reigns from his brother Fidel in 2008, Cuba has undertaken slow but steady reforms including increasing the types of private businesses allowed in Cuba, reforming some social policies in favor of entrepreneurship, investing in a special development zone in Mariel Cuba, and announcing plans to move to a single currency. These reforms should not be seen as proof that Cuba has intentions of transitioning to a US style democratic capitalist system, but that Cuba might be willing to adapt a more market friendly model of socialism. However, if Cuba does successfully create one currency out of its current backwards dual-currency system, the US should consider this a huge improvement in Cuba's willingness to reform.

### **The United States Government**

The US government is caught between the competing interests of itself and its constituents. At the time the US imposed the embargo on Cuba, the US was doing everything it could to protect itself from the threat of communism. However, times have changed and Cuba is no longer a substantial security threat. The US government's grievance against Cuba has shifted to an insistence on informing internal Cuban politics and human rights practices and fighting the Cuban-exiles' battles regarding reparations of

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<sup>9</sup> Associated Press, "Va. Apple Grower Finds Core Business in Cuba - CBS DC," accessed April 13, 2014, <http://washington.cbslocal.com/2013/01/07/va-apple-grower-finds-core-business-in-cuba/>.

<sup>10</sup>\*There are many reasons for this although creating low skilled job opportunities and ensuring American food security are chief among them.

property. Through crack-downs on indirect financing, the US is still insisting that the rest of the world take up its fight against Cuba while even its own closest allies have loudly condemned the continued use of fierce sanctions and rhetoric. Most American academics and many policy makers view the sanctions to be irrational and outdated. Before political pressure led President Bill Clinton to sign Helms Burton, he privately commented that the sanctions were a failure and should be lifted<sup>11</sup>. The pressure of the Cuban interest groups and others reacting to the spy plane incident had a stronger political pull than reasoned policy.

### **Other Nations' Cuba Approaches**

Countries around the world have varied ways of handling their relationships with Cuba. Although very few support the embargo, many join the US in condemning Cuba's actions regarding human rights. In general though, most countries use sanctions less often than the US. They opt for less extreme policy measures instead. It is useful for those informing potential US policy to study the actions of our allies (specifically Canada, Mexico, and the European Union [EU]). First, Canada has maintained a working relationship with Cuba since 1945. The largest population of tourists to Cuba are Canadian and Canada has operated many businesses in Cuba including mining, oil and hotel operations. Although Canada has consistently mentioned its desire for Cuba to improve political rights, it has never made the wishes a prerequisite to relations. Mexico is the only other country who has kept consistent economic and diplomatic relations with Cuba. Mexico has supported Cuba in regional organizations and allows free travel and commerce to and from Cuba. However, like most Latin American countries, Mexico has wavered in its relations with Cuba due to pressure from the US. Lastly, EU relations with Cuba are determined by the "Common Position" which is an agreement among European states that calls for transition to a pluralist democracy and improvement in human rights and living standards of the Cubans. However, the EU and Cuba share a robust trade relationship wherein the EU is Cuba's largest trading

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<sup>11</sup> "Should the United States Maintain Its Embargo against Cuba?," *ProCon.org*, accessed April 13, 2014, <http://cuba-embargo.procon.org/>.

partner. Much of this investment comes from Spain who has dominated the tourism operations sector in Cuba for the past couple of decades (although Canada is starting to provide strong competition).

## **Part II: Problems**

The embargo against Cuba froze almost all economic and political relations between Cuba and the United States. This standstill has resulted in real consequences for the US while reaping rather unconvincing payoffs.

**1)** The sanctions cause lost opportunities for the US business sector. American industry has missed out on many FDI and export opportunities in Cuba. As mentioned previously, the US already exports some agricultural and medical products but could benefit greatly by opening up to more opportunities. The US pushes policies of free trade throughout the world but, in the case of Cuba, defends antithetical policies that seek to keep many parties, including US firms, Cuban firms and international firms from doing business across borders.

