

Anti-Cuba Legislation in U.S. Angers

By Anne Swardson
Washington Post Foreign Service

TORONTO, Feb. 29—The relative harmony of Canada's relations with the United States has long been marked by a glaring exception: Cuba.

Unimpeded by the U.S. embargo, more than 100,000 Canadian tourists fly to Cuba's beaches every winter, where they can drink Canadian beer at their hotels, and dozens of Canadian businesses sell to or buy from Cuba. Tobacco stores here prominently feature Cuban cigars; the largest foreign investor in Cuba is a Canadian company. The two nations enjoy full diplomatic relations.

So it was with anger and frustration that Canada responded today to anti-Cuba legislation agreed to Wednesday by congressional negotiators and the White House. The bill would allow litigation against Canadian and other foreign firms that do business with Cuba, subject to presidential waiver, and potentially restrict entry into the United States by executives of those companies.

The feeling here is that the United States is imposing its own political agenda on third countries whose tourists and businesses were acting in full compliance with

their own laws. Sympathy was expressed over the shoot-down of two private American planes and the loss of four lives, but Canadian officials implied that it was not their problem.

"If the United States wants to get at Cuba, that's one thing," Trade Minister Art Eggleton said. "But what they are doing here is contrary to the relationship we have had with them and it is a violation of NAFTA," the North American Free Trade Agreement.

Foreign Affairs Minister Lloyd Axworthy said in a telephone interview that Canada was not happy about being "slam-dunked" by the bill, and that he and Eggleton would take it up with their American counterparts in previously scheduled Washington meetings over the next two weeks.

"It contravenes the basic understandings our countries work on," he said. "We are working together in a lot of [forums], and all of a sudden this comes out of left—or I guess it's right—field."

The Globe and Mail of Toronto, Canada's leading newspaper, said today that the United States "risks breaking international law." An editorial on the same bill last April called its co-sponsor, Sen. Jesse Helms (R),

"Brontosaurus from North Carolina" and said, "There is no reason on Earth why Canada should tug its forelock and, like some Caribbean fly-speck, defer to the United States on this matter."

Companies that do business with Cuba

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were hopeful today that the Canadian government would protect their interests.

"We are very disturbed by this legislation," said James Moore, vice president for policy of the Canadian Exporters Association. "People are saying if Canada tried to enact legislation that had an extraterritorial impact on the United States, you can imagine what would happen."

"The ink won't be dry on these provisions before the international community registers that this is not acceptable," said Patrice Merrin Best, spokeswoman for

Island-Friendly Canada

Sherritt International Corp., which is involved in nickel-mining, oil, gas, tourism and agriculture in Cuba.

Sherritt, believed to be the largest foreign investor in Cuba and one that maintains a high profile on the island, last year tried to mute the impact of the pending legislation by spinning off all its Cuban business into an entirely separate company.

It is not clear if the restructuring would exempt Sherritt from the legislation's provision allowing Americans, including naturalized Cubans, to sue the U.S. branches of international firms that buy, expand or improve Cuban property expropriated after the 1959 revolution that brought Fidel Castro to power. There are other confusing elements of the legislation as well. For instance, it would deny U.S. entry visas to those who "traffic" in expropriated Cuban property, but Canadians do not need visas to enter the United States.

In addition to Sherritt, there are 33 other Canadian company names on a list dubbed "Cuba's Hall of Shame" by proponents who brandished it about during negotiations on Capitol Hill Wednesday. For most, business with Cuba is one part of larger international operations. Toronto-based Delta Hotels and

Resorts, for instance, manages and operates five resorts, a tour business and a hotel in Cuba as part of 34 hotels worldwide that it manages. The Cuban hotels are not on expropriated property.

Also on the list is Labatt International, which for several years has shipped its popular Labatt Blue and Labatt Ice brands of beer to an agency that distributes it in tourist hotels. Sales are not large, but "it's a nice little market," spokesman Paul Smith said. Canada exports about \$137 million in goods to Cuba each year and imports about \$216 million, much of it such raw materials as nickel and sugar that come here for processing.

Maintaining relations with Cuba helps Canada distance itself from the United States somewhat, a desirable goal for domestic political reasons, according to Charles Doran of the Canadian Center at the Johns Hopkins School for Advanced International Studies in Washington. Although Prime Minister Jean Chretien has made no overt overtures to Cuba, he has reached out to other Caribbean and South American countries in an effort to expand trade and dilute the influence of the United States in the region.