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TRADE WITH CUBA

GOVERNMENT

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HEARINGS  
BEFORE THE  
COMMITTEE ON  
INTERSTATE AND FOREIGN COMMERCE  
HOUSE OF REPRESENTATIVES  
EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 8465

A BILL TO PROHIBIT THE SHIPMENT IN INTERSTATE OR  
FOREIGN COMMERCE OF ARTICLES IMPORTED INTO THE  
UNITED STATES FROM CUBA, AND FOR OTHER PURPOSES  
(AND IDENTICAL BILLS)

H.R. 8866

A BILL TO PROHIBIT THE SHIPMENT IN INTERSTATE OR  
FOREIGN COMMERCE OF ARTICLES IMPORTED INTO THE  
UNITED STATES FROM CUBA, TO PROVIDE PENALTIES  
FOR SUCH SHIPMENT, AND FOR OTHER PURPOSES

(  
AUGUST 29 AND SEPTEMBER 1, 1961

Printed for the use of the  
Committee on Interstate and Foreign Commerce



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## TRADE WITH CUBA

TUESDAY, AUGUST 29, 1961

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,  
Washington, D.C.

The committee met at 10 a.m., in room 1334, House Office Building, Hon. Oren Harris (chairman) presiding.

The CHAIRMAN. The committee will come to order.

The Committee on Interstate and Foreign Commerce is meeting this morning for hearings on H.R. 8465 and related bills to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, or intended for export to Cuba.

This bill was introduced by our colleague on the committee, Mr. Rogers of Florida.

Without objection, the text of H.R. 8465 will be included in the record at this point.

(H.R. 8465 follows:)

[H.R. 8465, 87th Cong., 1st sess.]

A BILL To prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no person shall introduce or deliver for introduction into interstate or foreign commerce any article imported into the United States from Cuba on or after the date of enactment of this Act.*

(b) From and after the date of enactment of this Act, no person shall introduce or deliver for introduction into interstate or foreign commerce any article intended for export to Cuba.

(c) The provisions of this section shall not apply with respect to articles imported from Cuba, or intended for export to Cuba, by or on behalf of the United States in connection with the operation of any military or naval base of the United States situated in Cuba.

SEC. 2. As used in this Act, the term "interstate or foreign commerce" means commerce between a point in any State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) and any point outside thereof, or between points in the same State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) through any point outside thereof.

The CHAIRMAN. Related bills, upon which we are also holding hearings, are as follows: H.R. 8503 by Mr. Casey; H.R. 8546 by Mr. Fascell; H.R. 8644 by Mr. Slack; H.R. 8645 by Mr. Teague of California; H.R. 8689 by Mr. Halpern; H.R. 8791 by Mr. Glenn; H.R. 8794 by Mr. Hemphill; H.R. 8801 by Mr. Staggers; H.R. 8827 by Mr. Roberts; H.R. 8828 by Mr. Williams; H.R. 8848 by Mr. Devine; H.R. 8896 by Mr. Flynt; H.R. 8903 by Mr. Hull; and H.R. 8917 by Mrs. Norrell.

H.R. 8866 by Mr. Edmondson and H.R. 8986 by Mr. Dominick are similar bills, but provide penalties. H.R. 8866 will be included in the record at this point.

(H.R. 8866 follows:)

[H.R. 8866, 87th Cong., 1st sess.]

A BILL To prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, to provide penalties for such shipment, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That (a) no person shall introduce or deliver for introduction into interstate or foreign commerce any article imported into the United States from Cuba on or after the date of enactment of this Act.

(b) From and after the date of enactment of this Act, no person shall introduce or deliver for introduction into interstate or foreign commerce any article intended for export to Cuba.

(c) The provisions of this section shall not apply with respect to articles imported from Cuba, or intended for export to Cuba, by or on behalf of the United States in connection with the operation of any military or naval base of the United States situated in Cuba.

SEC. 2. As used in this Act, the term "interstate or foreign commerce" means commerce between a point in any State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) and any point outside thereof, or between points in the same State or possession of the United States (including the District of Columbia and the Commonwealth of Puerto Rico) through any point outside thereof.

SEC. 3. Whoever violates subsection (a) or subsection (b) of the first section of this Act shall be fined not more than \$10,000, or imprisoned not more than one year, or both.

The CHAIRMAN. The record also will include agency reports on all of these bills.

I have a report from the Department of State which is adverse; from the Department of Commerce, which is also adverse; we have one from the Central Intelligence Agency with no comment regarding their position.

(The letters referred to follow:)

DEPARTMENT OF STATE,  
Washington, August 28, 1961.

HON. OREN HARRIS,  
Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives.

DEAR MR. CHAIRMAN: I refer to your letter of August 3, 1961, transmitting three copies of H.R. 8465, a bill introduced by Representative Rogers which, if adopted, would prohibit trade between the United States and Cuba.

You will recall that the U.S. Government in fulfilling its responsibility to insure a reliable source of sugar took the major step last year of eliminating imports of Cuban sugar which constituted over 70 percent of Cuba's normal exports to the United States. Controls over exports to Cuba were also instituted last year, effective October 20, barring all shipments of U.S. goods to that country except for certain nonsubsidized foodstuffs, medicines, and medical supplies. Thus, in comparison with 1958, the year prior to Castro's assumption of power, when U.S. exports to Cuba totaled \$546.2 million and U.S. imports from Cuba totaled \$527.8 million, the current annual rate of exports and imports is about \$20 and \$30 million respectively.

Although the volume of trade with Cuba has been reduced drastically, I can assure you that the Department remains deeply concerned that the hostile Castro regime continues to obtain dollar income from sales of Cuban exports in the United States. As you know, existing legislation provides broad authority to accomplish the aim which would be achieved by passage of the legislation proposed by Representative Rogers. The Department feels, therefore, that H.R. 8465 is unnecessary.

The administration has under consideration measures which, if applied, would result in an embargo on U.S. trade with Cuba. I shall be pleased to communi-



cate to you as soon as possible any further developments with respect to this matter.

The Department has been advised by the Bureau of the Budget that, from the standpoint of the administration's program, there is no objection to the submission of this report.

Please do not hesitate to call on us if we can be of any further assistance.

Sincerely yours,

BROOKS HAYS, *Assistant Secretary.*

---

THE SECRETARY OF COMMERCE,  
Washington, D.C., August 28, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department with respect to H.R. 8465, a bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba and for other purposes.

This bill would embargo all imports from and exports to Cuba from the date of its enactment.

Based on data for the first 6 months of 1961, U.S. imports from Cuba are running at an annual rate of about \$30 million. Unmanufactured tobacco, largely for use by the Tampa cigar industry, accounts for over 60 percent of the total. U.S. exports to Cuba are severely limited by exports controls. In the first 6 months of this year they were valued at \$12.5 million, but declined rapidly as the period advanced and were less than half a million dollars in value in June. It is doubted whether total exports to Cuba in 1961 will be much greater than \$15 million.

Under existing law the administration has discretionary authority to limit or ban trade with Cuba. The Cuban situation is being given earnest and continuous study with a view to adapting the policies followed under presently existing law to changing circumstances.

As the committee is aware, changes are constantly occurring not only in the Cuban scene but in the world at large. It is highly desirable that our policy be quickly adaptable as changing circumstances may require.

For these reasons it is the view of this Department that it would be better not to limit by legislation of the character before the committee the present flexible authority of the President to deal with the question of Cuban trade.

The Bureau of the Budget has advised there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,  
*Under Secretary of Commerce.*

---

CENTRAL INTELLIGENCE AGENCY,  
Washington, D.C., August 8, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. HARRIS: You have requested our views on H.R. 8465, a bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes. This bill would prohibit the introduction into foreign or interstate commerce of any article intended for export to Cuba and any article imported into the United States from Cuba.

The Central Intelligence Agency has no policymaking or internal security functions. We, therefore, believe it inappropriate to comment on the proposed bill.

The Bureau of the Budget advises that there is no objection to the presentation of this report.

Sincerely,

JOHN S. WARNER, *Legislative Counsel.*



(Further reports and statements received follow:)

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., September 7, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,*  
*House of Representatives,*  
*New House Office Building,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of August 11, 1961, for comments on H.R. 8465, a bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes. For the reasons set forth in the report of the Department of State on this bill, the Bureau of the Budget recommends against its enactment.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*

DEPARTMENT OF THE TREASURY,  
August 29, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,*  
*House of Representatives,*  
*Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 8465, to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes.

Since the subject matter of the proposed legislation relates primarily to the conduct of our foreign relations, the Department defers to the views of the Department of State with respect to its general merits. However, the Department would be glad to furnish any technical assistance or advice with respect to existing authority of the Treasury in this area which may be desired by your committee in connection with its consideration of the bill.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

ROBERT H. KNIGHT, *General Counsel.*

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,  
Washington, D.C., September 11, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,*  
*House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense with respect to H.R. 8465, 87th Congress, a bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes.

H.R. 8465 proposes to stop all imports into the United States from Cuba and all U.S. exports to Cuba by prohibiting from the date of enactment any sale or purchase of such goods in the United States. Imports or exports by or on behalf of the United States in connection with the operation of any military or naval base of the United States situated in Cuba would not be affected.

The present situation is that exports from the United States, except food and certain medical supplies, are controlled and the imports of sugar from Cuba are cut off. The chief remnants of the once substantial two-way trade are U.S. imports of Cuban tobacco, industrial molasses, and fresh pineapples. If all trade with Cuba were cut off, the economic effects would be felt by certain U.S. industries but they would be insignificant to the United States as a whole. The economic effects on Cuba might well be serious food shortages there.

Inasmuch as H.R. 8465 is primarily concerned with foreign policy, the Department of Defense defers to the Department of State with respect to its enactment.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

CYRUS R. VANCE.

U.S. DEPARTMENT OF JUSTICE,  
OFFICE OF THE DEPUTY ATTORNEY GENERAL,  
Washington, D.C., September 12, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives,  
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H.R. 8465) to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes.

The bill would prohibit the introduction, or delivery for introduction, into interstate or foreign commerce of any article imported from, or intended for export to, Cuba, other than articles imported or exported by or on behalf of the United States in connection with the operation of any military or naval base situated in Cuba.

The licensing and control of exports and imports are authorized under several statutes. The Export Control Act of 1949 (50 U.S.C. App. 2021 et seq.) authorizes control of exports generally. The Mutual Assistance Act of 1954 (22 U.S.C. 1934) authorizes the control of exports and imports of arms, ammunition, and implements of war. And the Trading With the Enemy Act (50 U.S.C. App. 5) authorizes broad controls over transactions with foreign countries and their nationals. In each case the imposition of controls rests in the discretion of the executive branch, to be exercised in accordance with standards laid down by Congress and with changing considerations of international relations and military strategy. Violation of each of the foregoing statutes is a criminal offense. In addition, the President has broad powers, under 22 U.S.C. 401, to prevent unlawful exports by seizure of the articles and any vessel or vehicle containing them. The bill would deprive the President of the flexibility over the conduct of foreign relations which is needed under present conditions.

Also, the bill would present difficult problems of proof. Unless subsection (a) were interpreted as limited to cases where the defendant had or is chargeable with knowledge that the article had been imported after the date of enactment of the measure, it might present constitutional questions, compare *Tot v. United States*, 319 U.S. 463. Proof of such knowledge, however, would be difficult, and in many cases impossible.

Accordingly, the Department of Justice is unable to recommend the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,  
*Deputy Attorney General.*

The CHAIRMAN. We want to go ahead at this time and expedite the hearings as much as we can since the time we have is limited.

We observe we have several colleagues here who are interested in this legislation. It might be well if we gave just a few minutes to each of them to express their positions.

Since Mr. Rogers of Florida introduced the first bill we shall be glad to hear from him for a brief comment.



STATEMENT OF HON. PAUL G. ROGERS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

Mr. ROGERS of Florida. Thank you very much, Mr. Chairman, for the opportunity of presenting my views on the legislation now under consideration, H.R. 8465, a measure which I introduced after much deliberation. I am hopeful that once the facts showing the need for such a measure have been presented to the committee, favorable action will then occur.

The purpose of H.R. 8465 is clear: it is a step which logically follows the action already taken by the United States in its present policies with Cuba. This bill will prohibit any exchange of articles between the United States and Cuba, excluding those destined for U.S. military use at the Guantanamo Naval Base in Cuba. In effect, this bill will establish a complete economic boycott. I plan to offer two amendments. One would be a penalty amendment and another would be a termination amendment.

The island of Cuba is located, as you well know, just 90 miles from the U.S. mainland. It has a population of approximately 6 million people and has been a true geographical and cultural link between the United States and Latin America.

Since the start of this century, United States has enjoyed friendly and cooperative relations with the Cuban people. U.S. industry, expressing confidence in the Cuban people and showing faith in their governments, has over the past 50-odd years made substantial investment in Cuba. The industrial might of the United States was shared with Cuba as major domestic corporations built factories in Cuba similar to those located here in the United States. It provided numerous jobs to Cubans.

In 1951, during the height of the Korean conflict, a meeting of the Organization of American States was called in Washington to consider the undermining influence of international communism. Though at that time there was no immediate threat of communism in this hemisphere, the United States, Cuba, and the other 19 members of the OAS adopted a pledge of united resistance against Communist encroachment in the Western Hemisphere.

This pledge was reaffirmed in the Caracas Agreement of 1954.

Yet today Communist encroachment in this hemisphere is a cold fact. International communism has turned the island of Cuba, only 90 miles south of the U.S. mainland, with its 6 million friendly people, into a police state nightmare.

When Fidel Castro and his band of guerrillas were operating in the Oriente Province of Cuba in 1958, the accusations that he was a Communist were considered only rumor. The whispers of his Communist affiliations grew louder when he marched triumphantly into Havana. Shortly after taking power, however, the fears of the free people of this hemisphere were calmed when Castro's early television appearances denied his Communist affiliation.

Shortly after his taking power, the Castro government began a ruthless blood purge of his fellow countrymen. Bitter attacks against the United States were heard above the endless cracking of the firing squads. U.S. investments, which served for many years as symbols of confidence in the Cuban people, were seized without hint of payment. U.S. citizens, previously welcomed as tourists on that island, were harassed, even jailed.



Each day the American newspapers carried bold headlines telling of new Castro provocations. On January 3, 1961, this Government, its patience frayed by insults, justifiably severed diplomatic relations with the Castro regime.

This formal action follows several other measures. On July 6, 1960, the year before, the Cuban sugar quota, which for many years had amounted to a generous subsidy of the Cuban economy, was withdrawn. This Congress initiated action on that. Shortly thereafter, in October 1960, a partial economic embargo was imposed. Under this restriction, no U.S. goods were allowed to be exported to Cuba unless they could be classified as foodstuffs or medical supplies.

As stated earlier, the limited restriction on Cuban trade was imposed October 21, 1960. Since that time, trade with Cuba has been carried on in a manner which has been morally and economically indefensible. Goods have been imported and exported as though relations between the United States and Cuba were close to normal. Castro received American dollars regularly in exchange for Cuban goods, and uses these dollars to finance his Communist Government, further his brutal domination of the Cuban people, and expand the Communist ideology through Latin America.

I want to commend the Department of Commerce for the fine job they did with these figures.

In a 3-month period the general exports amounted to \$16.7 million. That means American dollars going to Castro in a 3-month period in 1960. Actually this was right after the time that we put on our ban on exports there.

Then I took a 3-month period, January through March of this year, 1961, of Cuban imports coming into this country, giving dollars to Castro. General imports were \$9.4 million and imports for consumption \$11.5 million. This is for a 3-month period alone.

Mr. Chairman, may I insert pages 4 and 5 of my statement at this point?

The CHAIRMAN. They may be inserted.

(The pages referred to follow:)

Among the commodities chiefly imported from Cuba are tobacco, pineapples, oranges, tomatoes, cucumbers, native vegetables, and lobster. The figures for the period October through December 1960 are as follows:

*U.S. imports from Cuba*

[In millions of dollars]

I. Foodstuffs (total)-----	5.3
(1) Lobsters-----	.7
(2) Vegetables-----	.3
(3) Fruits-----	1.1
(4) Cane sugar-----	.1
(5) Molasses and sugar sirup-----	.2
(6) Molasses (not for human consumption)-----	2.6
(7) Others-----	.3
II. Tobacco and manufactures (total)-----	7.5
(1) Unmanufactured tobacco-----	6.0
(2) Cigars and cheroots-----	2.0
III. Metals and manufactures (total)-----	2.2
(1) Nickel and nickel oxide-----	2.1
(2) Other metals-----	.1
IV. Miscellaneous items (total)-----	.8
General imports (total)-----	16.7
Imports for consumption (total)-----	15.8

It should be mentioned that this is the period which immediately followed the export restrictions which included all commodities except foodstuffs and medical supplies, and that at no time were restrictions of any kind imposed on imports. The figures for the period January through March 1961 are as follows:

*U.S. imports from Cuba*

[In millions of dollars]

I. Foodstuffs (total)	3.8
(1) Lobsters	.7
(2) Vegetables	.8
(3) Fruits	.6
(4) Mollasses (not for human consumption)	1.5
(5) Others	.2
II. Tobacco and manufactures (total)	6.7
(1) Unmanufactured tobacco	6.3
(2) Cigars and cheroots	.4
III. Metals and manufactures (total)	2.2
(1) Copper	.3
(2) Chrome ore	.1
IV. Miscellaneous items (total)	.6
(1) Synthetic filaments	.1
(2) Others	.5
General imports	9.4
Imports for consumption	11.5

Mr. Chairman, the above figures are for imports only. As you can readily see, most of these imports are in the form of foodstuffs. Aside from the moral aspect of trading with a nation which has insulted the United States as Cuba has, and which boasts of affiliations with one of the most vicious enemies the United States has ever known, the importation of Cuban foodstuffs could pose a danger to the health of the American people. The lack of diplomatic relations with the Castro Communists makes inspection and certification of these imports difficult if not impossible. Sanitation and inspection for diseased commodities cannot be executed in a normal manner when the importer is unable to obtain cooperation or, for that matter, inspection facilities in the country of origin.

Mr. ROGERS of Florida. As you can readily see, most of these imports are in the form of foodstuffs. Aside from the moral aspect of trading with a nation which has insulted the United States as Cuba has, and which boasts of affiliations with one of the most vicious enemies the United States has ever known, the importation of Cuban foodstuffs could pose a danger to the health of the American people. The lack of diplomatic relations with the Castro Communists makes inspection and certification of these imports difficult if not impossible. Sanitation and inspection for diseased commodities cannot be executed in a normal manner when the importer is unable to obtain cooperation or, for that matter, inspection facilities in the country of origin, which we had before we broke diplomatic relations.

Mr. Chairman, I would like to insert pages 6 and 7 of my statement at this point.

The CHAIRMAN. Very well.

(Pages 6 and 7 referred to follow:)

Under the general categories of foodstuffs and medical supplies, the following commodities and quantities were exported from the United States to Cuba for the period October through December 1960. Again, this is the period which immediately followed the limited restriction imposed on Cuban trade.



*U.S. exports to Cuba*

[In millions of dollars]

	October	November	December
I. Foodstuffs.....	\$4.7	\$2.3	\$4.2
(1) Meat products.....	.3	.1	X
(2) Lard.....	1.8	.3	1.3
(3) Rice.....	.6	.8	.4
(4) Wheat flour.....	.3	.1	.4
(5) Vegetables (chiefly dried beans and peas).....	.6	.5	.4
(6) Fruit.....	.1	-----	.1
II. Animal and vegetable products (inedible).....	1.1	.4	X
III. Textiles and manufactures.....	.7	.1	X
(1) Cotton and duck.....	.1	X	X
(2) Manmade fibers.....	.8	.2	-----
(3) Broadwoven fabrics.....	.2	-----	-----
IV. Wood and paper.....	1.6	.1	X
(1) Wood and manufactures.....	.1	X	X
(2) Pulp and paper.....	1.5	.1	X
V. Nonmetallic minerals.....	.6	.2	.2
(1) Petroleum and products.....	.1	X	-----
(2) Glass and products.....	.2	.2	.2
VI. Metals and manufactures.....	.6	X	X
(1) Iron and steel mill products.....	.3	X	X
(2) Advanced manufactures.....	.2	X	X
VII. Machinery and vehicles.....	3.7	.1	.1
(1) Machinery.....	3.4	.1	.1
(2) Vehicles.....	.3	X	X
VIII. Chemicals and related products.....	3.6	.4	.5
(1) Pharmaceutical products.....	.5	.3	.5
IX. Others.....	.5	.3	.2

X=less than \$50,000.

The figures for the period January through March 1961, are as follows:

*U.S. exports to Cuba*

[In millions of dollars]

I. Foodstuffs (total).....	\$6.9
(1) Meat products.....	X
(2) Lard.....	3.6
(3) Rice.....	.1
(4) Wheat flour.....	.2
(5) Vegetables.....	X
(6) Fruit.....	.2
II. Textile fibers.....	X
III. Wood and paper.....	X
IV. Nonmetallic minerals.....	.1
V. Metals.....	X
VI. Machinery and vehicles.....	.4
VII. Pharmaceutical products.....	1.5
VIII. Others.....	.4

X=less than \$50,000.

The ill-fated Cuban invasion of April 16-17, 1961, had great moral implications. However, those involved in trading with Cuba were in fact supplying American dollars which helped to finance equipment used to slaughter those freedom-loving Cubans who tried to recover their lost island. After a brief lull in trading with Castro, it was "business as usual" with the United States. Incoming shipments appeared almost regularly at the port of Palm Beach, Fla., and many other ports of entry along the eastern and gulf coasts.

Mr. ROGERS of Florida. After a brief lull in trading with Castro, when they put on this embargo as far as exports are concerned, it was not long before we started business as usual again. Incoming shipments appeared almost regularly at the port of Palm Beach, Fla., and many other ports of entry along the eastern and gulf coasts. June



1961 figures, this June, for traffic through the port of Palm Beach are as follows:

Imports:	Pounds
(1) Tobacco (in 5 shipments)-----	1,630,194
(2) Pineapples (in 6 shipments)-----	1,083,288
Exports:	
(1) Lard and pork fats (in 3 shipments)-----	1,079,320
(2) Hospital supplies (in 1 shipment)-----	11,688
(3) Dental supplies (in 1 shipment)-----	1,464
(4) Meteorological balloons (in 1 shipment)-----	46

They brought in tobacco, 1,630,196 pounds in five shipments. They brought in pineapples, 1,083,288 pounds in six shipments.

We exported lard and pork fats, over 1 million pounds in three shipments; hospital supplies, 11,688 pounds in one shipment; dental supplies, 1,464 pounds in one shipment; and meteorological balloons, 46 pounds in one shipment.

Lard and fat are very important to the diet in Cuba. I will discuss that later.

Incidentally, these pineapples arrived in refrigerated railroad cars. They were quickly unloaded upon arrival and moved to waiting trucks. Public indignation in Florida was so high that the trucks transporting these commodities had to be masked so that their insignias and companies could not be shown in order to avoid identification.

Mr. Chairman, trade continues with Cuba. There is no total restriction specifically mentioning commercial exchange with Cuba, so a few are willing to disregard our national interest in order to continue their pursuits. We know Cuba suffers under a Communist regime. Our Government has officially branded Cuba a "clear and present danger" to the security of this hemisphere. The Congress has adopted a resolution recognizing the Communist affiliation of the present Government of Cuba, and there are now reports that Cuba may be used as a missile base for Red rockets aimed at the United States. This fact may be borne out by the June 9 visit of two distinguished Communist tourists in Cuba. Czech Minister of General Engineering Polacek and Deputy Minister of Heavy Engineering Andre made a thorough inspection tour of the Cuban geography. Also, recent refugees arriving in Miami bring further reports which serve as evidence that Castro may be constructing missile and submarine bases.

