

Ms. Williams is the mother of 5 children and has 12 grandchildren and 9 great-grandchildren.

Mr. Speaker, I ask my colleagues to join me in recognizing Ms. Lucille Williams for her outstanding achievements and enduring commitment to our Bronx community.

UNDERMINING THE UNITED STATES EMBARGO OF CUBA

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 31, 1997*

Mr. HAMILTON. Mr. Speaker, I commend to my colleagues' attention the attached article by Ernest Preeg, which was published in the *Journal of Commerce* several days ago. The article points out that, according to a new United Nations Study, United States citizens sent relatives and friends in Cuba approximately \$800 million in cash during 1996—a sum nearly twice as large as Cuba's net export earnings from its annual sugar harvest. Under current regulations, American citizens may legally send cash to Cuba only after first obtaining a very specific license from the Treasury Department. Rarely, if ever, has any American applied for such a license. The fact that so many private American citizens are moved by kinship or generosity to provide cash assistance to economically disadvantaged Cubans, in violation of the United States embargo and United States law, suggests that many Americans with ties to Cuba themselves reject one of the embargo's fundamental rationales: that it is both appropriate and necessary to apply economic pressure to promote political change in Cuba. This suggests that it is time to pursue a new United States policy toward Cuba, a policy in which both private United States citizens and the United States Government are able legally and openly to aid the Cuban people.

[From the *Journal of Commerce*]

HAVANA AND HELMS-BURTON

(By Ernest H. Preeg)

The U.S. embargo against Cuba, extended to third-country Cuban investors through the 1996 Helms-Burton Act, enjoys strong support among most Cuban-Americans, the three Cuban-American members of Congress and the well-organized Cuban American National Foundation.

However, Cuban-American attitudes are in deep conflict. While most strongly support the embargo, including Helms-Burton, increasingly large remittance flows are sent to Cuban friends and relatives, effectively undermining economic restrictions.

The extent of this contradiction—and its impact on U.S. Cuba policy—is underscored by a startling U.N. Economic Commission on Latin America and the Caribbean report. Eclac found sharply rising remittances to Cuba in 1995 and 1996, even as Congress enacted Helms-Burton, more than reversed the law's limited success at discouraging third-country investors.

Virtually all Cuban-Americans, and many others, oppose the Castro communist regime and want democracy quickly restored in Havana. Yet Cuban-Americans also understand that economic sanctions' poor track record forcing political change on authoritarian governments—some even step up repression in response—and the tool's disproportionate impact on the poor.

The dilemma did not exist before 1990 because huge Soviet subsidies—\$6 billion annually in the late 1980s—ensured decent Cuban living conditions despite the U.S. embargo. After Russia's abrupt 1990 aid cutoff, however, Cuban shortages of food, medicine and other goods mounted, worsened by Helms-Burton.

Cuban-Americans responded by stepping up remittances, helped greatly in 1993 when Havana embraced U.S. dollar usage and opened dollar-only stores. The forthcoming Eclac report suggests remittances grew to approximately \$800 million in 1996 from under \$100 million in 1990, despite strict U.S. Treasury limits—before counting direct shipments of clothing and consumer goods.

The role these remittances play in undermining the U.S. embargo is best seen in a comparison with other dollar sources. Cuba's 1996 tourist receipts were \$1.4 billion, sugar exports \$1 billion, other exports under \$1 billion and much-touted foreign investment inflows about \$100 million to \$200 million. Exact investment figures are secret.

But the comparative figures are gross dollar receipts, which don't reflect high offsetting imports. Cuban hotels buy most food and other goods abroad, for instance, while the sugar industry imports fertilizer, oil, machinery and parts to service refineries. Tourism's net inflow, accordingly, is as low as 30% of the gross—an estimated \$400 million in 1996—while sugar's is about 50%, or \$500 million. With remittances, in contrast, virtually all \$800 million remains in Cuba.

In 1996, therefore, the \$800 million remittances nearly equaled the net contribution from sugar exports and tourism combined. Applying the same calculations more broadly, about one-third of Cuba's entire net dollar inflow is from remittances.

