

11-29-2001

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### Recommended Citation

LADB Staff. "Hurricane Michelle Pushes Cuba to Trade." (2001). <https://digitalrepository.unm.edu/noticen/8908>

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## Hurricane Michelle Pushes Cuba to Trade

by LADB Staff

Category/Department: Cuba

Published: 2001-11-29

Hurricane Michelle hit Cuba Nov. 4 and did extensive damage to crops and to Cuba's infrastructure. Rather than accepting US disaster-relief aid, the Cuban government has opted to purchase food, medicine, and other supplies under terms of last year's revamped embargo rules. Calling the deal a one-time expedient, both sides say there is no change in either country's policies. That would mean Cuba would not buy anything else from the US and the US would not take this exceptional transaction as a first step in normalizing trade relations.

The storm, carrying winds in excess of 250 km per hour, destroyed a large number of sugar mills just as the harvest got underway and caused extensive crop damage. It did the most damage in Matanzas, Villa Clara, and Cienfuegos provinces and in the city of Havana. In western and central Cuba, telephone and electrical services were out for several days. Five people were reported killed.

President Fidel Castro announced Nov. 17 that 100,000 houses had been damaged and 700,000 people had been evacuated. The official government newspaper Granma reported that hundreds of government installations were damaged or destroyed and 179 buildings collapsed in Havana. Some 1,500 schools were damaged and 50 destroyed. Vice President Carlos Lage said the damage was greater than from any storm since the Castro government came to power in 1959.

### *US offers to assess damage in Cuba*

On Nov. 7, the US government offered assistance. State Department spokesman Richard Boucher said, "The United States is ready to reach out to help the Cuban people if we can be of assistance in helping them recover from the hurricane." White House spokesman Ari Fleischer confirmed the offer. But the offer as outlined in the State Department note of Nov. 7 was not for direct aid but to send a team of three experts to help estimate the damage.

Philip Reeker, deputy State Department spokesman, acknowledged during a Nov. 15 news conference that the offer was for a Foreign Disaster Assessment team only. But the assessment was "to determine the possibility of providing appropriate humanitarian assistance to the Cuban people." Any shipment of food or medicine was made contingent on terms consistent with current US policy on trade with Cuba: it would have to be distributed in Cuba through intermediaries to ensure the aid got to the Cuban people. But government spokespersons said they knew of no such intermediaries.

The conventional view in the US government and among the Cuban-exile community on US aid shipments is that Cuban government officials would divert the aid to government use, selling it for dollars to foreigners in spas, plastic-surgery clinics, and the like or keeping it for themselves. After Hurricane Lili in 1996, the Cuban-exile community took the same stance when the Catholic Charities organization of the Miami archdiocese began a drive to collect private aid donations.

Julio Cabarga, an officer of the exile group Cuban Municipalities in Exile, participated in the 1996 relief effort. But he told the South Florida Sun-Sentinel that he would not join any relief effort this time. "Count me out," he said. Most of the 1996 donations were confiscated by the Cuban government and sold in dollar stores, Cabarga said. The aid question split the exile community, as the Cuban American National Foundation (CANF) supported it and Florida Republican Reps. Ileana Ros-Lehtinen and Lincoln Diaz-Balart opposed it. Thomas Wenski, who heads Catholic Charities, accompanied the aid shipment to Cuba. Both he and the State Department monitored the delivery and said there was no evidence the aid had been diverted by Cuban authorities (see NotiSur, 1996-11-22).

### *Cuba says it wants to buy*

Responding to the US note on Nov. 8, the Cuban Foreign Ministry said the US had never in 40 years made a direct offer of this kind and called the note "kind and respectful." But Cuba politely declined the offer of damage-assessment experts, saying assessment work was already underway. Instead, the note asked that President George W. Bush's administration permit the direct sale of food and medicine to Cuba. The Cuban response acknowledged that such sales would be "an exceptional circumstance" because of the US economic embargo, but said "speedy purchases," with Cuban ships loading them in US ports, would help to restock dwindling supplies. Cuba offered to pay cash in US currency.