Cuban dependence upon the Sino-Soviet bloc clearly illustrates the Communist eagerness to use Cuba as a steppingstone to Latin America. On June 3, the Czechoslovakian Government pledged \$80 million in supplies to Cuba for the balance of this year. At the recent conference in Punta del Este, Uruguay, Cuban economic czar, Ernesto "Che" Guevara, boasted that the Communists had extended \$345 million in credits to Cuba. Finally, the State Department estimates that the Communist world will have to grant Cuba between \$100 and \$200 million a year to maintain the economic standards Cuba enjoyed before Castro came to power.

Just recently the Foreign Affairs Committee of the House included in the 1961 Mutual Security Act a provision to prohibit any assistance to Cuba. The House extended the action of the Foreign Affairs Committee. Certainly it is time to now restrict all Cuban trade. If the

Congress is to deny American dollars to Castro by excluding him from its foreign aid program, why should the Congress allow American dollars to go for payment of Cuban goods? Why should we do indirectly what we would not do directly?

Mr. Chairman, export licenses are still being granted for Cuban consumption. The following figures are for the past 8 weeks, and this shows exports and imports. This is for a period from July 1 to August 19, the latest figures we have been able to get from the Treasury Department, Bureau of Customs.

It shows that imports coming in amount to \$4,142,762 in an 8-week period. These are American dollars going to Castro. Exports are only \$338,000 at this time so they have been greatly reduced.

Mr. Chairman, may I insert page 10?

The CHAIRMAN. Very well.

(The p. 10 referred to follows:)

*U.S. imports from Cuba (July 1 to Aug. 19)*

Port	Commodity	Value
Tampa.....	Tobacco.....	\$2,948,874
	Foodstuffs.....	2,291
	Labels.....	1,369
	Sponges.....	400
Miami.....	Cigars.....	61,275
West Palm Beach.....	Tobacco.....	893,896
	Fruit.....	197,823
	Glue stock.....	19,129

*U.S. exports to Cuba (July 1 to Aug. 19)*

Port	Commodity	Value
New York.....	Drugs.....	\$36,269
	Electronic parts.....	121
	Machine parts.....	1,226
New Orleans.....	Lead ingots.....	154
Tampa.....	Hospital supplies.....	63,916
Miami.....	Hospital supplies.....	41,626
	Foodstuffs.....	17,570
West Palm Beach.....	Hospital and medical supplies.....	115,321
	Automobiles.....	4,334

Total:		\$4,142,762
Imports.....		338,791
Exports.....		

Mr. ROGERS of Florida. Though trade with Cuba has been greatly reduced, certain items have great significance. As you may recall, Erwin Harris, Miami advertising executive, established a claim against the Castro government for over \$400,000 as partial payment for public relations work done by the Harris firm for Castro. After repeated attempts to obtain payment, Harris seized by court order 29 railroad cars of lard destined for shipment to Havana. Lard is a staple in the Cuban diet, and almost immediately the Castro government rationed lard in Cuba.

Mr. Chairman, the importance to the Castro government of trade with the United States is clearly evident. The one countermeasure the Castro regime greatly fears from the United States is a complete economic embargo. Castro knows the already strained economies of



Russia, Red China, and Eastern Europe will not entirely support his revolutionary government. It is my opinion that the economic boycott envisioned in this bill would hasten Castro's downfall and return freedom to Cuba.

Furthermore, I believe that the enactment of this measure would serve as a firm step toward reestablishing the United States as the directive influence in this hemisphere. Our positions of late have thus far been fruitful. The House clearly spelled out its position on Cuba in the Mutual Security Act by making provisions to exclude Cuba from this act. The nations of Latin America are becoming more cognizant of the threat Cuban communism poses to their own security as well as ours. Recently, Cuban Economic Minister Ernesto "Che" Guevara visited Argentina. Things had not gone well for Cuba at the conference at Punta del Este, and Guevara's overtures for realignment with the United States and this hemisphere were exposed during his visit with Argentine President Frondizi. Upon Guevara's departure, President Frondizi ordered a crackdown on Argentine Communists, and reiterated Argentina's alinement with the West heritage and Christian tradition.

The resignation of Brazil's left-leaning Janio Quadros illustrates further that Latin America is becoming less tolerant of influences alien to this hemisphere. The more the United States assumes a more positive attitude in its actions, then the more it may be regarded once again as the directive influence in this hemisphere. It is my opinion that the complete embargo as envisioned in this bill would be such a positive action. With this action the United States may again emerge as an effective leader, and will encourage those forces in Latin America who share our philosophy to come forward and speak up.

The CHAIRMAN. Does that conclude your statement?

Mr. ROGERS of Florida. That concludes my statement.

The CHAIRMAN. I imagine there could be a good many questions. However, in view of the fact we have several other colleagues who want to make a statement, and we have a representative of the State Department here, I wonder if we could limit our questioning.

Mr. WILLIAMS. I have one question, Mr. Chairman.

The CHAIRMAN. Very well, Mr. Williams.

Mr. WILLIAMS. I would like to know the source of the export-import figures which you included in your statement.

Mr. ROGERS of Florida. These are from official sources which I have quoted from the Commerce Department and from the Customs Bureau.

Mr. WILLIAMS. The reason I asked the question is that in its letter to the committee giving its report on this legislation, the Department of State says "the current annual rate of exports and imports is about \$20 and \$30 million respectively."

According to your figures, the figures you gave us in your statement on page 5, showing U.S. imports from Cuba in millions of dollars—

Mr. ROGERS of Florida. That is for a 3-month period.

Mr. WILLIAMS. From January through March of 1961, you show an amount of \$45,700,000. If your figures come from the Department of Commerce and they are authoritative, then the State Department's figures are erroneous.



Mr. ROGERS of Florida. Perhaps I might point this out, and I can see how you will misinterpret these figures—actually the totals are at the bottom of those figures.

Mr. WILLIAMS. I totaled the complete group.

Mr. ROGERS. That is right. Actually it is for a 3-month period which would be about \$11½ million of imports for consumption.

Mr. WILLIAMS. I stand corrected.

The CHAIRMAN. What is the difference in general imports and imports for consumption?

Mr. ROGERS of Florida. Imports for consumption are imports which usually go directly to the companies that will use them and distribute them and they are not put on the shelf.

General imports are those imports which are in the country, perhaps in warehouses, and so forth, which are stored up.

Mr. SCHENCK. Does that mean, then, there is a total of \$20.9 million?

Mr. ROGERS of Florida. That is a breakdown within the figures, as I understand it. Commerce representatives are here and they can testify in detail on those particular figures.

Mr. SCHENCK. Then the 9.4 and the 11.5 are not the total of the figures listed on page 5?

Mr. ROGERS of Florida. Generally they are a total. There are some small items that were not included, such as household items being shipped.

Mr. SCHENCK. General imports are those brought in for sale at some later time.

Mr. ROGERS of Florida. Or can be stored.

Mr. SCHENCK. And the others are used directly in commerce or in business?

Mr. ROGERS of Florida. That is my understanding. The Department of Commerce representatives are here and they can answer details on that.

The CHAIRMAN. We would certainly be glad to get this straightened out. I am confused on these figures, too. You have foodstuffs totaled as \$3.8 million under No. 1. No. 2, you have tobacco manufactures totals, \$6.7 million.

No. 3, you show metal manufactures total, \$2.2 million.

Miscellaneous items are \$0.6 million. That adds up to \$13.3 million. I don't know how you get \$9.4 million for general imports and \$11.5 million for imports for consumption.

Mr. ROGERS of Florida. These are the figures I received from Commerce and you will have to go into them with those representatives. I merely copied these figures from what I was furnished.

The CHAIRMAN. Further questions?

Mr. YOUNGER. I am not so much concerned with the confusion regarding the figures, they are there, anyway, whether they are small, large, or small. I want to compliment our colleague for the very forceful manner in which he has presented the problem which faces us. I am very sympathetic with it.

The CHAIRMAN. Thank you very much. I, too, in behalf of the committee and myself personally wish to compliment the gentleman from Florida for bringing this matter to the attention of the Congress and the very forceful statement he has made.

Our member from the committee, Mr. Hemphill, has a brief statement.

STATEMENT OF HON. ROBERT W. HEMPHILL, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. HEMPHILL. Mr. Chairman, members of the committee, I introduced companion legislation to the legislation which Mr. Rogers introduced after some consultation with him. I am highly in favor of the legislation. I commend him on his magnificent effort.

The CHAIRMAN. Thank you very much, Mr. Hemphill.

Mr. HEMPHILL. Thank you, Mr. Chairman.

The CHAIRMAN. We are glad to have our colleague, the Honorable Bob Casey.

STATEMENT OF HON. BOB CASEY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF TEXAS

Mr. CASEY. Thank you, Mr. Chairman.

Mr. Chairman and members of the Committee, on the 26th of July I sent a communication to the President urging a complete economic blockade. This was generated due to the fact that we had many of our colleagues urging armed invasion of Cuba, due to the plane hijackings. Of course, some of my own constituents thought that that should be the thing to do but I was reluctant to make such a recommendation or urge such an action due to the fact that we were continuing to trade with Cuba.

Since I received no commitment from the administration with reference to any further action as to stopping this matter, and having conferred with my colleague, Mr. Rogers, he told me of his action and introduction of this bill, I promptly seized upon his brilliant idea and followed suit.

My bill was introduced and I think it is word for word the same as his. I claim no pride of authorship but I do want to earnestly urge this committee's serious consideration of the adoption of this bill.

On August 16, in reply to my communication, I received on behalf of the President from the State Department a letter calling my attention to the fact that they had a blockade of sorts on Cuba, stating that nothing but foodstuffs and medicines were going to Cuba. However, I do want to call the committee's attention to the fact that some of these foodstuffs are not purely foodstuffs. The lard that Mr. Rogers called your attention to is used in making nitroglycerine. There is no question in my mind that tremendous quantities of lard are most likely transshipped for the manufacture of explosive materials. Also with reference to Mr. Harris, the very energetic gentleman who is harassing Castro with his court orders, I want to point out that he also seized with his attachments 42 diesel engines. This was carried in an Associated Press report. The report says: "Tank-type diesel engines." That may be an assumption of the reporter; it might be an assumption of Mr. Harris, but nevertheless they were diesel engines which if they are the heavy type could easily be used in military machinery.

Incidentally, I have been furnished the same report as Mr. Rogers by the Commerce Department as to the commodities and the exports and imports, but if we do feel as strongly about the Cuban Government and the Castro regime as is indicated on the floor of the House



and by the letters from our constituents and by those who hold executive positions, I think it is a little ludicrous to continue to assist this regime in any manner. In my communication to the President I urged that the Organization of American States be urged to join us in this economic blockade. The reply I received from the State Department stated that this would probably be explored. I feel strongly about this, gentlemen, and I certainly want to urge the favorable consideration of one of these measures. The gentlemen from Florida has stated he would offer amendments to his bill for penalties, which I think should be in the bill, and also for a termination period.

One thing that does disturb me is our participation in some of the voluntary organizations under the U.N. because unless there is some awakening in that respect, there could certainly be a subterfuge used to go around this bill. In fact, it has been used because immediately after we refused to take sugar from Cuba they applied to the special assistance fund of the U.N. and obtained \$1,240,000 for agricultural research and the United States paid 40 percent of that fund.

Gentlemen, I seriously urge your favorable consideration of this legislation.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Casey, thank you very much for your statement and contribution to this record. We are glad to have your interest in this legislation.

We are very glad now to recognize our colleague from Florida, Mr. Dante Fascell.

#### STATEMENT OF HON. DANTE B. FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. FASCELL. Thank you, Mr. Chairman and members of the committee, I appreciate this opportunity to testify on pending legislation. I am here in support of H.R. 8465, introduced by my distinguished colleague from Florida, who is a member of this committee. I have cosponsored the legislation myself, my bill being H.R. 8546.

Mr. Chairman, it seems to me that the issue boils down to the jurisdiction of this Committee on Interstate Commerce: Shall interstate commerce and the goods flowing freely therethrough be used to trade with Cuba?

This issue as a national question is not a recent one. I know that in my own case that I have been exhorting two Presidents, starting back in January of 1960, to invoke by Presidential action a complete embargo on Cuba, for reasons which are obvious. Now it could be said, for example, and I think we might as well discuss it because the issues will arise in the consideration of this measure by your committee, that there exists ample legislation to do this. There is some question about whether under the Export Control Act and whether under the War Powers Act such complete authority existed. Nevertheless, I can understand why our Government might not like to invoke the War Powers Act or Trading With the Enemy Act or the declaration of a national emergency to use the powers under that existing legislation because it might be said that we are engaging in economic warfare.

The technical question, however, I think has been resolved by the adoption by the House of the amendment which I offered to the mutual

security bill, which authorizes the President to invoke an embargo without relying on any national emergency or the invoking of the War Powers Act or the Export Control Act. This eliminates the political question of calling these extreme measures into action.

As far as the question as to whether the United States is engaging in economic warfare as such in contravention to many declarations made by us and other free peoples, I think the answer to that is very simple. Mr. Castro, himself, said on many occasions, and I am paraphrasing the quote because I do not recall it exactly, that his big job in Cuba was to reorient the economy of the Cuban Government and the Cuban people away from the West and toward the Communists. This is everything to which he has dedicated himself. If that is not a declaration of economic war, I do not know what it is. He has thrown down the gauntlet. The United States has not. So while it might be said as a result of action taken by the Congress or the United States that we engage in economic warfare against a small nation, the facts are that Mr. Castro and the Communist Government of Cuba have already engaged in that economic warfare and I do not see why we should continue to help them at all. If it is his desire and ambition and he has taken every step, publicly and otherwise, by statements and actions to orient his economy, if he thinks his people will be better off then we had better make a decision that that is the way it ought to be. I do not see why we should allow the avenues of interstate commerce to be used for the movement of Cuban imports in the United States particularly since it provides needed dollars.

This is a matter which has been under consideration as a national policy during two administrations. The Congress has acted on this matter several times, once in the adoption of the OAS resolution which we passed earlier this year. I still have the conviction that it would be better to seek concerted action in the Western Hemisphere in this matter but I think it is obvious to any impartial, objective observer that we are not soon going to get that kind of concerted action. The House also has expressed itself for the desirability of concerted action, first, and so we adopted the OAS resolution. The practical situation which confronts us, in my judgment, we are not going to get that concerted action and time is going by the board. Therefore, I think it behooves us in our own interest to act where we can. Here is a place where we can act. The Congress also expressed itself by unanimously authorizing the President, if there should be any technical questions involved, to invoke an embargo without using authority under the War Powers Act either by way of national emergency or declaration of war or trading with the enemy.

The CHAIRMAN. Was that the OAS resolution?

Mr. FASCELL. No, sir; that was the amendment to the Mutual Security Act.

The CHAIRMAN. What was the provision of the OAS resolution?

Mr. FASCELL. The provision of the OAS resolution was in effect that we should seek by our leadership to obtain concerted action through the Organization of American States for economic sanctions against Cuba.

That has not been done. There can be, and I can understand why there might be reluctance on the part of the President to invoke an embargo under existing legislation but I think the position is entirely



different from the standpoint of international politics and national politics in following the course laid down under this bill, especially in view of the statements and the actions of the head of the present Government of Cuba.

I think the bill under consideration presents a perfect vehicle to move in this area. I think it emphasizes the determination of the Congress that something further needs to be done.

I think action under this bill can properly be taken without embarrassing the Executive, without embarrassment to our international policies, without embarrassment to any commitments which we may have, which are multilateral in origin. This is simply a matter of internal regulation of our interstate commerce. Yet its effect would have important bearings.

I would say to those who are skeptical about the value, certainly this is going to hurt some of our economy, particularly in my own State. I do not deny that. Sometimes you have to draw a line. The time has come in my judgment to draw that line. I think the Congress has said that many, many times. But whether the action is effective, whether it is good from the standpoint of bearing down on the existing Government of Cuba—and I do not think that it will bring them to their knees, if you asked me my honest opinion I think it would cut off some dollar revenues which I think ought to be cut off—I think the action should be taken because the important thing is that what we are saying is symbolically, "Let's isolate this cancer which is communism in the Western Hemisphere, endangering all of the Latin American Governments, detrimental to our own security; let's cut down to zero their American dollars which come about as a result of trade in interstate and foreign commerce, and let the United States take the lead now because this is the only way we can take the lead, unilaterally and lay the symbol before the whole world that we have started."

I say, Mr. Chairman, in closing, that by no stretch of the imagination can any impartial or objective observer say that the United States in taking this action or that this committee or this Congress is engaging in economic warfare. We must remember that Mr. Castro is the man who threw down the gauntlet in this economic fight. Mr. Castro is the man who said, "I will lead my people and I will reorient them from dependence upon the economy of the West."

He does not like our free enterprise system. He does not like our capitalism. He wants to give them the allegedly great but disproven benefits of the wrongly called classless society of communism. That is the course he has chosen: to have his people suffer. I do not see why the United States should in any sense be a party to it.

Thank you, Mr. Chairman and members of the committee, for holding these hearings on this important subject. I am delighted to join my colleague from Florida who for a long time has been leading this fight. I am happy to cosponsor this legislation. I trust the committee will act on it favorably.

The CHAIRMAN. I will say to our colleague that we want to thank you for your testimony, in bringing to our attention the information you have imparted to us.

I think from my own reactions and from the reactions of other Members of the Congress and from our own mail, that there can be

no doubt of the feeling of the American people regarding the Castro regime and what is taking place down there. I think the overwhelming sentiment is just as strong as the gentleman and other gentlemen have presented it here this morning.

I think, however, in order that the record may be complete regarding what the situation is, in all frankness we must admit there has been a great deal done in this field. Is that not true?

Mr. FASCELL. That is true, Mr. Chairman.

The CHAIRMAN. The report from the Department of State which has been alluded to heretofore draws a comparison in 1958 when the Castro regime took over. It states in 1958 there were total exports to Cuba from the United States of \$546.2 million in foods and there were imports from Cuba totaling \$527.8 million. That comparison with the current annual rate of exports and imports is something like \$20 and \$30 million, respectively. I think sometimes we overlook the fact that some action has been taken. It means as compared with 1958, prior to the Castro regime there were exports of \$546.2 million in exports to Cuba as compared to \$20 million at the current rate. Imports are \$527.8 million as compared to \$30 million, which we must recognize is quite a decrease.

Mr. FASCELL. Mr. Chairman, you are eminently correct in putting this matter in proper perspective. We have to consider that things have been done. I certainly commend the action that has been taken in bringing the figures down from the high that you have pointed out, down to the present low amount. All I can add to that, still keeping it in proper focus and perspective, I still believe the symbol is necessary to cut it down to zero if possible. I think this would be very helpful for the United States.

The CHAIRMAN. Of course, we recognize the fact that the United States has broken off relations completely with the Castro regime, in addition to the economic action that has been taken. As was indicated by Mr. Rogers, the primary imports that we have stopped have been in the sugar industry. I think sugar represented 70 percent of total imports. Action was taken in Congress 2 years ago in that regard.

Does the gentleman have any comment on an effort toward a complete economic embargo against Cuba?

Mr. FASCELL. As I understand it, Mr. Chairman, this is the purport of the legislation which is now pending before you.

This would be the effect of it.

The CHAIRMAN. As far as the United States is concerned only.

Mr. FASCELL. Yes, sir. I think this would be the practical effect of this legislation, without having to invoke the idea of a complete embargo. This is another way to get at it, simply by internal regulation.

The CHAIRMAN. You would not advocate a complete embargo by not only the United States but other sources?

Mr. FASCELL. Mr. Chairman, as far as I am concerned, I have advocated such an embargo, not only by the United States, but by all of the Western Hemisphere as far as Cuba is concerned. If our objective is to isolate the Communist cancer of Cuba I think this is the fastest way to do it.

The CHAIRMAN. I am one of those who feel just as strongly as the gentleman does that some action should be taken. I think that is



true so far as the sentiment of the American people is concerned, but I do not think we should overlook the fact that action has been taken and is being taken in this field.

Mr. FASCELL. You are absolutely correct. I commend the action that has been taken both by the Congress and by administrations of our Government in this area.

Mr. Chairman, before I leave I would like to submit for the committee, House Memorial No. 1693, memorial to the Congress of the United States from the Legislature of Florida, adopted at their regular session in 1961 in which they urge that the Congress take all steps necessary to cease all American trade with the Republic of Cuba so long as diplomatic relations between the two nations do not exist.

The CHAIRMAN. That will be inserted in the record.

(The House memorial follows:)

#### HOUSE MEMORIAL NO. 1693

A MEMORIAL TO THE CONGRESS OF THE UNITED STATES TO PROVIDE THAT THE UNITED STATES CEASE ALL TRADE WITH THE REPUBLIC OF CUBA

Whereas the Republic of Cuba, located within 90 miles of the United States, has been led by its leaders into the bloc of Communist nations whose avowed purpose is to destroy the United States and its form of government; and

Whereas the Republic of Cuba has intentionally attempted to discredit the United States in the eyes of the world; and

Whereas untold hundreds of millions of dollars of property owned by Americans have been confiscated by the Republic of Cuba without due process of law or just compensation; and

Whereas Americans and freedom-loving Cubans have been felled by bullets which well might have been purchased from Communist nations, with dollars earned by trading with the United States; and

Whereas the Government of the United States has deemed it proper to sever diplomatic relations and curtail trade with the Republic of Cuba; and

Whereas to continue any trade whatsoever, and thereby contribute to the economy of a country who with each new day humiliates the United States by any means available, is an absurdity of the highest degree; and

Whereas the people of Florida join with all other freedom-loving people in feeling that the relatively small amount of trade left with the Republic of Cuba should not be used to finance the purchase of arms for the continuation of the Cuban blood bath: Now, therefore, be it

*Resolved by the Legislature of the State of Florida*, That the Congress of the United States be and it is requested to take the appropriate steps necessary to cease all American trade with the Republic of Cuba so long as diplomatic relations between the two nations do not exist; be it further

*Resolved*, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the House of Representatives of the United States; and to each member of the Florida congressional delegation.

Filed in office secretary of state June 5, 1961.

STATE OF FLORIDA

OFFICE OF SECRETARY OF STATE

I, Tom Adams, Secretary of State of the State of Florida, do hereby certify that the above and foregoing is a true and correct copy of House Memorial No. 1693, regular session 1961, as shown by the records of this office.

Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the 6th day of June A.D. 1961.

[SEAL]

TOM ADAMS, *Secretary of State*.

Mr. FASCELL. I request we insert in the record a resolution adopted by the Miami-Dade County Chamber of Commerce and Key West

Junior Chamber of Commerce. A similar resolution was also adopted by the Florida State Junior Chamber of Commerce.  
(The resolution follows:)

#### MIAMI-DADE COUNTY CHAMBER OF COMMERCE RESOLUTION

Whereas the establishment and continued existence of a de facto communistic regime in Cuba constitutes a threat to the security of the people of these United States of America, as well as the peoples of the other American Republics; and

Whereas the activities of that regime have violated and continue to violate the terms of existing inter-American treaties, as well as the Monroe Doctrine; and

Whereas these undeniable facts are known to all the peoples and governments that form part of the Organization of American States; and

Whereas the Government of the United States of America should and has followed the required procedures in seeking joint action in accordance with inter-American agreements of the Organization of American States; and

Whereas the Organization of American States has failed to react to this threat from Cuba with the vigor, determination, and action required to adequately protect the principles and agreements that bind its member states together; and

Whereas agreement with other countries for joint action in the defense of common principles and interest does not relieve the Government of the United States, or any other government, from its responsibility to its citizens to act individually when those principles and interests are, in its judgment, threatened: Therefore be it

*Resolved*, That the executive committee of the Miami-Dade County Chamber of Commerce recommend to the Congress and the President of the United States, recognition and acceptance of these facts:

1. That the Communist-controlled Castro regime of Cuba constitutes an intolerable threat to the national security of the United States and all the peoples of the Western Hemisphere.