The money is sent, of course, to help individual Cuban relatives and friends. Yet in aggregate, it offsets the embargo's financial squeeze and helps Havana keep the economy afloat despite failed central planning policies. While the remittances go directly to Cuban people, their help paying for food and other basic needs leaves the government with \$800 million more to spend on other priorities.

This fundamental difference between what Cuban-Americans say and do regarding the U.S. embargo deserves broader discussion, given the new Eclac figures. Helms-Burton's extra-territorial provisions create tension between Washington and its trading partners, particularly within the World Trade Organization. If Cuban-Americans press for strict adherence to the act's terms while undermining it through large and apparently illegal remittances, the embargo policy is deeply flawed.

A review is particularly timely given the pope's planned Cuba visit next January. The Catholic Church has consistently opposed economic sanctions throughout the world, given their undue impact on the poor. Pope John Paul may be anti-communist, but he is opposed to the U.S. embargo. The church's strategy for social and political change in Cuba, as elsewhere, is longer term.

During his visit, the pope hopes to obtain enhanced "working space" for the church, particularly a church radio station in Cuba—although Castro is unlikely to agree to that request. In the words of one Catholic priest: "When Fidel is gone, and the revolution is gone, the church will still be."

The Catholic Church has long dedicated itself to helping the poor and disadvantaged. It has opposed the U.S. embargo and extended food and medical shipments to Cubans through Caritas its humanitarian agency. Several million dollars in Cuban Caritas aid, however, pales beside the \$800 million in Cuban-American remittances. In this re-

spect, Cuban-Americans are more Catholic than the Pope.

IN SUPPORT OF HONDURAN APPAREL INITIATIVES

**HON. EARL F. HILLIARD**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Friday, October 31, 1997*

Mr. HILLIARD. Mr. Speaker, I would like to bring to your attention a recently published article by the Council on Hemispheric Affairs [COHA]. The article is entitled: "Scandal-Ridden Honduran Apparel Industry Seeks New Image." It appeared in COHA's biweekly edition of *Washington Report on the Hemisphere* on August 15, 1997.

The article brings to light the efforts of the Honduras Apparel Manufacturers Association to establish an industry-wide code of conduct as a constructive, proactive mechanism to prevent future labor relations problems. The aforementioned association is a nonprofit and nonpolitical organization from the private sector, created to promote and develop exports of apparel goods, and to serve its associates and represent them before public and private institutions, both nationally and internationally. Membership is mandatory under Honduran law for all exporting companies. This new code was approved by the association's board of directors in late July, at an industry-wide meeting.

Mr. Speaker, you will recall that the COHA is a locally based think-tank policy institution. It is well established for its views on developments in Latin America. COHA monitors human rights, trade, growth of democratic institutions, freedom of the press, and hemispheric economic and political developments. I would like to place in the RECORD the full text of this article.

SCANDAL-RIDDEN HONDURAN APPAREL INDUSTRY SEEKS NEW IMAGE—EMBITTERED INDUSTRY MANUFACTURES ITS OWN CODE OF CONDUCT

As major media revelations on child labor and sweatshop abuses in Honduras surfaced, deeply embarrassed local business interests, foreign firms operating in the country, and government authorities became increasingly concerned about the bad PR as much as conditions under which garments were being made there. At the end of July, the embattled Honduran Apparel Manufacturers Association (AHM) organized its first congress in San Pedro Sula in order to design a binding code of conduct for their industry. The AHM is a non-profit, non-political private sector organization established in 1991 to promote Honduras' exports of apparel goods and to serve as a foreign and domestic voice for the booming garments assembly industry. The sector consists of 180 plants, employing 87,000 workers. But its impact is far greater than it appears because in a country of approximately 5 million people, the industry accounts not only for its own workers and their almost 400,000 dependents, but for nearly 600,000 other Honduran laborers and their families in such related industries as shipping and packaging.

By drafting its own self-enforcing code of conduct, "the AHM hopes to preempt any outside intervention that could lead to regulations mandated from above." This meeting of the Honduran maquiladores was focused on addressing international humanitarian concerns such as harsh work site conditions and