Lost opportunities for US firms are hard to quantify but they affect many active business sectors including causing losses to development services like transport and sugar production; losses in commercial trade that by law circumvents US ports and companies; missed business for international financial services companies based in the US; and missed business for the mechanical spare parts industry.<sup>12</sup> For example, if a US hotel firm purchases a subsidiary in Europe that manages Cuban hotels, the firm must cease the operations in Cuba. This creates obvious disincentive for non-US companies to partner with those in the US should they also be doing business with Cuba. As a second example of real business barriers created by the embargo, US firms who would like to invest in the new Mariel port in Cuba (which is planned to attract many types of foreign and domestic business) are forbidden. This results in US firms missing out on an advantageous port and free trade area on the route through the newly expanded Panama Canal. Lastly, Cuba's economic reforms in the last six years have created

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<sup>12</sup> Herrera, "US Embargo against Cuba."

opportunities for small to medium size businesses in and outside of Cuba. These reforms include expanding the types of legal small businesses, allowing ownership of more types of consumer goods and allowing the buying and selling of real-estate. Since Obama eliminated restrictions on remittances regarding how much and to whom they are sent, remittances are now being used by enterprising individuals as a form of FDI into Cuba's infant private business sector. The relaxation of US import / export restrictions regarding Cuba would expedite and enhance these ventures.

Dissenters to this argument ask how much money realistically can be made in Cuba. Admittedly, the substantial profits for US firms are likely closer to millions of dollars rather than billions. Cuba does not present the same opportunities for the US as other Latin American trading partners like Mexico, with its cheap labor, or Colombia, with its abundant minerals. However, leaving millions of dollars on the table that could benefit the US in the highly competitive agricultural sector and enable creative entrepreneurs who want to partner with Cubans because of a few antiquated political disputes is questionable.

**2)** The sanctions have cost the US a great loss of credibility on the world stage and have caused unnecessary friction between the US and its allies. The US is alone in its continued harsh economic stance against Cuba. The United Nations has almost unanimously voted for end of the sanctions for the last 22 years (only the US and Israel routinely vote against lifting the embargo). The passage of the extraterritorial Titles III and IV of Helms Burton exacerbated international feelings on the sanctions, especially amongst US allies. For instance, Canada and Mexico have complained that Title IV of Helms Burton is in violation of NAFTA agreements regarding freedom of business travel. Both countries have also passed bills that prohibit businesses within their borders of complying with Helms Burton. Furthermore, the EU passed legislation prohibiting companies within the EU of complying and brought a complaint against the US to the WTO. The EU and the US reached a compromise after the US claimed that the WTO does not have the right to review the national security and international policy of its

members. Even though Title III has been waived by every President, including Clinton, and title IV was only implemented once against a Mexican businessman, their very existence undermines the reputation of the US in the international political arena.

**3)** By all accounts on various sides of the issue, the sanctions have not worked. The sanctions did not stop Cuba from partnering with and sustaining a long relationship with the Soviets. They have not caused the Castros to lose power in Cuba and have not resulted in a democratic Cuba. Conversely, many scholars believe that the sanctions have strengthened the Castros' power in Cuba as its terrible economic condition could be blamed on the US embargo rather than poor domestic fiscal management.<sup>13</sup> Additionally, although individual Cubans have suffered greatly under the embargo, black markets and Cuba's social policies have saved Cuba from the kinds of catastrophes that would create strong demand for regime change.

However, all is not lost for those determined to transform Cuba's political system. Many scholars agree that free trade tends to spread democracy. The idea is that as the population becomes more active and invested in the economy, they will become vocal regarding the political decisions that affect their bottom line. Cuba has already made many of the economic reforms the US has been demanding for decades. Last year, Raul Castro called for "civilized" relations with the US.<sup>14</sup> The US needs to reciprocate Cuba's efforts before the hardliners in Cuba who are against reforms can build a convincing argument towards their belief that the US has no intentions or the ability to remove sanctions, regardless of Cuba's actions.

### **Policy Proposal**

Reforming or removing the sanctions on Cuba will be problematic. The first hurdle is the persistent defenders of the status quo. The second is the complicated web of associated legislation. It

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<sup>13</sup> Jorge I. Domínguez, "The Secrets of Castro's Staying Power," *Foreign Affairs* 72, no. 2 (April 1, 1993): 103.