2. That our national security, the preservation of individual liberty and national sovereignty require and demand that the Cuban threat be considered as equal, if not greater, in importance than those that exist in Europe, the Far East, and other regions of the world; and be it further

*Resolved*, to recommend and urge the U.S. Government act promptly and with determination, in accord with other nations if possible, but alone if necessary to remove the Communist threat from Cuba, by whatever means are necessary; be it also

*Resolved*, That copies of this resolution be forwarded to the President of the United States, the Secretary of State, the Under Secretary for Inter-American Affairs, the Florida congressional delegation, members of the appropriate congressional committees, other pertinent governmental officials, and the Ambassadors of the American Republics to the Organization of American States; and be it finally

*Resolved*, That the Miami-Dade County Chamber of Commerce seek endorsement of this resolution by other chambers of commerce and civic organizations throughout the United States.

Unanimously adopted by the executive committee of the Miami-Dade County Chamber of Commerce on August 3, 1961.

WILLIAM P. SIMMONS, Jr.,

*President, Miami-Dade County Chamber of Commerce.*

Attested:

ALFRED CANEL,

*Executive Vice President.*

#### KEY WEST JUNIOR CHAMBER OF COMMERCE RESOLUTION

Whereas communism is at work steadily and patiently undermining country after country; and

Whereas communism has now launched its attack on the Western Hemisphere and has won its first beachhead in Cuba; and

Whereas Cuba is an island country located approximately 90 miles from the shores of the United States, and is one of the main crossroads to Latin America; and



Whereas Western Hemispheric security and sovereignty is particularly threatened by the intervention of communism in Cuba; and

Whereas the Cuban Government has illegally confiscated American-owned property in Cuba worth approximately \$861 million; and

Whereas Dictator Fidel Castro, acting as the Prime Minister of Cuba, recently attempted to blackmail the United States into exchanging farm tractors for prisoners; and

Whereas American commercial airplanes have been hijacked and illegally diverted to Cuba in such numbers and in such a piratical manner as to indicate that a conspiracy exists; and

Whereas because of the Cuban Government's actions, Cuba must now be considered a member of the Communist bloc; and

Whereas the Castro self-proclaimed Red dictatorship does not in fact comply with the requirements and principles of a properly constituted government of the Cuban people; and

Whereas the further spread of communism in the Western Hemisphere must be stopped, and that which exists must be destroyed: Therefore be it

*Resolved*, That the Junior Chamber of Commerce of Key West, Fla., and the Florida Junior Chamber of Commerce, ask the President and the Congress of the United States to take the necessary steps to place into effect a complete trade embargo with the island of Cuba in order to deprive the Communist leaders of that country of the economic assistance derived from trade with the United States; that, in addition, the United States withdraw its official recognition of the Castro government and recognize in its place an exile government more representative of the Cuban people; be it further

*Resolved*, That the Key West Junior Chamber of Commerce does hereby submit the above resolution for consideration of the board of directors of the Florida Junior Chamber of Commerce at its summer conference meeting at Cocoa Beach, Fla., August 17-20, 1961.

Mr. FASCELL. Thank you for your courtesy in holding hearings on this important legislation.

The CHAIRMAN. Mr. Rogers?

Mr. ROGERS of Florida. I want to say, Mr. Chairman, that I do not know of any other Member of Congress who has a greater understanding of what is happening in Cuba than my colleague from Miami because he has had to deal with literally thousands of Cubans who have had to leave Cuba to get away from its Communist dictatorship. That is why he is very concerned about it and realizes, I think, and I feel from his testimony, that we have got to start taking the leadership because we cannot expect a small nation in Central or South America to be the one to come and take the leadership and say, "Let's really put on an economic boycott of Cuba." I understood that to be the feeling of my colleague.

The CHAIRMAN. Mr. Springer?

Mr. SPRINGER. May I say to the distinguished gentleman from Florida that this legislation will have my support in this committee and my support on the floor, so that there will be no misunderstanding.

I have been a little disturbed recently by what I have been hearing under the table and I do not seem to be able to get anybody to verify it; on the other hand, I can find no one in the State Department who will deny it. As the gentleman will recall, at the recent Conference in Montevideo, Guevara, who is Cuba's chief economic man, indicated that he would like to reopen negotiations with this country on a more normal basis. The only inference that can come from that as I gather it is that the embargo which we have put on thus far, with the exception of food and medical supplies, is bearing fruit.

The gentleman is a member of the Committee on Foreign Affairs. May I ask the gentleman if there is any information that has come to that committee which would tend to support that theory, that they are in the process of trying to find an avenue to reopen negotiations with the United States upon some normal basis insofar as trade is concerned?

Mr. FASCELL. I will say to the gentleman from Illinois that no such information has come to my knowledge or as far as I know to the committee.

Mr. SPRINGER. Does the gentleman know whether or not any signs of this have been made to the State Department by neutral countries?

Mr. FASCELL. That I do not know. I would not have any way of knowing that. Of course, I read as you did the statements in the paper revolving around the action of the Foreign Minister of Argentina. My own interpretation of that, frankly, is that I am not too concerned about the fact that they had a meeting or a conference.

Mr. SPRINGER. I take it, then, the gentleman does not have any information on that point and states frankly that he does not.

Mr. FASCELL. That is right.

Mr. SPRINGER. I understood the gentleman to say that he did believe a complete embargo which might be placed on Cuba would have the effect of probably driving this administration out of power.

Mr. FASCELL. I do not think that the passage of this particular bill would do that by itself, no, sir, but it would just be another half-inch of the nail.

Mr. SPRINGER. The gentleman knows there is a section which has to do with the powers of various committees. The Committee on Foreign Affairs has foreign trade. Have there been any such resolutions as this introduced before your committee?

Mr. FASCELL. Not to my knowledge.

Mr. SPRINGER. That would be an embargo on foreign trade with Cuba.

Mr. FASCELL. Not to my knowledge, although I do not quite see how we could.

Mr. SPRINGER. Your committee has one word in its statement of powers which says "foreign trade." There has been no suggestion by anyone in your committee that you put an embargo on foreign trade with Cuba?

Mr. FASCELL. Well, other than the invocation of the authority, which is part of the Mutual Security Act.

Mr. SPRINGER. That has to do, however, only with the funds under the mutual security authorization; is that not true?

Mr. FASCELL. The authority is broader than that. It not only has to do with the funds under that act but the authority goes beyond that act.

Mr. SPRINGER. It does not cover the question of embargo on trade?

Mr. FASCELL. Yes, it does. It covers everything. The authority is broad enough to cover everything.

Mr. SPRINGER. Would that then not cover this particular matter insofar as any trade between the United States and Cuba is concerned, if that is true? I am trying to find out how far that authority goes.

Mr. FASCELL. I do not think there is any question about the authority. The only difficulty is it requires Presidential invocation.



Mr. SPRINGER. Then the President would have to invoke that at his discretion?

Mr. FASCELL. That is the principal difficulty as I see it under existing legislation.

Mr. SPRINGER. That brings me to the final point which I wanted to ask the gentleman, on which he may or may not have information. It is awfully important to know. Does the gentleman have any indication as to whether or not the President would sign this bill in this language?

Mr. FASCELL. I do not have the slightest idea.

Mr. SPRINGER. I agree with the gentleman that what the President does is not our responsibility. Our responsibility rises from different powers than does his. I do believe that it would be very important to be able to say that this is looked on as friendly legislation. I think it would be a distinct blow if this were to go to the White House and the President were to veto it. There are no politics in this. I hope the gentleman understands I believe this is a most difficult situation, if we were to follow through with our duties and then we were to have a veto.

Mr. FASCELL. I understand what you are driving at and I appreciate your bringing it up. That is why in my remarks I was careful to lay down the considerations as I saw them which revolve around this legislation from the standpoint of presidential action and why in my judgment and opinion complete action by either President—Eisenhower or Kennedy—has not been taken under existing legislation. This is a matter which I certainly feel would have to be judicially resolved by this great committee.

Mr. SPRINGER. I have one other question: The gentleman being a member of the Committee on Foreign Affairs, in order to completely do this job and to isolate Castro, and as you say the cancer in the Western Hemisphere, have you given any consideration to what other action or legislation ought to be taken by this Government to follow up on this legislation in order to do the job?

Mr. FASCELL. No, sir, I have not, but I think that the amendment which was adopted and offered by the gentlemen from Florida, Mr. Rogers, who is a member of this committee, to the Mutual Security Act is a first big step in the right direction.

Mr. SPRINGER. Thank you, Mr. Chairman.

The CHAIRMAN. Are there further questions?

Mr. ROGERS of Texas. Mr. Chairman, if I may ask one question: Mr. Fascell, the question is importation from Cuba and introducing these goods into interstate commerce. Why couldn't this problem be solved by prohibiting imports from Cuba?

Mr. FASCELL. I suppose it could.

Mr. ROGERS of Texas. Why do it indirectly? Why not simply pass legislation prohibiting the importation of any goods from Cuba?

Mr. FASCELL. I see a technical nicety with respect to political arguments that might be raised, Mr. Rogers, and that would be that in one case you are talking about "waging an economic war," which I do not think this country at this time wants to be tabbed with in international circles. That would be a complete ban.

Mr. ROGERS of Texas. You do not think the other foreign countries are so naive as to think that is not what we are doing? I mean they realize that that is what this is.

Mr. FASCELL. I think they realize that is the effect of it. I do not think they can argue around the fact that you have control internally of your own policies regardless of the effect on other people.

Mr. ROGERS of Texas. This would prohibit importation of goods from Cuba that could be sold all over Florida, but not transported anywhere else?

Mr. FASCELL. You know better than I the definition of interstate commerce. If there is anything that has been left out I am not aware of what it is.

Mr. ROGERS of Texas. You mean if it goes from Miami to St. Petersburg it might be intrastate commerce.

Mr. FASCELL. If the product is processed and subsequently sold, possibly it is.

Mr. ROGERS of Texas. Of course you have foreign commerce here, introduction in reverse. Suppose Cuba sells goods to Canada and then Canada exports them into this country. Would that be in your opinion an import of a Cuban product?

Mr. FASCELL. Under the terms of this legislation?

Mr. ROGERS of Texas. Under the terms of this legislation.

Mr. FASCELL. I have not briefed the legal niceties of that question. Offhand, I would say "No." I would leave that to the committee experts to decide.

Mr. ROGERS of Texas. I am trying to get your thinking about it. Would it be your feeling that if such products were sent to Canada and then into this country by the Canadian Government that this ought to be barred from transportation in interstate commerce?

Mr. FASCELL. I would like to see us stop all imports in which American dollars eventually wound up in Cuba. That would be my objective. Whether this bill does all of that, I am quick to say I do not know. I am not sure that would be the complete effect of it, but I say this appears to me to be a welcome avenue to do practically everything we want to do without any of the disadvantages that are involved, such as interference with other governments' international questions, and political issues.

Mr. ROGERS of Texas. Has not Canada pursued a policy with relation to shipping wheat to Red China that is not in complete compliance with our views?

Mr. FASCELL. Surely.

Mr. ROGERS of Texas. She is also doing business constantly with Cuba.

Mr. FASCELL. We have allies who do not see eye to eye with us on international economics. But when you talk about interstate commerce in the United States I think our allies have very little to question. (Discussion off the record.)

The CHAIRMAN. Thank you very much, Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman, I am against communism wherever it is.

The CHAIRMAN. Mr. Robert Forbes Woodward, Assistant Secretary, Bureau of Inter-American Affairs, Department of State. Mr. Woodward, we will glad to have your testimony on this proposed legislation.



STATEMENT OF ROBERT FORBES WOODWARD, ASSISTANT SECRETARY, BUREAU OF INTER-AMERICAN AFFAIRS, DEPARTMENT OF STATE

Mr. WOODWARD. Thank you very much.

The CHAIRMAN. We welcome you to this committee on behalf of the members. I would like to say to you that we are very glad to have your testimony in order to help the committee arrive at a solution to this problem that we now have before us.

Mr. WOODWARD. I would like to first express my own admiration and sympathy for the point of view that has been expressed by the distinguished witnesses. I think this reaction of mine would be shared by other officials in the executive branch and regardless of what the action of the committee may be on this proposed legislation, I believe it is extremely valuable to have an expression of the views of the distinguished witnesses who have already appeared before the committee.

I say this because there has been some impression in the Department of State that there were differences of opinion among the Senators and Representatives on this final residual trade and at least one member of the Florida delegation would prefer to have this trade continue.

However, that is a matter which I am sure you gentlemen know a great deal more about than I do.

There is no difference of opinion on the general objectives and the attitudes expressed here between the legislators and the people, at least in the Department of State, and I believe this is true of any other agency of the executive branch. The difference is only a question of the method and timing.

The chairman pointed out that trade with Cuba had been very large in 1958 as compared with now; some \$540 million worth of imports, some \$527 million worth of exports, and I might mention that about \$135 million of that amount was the difference between the world price and the premium price on sugar, which was one of the great benefits the Cubans were receiving from their exportation to the United States. All of this has been stopped now, except for approximately \$30 million worth of exports insofar as we can project the current amounts. There are \$38 million per annum of exports from Cuba to the United States and I would say on the basis of the last few months' trade in the other direction, from the United States to Cuba, there were probably not over \$12 million.

Mr. DOMINICK. Could I interrupt right here, Mr. Chairman?

The CHAIRMAN. Yes, sir.

Mr. DOMINICK. I do not like to interrupt but I would like to comment on the figures if I might. According to the Department of Commerce figures which I have before me through June of this year, there has already been \$36 million worth of general imports and imports for consumption taken into the United States. If you project that through the end of this year, this is not \$30 million; it is \$72 million.

Mr. WOODWARD. The very large item in that trade, sir, which existed up until June has now been stopped and that is the exportation of lard. The last lard shipments were embargoed by Mr. Harris from Miami and the exporters simply were discouraged from making further shipments.

Mr. DOMINICK. I am sorry, I understood you to say imports into this country, not exports.

Mr. WOODWARD. This is the \$12 million figure I mentioned on the exports.

Mr. DOMINICK. There have been \$12.6 million of exports through June, again according to the Department of Commerce which means if you project it again, \$25 million worth of exports will go out by the end of the year. There are continuing to be exports because I have the daily licenses which have been given to me by the Department of Commerce, which have been issued since the 1st of July.

Mr. WOODWARD. The figure Mr. Rogers mentioned, on page 10 of his statement shows total exportation from July 1 to August 19, \$338,000.

Mr. DOMINICK. I have that.

Mr. WOODWARD. These are the most up-to-date figures.

The CHAIRMAN. What page is that on, Mr. Secretary?

Mr. WOODWARD. Page 10 of Mr. Rogers' very excellent presentation.

The CHAIRMAN. You may proceed.

Mr. WOODWARD. In any event, the amount of shipments in both directions has come down to a relatively small proportion of those that existed in 1958. It is well below 10 percent, we can say, I think without any question here of the trade in 1958. This was considered to be a relatively minor trade and I believe the administration was very seriously considering the invoking of the Trading With the Enemy Act back at the time of the elections in November. Action was then not taken because the amount of the trade was small and it was felt advisable to give the new administration an opportunity to decide what additional steps it wished to take in this situation.

Then as events proceeded during the first part of 1960, we came up to a period within a couple of months of the conference which was to be held in Uruguay the first 2 weeks of August. I understand the attitude at that time was that we wished to encourage the other American Republics to see that the problem posed by Cuba in the hemisphere is not only a problem which they share at least as much as we do, but which in many respects is a greater and more urgent problem for them because in many respects they are more immediately endangered by the existence of the Communist-controlled government in Cuba than the United States is.

There has been a consistent effort on the part of our critics in other parts of the hemisphere to try to build up the idea that the problem of Cuba is a problem between the United States and Cuba and not a problem for the entire hemisphere. We consider this to be an utterly mistaken idea. Action invoking the Trading With the Enemy Act at the time that we were entering into further discussions at a conference with the other nations of the hemisphere would have lent weight to the idea of the bilateral problem as compared with the broader multilateral problem which we are convinced is the one which exists.

Such important emphasis on this problem as that given by action by the Congress would tend further to encourage or give some basis for the argument of the bilateral nature of the problem. The authority already exists in the Trading With the Enemy Act to turn off this trade. It is just a question of the best time to use this further measure in our international relations. The flexibility of the Execu-



tive would of course be reduced by a mandate from the Congress on this subject.

This is the explanation for the letter which was addressed to the chairman of the committee mentioning the State Department's view that the projected legislation appeared unnecessary.

The CHAIRMAN. Does that complete your statement, Mr. Woodward?

Mr. WOODWARD. Yes, Mr. Chairman.

The CHAIRMAN. We observed that the Department seemed to think this unnecessary on the basis of the information presented. Have you a copy of your letter?

Mr. WOODWARD. Yes, sir.

The CHAIRMAN. I would like to refer to the next to the last paragraph.

The administration has had under consideration measures which, if applied, would result in an embargo on U.S. trade with Cuba.

Are you in a position to elaborate on that statement?

Mr. WOODWARD. Yes, sir. The administration has had under consideration repeatedly the invoking of the Trading With the Enemy Act which would not only embargo all trade with Cuba, but which would have the effect of freezing any assets of the Cuban Government or of enemy aliens in this country. Of course, we could expect the possibility of retaliatory action on remaining assets in Cuba.

The CHAIRMAN. You of course are not in a position to state now just what will result from the consideration of this problem.

Mr. WOODWARD. I am afraid I do not have the authority to predict that.

The CHAIRMAN. I realize it is a rather far-reaching policy problem.

Do you agree with the figures submitted by Mr. Rogers which he obtained from the sources he explained, as to the degree of imports and exports from July 1 to August 19?

Mr. WOODWARD. Yes, sir.

The CHAIRMAN. I observe there that practically all the imports from Cuba are tobacco products. What is there about the tobacco situation which requires us to continue to receive tobacco from Cuba when we felt it would be in the interest of this country to cut off the sugar quotas? Why is tobacco more important, under the circumstances, than sugar, as an example?

Mr. WOODWARD. Mr. Chairman, I do not consider myself competent to address myself to that question. I have only heard there are certain types of tobacco wrappers which are preferred by the Tampa manufacturing trade. If I am not mistaken, I believe there is someone here who is an authority on that subject.

The CHAIRMAN. With all deference, Mr. Woodward, it would seem to me that the Government—and I assume it would be true of your Department—would have concerned itself with it to the extent that it would be advised as to the importance of tobacco and why we should continue to receive tobacco and send dollars to Cuba to that degree. There must be some explanation for it. I would much prefer to have it from the horse's mouth, which is the State Department, than to receive it from someone who is interested in it from a business standpoint.

Mr. WOODWARD. I would like to say again, sir, that having expressions of views here today which imply that there would not be a great objection to the turning off or stoppage of these imports is extremely valuable information from the viewpoint of the executive branch, and would, of course, result in much less hesitation in going ahead with the Trading With the Enemy Act.

The CHAIRMAN. I have the feeling it is unnecessary for us to have the hearing today to find out how the Members of Congress generally and the American people feel about it. I think the reaction the last several weeks has been very clear on that score. I do know there are some motivations in connection with any problem, regardless of how serious it is. Since we have had this situation for the 6-week period of July and August, with practically everything cut off except tobacco, there must be something with reference to tobacco which permits it to continue to come in. If you would inquire of the proper sources which have the information, I would be glad to have that information supplied to us, if you will.

Mr. WOODWARD. The items which are mentioned in the listing of U.S. imports from Cuba, which include tobacco and some fruit and a couple of other items, sponges and glue stock, indicate the rather narrow range of product which, in addition to sugar, were being shipped in to the United States from Cuba. In other words, after the sugar trade was shut off, this was about all there was left. The fruit importation is seasonal. It comes in only during periods when domestic production is not able to supply the market.

The CHAIRMAN. If you take the tobacco part out of it and you have practically nothing left, just as if you take the hospital and drugs out of the exports, you have practically nothing left.

Mr. ROGERS of Texas. May I ask a question?

The CHAIRMAN. I promised to yield to Mr. Rogers of Florida for a question.

Mr. ROGERS of Florida. I would like to point out two or three quick items, Mr. Secretary.

First of all, as to the effect of the Cuban vegetables coming in, of course the imports are not reflected in July and August because the harvest season is early. So the really big imports of vegetables and fruits which come in are in the first part of the year. These fruits come in right at the beginning of the season when the high prices are obtained. They flood the market, which then ruins the market for the local producers in this country. It does have a definite effect.

However, there are other considerations. I am concerned and I am pleased to hear you say you are favorably considering and for some time have favorably considered invoking the Trading With the Enemy Act. A number of us have been trying to get the administration to do that for 2 years now, ever since Castro has been in there. According to my understanding, they did not want to do that because, once the Trading With the Enemy Act is invoked, it requires the statement that the security of the United States is affected, which then activates the Rio Treaty, which requires a meeting of the Organization of American States. It was my understanding from the explanation the Department of State had given me previously, that on the activation of the Rio Pact, which calls for multilateral action, they were afraid they could not get enough votes to have a complete



economic boycott of Cuba, which they would like to have had. Therefore, they did not want to move with the Trading With the Enemy Act, and there is still a reluctance to do that because it might embarrass this Government in asking them to join with us; whereas this bill avoids the problem entirely and lets us go ahead and act.

You have been willing to act to cut off exports to a great extent, is that not true? You are willing to take bilateral action there without asking the Organization of American States to do that. You are willing, as the chairman has pointed out, to have us cut off sugar in an action just between the two countries, in a bilateral action. What reluctance is there to go ahead and do it properly all the way? We are just giving a few more dollars here all the time.

I am glad to see that you have no real objection to this, but you simply feel that maybe there is enough authority under the Trading With the Enemy Act. That is correct, is it not?

Mr. WOODWARD. That is my understanding, yes. I am frank to admit I was unaware of the necessity for invoking all of this other machinery.

Mr. ROGERS of Florida. That is what some of your predecessors have told me, and also some of the aids from the White House have given me that explanation.

May I add one more question.

The CHAIRMAN. I hope the gentleman does not feel that I yielded to him to make a speech. I yielded for a question. Other members have questions as well.

Mr. ROGERS of Florida. I yield back the time.

The CHAIRMAN. Have you a question?

Mr. ROGERS of Texas. I have just one question at this time. I have several, but just one right now.

Mr. Woodward, is it the position of the State Department that if this particular act were passed, it would be possible for certain articles to be imported from Cuba directly and be used in the manufacture of other products, and that the transportation of the end product would not be in violation of this act?

Mr. WOODWARD. No, sir. I think we have assumed that this act would shut off all trade.

Mr. ROGERS of Texas. In other words, a Tampa cigar with a Havana wrapper would have to stay in Florida.

Mr. WOODWARD. I was unaware of the fine points in the draft legislation, but I assumed it would not be possible to bring wrappers into Florida from Cuba under this proposed legislation. Perhaps I have misunderstood the purport of the bill.