Acceptance of any US aid would have reversed the 1998 Cuban position that rejected food aid offered by the US through the UN Food and Agriculture Organization (FAO) to relieve scarcities in eastern Cuba (see EcoCentral, 1998-09-17). Under the arrangements now being worked out between the two governments, the transaction would not be aid but rather commercial sales for cash. But that too would be something of a policy reversal since Castro angrily denounced the tight restrictions Congress imposed on such sales in 2000. Current US law bans any commercial credits to Cuba. The Cuban government vowed never to buy anything not even an aspirin from the US as long as those terms were in place (see NotiCen, 2000-11-16).

On Nov. 11, the Department of Agriculture set the value of the purchases requested at US\$30 million, although Cuban authorities estimated it would be somewhere between US\$3 million and US\$10 million. The request included wheat, corn, soybeans, flour, chicken, pork, and medicines. By late November, Cuba had signed purchase contracts worth US\$20 million with US suppliers Archer-Daniels-Midland, Cargill, and Riceland Foods. Castro said that talks to work out the details with Commerce, State, and other US government departments were underway.

John Kavulich of the New York-based US-Cuba Trade and Economic Council said several executives from other US firms were going to Havana in search of additional sales. Kavulich told Reuters news agency that executives from Gold Kist, Tyson Foods, Perdue Farms, and ConAgra Foods would discuss sales with Cuban government food importer Alimport. He said these firms were looking for contracts to sell US\$6.7 million worth of chicken and other products.

The US refused to allow Cuban ships to pick up the cargo at US ports, pointing out that under current law, the ships could be confiscated. Castro agreed to allow US ships to make the deliveries,

which are expected to begin sometime in December. Effects of sales on bilateral relations weighed Castro called the trade deal a one-time arrangement, and neither country has suggested it means a change in the embargo policy. However, Castro said, "We hope for a continual lessening of the obstacles that exist and that one day the blockade will disappear."

Foreign Minister Felipe Perez Roque said that trade relations between the two countries "could not be dependent on hurricanes" but on the will of the US government to change its policies. "The day there is a government in the United States that formulates a policy toward Cuba based on the interests of the North American people, of its businesses and its farmers, we will not need hurricanes for these transactions."

An unnamed State Department official told the media that the sales did not mean a lifting of the embargo. "There is no new era," said the official. Despite the denials that the trade deal implies a change in relations, there is considerable speculation in the media that the historic transaction could lead to further breakthroughs. One European diplomat told Reuters, "I'm telling my government this could be the beginning of the end of the embargo, and they had better start considering other products than food to sell to Cuba." Americans For Humanitarian Trade with Cuba (AHTC), a national coalition that includes several prominent moderate Republicans, announced its support of the sales.

In direct contradiction to the conventional wisdom that food and medicine must go directly to the Cuban people through intermediaries, Craig Fuller, an aide to former President George Bush when he was vice president, said, "Working with the Cuban government is the best way to achieve our mutual goal of getting supplies to the people who need them without delay."

### *Why does Cuba want trade instead of aid?*

Some US officials seemed puzzled at why Cuba would prefer to pay for food and medicine instead of receiving them free as disaster aid. Pamela Falk, a law professor at the City University of New York, suggested that the Castro government wanted to rekindle US agribusiness interest in Cuba. She said that Cuba's refusal last year to buy had disheartened US agricultural interests. "The US agribusiness lobby threw up its hands to some extent," said Falk. "It was a face-saving way out for the Cuban government to modify its policies on purchases of food."

On the other hand, Rep. Diaz-Balart interpreted Castro's decision to buy under the restrictions imposed last year as an admission that his attempt to force changes in the law had failed. "It's a tremendous about-face based on desperation by Castro," he said. "He wants to convey the impression to the Cuban people and those around him that there's movement from President Bush on the embargo."

Former CANF spokesperson Ninoska Perez doubted the food would reach the Cuban people. She said the trade deal was a tactic to get the embargo relaxed. "This has nothing to do with aid to the Cuban people."

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