<sup>14</sup> Brianna Lee, "Timeline: U.S.-Cuba Relations," *Council on Foreign Relations*, accessed April 26, 2014, <http://www.cfr.org/cuba/timeline-us-cuba-relations/p32817>.

took fifty years to create the complex situation and could take plenty more time for an already minimally productive US Congress to pass effective reforms. The most straightforward approach to get started on the reforms would be to make the following sweeping changes:

- repeal the Cuban Democracy Act of 1992;
- repeal the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Helms-Burton);
- amend the Foreign Assistance Act of 1961 to repeal the embargo on trade with Cuba;
- amend the Trade Sanctions Reform and Export Enhancement Act of 2000 to remove Cuba from the list of State Sponsors of Terrorism

In reality, democrats in Congress have been proposing bills that include these provisions once every two to five years for the last decade. All, including the Free Trade with Cuba Act of 2007, 2009 and 2011 and the United States-Cuba Normalization Act of 2013 have languished in the foreign affairs committee.

Although this over-arching approach is preferable, it is clearly not working. An alternative to sweeping measures is to find specific priorities for reforms to pass and build upon once they have been proven successful. This one-piece-at-a-time method is the same path that Raul Castro and the 6<sup>th</sup> Party Congress in Cuba have been following with their economic reforms since 2008. It is too early to tell, but Cuba's new policies could prove successful, especially if the US answers in kind.

US agricultural and business interests will eventually have more sway in Washington than traditional Cuban-American interests on the sanctions issue. Since pressure from business lobbyists will be the most effective motivator for substantial change in the government's strategy, policies on Cuba that support their bottom line should be prioritized. For this reason, the limits on travel, imports, exports and financial transactions should be amended first. With these assumptions about US priorities added to an understanding that the sanctions are too intertwined to change some parts without others, the following three reforms should be prioritized.

#### **First three steps:**

First, the US must build upon the reforms in the Trade Sanctions Reform and Export Enhancement Act of 2000. Allowances for the export of certain foods, medicines and medical equipment

should be expanded to include products required for small businesses such as mechanical parts for old cars and machinery, electronic products and additional types of over the counter medicines. Currently, the few legal commodities can only be paid in cash (up front) through 3<sup>rd</sup> party countries.<sup>15</sup> The law should be modified to allow some controlled credit and debit transactions through US financial institutions (this modification is currently restricted by Cuba's placement on the State Sponsor of Terror list). The export enhancement act already allows travel for educational purposes and should be expanded to allow business travel. Lastly, adding some allowances for imports, some goods from Cuba should be discussed as a signal of seriousness regarding the US's free trade principles.

The second area in which to focus reform is to put the power to add or remove sanctions, including export controls, back in the hands of the President. The influence of special interests on Congress, in this case the Cuban-American lobby, over the wider policy interests of the government is too strong. Omar Sanchez aptly describes the situation as US foreign policy being held hostage by domestic interest groups.<sup>16</sup> Even as the desire to lift some or all of the embargo grows more prevalent in the general public and policy circles, it might still be all but impossible to get through Congress. Indeed, the argument against allowing the President to control sanctions policy is that this may give him too much control over important economic issues. Although there might be some merit to this argument, this responsibility was handled by the President for years without overreach and ultimately, the sanctions issue is mainly a question of foreign policy that has always been under the purview of the President.

Third, Cuba should be removed from the US's list of State Sponsors of Terror. This would free the US agriculture and medical industries to export more to Cuba. It would also allow the US to facilitate transactions to and from Cuba including those needed to order Cuban visas. Once banks are free to do

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<sup>15</sup> "Trade Sanctions Reform and Export Enhancement Act of 2000," accessed April 26, 2014, <http://www.treasury.gov/resource-center/sanctions/Documents/tsra.pdf>.