Mr. ROGERS of Texas. The bill, as I see it, says that things imported from Cuba shall not be introduced into interstate commerce, which to my way of thinking assumes there will be continued imports from Cuba.

Mr. WOODWARD. That is a fine point. I thought that was a method of stopping importation.

Mr. ROGERS of Florida. I think you are in error.

Mr. ROGERS of Texas. It says you cannot put things through the States which have been imported after the date this act passes, so it assumes there will be continued imports. It is a complex situation.

I yield back to the chairman.

The CHAIRMAN. Mr. Springer, have you a question?

Mr. SPRINGER. To clarify this for the Secretary and for Mr. Rogers, my understanding now is that "through any point outside thereof" would mean across the 3-mile limit in interstate commerce; that if it came from Cuba across the 3-mile limit, it has crossed a point from outside thereof. I believe Mr. Woodward's interpretation is correct.

Mr. Woodward, at the present time it is my understanding that in your present job you are formulating policy with reference to Latin American countries.

Mr. WOODWARD. My responsibility is to recommend it, at least, to higher authority.

Mr. SPRINGER. Do you feel the passage of this legislation would in any way hinder you as representing the United States in its Latin American affairs?

Mr. WOODWARD. Yes, in the sense that it reduces the flexibility of the Executive in using such instrumentalities as it has in handling a situation of this kind.

Mr. SPRINGER. It is my understanding from what you have said, sir, that you would rather have a choice as to when and under what conditions to impose an embargo or a partial embargo. Is that correct?

Mr. WOODWARD. Yes, sir.

Mr. SPRINGER. That is fundamentally your position with reference to this legislation, is that correct?

Mr. WOODWARD. Yes, sir.

Mr. SPRINGER. There is a thing which intrigues me when we see the figures which Mr. Rogers has given on page 10. This is an infinitesimal part of the trade which we carried on with Cuba before. Undoubtedly people are eating. They are having the various things which are necessary to live and exist in Cuba. Apparently a great deal of this is now being carried someplace else. Have you any idea what percentage of this trade is implemented by our own neighbors, such as Canada or Mexico or any of our other friendly powers in the Western Hemisphere?

Mr. WOODWARD. Sir, the percentage is very small, because now about 70 percent of Cuban trade in both directions is with the Soviet bloc.

Mr. SPRINGER. Seventy percent is with the Soviet bloc. That leaves 30 percent with the rest of the world.

Mr. WOODWARD. Thirty percent with the rest of the world. A considerable part of that 30 percent is with European nations. That would leave a still smaller percentage—I do not happen to have precise data—of trade with Canada and a lesser amount with Latin American countries.

The principal trade with any Latin American country before the Castro takeover in January of 1959 was the flow of petroleum from Venezuela to the Cuban refineries. One of the first acts of the Castro government was to try to obtain a source of supply of petroleum from the Soviet bloc.

Mr. SPRINGER. Are they doing that at the present time?

Mr. WOODWARD. Yes, they are.

Mr. SPRINGER. As the Assistant Secretary in Charge of Latin American Affairs, have you come to a conclusion as to what it would take in addition to an economic embargo to overthrow the Castro government?



Mr. WOODWARD. That is a very big question, sir.

Mr. SPRINGER. It is all a part of this legislation to know what part this would play. I ask for the remaining things which will be necessary if we are to get at Castro, other than an economic embargo both ways.

Mr. WOODWARD. With your permission, I would prefer to answer the question the other way around by saying that I do not think the passage of this legislation would be a significant or very important step to further handicap the Castro administration.

Mr. SPRINGER. You do not believe an embargo both ways, of the remaining trade, would be of great moment?

Mr. WOODWARD. That is correct.

Mr. SPRINGER. You used the words, "We believe this legislation to be unnecessary." Do I state you correctly?

Mr. WOODWARD. Yes, sir.

Mr. SPRINGER. May I ask this pointblank question, because I think it important: Are you opposed to the legislation?

Mr. WOODWARD. Yes, sir; because it reduces the flexibility.

Mr. SPRINGER. In that statement, I presume you speak for the State Department.

Mr. WOODWARD. Yes, sir.

Mr. SPRINGER. Do you also speak for the administration?

Mr. WOODWARD. I believe so, sir.

Mr. SPRINGER. You have at the present time, for dealing with Castro in the field covered by this bill, the Trading With the Enemy Act and the recent amendment to the Mutual Security Act introduced by the distinguished gentleman from Florida, Mr. Rogers, which I assume will be in the act when it is finally adopted. You are familiar with that, too; are you not?

Mr. WOODWARD. I had not been familiar with that before listening to this testimony today.

Mr. SPRINGER. You do know what that does?

Mr. WOODWARD. I am not absolutely certain; no, sir.

Mr. SPRINGER. You do know that is discretionary with the President. He may invoke it or he may not.

Mr. WOODWARD. No, I did not know that.

Mr. SPRINGER. You did not know that? If we pass this legislation, it would take away all the discretion which you have under the Mutual Security Act and the Trading With the Enemy Act. Is that true?

Mr. WOODWARD. That is my understanding; yes, sir.

Mr. SPRINGER. Then I take it that is chiefly the reason you are opposed to this legislation.

Mr. WOODWARD. Yes, sir.

Mr. SPRINGER. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Williams.

Mr. WILLIAMS. To clarify your opposition to the legislation, Mr. Woodward, does the State Department take a position in opposition to the principle involved in the legislation, that principle being, as I understand it, a total economic embargo against Cuba?

Mr. WOODWARD. The State Department is not opposed to the ultimate objective of the legislation, but I believe I can say that the State Department is opposed only to the limitation on the flexibility

of its own discretionary authority under the Trading With the Enemy Act.

Mr. WILLIAMS. Of course, the ultimate objective of the legislation is to bring about a total economic boycott or embargo against Cuba. If the State Department is in favor of that objective, then why would it need flexibility?

Mr. WOODWARD. Because up to the present we had not wished to lend further fuel to the argument which has been advanced repeatedly by people in other American republics that this difficulty with Cuba is largely a bilateral problem with the United States. We have been waiting until there seemed to be further reason or circumstances in which it would seem appropriate to take this final step.

Mr. WILLIAMS. Do I understand, then, that efforts are being made to do this through the Organization of American States rather than to do it unilaterally on the part of the United States?

Mr. WOODWARD. No, there is no movement afoot at present to attempt to invoke any kind of multilateral embargo on trade with Cuba because there is so little trade with the other American republics; and there seems to be insufficient sentiment at this time among those countries to warrant an effort to try to get a multilateral action on the problem.

Mr. WILLIAMS. Mr. Casey in his statement before the committee indicated that in addition to the dollar exchange in imports and exports with Cuba, we have given through the United Nations and its allied organizations additional moneys which have gone in to Cuba. Are you familiar with any program of the United Nations which would send money in to Cuba, to which we contribute?

Mr. WOODWARD. I have heard only in very general terms about a recent request from the Cuban Government to the United Nations for some technical assistance in the field of agriculture, I believe it is.

Mr. WILLIAMS. Do you know whether aid has gone into Cuba since the Castro regime took over, from the United Nations?

Mr. WOODWARD. I am sorry to say I am not adequately informed on that point. No, I do not know. I should know, and I shall try to find out.

Mr. WILLIAMS. I believe that is all.

The CHAIRMAN. Mr. Younger.

Mr. YOUNGER. Mr. Woodward, I am somewhat amazed at your statement that expressions here on behalf of this legislation in favor of doing something about Cuba would have an effect on the Executive to determine his action. Is there any doubt in the minds of those in the State Department or the Executive about how the American people feel on this question?

Mr. WOODWARD. Yes, sir; there has been a little doubt. In the first place, the trade was considered to be relatively minor and some very highly respected—at least one highly respected opinion has been expressed by a Member of the Congress indicating reluctance to see this trade stopped.

Mr. WILLIAMS. What Member is that, Mr. Secretary?

Mr. WOODWARD. The head of the Florida delegation.

Mr. WILLIAMS. The head of the Florida delegation? Who would that be?

Mr. WOODWARD. Senator Holland.



Mr. WILLIAMS. The senior Senator?

Mr. WOODWARD. Perhaps I am using the wrong terminology, but I refer to Senator Holland.

Mr. YOUNGER. Regardless of Senator Holland's view, if you had listened or if your people had listened to expressions of Congress all during the debate on the mutual security bill, you would have found out very definitely how the majority feel, not how some one Senator happens to feel. So that your statement rather amazes me.

The other point is the question of the flexibility of the action of the President, that this seems to be something sacrosanct that we should not interfere with. If the flexibility which the President has is inconsistent with the will of the people and the will of Congress speaking on behalf of the people, how can you correct that other than by action of this kind?

Mr. WOODWARD. That, sir, is a very broad question of the relationship between the legislative and the executive branches, and I feel my opinion is relatively inconsequential. I am sure that you gentlemen who live with these problems know much more about that than I do.

Mr. YOUNGER. I guess we cannot get anywhere on that.

One other thing. You referred to all of this talk about the Organization of American States and the necessity of dealing with them. I just want to make this comment which seems to apply. I think it was a very famous French Premier who, at the time of the Revolution, made this statement. He said, "The mob is forming outside in the streets. I must find out which way they are going, because I am their leader." That seems to be the position of the United States throughout in its action about Cuba as well as Berlin. We seem to be waiting for some mob to form and to find out how they are going before we act. I am afraid your testimony, Mr. Woodward, rather convinces me that that may be true.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS of Texas. I yield.

Mr. MACDONALD. I have just one question. First, I would like to say I agree with you about not interfering with the outside world until we are completely sure of all the facts. One thing that has amazed me about your testimony is this: Do you dispute what was said by Mr. Rogers concerning the effect of the Rio Treaty going into effect and going through the Organization of American States if we do put on a complete embargo?

Mr. WOODWARD. I must admit this is new to me.

Mr. MACDONALD. How can it be new to you? For my own information, how can it be new to you if you are the Under Secretary in Charge of Latin America? Either Mr. Rogers is wrong and people to whom I have talked are wrong, or you are wrong. I would like to hear that I am wrong or that Mr. Rogers is wrong.

Mr. WOODWARD. I think that is a point on which I had better make sure of the absolute precision of my information and inform the committee by letter.

Mr. MACDONALD. It is a rather broad, general principle, and it seems to me one to be first looked at in making a decision of this sort. It seems to me this was the reason that this had not taken place earlier. If that is not so, I would like to hear it from the State Department.

Mr. WOODWARD. I had not heard of that reason, and I have discussed this question in considerable detail with people in the Department of State.

Mr. MACDONALD. What reason do they give, except tying up the flexibility of the President to be used at a more strategy time, perhaps, than now?

Mr. WOODWARD. That was the reason.

Mr. MACDONALD. There was no mention of the invoking of the Organization of American States?

Mr. WOODWARD. No, sir.

Mr. ROGERS of Florida. Will the gentleman yield?

Mr. ROGERS of Texas. I will be happy to yield. Let me ask one question first.

The position of the State Department with regard to this legislation is that you feel you have a better source of strength if you have a flexible position so you are able to bring this weapon to bear at the proper time, your choosing the time, rather than to have it rigid. Is that correct?

Mr. WOODWARD. That is correct, sir.

Mr. ROGERS of Florida. As I understand it, you decided the time was proper some number of months back to invoke a boycott on exports, but now it is your position to bring about flexibility to invoke a boycott on imports. Do I understand that to be your position?

Mr. WOODWARD. I believe, sir, the further embargo would apply to both the remaining exports as well as the imports.

Mr. ROGERS of Florida. Yes, this would be complete. But as I understand your testimony now, you are saying they are not of much significance, so maybe it will not matter, anyhow. So why do you need flexibility if it is not going to have any effect? Is there any reason to ask for flexibility in this situation?

Mr. WOODWARD. The relative unimportance of the trade as compared to the former trade does reduce the need for flexibility, yes, sir.

Mr. ROGERS of Florida. But you do feel that it would have some impact, and that is why you want to keep the flexibility. Is that right?

Mr. WOODWARD. That is right.

Mr. ROGERS of Florida. Then you do feel it would have some effect?

Mr. WOODWARD. Yes, it would have some effect.

Mr. ROGERS of Florida. What effect would it have?

Mr. WOODWARD. Mostly psychological, I would say.

Mr. ROGERS of Florida. Yes. Would it have some effect on our other neighboring countries in Central and South America to see us take this action?

Mr. WOODWARD. Yes, I think it would.

Mr. ROGERS of Florida. Then this possibly could have great effect, could it not, if it has a psychological impact on our neighbors?

Mr. WOODWARD. It could have great psychological effect, yes.

Mr. ROGERS of Florida. I thank the Secretary for making that clear. Thank you, Mr. Chairman.

Mr. ROGERS of Texas. That is all.

The CHAIRMAN. Mr. Keith.

Mr. KEITH. Mr. Secretary, you mentioned the need for flexibility in the use of our several tools of foreign policy. I believe we have military force, foreign aid, and economic efforts which we can make.



I was surprised to find that you had not seriously considered and contemplated the amendments which were offered by Congress, because it would seem to me that they should be sampling your opinion as to whether or not the administration would concur in these amendments which the House considers so vital. The administration seems to disregard Congress in a larger and more important role than this. Were you consulted prior to Secretary Dillon's making his statement that the United States would furnish a large portion, some of it through public funds, of the \$20 billion over the next 10 years in South America?

MR. WOODWARD. Yes, I was one of many people who were consulted by Secretary Dillon.

MR. KEITH. Were you aware of the fact that implementation of this plan requires congressional approval?

MR. WOODWARD. Yes. Of course, substantial portions of the amount of the assistance are from funds which are appropriated by the Congress.

MR. KEITH. Do you not think it would have been easier for us to have discussed the subject in Congress and determine our course of action if the Secretary had said, "We will ask Congress for the funds to do this job," rather than sort of committing us prior to making the request of Congress?

MR. WOODWARD. I cannot speak for Secretary Dillon, but I feel he was basing his statement on his own extensive experience and conversations with representatives of Congress, and that he was simply projecting what he interpreted to be the attitude which already had been shown by the Members of the Congress.

MR. KEITH. We cherish our role and we would like to be consulted prior to being committed as a nation. It seems from the conduct of these hearings that we feel we have some responsibilities, and that recommendations we make, can and should, be brought to the attention of the subordinates in the State Department who in turn should determine the policy of the administration and advise us whether or not they can go along with these amendments.

MR. MACDONALD. Does the gentleman indicate that Congress does or should run our external foreign affairs?

MR. KEITH. No, I do not imply that. I do feel that where financing is required in order to implement them, we have a responsibility.

MR. MACDONALD. As I recall, the gentleman exercised that responsibility in holding down the spending and planning for foreign aid to a 1-year period. I do not really know what the gentleman's point is.

MR. KEITH. My point is that the members of the State Department and other members of the administration, in making commitments to the countries of Latin America, should have the support of Congress prior to making commitments.

I yield back to the chairman.

THE CHAIRMAN. Mr. Rogers of Florida, have you anything further?

MR. ROGERS of Florida. No more questions.

THE CHAIRMAN. Mr. Curtin.

MR. CURTIN. Mr. Secretary, did I understand you to say in your testimony that you felt this was not the proper time to take any stronger action on the Cuban situation?

Mr. WOODWARD. No, sir, I do not feel that I should predict at just what time it would be proper to take the action which the President is now authorized to take under the Trading With the Enemy Act. It could come at any time.

Mr. CURTIN. I was wondering whether anything was happening in relation to the situation which made this time peculiarly inauspicious for this type of legislation.

Mr. WOODWARD. No, sir, I would say not.

Mr. CURTIN. I understood you also to say that one of the main reasons why the administration may be reluctant to do anything further would be fear of retaliatory actions as against remaining American assets in Cuba. Is that correct?

Mr. WOODWARD. No, sir. I alluded to the fact that such retaliatory action might be effected, but I do not think that fear of such retaliatory action should be considered as a deterrent.

Mr. CURTIN. Would you tell me what is the approximate value of American properties still remaining unattached in Cuba?

Mr. WOODWARD. That is very difficult to estimate or find out, because they are mostly properties held by individuals who have comparatively small properties. The guesstimate is somewhere between \$10 and \$15 million of properties.

Mr. CURTIN. Out of a total value of how much as of the time Mr. Castro took over?

Mr. WOODWARD. Around a billion dollars.

Mr. CURTIN. Incidentally, just what section of the State Department do you head? I was not here when you started your testimony.

Mr. WOODWARD. The Bureau of Inter-American Affairs.

Mr. CURTIN. You have charge, then, of all South American affairs?

Mr. WOODWARD. I feel as though that is something of an exaggeration, but that is the job description, Latin American Affairs.

Mr. CURTIN. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Sibál.

Mr. SIBÁL. Mr. Secretary, when you were commenting on the desirability of this bill particularly at that time, I believe you gave as the principal reason the fact that the administration, the President if you will, has authority under the Trading With the Enemy Act to accomplish what this bill is designed to accomplish.

Mr. WOODWARD. Yes, sir.

Mr. SIBÁL. Under the Trading With the Enemy Act, he has the flexibility to consider the timing and the effect on other countries, and so forth. Is that correct?

Mr. WOODWARD. That is correct.

Mr. SIBÁL. Did I understand you also to indicate some surprise at the expression of members of this committee about invoking the Trading With the Enemy Act because you had been under the impression that it was the feeling of Congress, as expressed by the distinguished senior Senator from Florida, that this should not be done?

Mr. WOODWARD. I think "surprise" would be a stronger word than I would have wanted to use.

Mr. SIBÁL. What word would you use?

Mr. WOODWARD. I would say it is very helpful to learn that there is such a unanimity of opinion other than the isolated comments that I had heard before.



Mr. SIBAL. Today was the first time you got that impression?

Mr. WOODWARD. The first time that I knew there was such strong and unanimous or almost unanimous opinion, yes, sir.

Mr. SIBAL. Do you read the Congressional Record?

Mr. WOODWARD. I am sorry to say I have not read it very carefully.

Mr. SIBAL. You also referred at one point in your testimony—I am trying to be precise here—to the perhaps superior understanding Members of Congress might have about the relationship between the Congress and the executive as compared to that which you might have in your position. Did you not?

Mr. WOODWARD. I tried not to presume to make any sweeping statements on that subject.

Mr. SIBAL. To get to my real point, do you or do you not feel it a part of your job to acquaint yourself with congressional opinion and congressional expressions, particularly, of course, in the area for which you are responsible—Inter-American Affairs?

Mr. WOODWARD. Yes, sir; I hope to be able to accomplish that more and more.

Mr. ROGERS of Florida. I do think it ought to be brought out that the Assistant Secretary of State Woodward has just come on this job and he is in the process of acquainting himself with many of these problems. I feel in fairness that should be stated. As you know, he has just been appointed.

Mr. SIBAL. I appreciate that and I certainly want to be fair with the distinguished Secretary.

I would point out this point, however:

It has been in only the past week or so that we passed what is the present version of the mutual security bill. Do I understand you are not familiar with the provisions as they affect our relations with Latin America which are included in that particular bill at this moment?

Mr. WOODWARD. I have not had an opportunity to study that as yet, sir. I am naturally very much interested in those provisions, of course.

Mr. SIBAL. Do you have any suggestions, based on your experience and responsibilities, to the Congress in terms of dealing with the very complex problems of Latin America?

Mr. WOODWARD. I beg your pardon?

Mr. SIBAL. Did you have any suggestions at the time we were considering these problems? Did you have any position in relation to the suggestions which were made by various Members of Congress?

Mr. WOODWARD. I have had 3 hours before the Passman subcommittee discussing the prospective legislation. That particular provision was not discussed during that hearing.

Mr. SIBAL. In other words, at the conclusion of your testimony, having expressed yourself, you did not feel that the debate on the floor and the amendments offered on the floor were something on which you could pass judgment on a moment-to-moment basis?

Mr. WOODWARD. No. I should have kept myself informed, of course, but I left immediately the next morning for the conference at Uruguay, got back a week ago, and was sick in bed for 3 days. I have not had much opportunity to bring myself up to date.

Mr. SIBAL. We are going to have to consider this program further as a result of the disagreement in the versions between the two Houses.

Do you have any opinions now concerning the Latin American aspects of the mutual security bill?

Mr. MACDONALD. We are not in the Senate confirming Mr. Woodward and I do not see what this has to do with this hearing.

Mr. SIBAL. We are trying to become informed on Latin American affairs. You will recall the question you directed concerning the mutual security bill.

Mr. MACDONALD. I referred to a treaty which would go into effect if the Trading With the Enemy Act is put into effect. It was my understanding that this bill would perhaps circumvent that and I did not want to get us another defeat in the Organization of American States.

Mr. SIBAL. The gentleman will agree we should become as informed as we can.

Mr. MACDONALD. I am sure the gentleman is well informed on all these matters.

Mr. SIBAL. I wish that were so.

I have no further questions.

The CHAIRMAN. Mr. Dominick?

Mr. DOMINICK. When we send exports to Cuba do we get paid in the form of American dollars?

Mr. WOODWARD. Yes, sir; I believe the exporters require cash with order.

Mr. DOMINICK. Where do these American dollars originate? Have they been appropriated from American businesses or American citizens down there?

Mr. WOODWARD. I don't know where they come from although there has been sufficient Cuban exportation to the United States to pay for the limited amount of imports.

Mr. DOMINICK. That is one of the things I was trying to get at. Presumably, then, if we cut off the imports, and the dollars which flow there, we would be cutting off a lot of the exports because they could not pay for them. Would that be true?

Mr. WOODWARD. It would certainly be much more difficult for them to get the dollars.

Mr. DOMINICK. In connection with some of the specific shipments which have been made since the 3d of July, I have here from the Department of Commerce an indication that on the 19th of July a special license was issued to send \$24,000 worth of aircraft parts and tires to Cuba.

Did the State Department know about this?

Mr. WOODWARD. I don't think that the State Department is regularly informed of these applications, but I would like to refer to the Department of Commerce licensing authorities who are represented here on that point. If these were for military aircraft they would have to be cleared through the State Department; and, of course, they would not be approved.

Mr. DOMINICK. Is there regular coordination on these licenses between the Department of Commerce and the State Department?

Mr. WOODWARD. I think on any questionable application there certainly would be very close consultation, yes, sir.

Mr. DOMINICK. During January and March, according to the Department of Commerce, \$400,000 worth of industrial machinery was



exported to Cuba. Do you happen to know what that was or whether the State Department concurred in it?

Mr. WOODWARD. No, sir, I do not know what that was. I can only assume it must have been something considered to be relatively non-controversial or it would not have been approved.

Mr. DOMINICK. Mr. Chairman, I merely want to say for the benefit of the record I am wholeheartedly in support of this bill and I hope we can get prompt action on it.

The CHAIRMAN. Thank you very much, Mr. Woodward, for your appearance here today and your testimony on this subject.

The committee will adjourn until Friday morning at 10 o'clock, at which time we shall have with us the Assistant Secretary of International Affairs from the Department of Commerce, Mr. Rowland Burnstan.

Mr. Burnstan, can you return on Friday morning?

Mr. BURNSTAN. Yes, Mr. Chairman.

The CHAIRMAN. Very well. The committee will adjourn at this time.

exported to Cuba. Do you happen to know what the war or whether the State Department occurred in it?

Mr. Woodward. No, sir, I do not know what that was. I can only assume it must have been something considered to be relatively non-controversial or it would not have been approved.

Mr. Brewster. Mr. Chairman, I usually want to say for the benefit of the record I am wholeheartedly in support of this bill and I hope we can get prompt action on it.

The Chairman. Thank you very much, Mr. Woodward, for your appearance here today and your testimony on this subject.

