Cuba denounces continued US enforcement of embargo

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On February 28, the United States Treasury Department's Office of Foreign Assets Control announced it had reached settlements with several companies, including two Cayman Islands-based subsidiaries of the giant US oilfield services company Halliburton, over violations of the more than half-century-old US economic embargo against Cuba.

Josefina Vidal, Director General of the United States in the Cuban Foreign Ministry, took to Twitter to say that "strict implementation of the blockade continues, US imposes new fine, now vs Halliburton," later saying that the embargo continues to be the "principal violation of human rights" of Cubans.

Under the agreement, Halliburton has agreed to pay $304,706 for actions undertaken by its subsidiaries in Angola in 2011. Halliburton had provided goods and services for oil and gas exploration and drilling to an Angolan oil and gas drilling consortium in which Cuba's state-owned oil company Cuba Petroleo maintains a miniscule 5 percent ownership stake.

Other companies receiving fines included the French-owned CGG Services and its Venezuelan subsidiary, Veritas Geoservices. Despite both companies being non-US companies, they agreed to pay $614,250 for having used spare parts, equipment and other goods of US-origin while working on Cuban offshore oil projects. Cuba's Foreign Ministry complained that this confirmed the "extraterritoriality" of the embargo which has a "deterrent effect not only on foreign entities but also on U.S. ones."

Although the violations named so far refer to activities undertaken before the normalization of diplomatic relations between the US and Cuba that went into effect on December 17 of last year, the nearly 55-year embargo remains largely in effect. The Cuban government has stated that the continued sanctions are "incongruous in the current context of relations between the two countries and corroborates that to move forward toward normalization of bilateral ties it is essential to lift the blockade."

Embargo limitations remain in place despite a well-publicized easing of some restrictions, such as the resumption of commercial airline flights. The Commerce Department also issued new rules in January allowing certain kinds of exports in cases where it says the "Cuban people stand to benefit," but these still require authorization on a case-by-case basis. Based on already loosened restrictions, the Commerce Department issued 490 authorizations in 2015 for US companies to do business in Cuba, worth up to $4.3 billion.

While there has been a major push for an end to the embargo from large US corporations who are eager both to exploit Cuba's educated and cheap labor force and to sell into a market with deep needs for goods and infrastructural improvements of all kinds, ending it would require legislative action from the US Congress, where the Republican leadership is largely opposed to such a move.

The steady drumbeat towards an end to the embargo has been picking up, however, with more and more corporate sectors salivating at the possibility of entering into an economic space where sections of US businesses would have no real competition. Some of the most vocal so far have been the largest agribusiness giants, including ADM and Cargill, which have organized themselves as the US Agriculture Coalition for Cuba (USACC).

Caterpillar recently named Rimco, a Puerto Rican company, as its dealer in Cuba in anticipation of an end to the embargo. Philip Kelliher, vice president of the company's Americas & Europe Distribution Services

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division said, “Cuba needs access to the types of products that Caterpillar makes and, upon easing of trade restrictions, we look forward to providing the equipment needed to contribute to the building of Cuba’s infrastructure.”

For its part, Cuba is in a hurry to normalize relations with the United States due to its own perilous financial situation and the crisis overtaking its main source of foreign aid, Venezuela. Venezuela has for years been propping up the Cuban economy through subsidized shipments of oil, but its ability to provide oil through this relationship has been undermined severely by the fall in oil prices. A Barclays report based on the tracking of oil tankers by Petrologistics estimated that shipments of oil from Venezuela to Cuba have fallen from 99,000 barrels per day in 2012 to 55,000 barrels per day, though the Venezuelan government has denied that any substantial drop has occurred.

Given its desire to lift the embargo’s restrictions on the penetration of the Cuban economy by US capital, the government of President Raul Casto is prepared to defend the actions of Halliburton, one of Yankee imperialism’s most sordid actors. Halliburton, whose CEO from 1995-2000 was former US Vice President Dick Cheney, was intimately involved in the criminal invasion and occupation of Iraq from 2003 on. Halliburton was famously awarded a $7 billion dollar no-bid contract prior to the start of the war, as part of the carving up of Iraq’s oil industry.

Washington’s continued acts of enforcement make clear that the US government intends to approach any further negotiations toward an end to the embargo with a clear message that Cuba stands in a decidedly subservient relationship to its larger neighbor.

For its part, the Castro government has decided that the only way it can continue its privileged position in Cuban society is to turn to American imperialism and attempt to transform Cuba’s economy along Chinese lines—that is, brutal capitalist exploitation overseen by a Stalinist police-state infrastructure.

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