<sup>16</sup> Omar Sanchez, "The Sanctions Malaise: The Case of Cuba," *International Journal* 58, no. 2 (April 1, 2003): 350, doi:10.2307/40203845.

business across borders, Americans will start pushing the boundaries on travel to Cuba until they are diminished or removed. Although sending remittances to Cuba has already become relatively seamless since the Trade Sanctions Reform and Export Enhancement Act of 2000, the loosening of banking restrictions will further facilitate ease and volume. Arguments against removing Cuba from the list claim that the list holds accountable those that sell weapons to terrorists or harbor terrorists and that removing them from the list will remove necessary pressure. However, a better way to sanction sponsors of terrorism is to specify and revoke businesses rights to particular individuals involved. This method is already used by the much more refined Specially Designated Nationals list that is managed by the Treasury's Office of Foreign Assets Control.<sup>17</sup>

The fourth thing the US should do is improve relations with Cuba. Although economic reforms will be priority for US policy, Cuba is unlikely to expedite their reforms that are vital to American business success until the US eliminates the other controversial legislation. One of the easiest and most effective ways the US can send a sign it is serious about improving relations is to negotiate a prisoner swap with Cuba. The US would release the Cuban Five (now four) who have been in US prisons for over fifteen years and Cuba would release US contractor Alan Gross. All parties have been accused of spying by the opposite government.

**Additional important reforms:**

After implementing the slightly less polemic economic and diplomatic policies above, the second area of the embargo to focus on is the 1990s legislation: the Cuban Democracy Act and the Cuban Liberty and Democratic Solidarity Act. Any language regarding the requirement for Cuba to become democratic should be removed. This is not realistic and not consistent with US treatment of other socialist governments. Additionally, the requirement that Cuba not have a leader from the Castro family

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<sup>17</sup> Molly McCluskey, "The United States' 'Outdated' Terror List," *Aljazeera Online*, January 26, 2014, <http://www.aljazeera.com/indepth/features/2014/01/united-states-outdated-terror-list-20141267333982434.html>.

should be allowed to expire. Not only is this extreme overreaching into the affairs of another state, each successive leader is different; Raul Castro has already proven himself to be less polemic and more reform-minded than Fidel. Indeed, Raul is listening to his economic advisors and implementing the types of policy the US favors like voluntarily consulting the World Bank on currency reform and loosening restrictions on the private business sector.

Implementation of well-known plans to insert Cuban-Americans who have been vetted by the US into Cuban leadership is wrong-headed and would be a disaster. These people have been born or raised in the US and are unfamiliar with on-the-ground concerns and would not enjoy the support of the majority of Cuban citizens. These policies ignore the fact that the Castros came to power under widespread support.<sup>18</sup> Despite Cuba's poor economy, the country has seen vast social improvements in health care and education under the Castros. Furthermore, language demanding payments for confiscated property must refer to a detailed plan that is actually feasible. The policy should refer to former experiences with reparations discussions in Vietnam which did not result in reparations from the US but instead served as a basis for larger negotiations.

All extraterritorial language such as Titles III and IV of Helms Burton and the shipping controls in Torrecelli should also be removed. As mentioned above, it is rarely applied and unfortunately reaffirms the reputation that the US unnecessarily involves itself in the affairs of other nation states. Notwithstanding these suggestions, ideally the whole of Helms-Burton should be repealed as current Congressional Democrats seek.

All of the previous policy suggestions are not without controversy and dissenters. Just as there are many parties who will benefit by limiting the sanctions, there are others who are benefiting by the status quo such as development contractors funded under the Helms Burton Act. However, even the

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<sup>18</sup> Sanchez, "The Sanctions Malaise," 356.

strongest defenders of the current policies against Cuba, like the Cuban American National Foundation, endorse expanding some financial services through remittances and micro-finance institutions to Cuba<sup>19</sup>

Cuba, Russia and US' closest allies are moving to more dynamic unilateral trade and political relationships with or without the US. If the US is concerned about losing its status as an economic and political powerhouse, outdated policy must be rectified. In the case of the Cuba sanctions where the US is costing itself and its constituents economic opportunity and political credibility for no distinguishable payoff, the need for policy change is clear. As we have seen in this paper, scholars, policy makers and even Presidents agree that the sanctions on Cuba should be removed; only the US political system stands in the way. Cuba has set an example for the US to follow; if sweeping change is impossible, one piece at a time is preferable to doing nothing. Either way, now is the time for the US government to get moving on real policy changes and diplomatic action.

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<sup>19</sup> "Cuban American National Foundation | About Us," accessed April 6, 2014, <http://www.canf.org/about-us/>.

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