The committee will adjourn until Friday morning at 10 o'clock, at which time we shall have with us the Assistant Secretary of International Affairs from the Department of Commerce, Mr. Rowland Brewster.

Mr. Brewster, will you return on Friday morning?

Mr. Brewster. Yes, Mr. Chairman.

The Chairman. Very well. The committee will adjourn at this time.



## TRADE WITH CUBA

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FRIDAY, SEPTEMBER 1, 1961

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,  
*Washington, D.C.*

The committee met at 10 a.m., in room 1334, House Office Building, Hon. Oren Harris (chairman) presiding.

The CHAIRMAN. The hearing will come to order.

The Chair feels we must proceed immediately with the hearings this morning. Other members will be in later. There are several witnesses we must get to as we continue hearings on H.R. 8465, a bill by Mr. Rogers, of Florida, and a number of other similar bills which would prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes.

We are pleased to note the presence of our colleague and friend, the Honorable George Smathers, a great Senator from the great State of Florida, with whom we had the privilege of serving in the House for a good many years.

Senator, may I extend to you in behalf of the committee a cordial welcome.

Senator SMATHERS. Thank you, Mr. Chairman.

The CHAIRMAN. We are glad to have you with us, and if you care to make a statement on this legislation we would be glad to have it at this time.

### STATEMENT OF HON. GEORGE A. SMATHERS, A U.S. SENATOR FROM THE STATE OF FLORIDA

Senator SMATHERS. Thank you very much, Mr. Chairman. I would like to make a brief statement after first stating to you that I appreciate the generosity with which you have introduced me. I say the most pleasant duty in many ways that I had as a Member of the Congress was that of being a member of this particular body. I would not want anybody to presume by that that I am not satisfied where I am, but nonetheless the more pleasant aspects of the job were here with you gentlemen.

First and very briefly, I do want to say that I think the bill which has been introduced by Congressman Rogers is a meritorious bill. It deserves the support of the Congress of the United States. I think its purposes are wholly worthy. I believe we must do something in order to try to get rid of Fidel Castro and his Communist government in Cuba.

I would say to you that in looking through my file of last January, I noted that on January 6 I wrote a letter asking that an embargo be put on Cuba. I wrote to the Honorable Christian A. Herter, Department of State, which was before the advent of the new administration, and I set out in that letter the reasons that I then thought that the State Department on its own initiative should bring about this action.

If there is no objection, Mr. Chairman, I would like to make that letter part of the record.

The CHAIRMAN. We are glad to have it and it will be received for the record at this point.

(The letter referred to follows:)

JANUARY 7, 1961.

HON. CHRISTIAN A. HERTER,  
*Department of State, Washington, D.C.*

DEAR MR. SECRETARY: Prior to the recent break of diplomatic relations between the United States and Cuba, I have strongly advocated and urged the President and the Department of State to take prompt and effective economic sanctions against the present Government of Cuba to prohibit the imports of fruits and vegetables and other dutiable commodities into the United States.

In my opinion such action is imperative to the security not only of the United States but to the entire Western Hemisphere because it is apparent that the present Government of Cuba has been for some time and continues to be openly hostile to its longtime friend and ally, the United States.

This open hostility clearly following the philosophy of the world Communist movement is diametrically opposed to free peoples and free governments everywhere. The patience and tolerance of the United States has been taxed beyond the realm of prudent endurance. Immediate steps to contain and eventually render impotent the enemies of freedom are essential if we are to win the battle of survival itself.

You will recall that the Congress this past year took effective action at the request of the President of the United States to deal effectively with respect to the Cuban sugar quota. This was designed to prevent American dollars from being used to finance the Communist movement in Cuba and throughout other Latin American countries as well. It seems only logical to conclude that this action alone is insufficient without insuring that the present regime of Cuba is prevented from receiving dollars from other sources obviously to be used for the same purpose. In this respect I cannot urge too strongly that immediate consideration be given toward invoking the provisions of section 5 of the Trade Agreement Extension Act of 1951, as amended, in order that all dutiable imports from Cuba be prohibited. This step appears warranted in light of the President's recent action designating that the present Government of Cuba is Communist controlled.

I realize that such a determination would have broad consequences but in my opinion it is essential that this action be taken immediately if we are to preserve the security of the United States, the security of the Western Hemisphere, and the security of the free world generally.

I would be pleased to have your reaction to this proposal at your earliest convenience.

With best wishes, I am,

Sincerely yours,

GEORGE A. SMATHERS, *U.S. Senator.*

Senator SMATHERS. I would also like very much to quote for the record a letter which I have just received from an individual who had lived all of his life in Cuba. In the letter he set out that he had 27 relatives now there, that he could not help but believe that the United States was not doing the right thing in carrying on, under existing circumstances, trade between the United States and Cuba.

He said that we hear the argument they are not putting on an embargo because of the fact it would bring some distress to the people of his country.



He said—

I can say, having gotten out of there only 3 days ago, that as far as my 27 immediate relatives are concerned, we believe we are going to have to undergo considerable pain and considerable suffering in order to get rid of the Communist dictatorship which now controls our land. We recognize that fact. As a matter of fact, we would welcome some days and even some weeks of additional hardships over those which we are now suffering if we thought in the end it would help bring about the downfall of Fidel Castro.

and he cannot help but believe that completely cutting off trade would help bring Castro's downfall.

I further would like to state that it is my information, and I believe my information is reasonably good, that the dictatorship of Fidel Castro, referring to the Communist dictatorship which he has there now, is suffering great economic pains. As a matter of fact, one of our representatives who attended the Conference at Montevideo at Punta del Este, and I am not at liberty to divulge this gentleman's name though I would back this up in any forum because I know it is a fact, this gentleman indicated that he heard "Che" Guevara, in talking with some of the representatives of other countries, admit they were suffering great economic hardship. However, of course, "Che" Guevara maintained that they would finally and ultimately win.

It was indicated by Guevara's conversation that the people were getting restive over the fact they were not getting the kind of protein diet which they had been accustomed to previously even though it was low compared to our standards. They had no soap, very little paper, very little of the things which the people of Cuba had been accustomed to having.

I think it is important that we remember that this Communist dictatorship was not brought about in Cuba because of a real low standard of living. As a matter of fact, the Cubans had the third highest standard of living of all the countries of Central and South America as of the time Fidel Castro took over. The argument that the Communists take over only because of poverty is not necessarily so, as proven by the takeover of Fidel Castro and the Communists. The Communists we know can take over wherever they get control of the weapons and the means of warfare by which they can subjugate the people and where they can get a means of propaganda as well.

I cannot help but believe that while the trade we carry on with Cuba today is not large in terms of the trade we carry on with many other peoples, nonetheless I think the figures reveal it is in the neighborhood of some \$60 million. I do not see any earthly justification for our continuing to provide Fidel Castro and his Communist government with even that small amount of money when he uses that money for the purpose of further entrenching his own particular Communist dictatorship and further subjugating the people of Cuba, and then using that money, and other money which is released because he has this money, for the purposes of propagandizing and advancing the cause of communism in adjacent countries and throughout South America.

I think the time has long since passed, I have stated this on many occasions, and, I regret, without success, where we must recognize the

type of government that exists there and we must begin to move affirmatively to get rid of it.

Consequently, in light of the fact that the State Department has demonstrated reluctance to do this, I cannot help but believe that this legislation which has been introduced by my colleague from Florida is worthy and meritorious and should be passed, and if passed it will help facilitate the downfall of the Communist government of Fidel Castro.

Mr. Chairman, that it all that I would care to say at this time. If anybody would like to ask me any questions I certainly would be delighted to try to answer them.

The CHAIRMAN. I might say that the testimony presented by the State Department a few days ago revealed that there was last year, compared to the previous year, an amount of \$548 million in exports as compared to \$20 million this year, and imports amounting to \$543 million in 1958 as compared with about \$30 million within the past year, which means that the trade with Cuba has been reduced almost to the point of being a nonentity.

As I recall it, the representative from the State Department for inter-American affairs testified that the rate now was approximately \$12 million a year.

Senator SMATHERS. On that point, Mr. Chairman, I would like to say that I think that is growing relatively less important, as the State Department has testified. The amount has dropped. Cuba at one time was the fifth best customer we had. However, it has dropped off.

I think we must cut it all off. I believe it would be a great encouragement to the other nations of Central and South America. I think we must demonstrate to those nations of Central and South America, and particularly to those governments which are not exactly sure as to how we stand with Fidel Castro and his Communist dictatorship, that we can take some action which would let them know specifically we do not approve of this government, do not approve of what is going on, and we hope it will fall.

I think the best way we can demonstrate that, at least one of the ways we can demonstrate that, is through adoption of this particular action.

Once having done that I think other countries of Central and South America would follow and do the same thing.

While it may be that the amount which he is getting from us today is small, nonetheless the amount he is getting from some of the other countries totaled up is quite large, so when we stop it and we take the leadership in stopping it, and the other countries of Central and South America, with the possible exception of Brazil and Mexico, would follow our lead, I think then the total loss to Fidel Castro and his Communist dictatorship would be great.

There is no doubt that he is suffering and there is no doubt that the sooner the people of Cuba who have been misled by his propaganda recognize that this Communist dictatorship cannot even feed them, the sooner they will be persuaded that the time has come to try to get rid of Fidel Castro and communism.

The CHAIRMAN. Do you have any information that other Latin American nations will follow the lead of the United States with regard to an embargo?



Senator SMATHERS. It is my personal information, Mr. Chairman, there are a number of Latin American countries which would be of a disposition to follow our lead. There are eight Latin American countries that have already broken relations with Cuba. We formally have not done that, but there are eight Latin American countries, notably Peru, which already have done so.

I noticed at Punta del Este, where the Peruvian Government, led by President Prado, tried to get through a resolution during the Economic Conference that no aid would go to any one of these countries where they did not have free elections and where they did not practice democracy. Regrettably, in my judgment, that particular phrase was left out at the insistence of the Cubans, and regrettably apparently with the acquiescence of the United States of America.

I think we cannot stand up and say we will give help to a country which does not at least try to be democratic. I think we are flying in the face of what the taxpayers of the United States want. I do not believe that the taxpayers of America are of a disposition to reach down into their pockets and make a contribution to help underdeveloped or rapidly developing countries of Latin America or anywhere else where those countries that are receiving this help are Communist inclined or are moving in the direction of a dictatorship rather than moving in the direction of a democracy. I thought and still think, that the whole motive of the program is to try to bring about democracy.

That particular resolution was developed by the leadership of Peru and the leadership of Colombia, and I regret to say we did not give it the support it deserved on the ground that this was not a political conference, that it was solely an economic conference, and we would not get into the political question.

There is an article which recently has been issued written by Jules DuBois, Castro's Boswell at one time. He was tremendously impressed with Fidel Castro. He is a reporter who used to work with the Chicago Tribune. He has written a book on Fidel Castro, where I think he calls him Robin Hood. It is a very friendly book about Fidel. It was published about a year and a half ago.

Since that time Jules DuBois has admitted that he made a mistake, that he was misled by the representations of Fidel Castro, as I know many others were.

He went around the Latin American countries just recently, more recently than the visit of Ambassador Stevenson. It was his conclusion, which is my conclusion also, Mr. Chairman, because I think I have traveled Latin America about as much as anybody in Congress, that you can hear almost anything you want to hear, but what you hear unofficially is different from what you hear officially—that the leadership of most of the Latin American countries would like the United States to be strong and decisive in getting rid of Fidel Castro because they realize that they have no future if Castro and his communism take over in their countries.

Most of these men have been democratically elected. There is no future for them in a Communist-dominated country. They would like to have the United States as leader of the Western Hemisphere, and we hope actual leader of the free world, to exercise some leadership in getting rid of communism in this Western Hemisphere. They

would welcome it but they are afraid to say so publicly because they have in their countries, as we have in our country, certain small, well-organized, but loud and vociferous groups who are talking about the new revolution, the social revolution, and so on, which we have heard for many years and which frankly has now led us to the brink of what might be the third and last world war.

They have those people in their countries, too, and they do not want to take them head on unless they know exactly where the United States stands, and unless they know that the United States in fact will support them and stand with them. If we take a completely neutral and standoff position, and if they bump head to head with the Communist groups in their countries and say, "We are staying out of it," they may have some trouble. They would like to know where we stand, and we thus far have not given any actual indication of where we do stand other than to from time to time make rather platitudinous general statements that we believe in democracy, that we believe in freedom, that we believe in all of these things. However, we have not done much more than make speeches up to this point, Mr. Chairman.

I think the time has come for the Congress to demonstrate that the people of the United States and their representatives do not approve of this Communist dictatorship of Fidel Castro in this hemisphere.

Mr. ROGERS of Florida. Of course, I certainly agree wholeheartedly with the very excellent statement Senator Smathers has made. I think it does bear particular weight because of his long background and, to my mind, his being the expert on Latin American affairs in the Congress.

As he said, he has called the attention of the State Department to this problem repeatedly, the problem of continuing trade, and still there has been no action. I must say that I think recent events substantiate exactly what the Senator has said, that the people of those countries are looking to us for leadership. I think recent events of "Che" Guevara's visit to Argentina, when the pressure was so great that the President of that country had to come out and clarify the situation after his visit there, points that up. Brazil now has forces which do not want communism. They are trying to come to the fore. They need encouragement of the right type.

I wanted to bring out the fact that the State Department agrees with us in part that this bill would have great psychological effect on the Nation, and it was so testified to the other day by Assistant Secretary of State Woodward, who is in charge of Latin American affairs, when he said in answer to my question as to what would be the effect, "It could have great psychological effect."

I agree wholeheartedly with the Senator. Congress needs to act because we have just been wishy-washy on this particular phase. I am very grateful to the Senator for his statement.

Senator SMATHERS. Thank you, Mr. Rogers.

The CHAIRMAN. Mr. Younger.

Mr. YOUNGER. I have no questions. I do want to compliment the Senator very much, because I subscribe wholeheartedly to everything he has said.

Senator SMATHERS. Thank you, Mr. Congressman.

The CHAIRMAN. Mr. Rogers of Texas.



Mr. ROGERS of Texas. Just one question, Senator. You subscribe to the policy that all trade with Cuba ought to be stopped; do you not?

Senator SMATHERS. Yes, sir.

Mr. ROGERS of Texas. The thing that disturbs me in the situation so far as this bill is in relation to the interstate commerce activity, where they begin, and if they begin in the first instance. In other words, we say that any goods imported from Cuba cannot be carried in interstate commerce. Where does interstate commerce end—at the 3-mile limit?

Senator SMATHERS. Mr. Rogers, I think that is a legal and somewhat technical matter. At the outset, before you arrived, I said I agree with the purposes of this legislation. I think Congressman Rogers intends the purpose of it to be not only to stop the trade, but to have it eventuate in the psychological benefit which is needed all over the area. As to specifically whether or not we would have destroyers out 3 miles attempting to intercept, I do not know. I would doubt that would be very practical. I think, however, if this bill were passed, it would be very easy for the Immigration and Customs people, as goods came in, merely to stop that. I do not think there is any great problem in that particular regard.

I am not actually familiar with the details of this particular bill. I am familiar with the purposes of it and the objectives of it, and it is with that that I wish to associate and have associated myself.

Mr. ROGERS of Texas. Are we getting into a situation where goods could be imported into any gulf coast port of Florida, for instance, and those goods could be traded among Floridians but could not be traded between Floridians and Georgians?

Mr. ROGERS of Florida. The intent of the bill introduced was that those goods could not pass in interstate commerce, and the definition of the bill states that from any point outside the State. If goods came from outside the State of Florida, they would be stopped at the border of Florida. That was the intent of the bill. I think the wording is sufficient to do that. If not, then I think it should definitely be changed by the committee in its deliberations.

Mr. ROGERS of Texas. Of course, I think all trade should be stopped, and the thought in my mind is invoking the Trading With the Enemy Act if it did not bring into play many other facets that are not on the surface and not visible at the present time. We discussed that with Mr. Woodward, the Assistant Secretary of State in Charge of Latin American Affairs, and he amazed me at his lack of information on this particular problem. Perhaps he just did not want to give it out. He told us that they had not even discussed the situation insofar as the status of the Organization of American States with relation to this problem; that they had discussed it only from the point of keeping this matter flexible so at the proper time, when they felt it would be more effective or most effective to bring this into play, they could invoke the provisions of the Trading With the Enemy Act.

Senator SMATHERS. Mr. Congressman, I would only say if we can judge the future by the past, when they talk about flexibility, they mean inactivity. I think when they say they have doubts about it and probably do not want the bill, they mean they want the right to do nothing.

I have made many representations to the State Department, starting with the last administration and this administration, and I must say they certainly cannot claim ignorance of the fact that the trade we are carrying on with Communist Cuba is doing damage to our stature and our image all over Central and South America, and it ought to be stopped. It is to their advantage as well as to our advantage. They have seen fit to follow the policy, frankly, of doing nothing about it. I think Congressman Rogers is endeavoring to at least let the people's representatives speak, those who have been elected, who speak for our constituents. I think most of our constituents believe something should be done. I think this is a method in some way to get the State Department to do something. That is really the purpose of Mr. Rogers' bill. I do not think it is quite so much whether or not \$12 million or \$65 million is involved, but whether or not there is actual trading of commodities back and forth. Actually, it does not affect our economy to a great extent, one way or the other.

Mr. ROGERS of Texas. I think the Senator is exactly correct in his conclusion about the State Department. I think the flexibility would make it a more potent weapon but, as you point out and I think past experience proves, the State Department will not use the full potency of that weapon. If it were possible for the Congress to act with that same degree of flexibility or to act by using this weapon at the opportune time, I think it would be exactly right. As you point out, past experience proves that unless we take some action, it will not be done.

Thank you very much.

The CHAIRMAN. Mr. Thomson.

Mr. THOMSON. Thank you, Mr. Chairman.

I would like to ask the Senator if he has any information as to whether the bill will be signed if it is enacted by Congress.

Senator SMATHERS. I have none, Mr. Thomson. I have no information.

Mr. THOMSON. Do you know whether or not the executive branch is making any effort to prevent the bill from moving through the Congress?

Senator SMATHERS. I have no information on that.

Mr. THOMSON. I agree with the position you have taken here, and I hope the executive branch will allow the Congress to speak on this matter.

Senator SMATHERS. Sir, I have talked with both this executive branch and the last executive branch about this matter. I did not seem to make much of an impression with either one. That is a fact which I exceedingly regret. I really believe it has been to the loss of U.S. prestige.

The CHAIRMAN. Mr. Hemphill.

Mr. HEMPHILL. I wish to thank the gentleman for coming and appearing. After hearing you testify, the thought occurred to me if the executive branch of the Government will not listen to a U.S. Senator, it is a pretty sad state of American politics.

Senator SMATHERS. I appreciate your saying that. Of course, they have the right to do what they want. I do not want to get involved in another matter and I do not accuse anybody of any lack of patriotism or lack of anything, but I regret to say that I find within the



State Department a certain line has been followed for a long number of years, which is the belief that everything can somehow be negotiated, a feeling that somehow, if you do not meet a problem head on, it will go away. I have observed that over the course of many years within what you can call the hard core of the State Department.

Because of our civil service protection, the people who were making that policy 12 years ago in many instances are making it today. These are the men through whom all the reports from the field have to filter. When they get through reworking an ambassador's report, an economic officer's report, or a political report from the field, regretfully, sometime that report no longer reflects the actual facts from the field. It more likely reflects the thinking of the person who is sitting on the desk, who is dedicated to a certain line.

Again, I say I am attacking nobody's patriotism. It is a foreign policy within a foreign policy. For example, of the some 14,851 employees of the State Department, counting the ambassadors, the President of the United States can appoint only 181 when he comes into office. So you have a hard core of people there who have their own foreign policy and, regretfully, are always defending that foreign policy. They made it in the early days, and they are defending it today. I think this is one of the dangers of our system. We are seeing it reflected in this matter with respect to Cuba.

Mr. HEMPHILL. Thank you very much.

The CHAIRMAN. Mr. Dominick.

Mr. DOMINICK. Thank you, Mr. Chairman.

I just want to associate myself with your statement, Senator Smathers. I think it was an excellent statement. I also want to associate myself with your feeling about the State Department. We had a very interesting series of remarks made by the present Under Secretary for Latin American Affairs when he was up here at the previous hearing, during which he indicated quite plainly that he was not even aware of some of the feelings of Members of Congress which, to say the least, is disconcerting so far as we are concerned.

Do you happen to have any idea why tobacco is still permitted to be imported, when sugar has been cut off? The chairman asked this question before, and I thought maybe you might have some ideas. We got none from the State Department.

Senator SMATHERS. I do not know, other than I would say—I say this in all kindness—of course, in my State there is an area, a very important and sizable area, whose representatives are here this morning, and whose counsel is here, who is a personal and good friend of mine, who ably represents his industry and does a fine job. Obviously, he is a smart man. He went to Harvard Law School. I like him. I do not know whether he has been able to accomplish this or not. In any event, naturally when I recommended that this total embargo go into effect last January, I was not a very popular man in that area. As a matter of fact, I was hung in effigy one evening there by some of the cigar workers. Much as I sympathize with them and as deeply as I feel that I would hate to see them in any way economically hurt, I think the problem is bigger than that. I am satisfied this is a problem which will require some suffering and some sacrifice on the part of some people, and the sooner we do it, the quicker the situation will then stabilize itself and the people in the

tobacco industry will be back on their feet, knowing with whom they are dealing. These are very patriotic people. I know they do not want to contribute to the continuation of communism, and particularly where communism has some of their relatives by the throat.

To get back to your question as to how it happened, certain fruits and vegetables are still being shipped into Florida from Cuba. Obviously, some people take the position that we ought to cut that off but let tobacco come in, and some say cut off tobacco and let fruits and vegetables come in.

In my judgment, an embargo means that all of it has to be stopped. I do not think you can have just a little embargo. I think that which we are trying to accomplish in relationship to the tobacco industry as well as the fresh fruit and vegetable industry is so much bigger and affects so many more people. Consequently, I think we must keep our eye on the big picture rather than the little picture, even though I know certainly I and I am sure you and everybody else would feel very sorry for those people who might be economically hurt by the temporary imposition of an embargo.

How they do it, in answer to your question, I do not know.

Mr. DOMINICK. May I ask just one more question. Would you say the feelings you have given expression to here are reflected by the other Members of the Senate?

Senator SMATHERS. I think my feelings are reflected by 90 percent of the Senate.

Mr. DOMINICK. Have these feelings been made plain to the executive department by others besides yourself?

Senator SMATHERS. I would say a large number of Senators have made expressions to this effect, yes.

Mr. DOMINICK. I was quite surprised, because I was sure this would be true, and yet the Under Secretary said that he thought the executive department would be—he did not say “surprised”; I guess he said “pleased” to find the apparent unanimity of opinion which the executive department did not know of before the day that he testified, 2 or 3 days ago. It seems to me it has been self-evident for some time in Congress.

Senator SMATHERS. I am certain that the general sentiment of the Senate is pretty much as I have expressed it. There are those who do not agree with it, however. Generally speaking, I think the Senate is very much in favor of some action, and I believe this particular legislative proposal might give them the opportunity so to express themselves.

Mr. DOMINICK. Thank you.

The CHAIRMAN. Thank you very much, Senator. In behalf of the committee, we appreciate your interest in this problem and your contribution.

Senator SMATHERS. Thank you. I appreciate the opportunity to appear before you again.

(The following letter was later submitted for the record by Senator Smathers:)

AUGUST 26, 1961.

Senator GEORGE SMATHERS,  
Washington, D.C.

DEAR SENATOR: Thanks for your thoughtfulness in sending me a copy of the Congressional Record with my June 18 piece on Cuba published therein. It has been going the rounds of my friends here who found it most interesting.



Many of us here are praying that no soft-hearted and soft-headed do-gooder in Washington will start asking that the United States supply food to the "poor suffering people" of Cuba. That is just what Castro and the Kremlin want—for the United States to come to Castro's help because of humanitarian feelings.

You as a leader in handling problems involving the great Cuban crisis will be doing a service both to the United States and to the real Cuban people if you assure that our economic embargo against Castro—including foods and medicines—is tightened rather than relaxed.

I have just returned from a 10-day tour of Angola, in Portuguese Africa, and there again I saw every indication that the United States is again acting without thinking, in supporting an Africa for the Africans long before those same Africans are ready to rule themselves. I am sorry that you and some of the people like you could not have made the same trip, instead of having Mr. Williams paying what was to the Portuguese an unwelcome and ill-timed trip.

You will be glad to know that most Cuban experts with whom I have talked in the last 2 years and more—including various European and Latin American diplomats—feel that what the United States needs today is more men who act and think as Senator Smathers does.

I'm off tomorrow to help cover the "uncommitted" nations conference in Belgrade, where I expect to see President Dorticos trying to act like a small, beardless Castro.

I do sincerely hope, Senator, that if you should be making a trip to this part of Europe, I have a chance of seeing and talking with you.

Most sincerely,

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The CHAIRMAN. Our colleague from New York, Mr. Halpern.

#### STATEMENT OF HON. SEYMOUR HALPERN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. HALPERN. Mr. Chairman, I could not have been more pleased than I was by the announcement some days ago that this committee was scheduling hearings on legislation to establish a U.S. trade embargo with Cuba. These hearings indicate the determination of the committee to bring this issue to a head.

As one who has joined with the distinguished gentleman from Florida, Mr. Rogers, in the introduction of legislation to invoke a complete embargo, I want to heartily commend you, Mr. Chairman, and the members of your committee for holding these hearings. I am certain they will bring forth meaningful testimony to truly justify your action.

Like Mr. Rogers' bill, H.R. 8465, my measure, H.R. 8689 would invoke a complete ban on the shipment of goods to and from Cuba.

Earlier this year I called on President Kennedy and the State Department to invoke a ban on Cuban imports and exports, but to this day, Cuba is still doing business in many commodities with the United States. How ironic a situation. How ridiculous, if it were not so tragic.

Ninety miles from our shores, Cuba, under the Castro regime, has become a Soviet satellite and its Government has confiscated hundreds of millions of dollars worth of American property. Nevertheless, our Nation, acknowledged as the leader of the free world, continues to provide Dictator Castro with the cash which he desperately needs to maintain his antidemocratic, anti-U.S. regime. Time is long overdue for imposing and enforcing a firm embargo across the board to end this ridiculous and damaging contradiction.

Motivated by Executive inaction and by the continuing insults and indignities against the United States by Red Dictator Castro,

as well as the security threat so close to our shores, I felt compelled as a Member of this House to do my utmost to call a halt to this irresponsible tyranny in the most effective way possible. I joined the gentleman from Florida, who has provided superb leadership in this Congress, in supporting this embargo which I feel certain reflects the views of all Americans.

The bill would effect such an embargo by banning all interstate shipment of goods imported into the United States from Cuba, and all goods destined for export to Cuba. It now seems necessary for Congress to take strong action and end the continuous flow of American dollars to the Castro regime. This bill would prevent the interstate transportation of goods to or from Cuba, and would end the outflow of more than \$1 million per month that Cuba still receives from this trade. Ironically, certain news articles have reported that "most Government economists consider Cuba trade insignificant." Mr. Chairman, the issue here is not the volume we trade with Cuba; it is the fact that we trade with Cuba. It is a moral issue—not an economic one.

There is no excuse, no justification for the continuation of trade with Cuba. It is time to resolve the present paradox of our Cuban policy. We have, on the one hand, withdrawn diplomatic relations, branded Castro's government as Communist, supported free Cubans in their efforts for liberation, and cut the importation of sugar from Cuba into the United States. Yet, we still allow many other Cuban imports into this country in exchange for U.S. dollars, foodstuffs, and many other items whose exportation can only bolster the Castro regime.

Surely this policy cannot continue if we expect to advance freedom at full speed in Cuba. Positive action is necessary to hasten Castro's downfall.

This is what many of us in the House have advocated for a long time. We have called for direct action on the part of the President. We have demanded results from the State Department. Despite repeated assurances that the matter is "under consideration," still no overt steps have been taken. I am convinced, Mr. Chairman, that only the enactment of legislation by Congress such as this can bring about the kind of results which are needed. I trust these hearings will bear out this fact and that you will act quickly and favorably on this measure.

Mr. Chairman, this is a nonpartisan issue. It is an acute one that affects all of us. I trust each member of this committee will vote favorably for a Cuban trade embargo and thus serve notice on the world once and for all how we feel about Red Tyrant Castro.

The CHAIRMAN. Thank you, Mr. Halpern. We shall now hear our colleague, Mr. Edmondson, of Oklahoma.

#### STATEMENT OF HON. ED EDMONDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. EDMONDSON. Mr. Chairman, I appreciate the opportunity to appear before the distinguished committee in support of the Rogers bill, H.R. 8465, or some variant of it. I want to compliment the committee for scheduling hearings on this measure so speedily after the introduction of these measures.



My own bill on the subject is practically identical to the bill introduced by the gentleman from Florida, Mr. Rogers, except that it adds a penalty clause which would make possible a fine of not to exceed \$10,000 or imprisonment of not more than 1 year for violation of the prohibition against trade. That is H.R. 8866.

To me, the principal value of this legislation would be not so much the prevention of the trade as the expression in emphatic terms of the feeling of the people of the United States on the subject of doing business with the Castro regime. I think if the feeling of the people in the Second District of Oklahoma is any measure on the subject, more than 95 percent of the American people would like to see this kind of action. I think it would have a special value throughout the world, and particularly in Latin America, if it came not as an Executive action but as an expression of the representatives of the people themselves.

It has been my own experience in traveling in Latin America that, while frequently resentment is expressed against American business interests or the concept of Yankee imperialism, at the same time there is a pretty wholesome respect and regard for the individual American and for the American people among the people of Latin America, who consider us good neighbors. Because that feeling prevails, I think there would be a special value to legislation which recorded, in the only forum in which the American people can speak, the sentiment of the American people that trade should be stopped.

To me, it is absolutely incredible that we are still shipping to Cuba things like machine parts, airplane parts, and even lead which can be fashioned into bullets. I know that is going on. I think it should be stopped. I am willing to give up smoking Havana cigars if necessary, on the rare occasions I get hold of one of them, if it will help to record for the whole world to see, the strong feeling of the American people that we do not want to do business with the Castro regime.

In the hope that it would hasten the downfall of that regime, I think this bill should be passed as speedily as possible by the House and the Senate and personally I feel the President would not hesitate to sign it.

The CHAIRMAN. Thank you very much, Mr. Edmondson.

Mr. SPRINGER. I know how deeply the gentleman feels about this. May I say that I share his feeling and agree with everything he said. This is not said with any thought other than to be constructive. When the State Department was here the other day, they were rather cautious, but they said they believed the legislation was not necessary. I believe they used the word that it was unnecessary. I asked if they spoke for the State Department and the administration, and they said they did.

I sincerely hope we will get this out of committee. I hope when the time comes that we get it through the Senate and the House, you will use all your influence at the White House to get this bill signed. I feel very strongly about it. I would hate to see it get through the two Houses and not be signed, although I would rather see it go through and be vetoed than to take no action at all, which would indicate clearly how we feel about it, at least for our own responsibility. But I would hope this could be signed into law. In spite of what the State Department said the other day, I do hope that the President would see fit to sign it, for whatever it is worth.

I hope the gentleman will use his influence, whatever he may have, that that be done.

Mr. EDMONDSON. I doubt if it amounts to very much, but it will certainly be on the line alongside that of the gentleman from Illinois in this cause when the time comes. I feel strongly if there is an overwhelming endorsement of this measure by both the House and the Senate, we will have a Presidential signature. That is based entirely on my own personal opinion and views as to the responsiveness of the President of the United States to the feelings of the people and to the feelings of the Members of Congress.

Mr. SPRINGER. Thank you, Mr. Chairman.

Mr. ROGERS of Florida. I just want to commend the gentleman for a very fine statement. Also, I think it is indicative of the widespread interest in the United States. The gentleman represents the State of Oklahoma, and he is here expressing strong views which I think are held throughout the United States. We in Florida are of course particularly interested because we are so close to the problem, but I am impressed by the fact that the gentleman from the middle of the United States is coming in and giving views just as strong as those we hold in Florida. I thank the gentleman.

The CHAIRMAN. Do you know why this problem has been so long developing and there is so much urgency for it now rather than 6 months or a year ago?

Mr. EDMONDSON. I will tell the gentleman frankly that my own awareness of the availability of this route is recent in origin. Conversations with the gentleman from Florida, Mr. Rogers, about his intentions to push this measure first aroused me to the availability of this avenue.

The CHAIRMAN. Anything that should be done could be done at any time, regardless of whether it is now or a year ago or 6 months ago. But if it is something that needed to be done and is important, it should have been done at the outset as well as now. Is that not true?

Mr. EDMONDSON. Mr. Chairman, I wish I could have stood here before you and read a letter that I wrote last January advocating this, which the Senator from Florida did. I am not the expert on foreign policy and foreign trade that members of this committee undoubtedly are and the distinguished Senator from Florida is. I believe that I know a good thing when I see it, in terms of influencing the opinion of people. In this instance I think we are fighting for the opinion of the people of Latin America and the world. I think we need to lead in this regard and to take affirmative actions. This is a route that is affirmative, that registers strongly the feeling of the people of this country. There could even be some advantages in having it done as a congressional act concurred in by the President, rather than initiated by the executive arm of the Government. In those terms, at least it would have more impact upon Latin America in particular than if it came simply as an exercise of executive power.

The CHAIRMAN. Thank you very much. I think we probably should hear from the Department of Commerce.

Mr. EDMONDSON. I thank the gentleman and the committee.

The CHAIRMAN. We are glad to have your statement and your contribution.

Mr. Rowland Burnstan, Assistant Secretary for International Affairs, Department of Commerce.



**STATEMENT OF ROWLAND BURNSTAN, ASSISTANT SECRETARY  
FOR INTERNATIONAL AFFAIRS, DEPARTMENT OF COMMERCE;  
ACCOMPANIED BY JACK N. BEHRMAN, DEPUTY ASSISTANT SEC-  
RETARY FOR INTERNATIONAL AFFAIRS**

Mr. BURNSTAN. May I present my colleague, Dr. Behrman, who is the Deputy Assistant Secretary of Commerce for International Affairs.

The CHAIRMAN. We are glad to have you both. You may proceed with your statement.

Mr. BURNSTAN. Mr. Chairman, in attending the meeting on Tuesday, during the testimony we observed there were some questions of procedure and statistical accuracy that we felt should be clarified today. It is our purpose to clarify these, if we can, with a brief statement, and of course to answer such questions as members of the committee may wish to put to us.

The Department of Commerce is responsible, by delegation of authority from the President, to administer the Export Control Act. Under this law we are authorized to prohibit or curtail any and all exports to any country as may be necessary for reasons of national security, short supply in this country, or to achieve foreign policy objectives. While the Secretary of Commerce is the administering official, major policy decisions are made in consultation with the other agencies concerned, and particularly with the State and Defense Departments on all matters of security and foreign policy significance.

Such necessary and desirable consultation is specifically provided for in the Export Control Act.

Since October of last year, on account of the deterioration of relations between Cuba and the United States, the Department of Commerce placed under strict licensing control all exports to Cuba, with the exception of certain foodstuffs, medicines, and medical supplies. In March of this year, these exceptions were further tightened so as to permit exports only of food for direct human consumption. These exceptions were made, of course, for humanitarian reasons in the interest of the Cuban people.

U.S. exports to Cuba used to average between \$40 and \$50 million per month. Based on the latest data available, our total exports to Cuba for the full year 1961 will not exceed \$15 million. This is the total for the year.

In the first 6 months of 1961, our exports to Cuba totaled \$12,600,000, but were declining sharply as the period progressed until in June the total was \$474,000. Official data for July and August are not available, but data on exports to Cuba in these months are expected to show even a further decline because of two factors—the discontinuance of bulk lard shipments to Cuba, and the closing of operations by the car ferry from West Palm Beach to Cuba on August 9. The car ferry was the last major transportation service operating regularly between the United States and Cuba.

Of total U.S. exports to Cuba during the first 6 months of 1961, amounting to \$12.6 million, \$9.3 million was foodstuffs, of which \$4.8 million was lard; \$2 million of the 6 months' total were in medicinal and pharmaceutical preparations, and the remaining \$1.3 million was distributed among a wide variety of items in various small quantities.

Trade on the import side has likewise substantially declined, although it is not now subject to regulation. Total imports for consumption into the United States from Cuba during the January-June 1961 period totaled \$18,900,000, but general imports—by this we mean actual arrivals—were only \$16.9 million.

I think I might interpose a remark here, Mr. Chairman, if I may. There was some confusion on this point and a tendency to suggest that the total was the sum of these two items. Actually, this is a statistical term that is a bit confusing. Under general imports, we have goods that come in and may be in warehouses as long as 2 or 3 years, but they do not show up statistically in "imports for consumption" until they are released from that bonded warehouse and go into the market. What we call imports for consumption are the actual arrivals going directly into use plus those withdrawn from warehouses.

Of the \$18.9 million total, \$11.7 million was in unmanufactured tobacco, largely for the Tampa cigar manufacturing industry; \$1.7 million was molasses, almost all during the first quarter of the year. Fruits and preparations, chiefly prepared pineapples, accounted for \$1.3 million of the total. The remaining \$4.2 million was distributed among vegetables and preparations, lobsters, cigars, and miscellaneous items.

In June, total imports for consumption were \$2.7 million, of which \$2 million was in unmanufactured tobacco. Imports of fruits and vegetables comprised most of the remainder.

Thank you, Mr. Chairman.

The CHAIRMAN. Does that conclude your statement?

Mr. BURNSTAN. That concludes our statement, Mr. Chairman.

The CHAIRMAN. Any questions?

Mr. ROGERS of Florida. First of all, I wish to compliment the Department on the very fine work they have done in trying to get these figures together for the committee. It is an excellent job done in a very short time. I want to commend the Department for its very fine work.

Is there any way to tell from your records what inventories of tobacco on hand would be?

Mr. BURNSTAN. We do not have that. There is a representative of the tobacco industry here, I understand. Perhaps he can supply that. We do not keep an official record of that.

Mr. ROGERS of Florida. When was it that you decided there would be no more lard shipped into Cuba from the United States?

Mr. BURNSTAN. I am not sure that the matter was decided, Mr. Rogers, in just that way. You see, the transportation disappeared. This went over in tremendous tanks that were carried over on the car ferries. When the means of transportation was eliminated because the volume of traffic fell to such a low extent that the man could not afford to run the service any longer, it automatically eliminated the product.

Mr. ROGERS of Florida. Then as far as the Department is concerned, there is no prohibition against the shipment of lard into Cuba.

Mr. BURNSTAN. No, there is not.

Mr. ROGER of Florida. I wonder if the Department is aware that when a Miami advertising man levied on about 29 carloads of lard, the next day Castro rationed lard in Cuba.



Mr. BURNSTAN. Personally, I was not aware of it. I recall the case to which you refer. I read it in the press. I did not know of this effect.

Mr. ROGERS of Florida. You had no idea of the effect cutting off lead would bring about in Cuba?

Mr. BURNSTAN. No, I did not.

Mr. ROGERS of Florida. Let me ask you about the figures on imports. Actually, June and August would not reflect a true picture of vegetables and fruits coming in from Cuba, since the harvest period is in the fall and winter months, or has that been the pattern?

Mr. BURNSTAN. That would be indicated in the figures through the years.

Mr. ROGERS of Florida. The real impact of vegetables and fruits is during the early winter months and the fall.

Mr. BURNSTAN. That is correct.

Mr. ROGERS of Florida. I wanted to ask you about one item here. I notice in figures we got from the Bureau of Customs, \$154 worth of lead ingots were exported to Cuba in the period July 1 to August 19. I wonder if you could give us a quick statement about that.

Mr. BURNSTAN. I do not know what was involved there, Mr. Rogers. The figure is correct. That is all I can say.

Mr. ROGERS of Florida. Could you let us know what that is?

Mr. BURNSTAN. Yes. I will supply a statement to the committee on that.

Mr. ROGERS of Florida. And also the electronic parts and machine parts that were shipped to Cuba in rather small amounts. I think it would be interesting for the committee to know that.

(The information requested follows:)

THE ASSISTANT SECRETARY OF COMMERCE,  
Washington, D.C., September 6, 1961.

HON. OREN HARRIS,  
Chairman, Interstate and Foreign Commerce Committee,  
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter supplements my oral statement to the committee last week and relates to figures on shipments to Cuba during the period July 1 to August 19, 1961, contained in a letter dated August 28, 1961, from the Acting Commissioner of Customs to Congressman Paul G. Rogers.

During the hearing the committee expressed interest in more detailed information concerning three items in the Acting Commissioner's letter. This information is supplied below,

#### ITEM

#### ADDITIONAL INFORMATION

\$121 worth of electronic tubes shipped from New York.	This shipment consisted of tubes for use in medical X-ray machines in hospitals, clinics, and doctors' offices. The shipment moved under a validated export license issued on Mar. 21, 1961.
\$1,226 worth of machine parts shipped from New York.	This shipment consisted of miscellaneous parts for medical X-ray machines. The shipment moved under general license GCU.
\$154 worth of lead ingots shipped from New Orleans.	This was a shipment of foreign origin which was withdrawn from the New Orleans foreign trade zone for export to Cuba.

Should you require further information on the above subject, please let us know.

Sincerely yours,

JACK M. BEHRMAN,  
Acting International Affairs.

Mr. ROGERS of Florida. Are you aware that some ships are going into Tampa with goods from Cuba?

Mr. BURNSTAN. Yes, sir.

Mr. ROGERS of Florida. So there are methods of transportation.

Mr. BURNSTAN. That is right. It is irregular, what is called tramp steamers and loads of that sort. There is no longer any regular service.

Mr. ROGERS of Florida. The ferry service from West Palm Beach is no longer in existence?

Mr. BURNSTAN. That is correct.

Mr. ROGERS of Florida. But ships are coming in.

Thank you. I believe that is all, Mr. Chairman.

Mr. SPRINGER. Mr. Burnstan, in reading the letter which has been sent down by the Under Secretary of Commerce, with which you are familiar, I take it, do I properly put this if I say that the Department of Commerce is not sympathetic to this legislation?

Mr. BURNSTAN. That is correct. We have taken the official position that we are supporting the State Department in their contention that they desire flexibility for certain purposes of negotiation.

Mr. SPRINGER. The other day when Mr. Woodward was here, I believe, if I quote him correctly, his statement was that this legislation was unnecessary.

Mr. BURNSTAN. I believe that was the statement that I heard him make.

Mr. SPRINGER. That would be the position of the Department of Commerce on this legislation?

Mr. BURNSTAN. Yes, sir.

Mr. SPRINGER. Before Castro, our trade with Cuba was between \$480 million and \$600 million per year. Is that about right?

Mr. BURNSTAN. That is correct.

Mr. SPRINGER. Does that include our trade going both ways, or is that what we shipped to them?

Mr. BURNSTAN. I think the particular figure that you quoted was the shipments of Cuba into this country. It ran around \$50 million a month imports from Cuba.

Mr. SPRINGER. What would our exports to Cuba be, roughly, at that time?

Mr. BEHRMAN. Before Castro, the exports ran annually \$547 million in 1958, over \$600 million in 1957, over \$440 million in 1959.

Mr. SPRINGER. Before Castro we nearly always had a favorable balance of trade with Cuba, did we not?

Mr. BURNSTAN. It was almost in balance.

Mr. SPRINGER. They exported to us approximately \$500 million or \$600 million annually in those years. Where are those exports going now?

Mr. BURNSTAN. It was mostly sugar. That was the major item. We understand much of this has been picked up by Russia or Soviet bloc countries.

Mr. SPRINGER. What are they in turn sending to Cuba?

Mr. BURNSTAN. Here again, we do not have accurate data.

Mr. SPRINGER. Arms is one, is it not?



Mr. BURNSTAN. Arms. I am just quoting from general sources of information. Much of it is arms—aircraft, tanks, and things of that sort.

Mr. SPRINGER. Also oil?

Mr. BURNSTAN. Oil, yes, sir. Considerable foodstuffs are being shipped in.

Mr. SPRINGER. In 1956, I went with a trade mission to Cuba, since my district was one of the three or four in the country with the largest exports to Cuba, chiefly in oil soybeans. What is being substituted now in the way of foods for what we supplied then, and who is supplying that?

Mr. BURNSTAN. Who is supplying the foodstuffs now?

Mr. SPRINGER. Yes.

Mr. BURNSTAN. A great deal is coming from the Soviet bloc. I am not sure, but I suspect that they make purchases from certain other Latin American countries, also.

Mr. SPRINGER. Where they can purchase the same items they could have purchased from us?

Mr. BURNSTAN. The same or substitute items.

Mr. SPRINGER. Have you any estimate of what has happened to the standard of living since Castro, as a result of the shift in the balance of trade?

Mr. BURNSTAN. We do not have any accurate information on that.

Mr. SPRINGER. Have you any estimates?

Mr. BURNSTAN. Nothing made within the Department.

Mr. SPRINGER. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Younger.

Mr. YOUNGER. I have just one question. In that letter and I think in your own testimony, Mr. Burnstan, you verify that you do have the authority to limit or ban trade already.

Mr. BURNSTAN. Yes, sir; that is correct.

Mr. YOUNGER. Why have you not taken action?

Mr. BURNSTAN. I should make clear, Mr. Younger, that we have control only over export trade. We have no control over imports.

Mr. YOUNGER. Let me read your statement:

Under existing law the administration has discretionary authority to limit or ban trade with Cuba.

That is signed by the Under Secretary of Commerce.

Mr. BURNSTAN. No, the administration has the power but the Commerce Department only has the power over exports.

Mr. YOUNGER. You are acting for the administration?

Mr. BURNSTAN. On exports only; that is correct.

Mr. YOUNGER. I will ask the question in a different way: Do you know why you have not taken action?

Mr. BURNSTAN. On the export side?

Mr. YOUNGER. No. I will read the statement to you again:

Under existing law the administration has discretionary authority to limit or ban trade with Cuba.

Do you have any knowledge why this ban or limit of trade has not been exercised?

Mr. BURNSTAN. We have exercised considerable on the export side, but on the import side this authority rests with the President and he

has not delegated it to the Secretary of Commerce or this committee as he has on exports.

Mr. YOUNGER. In other words, you wish the committee to understand, then, that the administration is at fault in not prohibiting or banning the imports?

Mr. BURNSTAN. I don't know whether they are at fault but that is the case, that they have not limited imports.

Mr. YOUNGER. They have the authority to limit imports?

Mr. BURNSTAN. The President has that authority, yes.

Mr. YOUNGER. And they have not limited it?

Mr. BURNSTAN. Not to my knowledge.

Mr. YOUNGER. So we want the record clear on that point. Whoever has the authority, whether it is the President or whether it has been delegated to the Secretary of State or the Secretary of Commerce, the fact remains that nothing has been done. Is that not true?

Mr. BURNSTAN. The fact remains that there have been no limitations placed on imports.

Mr. YOUNGER. That is right, and dollars for all of the imports are still going into Castro's coffers, is that not true?

Mr. BURNSTAN. Yes. That is true.

Mr. YOUNGER. That is all I want the record to show. Thank you.

Mr. HARRIS. Mr. Thomson?

Mr. THOMSON. Mr. Chairman, I think the witness should be given the opportunity to elaborate on the statement. I think the record does show that the Government has limited imports. They have completely cut off the importation of Cuban sugar, have they not?

Mr. BURNSTAN. Yes. This was a special case. Thank you for bringing that to my attention. There is the subsidized price on sugar and we participated in the sugar agreement that permitted us to take action there by simply calling off the agreement, which was used to buy at the artificially higher price than the market price. There was that one fact in behalf of limiting imports.

Mr. THOMSON. The Commerce Department has substantially reduced or limited the exports to Cuba?

Mr. BURNSTAN. Yes, sir; down to a very, very small and infinitesimal amount compared to the yearly averages before 1961.

Mr. THOMAS. Presumably the reason that you have not completely stopped exports is that the State Department has not permitted it. Would that be a fair assumption?

Mr. BURNSTAN. In conference with State and Defense it is decided what type of strategic or political significance might be involved in these various items and then the group acts on the basis of the evidence brought in by each Department.

Mr. THOMSON. Is it true that the Cubans are using the lard that is shipped there, not only for food but for the manufacture of nitroglycerin?

Mr. BURNSTAN. I have no knowledge of this, Mr. Thomson. We do not have any official information as to how nitroglycerin is made or whether it is made at all.

Mr. THOMSON. That is all.

The CHAIRMAN. Mr. Dominick?

Mr. DOMINICK. Thank you, Mr. Chairman.



Mr. Burnstan, how often do representatives of the Commerce Department meet with representatives of the State and Defense Departments concerning requests for licenses for exports to Cuba?

Mr. BURNSTAN. At the working level we are in touch with them each week, sometimes daily.

Mr. DOMINICK. Do you have a set meeting daily?

Mr. BURNSTAN. We have set conferences weekly.

Mr. DOMINICK. Are you receiving applications for export licenses daily?

Mr. BURNSTAN. Oh, yes, in great numbers. Do you mean to Cuba or generally?

Mr. DOMINICK. To Cuba.

Mr. BURNSTAN. No. We have very few to Cuba.

Mr. DOMINICK. I noticed in the figures which you were kind enough to supply me before the hearing that during the first 4 months of this year \$400,000 worth of industrial machinery was exported to Cuba. Do you have any idea offhand as to what was included in that? Were these machine tools?

Mr. BEHRMAN. In the first 3 months of the year?

Mr. DOMINICK. Yes.

Mr. BEHRMAN. I do not have that license record with me. I can check on that. I think it might be interesting to answer to you on the licenses which have been issued for the past 7 or 8 weeks, to indicate what has been coming before the committee.

Mr. DOMINICK. On July 19 you issued a license for \$24,000 worth of aircraft tires and parts for shipment to Cuba. Why?

Mr. BEHRMAN. That was a return shipment into Cuba of parts which they had left here for repair before the export control was put on in October of 1960, which was returned to them. It was items which were in the United States previously under their ownership but which still required a license to go across customs.

Mr. DOMINICK. But you had to give a special license for it?

Mr. BEHRMAN. To go across customs it still had to be licensed under procedures at that time.

Mr. DOMINICK. Did you feel you did not have power to stop that?

Mr. BEHRMAN. There might have been power to stop it; yes, sir. There is control power to stop it, but being owned by them and not wishing to attach the assets at the time we permitted them to regain what was already theirs.

Mr. DOMINICK. Are the imports that are brought into this country from Cuba paid for in American dollars?

Mr. BURNSTAN. Yes. They come in in the regular market and are paid for in the regular way.

Mr. DOMINICK. Are the exports that we ship to Cuba paid for in American dollars?

Mr. BURNSTAN. Yes, sir.

Mr. DOMINICK. You do not happen to know what the relative situation is in Cuba with respect to ownership of American dollars at this point, do you?

Mr. BURNSTAN. I do not.

Mr. DOMINICK. At the policy level, how often do you meet with the State Department on licenses for Cuba?

Mr. BURNSTAN. I will ask Dr. Behrman to explain the structure of that so you will get it clear, Mr. Dominick.

Mr. BEHRMAN. We have in our export control procedure an operating committee at the staff level which meets generally weekly to review all license applications which are under control on the positive list and that we feel we have to consult on. This is a staff level operation and its decisions are reviewed by policy level; that is, the Assistant Secretary. Eventually the Secretary himself reviews them. If there are matters at the operating committee level which cannot be decided unanimously among the various departments then these disagreements are referred to a higher level body known as the Advisory Committee on Export Policy, which is at the Assistant Secretary level and there, again, the several departments are represented. If there is unanimity of the treatment of the license, be it denial or approval, the matter is settled there and then the license is finally approved by the Secretary of Commerce, or denied, after his assessment of the recommendation of this Assistant Secretary level conference. That group has had to meet in the past only about 9 to 10 times a year. It will wait until sufficient work is before it, but it has had to meet only on the order of approximately once a month. If at this level there is still disagreement as to what should be done the matter is referred to what has now been created as an Export Control Review Board which is composed of the Secretaries themselves. That would normally probably not meet more than two or three times a year but because of the exigencies of the present international situation, it has met several times in the past few months to set guidelines. We would not at any of these levels meet specially on Cuba, so I do not know how many times a Cuban item has come up to the policy level.

My guess in the matter would be that only a few of those licenses which are recorded in the document before you in July or August would have come up at the policy level.

Mr. DOMINICK. Would it be correct to say that if the operating staff are in agreement that the licenses more or less automatically are issued?

Mr. BEHRMAN. As long as you emphasize the "more or less," yes, they are still reviewed. If you would look at the record of the licenses for the past 8 weeks you would see why only certain ones of them would come up.

Mr. DOMINICK. I respectfully dissent from that. It seems to me that there should have been none issued and this is the purpose of the legislation, but that is just my opinion.

In reviewing the figures which you were kind enough to supply me, I notice that several of the shipments that were made were to friendly embassies.

Mr. BEHRMAN. Yes, sir.

Mr. DOMINICK. Would you suggest that we should have an amendment to this bill in order to provide permission for this or would they be considered as other friendly territory by virtue of an embassy being more or less a sanctuary?

Mr. BURNSTAN. That would be considered other friendly territory. It involves file cabinets and things of that sort that they did



not want to bring from perhaps Japan or India or someplace else so we permit them to be imported from here.

Mr. DOMINICK. It would not be included in this bill?

Mr. BEHRMAN. Total embargo would likely cut it off.

Mr. DOMINICK. Are you disagreeing?

Mr. BURNSTAN. No. I think we are saying the same thing. You asked if it was necessary for amendment and I said yes. Dr. Behrman said a total embargo would probably cut them off. We are answering the same way, but one positive approach, the other negative.

Mr. DOMINICK. That is all, Mr. Chairman.

Mr. YOUNGER. I have just one question.

The CHAIRMAN. Mr. Younger.

Mr. YOUNGER. When Mr. Woodward was before the committee he testified to this effect when I asked him was there doubt in their mind about public opinion:

Yes, there has been a little doubt. In the first place, the trade was considered to be relatively minor and some very highly respected, at least one highly respected opinion has been expressed by a Member of Congress indicating reluctance to see the trade stop.

Was there any expression of opinion to you or to the Department of Commerce by any Member of Congress to the effect that the trade ought to be continued?

Mr. BURNSTAN. None that I have seen, Mr. Chairman.

Mr. YOUNGER. That is all, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Burnstan, for your appearance here and the information given to the committee.

Mr. John S. Mears, American Legion.

#### STATEMENT OF JOHN S. MEARS, LEGISLATIVE REPRESENTATIVE, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION

Mr. MEARS. Mr. Chairman and members of the committee, I am here today to convey to you the American Legion's support of H.R. 8465, a bill to prohibit commercial trade between the United States and Cuba for as long as Communists control that country.

While present trade with Cuba may not be in great volume or dollar value, it cannot be seriously questioned that, whatever the extent, it is beneficial to its present government. It follows that such activity, in the light of existing circumstances, is not only without logic but is prejudicial to the best interests of our country, as well as to freedom-loving people in Cuba. Being mindful that the people of Cuba have been our friends for many years, we also fail them by contributing to the dictatorship that seeks to destroy them.

You distinguished Members of Congress have complete information as to the record of the Castro regime. Any attempt by us to recite such details would be a waste of your valuable time. We are all cognizant of Castro's theft of American property; his perpetration of indignities and terrorism against U.S. citizens—I might say one of the citizens executed was a member of the American Legion and a commander of a post located there—his threats to our base at Guantanamo Bay; his continuous insults directed at our Nation and our people, and his apparent plan to solidify his Communist stronghold as a base from which to spread communism into other countries of the Western

Hemisphere. That this stronghold is more than political is brought out in a recent Miami news story (August 24) relating that a Cuban refugee, a former shipowner, said he saw with his own eyes, a complete airbase on Cayo Largo, an estimated 25 miles off the Cuban mainland. He said the airfield could support 200 Russian-made Mig jets and that the planes were there too. There have also been reports of missile site construction.

There can be no doubt that Castro has established a Communist state and in so doing has committed himself to the objectives of the international Communist conspiracy. We are at war with the adherents of communism and the day-to-day fluctuation in its temperature does not alter the basic characteristics of this conflict.

If we agree that we are in a bitter struggle with the forces of communism and that our freedom, and perhaps our very lives, are at stake, then the utter foolishness of assisting our adversary, in even the slightest way, seems most obvious to us.

The American Legion's fight against communism and its early counterpart, such as the Industrial Workers of the World, dates from 1919 and is well known. We opposed diplomatic recognition of Russia; we oppose the admission of Red China to the United Nations, and we have consistently opposed U.S. trade with Russia and its satellites.

At the 1960 National Convention in Miami Beach, the American Legion adopted a resolution which stated in part:

\* \* \* that the U.S. Congress and the appropriate officials take all necessary action immediately to impose all necessary economic sanctions against Cuba which would make effective a total boycott on all imports and exports between the United States and Cuba

Again, in May of this year, the National Executive Committee of the American Legion adopted a similar resolution urging all appropriate officials of our Government to take firm and unhesitating steps to implement such a boycott. A copy of that resolution is attached.

If I may, I would like to have it included in the record.

The CHAIRMAN. It will be included in the record.

(The resolution follows:)

NATIONAL EXECUTIVE COMMITTEE MEETING OF THE AMERICAN LEGION, HELD  
MAY 3-4, 1961

#### RESOLUTION NO. 4

Committee: Foreign Relations Commission.  
Subject: Cuba.

Whereas at the 41st Annual Convention in Miami Beach, Fla., October 18, 19, and 20, the American Legion adopted a resolution (No. 361, Washington State, amended and consolidated) vigorously condemning the dictatorial Communist Castro regime, its illegal hostile inhuman acts, its betrayal of the people of Cuba and of the Western Hemisphere. The resolution calls upon our Government to institute and forcefully prosecute a positive policy of economic sanctions and, if necessary, a total boycott on all imports and exports between the United States and Cuba, and such other actions as may be required, including unilateral military action, to enable the people of Cuba to establish their own non-Communist government; and

Whereas the American Legion notes with grave concern the lack of progress made by our Government in effecting the recommendations of this resolution; Now, therefore, be it



*Resolved by the National Executive Committee of the American Legion, That the October 1960 convention resolution, referred to above, together with this resolution, be placed in the hands of the Secretary of State and all other appropriate officers of our Government; and that firm and unhesitating steps be taken by our Government to implement the recommendations of the Miami Beach 1960 National Convention resolution.*

Mr. MEARS. William R. Burke, National Commander of the American Legion, has given voice to our position regarding Cuba at many points across our land. That our membership supports such a boycott as proposed in the instant bill is evidenced in the texts of numerous resolutions emanating from many State Legion departments which are now reaching our headquarters for consideration at our national convention next month.

We believe the vast majority of our citizens are looking to Congress for positive action toward the Cuban Government and that they will applaud the course outlined in H.R. 8465. Even so, there may be some who would place the dollar above principle and continue trade activities, thus aiding our enemy, unless there are punitive provisions.

We believe H.R. 8465, as amended, is a proper and justified course of action and urge that you report it favorably.

We appreciate this opportunity to appear before you on behalf of this legislation and thank you for your courtesy.

The CHAIRMAN. Thank you, Mr. Mears, for your statement.

Are there any questions?

Mr. ROGERS of Florida. I just want to say, Mr. Chairman, I appreciate this very fine statement and the strong support of the American Legion. I am very hopeful that this endorsement will be continued so that the American Legion will advise other Members of Congress of their support. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Dominick?

Mr. DOMINICK. I just want to say on behalf of Colorado we welcome the National Convention to Denver this month. I hope to be there, if we are out of session. I have had some talks about this with Mr. Burke, and I hope to get there.

The CHAIRMAN. Mr. Thomson, do you have any questions?

Mr. THOMSON. Not for the record.

(Discussion off the record.)

The CHAIRMAN. Thank you very much. We are very glad to have your statement and want to compliment you for it.

Mr. Norman Brown, Cigar Manufacturers Association of Tampa, Fla.

#### STATEMENT OF NORMAN S. BROWN, ATTORNEY, ON BEHALF OF THE CIGAR MANUFACTURERS ASSOCIATION OF TAMPA

Mr. BROWN. Mr. Chairman, members of the committee, I am Norman Brown, from Tampa, Fla. I am a lawyer. I represent the cigar manufacturers in Tampa. We certainly do appreciate your courtesy and thoughtfulness in letting a little industry like us appear before you to present our problems that would most certainly arise under Mr. Paul Rogers' bill.

I am a great admirer of Mr. Rogers. I have been for many, many years. I have known him a long time and everything that I know

about him is honorable and it is favorable but at this point we have a little small disagreement.

With the permission of the chairman, and the committee, and in the interest of conserving the time of the committee, because I am observing the hour here and I know that you have other things to do, I would like to file a statement which I have for the record. I would also like to file the August 1961 letter of the Florida State Employment Service pertaining to the Tampa area, and in view of the fact that I am no statistician and no economist, but that there have been a lot of figures discussed here I would also like to file for the record three statistical documents, all of which were prepared by the Commerce Department pertaining to the trade with Cuba over the past few years. If I may do that when I complete my testimony it will be appreciated.

The CHAIRMAN. Let your statement be filed for the record.  
(The statement follows:)

STATEMENT OF NORMAN S. BROWN, ATTORNEY, CIGAR MANUFACTURERS  
ASSOCIATION OF TAMPA

Mr. Chairman and members of the committee, I appreciate the opportunity which you have afforded us to appear before you today and to explain to you the effect which an embargo on the importation of Cuban tobacco into the United States would have upon the "all-Havana" cigar industry in Tampa.

The segment of the cigar industry which is here involved is very small. The companies are small; all are over 50 years old; all are family owned. They are but a small segment of the cigar industry. They manufacture cigars which to all practical purposes are composed entirely of tobacco imported from the island of Cuba. All-Havana cigars is all that they have ever made. It is the only type of cigar that they are equipped for and know how to handle.

These so-called all-Havana cigar factories manufacture less than 5 percent of the cigars manufactured in the United States.

The tobacco used by these factories can be obtained only from the island of Cuba. It has been grown only in the island of Cuba. The unique flavor, texture, aroma, and taste of the all-Havana cigar makes it distinguishable from domestic and other tobaccos. There is no substitute for this all-Havana tobacco. Were there a substitute, we would not be here today.

We assume that this committee, in exercising its legislative judgment in this matter, will do so by applying the criterion of what is in the best national interest of the United States. In so doing we suggest that there must be considered the effect upon the U.S. industry and the economic effect upon the Republic of Cuba, as well as the effect upon our allied sister nations to the south.

In making this statement and applying this criterion, I want to make it explicitly clear to this committee that I am quite aware of the fact that I am in a somewhat anomalous position. This is so because I speak for men and for families and for family businesses that have long been known for their dedication to this Nation and in so speaking, dispel any possible inference that they are attempting to accomplish matters which are not in the best interest of our Nation.

The people whom I represent and of whom I am one are all Americans.

Every one of our Spanish factories has had either sons or owners, or both, serve in World War II or in the Korean war. We have no apologies to make to anyone for service to our country.

They have never committed or done one act in their buying of Havana tobacco that was not in accordance with the policy of the Government of our Nation. That shall continue to be their course of conduct.

However, I do not believe that the members of this responsible committee have been presented with all of the facts involved in this complex situation.

I pray that this committee shall have the strength of purpose to weigh into account all the major factors that are involved.



My people certainly are completely willing to abide by the considered judgment of what is in "the best interest of the United States." They have never had a position other than that. Why should they have a different position?

These are all family companies of which I speak. The founders of these companies came to the United States and built from nothing that which exists today. The sons of grandsons are grateful to their Nation for the opportunities given to them and they shall abide by what is in the best interest of this Nation.

This committee has before it for consideration H.R. 8465, which would demand unilateral embargo action by the United States against the Republic of Cuba. Applying the objective criterion which I have suggested to this committee, I ask for consideration of the following matters:

The proposal before this committee will have but small economic impact upon Cuba, yet it may well result in destroying the long-established small all-Havana industry in Tampa. Such unilateral U.S. action will grant to Prensa Latina the golden opportunity of preaching that the United States "eats its young" while it pledges to help the campesinos of Latin America.

Gentlemen, do not forget what I have said: That shall most certainly occur.

#### EFFECT OF AN EMBARGO ON CUBA

Current trade with Cuba. Current trade between the United States and Cuba is approaching the point of *de minimis*. Exports—United States to Cuba—for the first 6 months of 1961 totaled \$12.7 million. Imports for this same period totaled \$16.8 million. Exports for June totaled one-half million dollars. Today exports are practically nonexistent.

We estimate that the importation of Cuban tobacco for 1961 will approximate \$27 to \$30 million. Of this, approximately 60 percent comes to Tampa.

In terms of international trade this is insignificant.

Most importantly, an embargo action will have no effect on Cuba as is shown later.

#### EFFECT OF AN EMBARGO ON TAMPA

Tampa all-Havana manufacturers have an average inventory of 7 to 8 months supply of Cuban tobacco. Your tobacco is based upon the shortest inventory you hold of wrapper, binder, or filler—for wrappers cannot be used for filler or fillers for wrappers.

Unless these manufacturers can maintain their source of supplies then when their inventory is exhausted they are out of business.

Once their long-established brands of fine all-Havana cigars are off the market for any considerable period of time, it is unlikely that they will ever be able to again commence business. Historically, in the cigar industry, once a brand is off the market it is gone forever. In other words, an extended embargo action means extinction of this old, small industry.

Loss of this industry to Tampa will be a severe blow.

There are 4,200 persons directly employed in cigar manufacturing in Tampa, and 1,800 employed in related enterprises dependent upon the manufacture of cigars. These employees are predominantly of Latin extraction, i.e., from Spain or Cuba, and they and their forebears have been associated with the industry for generations. (The cigar industry was induced to migrate from Havana to Key West and Tampa about 1900 by favorable treatment accorded to it by the United States.)

An embargo of Cuban tobacco over any extended period of time would throw these people out of employment. They have been found peculiarly unfitted for any other type of work, particularly so by the fact of their high average age.

There are at present 11,600 persons unemployed in Tampa. If these additional 6,000 should become unemployed, making a total of approximately 17,600 persons unemployed, or a total of 12½ percent of the work force, it would make Tampa a major distress area.

Gentlemen, if you are going to destroy our Tampa all-Havana industry in the interest of our Nation, we shall abide by your decision for destruction. However, I want to urge you to consider these following matters:

Cuba remains free, by this unilateral action of the United States, to trade freely within the dollar bloc all over the world, including the nations in this hemisphere, except the United States; it remains free to trade with the sterling-bloc nations in all the world; it remains free to trade with the Red-bloc nations.

Cuban tobacco has a world market and if we do not buy it in Tampa, it will

be sold elsewhere. I am sure that this committee has not been aware of that fact. I have stated, and I reaffirm, that my people shall abide by the decision of our country as to what is in its best interest. However, others in this Nation and other nations will not pursue that course of conduct. It is certain Havana tobacco will be sold in other places, even to our neighbors immediately adjoining us on the north, and immediately adjoining us on the south. So you, gentlemen, by the proposed action could destroy us and yet that Cuban tobacco will go to the north and to the south of us and shall be manufactured into cigars. And for what purpose? You have accomplished nothing except a "showcase action" of no substance. You have destroyed my people. You have hurt my community, and yet there shall be no lack of "All-Havana" cigars—and, you have not taken a positive and effective economic action that has affected Cuba.

Mr. Chairman, I request that you and your committee consider one fact. You are holding this hearing believing sincerely and deeply that by imposing a unilateral embargo by the United States, you will be asserting leadership by the United States. Yet, as I have shown, there is no trade of any significance between the United States and Cuba today.

This is a complex problem and, with total respect to this committee, I believe that it is one that should be left within the province of the executive department. After all, this is a republican form of government and you, gentlemen, control the purse strings. I believe that the unilateral action undertaken by the legislative branch of our Government would be most destructive of the responsibility and of the respect which our Nation should enjoy in Middle and South America. But that, gentlemen, is your decision. It is not mine.

In parting, I leave with you one thought. I cannot conceive of responsible men who have provided for aid on a long-range basis to nations and peoples all over this world, destroying their own industries, family-owned industries of persons within a community in this United States and wiping it off, saying, "this is one of the attributes of your American citizenship." Perhaps it is necessary to be a citizen of another nation before you are entitled to receive such consideration.

We appreciate your courtesy in affording us the opportunity to explain to you the effect of the proposed embargo legislation upon us and our workers.

(The letter referred to follows:)

#### FLORIDA INDUSTRIAL COMMISSION—LABOR MARKET TRENDS, FLORIDA STATE EMPLOYMENT SERVICE

##### EMPLOYMENT DECREASES

Nonfarm employment decreased 0.7 percent to an estimated total of 111,000 at mid-July. Temporary and seasonal layoffs reduced employment in the normal pattern for the period. Most layoffs were in manufacturing, which dropped off 1,000 during the month. Citrus canning ended its season and other canning also laid off workers. These reductions lowered food and kindred products manufacturing 500. Temporary inventory layoffs in cigar manufacturing sent tobacco manufactures down 200. Slight cutbacks in chemicals, stone, clay and glass, and in "other manufacturing" also decreased total manufacturing employment. Summer layoffs of nonprofessional school workers caused most of the decline in government employment. Contract construction went up 200, trade increased 200, while other industries showed little change from the previous month.

##### YEARLY GAIN

July 1961 employment was 0.4 percent above July 1960. Manufacturing, trade and transportation, communications and public utilities were under year ago estimates while construction, finance, and government showed gains.

##### UNEMPLOYMENT RISES

With increased seasonal layoffs, unemployment rose slightly. Unemployment increased 300 over June to reach an estimated total of 11,600 at mid-July. Most cigar workers on temporary layoff are now back at work. July 1961 unemployment comprised 7.5 percent of the total civilian labor force. June unemployment comprised 7.2 percent of the labor force, while revised July 1960 unemployment was 5.4 percent of the labor force.



## LABOR TURNOVER IN MANUFACTURING

Separations in all manufacturing in June in the Tampa-St. Petersburg area were 7.1 per 100 workers. The separations rate was higher than the accession rate of 5.4. A sharp rise in separations rate in food and kindred products manufacturing resulted from seasonal layoffs in canning. The June separations rate in all manufacturing increased from 4.8 in May and 5.9 in June 1960. Quits at 1.7 were slightly higher than in May when the rate was 1.5. In June 1960 quits were 2.7 per 100 workers.

The accession rate increased from 3.8 in May to 5.4 in June. A year ago accessions were 5.1. Accessions increased most in stone, clay and glass products, fabricated metal products, and in electrical machinery.

## HOURS AND EARNINGS

Average weekly earnings in all manufacturing in Hillsborough County were \$79.80 in June. Earnings were up \$4.91 from May and 50 cents above June 1960. Average weekly hours increased from 40.7 in May to 42 in June. The workweek was shorter, though, than June 1960 when average weekly hours were 43.1. Average hourly earnings were \$1.90 in June, going up 6 cents from the previous month and the same a year ago.

*Average hours and earnings in selected manufacturing industries,<sup>1</sup> Hillsborough County*

Industry	Average weekly earnings			Average weekly hours			Average hourly earnings		
	June 1961	May 1961	June 1960	June 1961	May 1961	June 1960	June 1961	May 1961	June 1960
All manufacturing.....	\$79.80	\$74.89	\$79.30	42.0	40.7	43.1	\$1.90	\$1.84	\$1.84
Food and kindred products.....	69.17	68.59	72.08	42.7	42.6	46.5	1.62	1.61	1.55
Tobacco manufactures.....	55.63	53.77	55.73	38.9	37.6	38.7	1.43	1.43	1.44
Printing and publishing.....	104.50	105.56	110.70	38.0	37.7	37.4	2.75	2.80	2.96
Chemicals and allied products.....	82.20	78.61	84.17	41.1	39.7	44.3	2.00	1.98	1.90

<sup>1</sup> Estimates are for all full-time and part-time production and related workers who are employed during the pay period ending nearest the 15th of the month. These average earnings figures are computed on a "gross" basis and reflect changes in premium pay for overtime and late shift work as well as changes in basic hourly and incentive rates.

## BUILDING PERMITS

Building permits issued in the Tampa area in July totaled \$6,711,337, down 16 percent from June. Permits issued to date in 1961 are 5 percent under the same period in 1960.

*Building permits, July 1961*

	Number of permits	Value
Tampa.....	1,066	\$3,467,543
County zoning.....	415	3,168,529
Temple Terrace.....	11	75,265
Total.....	1,492	6,711,337

Gasoline tax<sup>1</sup> collections

	July 1961	June 1961	July 1960	Percent change to July 1961 from—	
				June 1961	July 1960
Hillsborough County.....	\$931,224	\$945,587	\$881,098	-1.5	+5.7
State of Florida.....	10,395,652	10,543,598	10,098,368	-1.4	+2.9

<sup>1</sup> Remitted in designated month for preceding month.

Source: State Comptroller's Office.

*Estimated employment in nonagricultural establishments, Hillsborough County, Fla., July and June 1961 and July 1960*

[Prepared in cooperation with the U.S. Bureau of Labor Statistics]

Major industries <sup>1</sup>	Estimated employment as of—		
	July 1961	June 1961	July 1960
Total.....	111,000	111,800	110,500
Manufacturing.....	22,700	23,700	22,900
Food and kindred products.....	5,600	6,100	5,800
Tobacco manufactures.....	3,600	3,800	3,800
Lumber and wood products.....	800	800	850
Printing and publishing.....	1,400	1,400	1,350
Chemicals and allied products.....	2,100	2,200	2,100
Stone, clay, and glass products.....	2,000	2,100	1,900
Fabricated metal products.....	2,800	2,800	2,800
Other manufacturing.....	4,400	4,500	4,300
Contract construction.....	10,800	10,600	10,100
Transportation, communications and public utilities.....	10,200	10,100	10,400
Railroad transportation.....	2,000	2,000	2,200
Motor freight transportation.....	1,800	1,800	2,000
Water transportation.....	1,000	900	800
Trade.....	33,200	33,000	33,800
Wholesale trade.....	11,700	11,700	11,300
Retail trade.....	21,500	21,300	22,500
Building materials, hardware and farm equipment.....	1,400	1,400	1,600
General merchandise.....	4,100	4,000	4,600
Food.....	3,700	3,800	3,600
Automobile dealers and gasoline filling stations.....	4,000	3,900	4,000
Apparel and accessories.....	1,200	1,200	1,300
Furniture, home furnishings, and equipment.....	1,000	1,000	1,100
Eating and drinking places.....	4,000	3,900	4,100
Miscellaneous retail trade.....	2,100	2,100	2,200
Finance, insurance, and real estate.....	5,700	5,700	5,500
Service and miscellaneous.....	14,100	14,000	14,200
Hotels.....	900	1,000	1,000
Personal services.....	2,300	2,300	2,300
Government.....	14,300	14,700	13,600
Federal.....	2,300	2,300	2,400

<sup>1</sup> All industries are classified according to the Standard Industrial Classification Manual, 1957. Employment estimates have been adjusted to 1st quarter 1960 benchmark levels.





Mr. BROWN. I would like to sort of place things in their own perspective, if I might.

I know that, so far as this committee is concerned and that so far as the Congress is concerned, that the judgment which you will exercise will be a judgment based upon what is in the best total national interest of the United States and I may assure you of one fact: That, so far as our little industry is concerned, we will abide by that judgment. After all, we are Americans, just as you gentlemen are. However, it is worth while, I think, considering what the effect of this bill will be in determining what is in the best national interest of the United States.

I might just interject this for a moment. I have been going to Cuba since I was 10 years old. I do not know how many times I have been there. I have been going to Central and South America for over 15 years, where my brother was in the lumber business until his recent death. I have clients in many of the countries there; so I am in this unfortunate position. When we speak of Cuba, we are not just speaking of our businesses. After all, our businesses in Cuba have already been taken. That, you gentlemen may not be aware of, but we also have friends, associates, relatives, that are still in Cuba, and anything that I say, because I am not particularly persona grata there, could have a disadvantageous effect on certain people; so I am somewhat limited in what I can say, but what has really occurred is this: The trade with Cuba has been reduced to a mere trickle.

The exports to Cuba now amount to nothing. I would imagine that they are running under a half million dollars a month at the present time. Imports into the United States—and again I am speaking as of the present time—have been largely tobacco. There won't be much of that for the next 2 or 3 months because the wrapper crop came in early this year and the filler crop, which is the next one that will be in, won't be ready even for processing for another 60 or 90 days.

The people whom I represent make all-Havana cigars. We think we make the finest cigars in the world. That is all they have ever made. That is all we know how to make. There is no substitute for Havana tobacco and, were there a substitute, I would not be here today.

Our workers have only this one source of supply. We have an inventory that would run somewhere between 7 and 8 months at the normal rate of production. In prior years we did a great deal of our warehousing in Cuba. In the past 18 months that situation has been completely changed so that we warehouse in the United States now. When our tobacco is exhausted, my people are out of business.

These are all small companies. They are all family-owned companies. They all run 50 to 75 years in age.

We have directly and indirectly involved just in my town about 6,000 people that would be affected by this action if an embargo continued for any length of time. We have at the present time in Tampa approximately 12,000 people that are unemployed, which is around 7½ percent of our total labor force. If you add to that these 6,000 that are largely of Latin extraction—and by that I mean they came from Spain or Cuba, but they are principally of Latin extraction—you



have caused a tremendous problem with no apparent solution to it except to say to us, "Stand still and hurt." Well, I am somewhat amused by the fact that with all the advance planning and all of the money that has been appropriated by the Congress for aid to peoples and to nations all over the world, you would take an action that would say, "That is just too bad. You will have to suffer because you are an American." Yet, gentlemen, that is exactly what is being proposed here. I say that is an unfortunate result and one that I do not believe you intend to do.

I also think of some other things that I believe should be considered by the committee. What is proposed here is a unilateral action by the United States. I can certainly say this: That I feel more strongly about Cuba than does our most distinguished Representative, Mr. Rogers, from our State, or Senator Smathers or our distinguished Representative, Congressman Fascell, and I have reason to because we have been more deeply involved personally than they have been, but gentlemen, when you take a unilateral action under this situation I can tell you that you have hurt the authority and the dignity and the effectiveness of our executive department in its dealings in Latin America and at a period of time when if ever that department needed support it is now.

Prensa Latina is an effective propaganda weapon; there is no question about it, and you are going to give Prensa Latina a tremendous propaganda device and that is that you will destroy a little industry, composed of people of Latin extraction in the guise of taking action against Cuba and this action will not be effective against Cuba. If ever, the United States was going to do one thing, the one thing it should do is in the next action that it takes against Cuba, it should be positive, it should be effective, and it should be known to be effective. This is a showcase action. It is going to do nothing except hurt my people, hurt my town. Why? It is very easy to see why. The amount of trade that is involved now is a mere trickle. It amounts to nothing. Yet by the unilateral action of our Nation Cuba remains free to trade in the dollar bloc with nations all over this world and all over this hemisphere except with the United States and that amounts to nothing. Cuba will remain free to trade within the sterling bloc with nations all over the world, and it will, and Cuba will remain free to trade within the Soviet bloc, which it is, so what have you done by this? You have not taken a positive effective action against Cuba. You have given a propaganda weapon to Prensa Latina, you have destroyed my people and you have not done one thing to Castro.

I am also impressed by some of the statements that have been made that this action would lead other Latin American nations to follow. I would certainly say that that old adage applies here, "The proof of the pudding is in the eating." That was not accomplished at San Jose. It was not accomplished at Punta del Esta, and yet it was a matter that was sought hard by this Nation to be accomplished and I cannot conceive of an ineffective action, which this is, of an ineffective action being an assertion of leadership within this hemisphere.

This is a complex problem. It is a problem that as an American I believe should be left in the hands of the executive department. I am just a country lawyer but as I understand it this is the way the thing would actually work. The President, under the Executive order

proclaiming the national emergency under the Korean situation is still in effect and that that could be employed again here and extended to Cuba were that desired. That would be under implication of the Trading With the Enemy Act, under the Second War Powers Act or a second action could be taken where a new proclamation would be issued but in either event it would not automatically trigger off a required action by OAS under the terms of the Rio Treaty. There is a relationship between the two, but it would not have the effect of automatically triggering off automatic action which the United States would have to bring under OAS under the Rio Treaty. That would require a majority or two-thirds vote. It simply is not going to be obtained at this time.

The Big Four nations of Middle and South America have taken a strong and positive stand insofar as the economic action by the United States against Cuba is concerned. I do not believe that this ineffective action would do anything other than aggravate the total situation. Yet, when we end up with it you have destroyed this little old industry, you have hurt badly a community of this country and you have not accomplished the purpose that all of us want.

God knows we do, but you have not accomplished that.

Thank you, sir.

The CHAIRMAN. Thank you, Mr. Brown.

Mr. Rogers?

Mr. ROGERS of Florida. I have just a question or two, Mr. Chairman.

I have known Norman Brown for a long time. He is a very fine friend of mine. I respect his position and understand his reason for his position and certainly the committee is cognizant of the problem he has there.

I do wonder if the gentleman disapproves of the unilateral action of our Government in cutting off exports to Cuba?

Mr. BROWN. I would say this: That the United States is considered the greatest and most humanitarian nation that has ever existed in the history of mankind and when you cut off foodstuffs and cut off medicines you have established a precedent that plays right into the hands of the people that we are trying to defeat—not just in Cuba, but in other nations.

Mr. ROGERS of Florida. I do not think the gentleman quite gets the point. The action which we have already taken which is a unilateral action in cutting off exports to Cuba, do you oppose that?

Mr. BROWN. Certainly.

Mr. ROGERS of Florida. You agree with the unilateral action, then, in cutting off exports?

Mr. BROWN. Let me express it this way: The action which we took was essentially directed at sugar.

Mr. ROGERS of Florida. No. I am talking about exports, not imports.

Mr. BROWN. I agree with that. Of course, we are in a somewhat difficult position because we are insisting upon full compliance with the Guantanamo Convention and the United States has been pointed out in other nations and in the press there; Prensa Latina has done a very effective job on that. The United States does not want to stop exports to get money. Certainly they do not.

Mr. ROGERS of Florida. You do not agree with our policy in cutting off exports?



Mr. BROWN. I said I do agree with it. I said we are in a difficult position when we do that. If that policy were true, you would say what is sauce for the goose is sauce for the gander. That is the propaganda that has been employed against us in our opinion. I think it is right, but you do have that one inconsistency that does exist.

Mr. ROGERS of Florida. Then you do agree that it is a good idea to cut off exports.

Mr. BROWN. Yes.

Mr. ROGERS of Florida. But you do not agree to take unilateral action on imports?

Mr. BROWN. It has gotten now down to the point that what has to be determined is what is in the best interests of the United States. I say when you balance those two things you have to weigh the existing facts that we have now today, and I say that so far as my people are concerned, that in the balancing of those interests you will do more harm than you will good because it will not be an effective, positive action. After what occurred at Cochinas Bay, the next thing we do had better be positive and effective.

Mr. ROGERS of Florida. Do you think the banning of the embargo on exports was effective?

Mr. BROWN. Yes, and as a matter of fact, Mr. Rogers, I will be happy to show you a letter that I submitted long before anyone else did stating that I thought it should have been about 18 months before it was done.

Mr. ROGERS of Florida. You want to ban exports but not imports? That is your position?

Mr. BROWN. No. That is not correct. I say you have to examine the question very closely all the way down. Let's take sugar. The action on sugar placed Cuba in a highly favored position. We were criticized in every nation.

Mr. ROGERS of Florida. Actually, we were paying more for Cuban sugar, were we not, than other sugar?

Mr. BROWN. Approximately a penny and a half above the world price.

Mr. ROGERS of Florida. Are we paying more for tobacco than other countries in the world?

Mr. BROWN. Not for the quality of tobacco. Let me explain this. A cigar is composed of three—

The CHAIRMAN. The Chair would like to interject.

(Discussion off the record.)

Mr. ROGERS of Florida. I have one more question and I will wind up, sir. It is my information that we are now paying more for tobacco than any other nation in the world. I would like to submit for the record on that point and would like the gentleman to have the opportunity to also submit a written statement on that point.

Mr. BROWN. I will be happy to do that.

Mr. ROGERS of Florida. Thank you, Mr. Chairman.

Mr. BROWN. The record will show that we have always paid the highest price for tobacco of any country in the world; why, because we buy the very finest Vegas and have for 50 to 75 years in various ways. The price we are paying now is completely in line with what we have been paying for the past 10 years. I will be happy to get those records up.

Mr. ROGERS of Florida. It has jumped up considerably; has it not?  
Mr. BROWN. It has not.

The CHAIRMAN. Are there further questions?

Mr. BROWN. It has gone up perhaps 10 percent but that is due to the increase in labor cost down there.

The CHAIRMAN. Are there further questions of Mr. Brown?

We are glad to have your testimony.

The committee will adjourn. This closes the record on this proposed legislation.

(The following letter was later received for the record from Mr. Brown:)

BROWN & BROWN,  
ATTORNEYS AT LAW,  
Tampa, Fla., September 14, 1961.

HON. OREN D. HARRIS,  
Interstate and Foreign Commerce Committee,  
New House Office Building, Washington, D.C.

DEAR CONGRESSMAN HARRIS: At the hearing on the Rogers bill, H.R. 8465, held on Friday, September 1, 1961, I was asked to supply information on the prices being paid for Cuban tobacco by Tampa manufacturers.

The following information is supplied herewith. I discussed this matter with Congressman Paul Rogers, of Florida, yesterday.

The figures which I am supplying the committee would relate solely to the cigar manufacturers in Tampa.

The Tampa all-Havana cigar manufacturers have historically bought only the choicest of the very finest Vegas.

The buying of these fine Cuban tobaccos is an art in itself. The statistics furnished herewith are based upon the records of a principal all-Havana manufacturer; however, they would hold true for the other Tampa all-Havana manufacturers. These are the average prices paid for the periods of time mentioned. This does not take into account factors such as yield, differences in grading, et cetera.

#### 1. ALL-HAVANA WRAPPER PRICES

Tampa manufacturers buy approximately 90 percent Partido wrapper (i.e. from the province of Havana) and 10 percent Vuelta Abajo (Pinar del Rio). The grade of tobacco purchased is "resago", classes 13 to 17, inclusive. Wrapper tobacco is bought by the bale, which consists of 80 manajos of 200 leaves each. The average prices paid for this wrapper, f.o.b. Havana, are as follows:

	Per bale
1953.....	\$295.72
1957.....	319.80
Jan. 1 to Sept. 1, 1961.....	360.25

In other words, between 1957 and the first 8 months of 1961, there has been an increase of 15.3 percent in the average prices of unstemmed Havana wrapper, f.o.b. Havana. These are not the prices which the farmer receives for the tobacco. These are the prices paid to the individuals and concerns from whom the tobacco is purchased.

Prices of U.S. domestic tobacco for comparable periods of time for Cigar-wrapper tobacco, as shown in "The Tobacco Situation," published by the U.S. Department of Agriculture, are as follows: (It should be noted that these are the prices which the farmers who grow the tobacco received and not the prices which are paid by the cigar manufacturers who purchase the same.)

		Per pound
Connecticut wrapper.....	1957	\$2.05
Do.....	1960	2.25
(An increase of approximately 10 percent )		
Georgia-Florida wrapper.....	1957	1.90
Do.....	1960	2.00
(An increase of approximately 5 percent )		

#### 2. UNSTEMMED HAVANA FILLER TOBACCO

These prices are per hundredweight (cwt) f.o.b. Havana. Tampa manufacturers use "Vuelta Abajo" type filler. There is also a type of filler known



as "Remedios" which is grown in Santa Clara Province. This type of filler is totally unsuitable for the manufacture of all-Havana cigars, manufactured in Tampa. It is principally used by manufacturers of cigars composed of a domestic filler and binder and is blended with domestic filler. The prices here quoted are for each year's crop. For example, the crop of a particular year is bought in the winter in which it is harvested and processed and the buying will continue through the spring of the following year:

	<i>Per hundred- weight</i>
1953 crop-----	\$83.74
1957 crop-----	84.75
1960 crop-----	98.00

In other words, from 1957 to 1960, there has been an increase in price of 15.3 percent. (The 1961 crop has not yet been committed or purchased—for this reason there is a shortage of filler as compared to wrapper.) Prices of U.S. domestic filler tobacco for comparable periods of time, as taken from "The Tobacco Situation," are as follows:

	<i>Per pound</i>
Pennsylvania, 1957 filler crop-----	\$0.21
Pennsylvania, 1960 filler crop-----	.28
(An increase of 33.3 percent.)	
	<i>Cents per pound</i>
Ohio, 1957 filler crop-----	22.8
Ohio, 1960 filler crop-----	28.1
(An increase of 23.2 percent.)	

### 3. HAVANA BINDER

It has been difficult to obtain these statistics as requested by the committee for the reason that it has been necessary to go back and get available prices from the factory records maintained for the Treasury Department. There is at present a shifting over to "tobacco sheets" for binders rather than natural binder, and it is for this reason that reliable statistics are not available.

### 4. HAVANA SHORT FILLER (I.E. SCRAP AND CUTTINGS)

Prices paid for scrap f.o.b. Havana can best be obtained from the U.S. Customs Service in Washington. So nearly as can be determined from the prices here in Tampa, the 1957 and January 1 to September 1, 1961, are as follows: 1957, about 69 to 70 cents per pound; 1961, about 60 to 70 cents per pound.

The courtesy which you extended us at the hearings held by your committee on August 29 and September 1, 1961, is appreciated by the manufacturers in Tampa.

Very truly yours,

NORMAN S. BROWN,

*Attorney for Cigar Manufacturers Association of Tampa.*

(The following letters were received for the record:)

TAMPA, FLA., August 30, 1961.

HOUSE COMMERCE COMMITTEE,  
House of Representatives,  
Washington, D.C.  
(Attention Chairman).

DEAR SIR: I just read in the Tampa Tribune that Mr. Norman Brown of the Tampa cigar industry testified before your committee against a proposed embargo of Cuban imports which would affect the cigar industry in Tampa.

I wish to add my opinion to those given.

First of all, since the question of embargoes being put into force has actually been in the jurisdiction of the State Department, as they see fit in our relations with another country, any proposed action from another source would weaken a segment of our Government. As I see it, this proposal would be inflexible, and a dangerous precedent to set for our relations with other countries. Its proposal seems more to me a piece of demagogic legislature to out-demagogue another rather than anything constructive.

Regardless of the type of government in Cuba today, it is a bad time to suggest an embargo. We have not convinced the Latin American countries that we are deeply concerned with their welfare, despite the alliance for progress meeting, which can only have meaning with action. Any unilateral action, as embargoes against Cuba, will only show those countries that if you don't follow the wishes of our Government, you may expect economic reprisal. The far-reaching effects of an embargo belong more to the discretion of our State Department, and President, rather than the House Commerce Committee. Certainly, anything to the detriment of trade should be opposed, unless international affairs demand drastic action. It is incongruous to think of such action with Cuba while we do not only trade with acknowledged satellites of Communist Russia, but also Russia. We also have made loans to those countries. Unless we have ulterior purposes in such an embargo, with questionable results, again such action would lower our prestige in foreign affairs, a very costly item of our budget.

Since this proposed action is based on the premise that it would affect the economics of Cuba, a little investigation from sources with first-hand knowledge would show that it would have no effect so far as penalizing the present government of Cuba. The trade in tobacco today with Cuba is more from a long-standing friendship and relations with the American tobacco interests. Any alterations in that standing would only throw Cuban exports to foreign sources, and result in higher prices through reshipment to our tobacco users. This is not good economics. Also, since American dollars is a commodity in the world money market, Cuba has no difficulty getting dollars for her purposes. We would be hurting ourselves economically, and diplomatically, not only for the present, but the future. We need the friendship of the Cuban people, if we don't accept that of its government.

Yours sincerely,

LOUIS FRITZE.

THE NATIONAL FEDERATION OF  
BUSINESS AND PROFESSIONAL WOMEN'S CLUBS, INC.,  
Washington, D.C., August 23, 1961.

HON. OREN HARRIS,  
*Chairman, Interstate and Foreign Commerce Committee,*  
*U.S. House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN HARRIS: This communication is going forward to you and your committee on behalf of Congressman Roger's H.R. 8465, to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes.

Under the legislative platform, the National Federation of Business and Professional Women's Clubs, Inc., comprised of about 175,000 women in all the 50 States, District of Columbia, Puerto Rico, and Virgin Islands is committed to assuring internal and external national security for the United States as well as to safeguard the security of the United States and the nations of the free world through improving mutual security programs, technical assistance, military aid, and mutual trade essential to the national economy and to the maintenance of peace, through using all psychological means to secure and maintain freedom.

By resolution at the recent national convention the federation made a strong statement to do everything possible to combat communism.

It seems only logical that the United States should halt all trade with Cuba as long as a Communist regime exists. With the precarious world situation, it seems only sensible that we follow a realistic and consistent pattern of action to safeguard our own best interests. Actually we cannot afford to do otherwise.

We, then, as concerned women urge that your committee recommend this bill for prompt favorable action. Although actually we cannot speak for others than our organization, officially, yet undoubtedly we reflect the wishes of many, many others as well. We shall watch with keen interest the progress of H.R. 8465.

Very truly yours,

AGNES S. MERRITT,  
*National Legislation Chairman.*

(Whereupon, at 12:10 p.m., the committee adjourned.)





