

The Role of Canada as a Catalyst in US-Cuba Relationships

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ABSTRACT

Canada has always maintained steadily friendly relations with Cuba, regardless of substantial pressure from the U.S. government, with the island being one of the most popular international travel destinations for Canadian citizens amounting more than one million Canadian tourists in 2018. This paper shows the backgrounds of Canada-Cuba relations to date and the role that Canada as a country have played in the relations between Cuba and the United States especially on the reestablishment of diplomatic relations on December 17, 2017. It also deals with aspects of the relations which along the common history of both countries have been consolidating on the principle of mutual recognition as nations and the cooperation aimed at the mutual achievement of two-sided benefits.

Keywords: Canada, Cuba, The United States, Mediator, Catalyst, Diplomatic Relations

INTRODUCTION

There are natural, social, sociopolitical and economic bases that sustain Canada-Cuba relationship. A tropical island and an extensive continental country with a cold climate, have many elements that make mutual complementation possible. The compatibility and even mutual affection between Cubans and Canadians is proven. Interstate relations have been able to successfully overcome possible disagreements and mutual respect and mutually advantageous trade have prevailed.

Knowledge of Canada, its history, geography, policies and programs, is also promoted through Canadian Studies Centres located in six universities across Cuba. Academic cooperation represents one of the most important aspects of the relationship between Canada and Cuba, with expanding networks of academics and researchers from both countries working together in a wide range of disciplines.

Cuba is the fifth most popular overseas destination for Canadians and Canada is Cuba's largest source of tourists, with over one million Canadians visiting annually (more than 30 percent of all visitors to Cuba).

Canada's international development program in Cuba is aligned with several of the priorities of the Government of Cuba, in particular increasing agricultural productivity and food security.

Canada and Cuba have a well-established, significant and growing commercial and investment relationship. Cuba is Canada's second largest market in the Caribbean/Central American sub-region. Bilateral merchandise trade between the two countries is nearly one billion dollars annually. Canadian companies have significant investments in mining, power, oil and gas, agri-food and tourism.

Cuba is represented in Canada by the Embassy of Cuba in Ottawa and also has consulates in Montréal and Toronto. Canada is represented in Cuba by the Embassy of Canada in Havana and also has consulates in Guardalavaca and Varadero.

BRIEF HISTORICAL BACKGROUND OF CANADA-CUBA RELATIONS.

The historic economic ties between Cuba and Canada started in May, 1903, when Cuba opened its first commercial office in the port of Yarmouth, Nova Scotia, and appointed a Cuban consul, Arthur W. Eakins to promote that trade. The Canadian government reciprocated in 1909 by appointing its first Canadian Trade Commissioner in Havana, a dentist named E. S. Kirkpatrick.

The first recorded Canadian contact with Cuba appears in the writings of Samuel de Champlain, the founder of New France. He visited Cuba in 1601 during his first voyage to the New World. He spent four months in Cuba, traveling the length and breadth of the island. About a century later, in 1706,

Pierre le Moyne, set out for Cuba in what was to become his last campaign for the French empire in America.

Scarcely was the Confederation of Canada one year old when it was involved in delicate matters of diplomacy over Cuba. In October of 1868, a full scale insurrection erupted on the island to free Cuba from centuries of Spanish rule. The rebellion quickly aroused sympathy in Canada as well as in the US. In 1897, the frenzy with which the US went to war in Spain in Cuba provoked widespread interest abroad. The military occupation of Cuba by the US in 1898, and the subsequent creation of the Cuban Republic under its tutelage four years later, opened a chapter in relations between Cuba and Canada that lasted more than sixty years. Within the first decade of the life of the pseudo-Republic four Canadian enterprises –two banks and two insurance companies- had been incorporated in Cuba, and Canadian capital in modest amounts had been invested in several key Cuban corporate enterprises. In 1899, the Merchant' Bank of Halifax (succeeded to by the Royal Bank of Halifax) opened up a new branch office in Havana.

Apart from the bank mortgaged mills, Canadian capital was concentrated in two large sugar companies -the Cuba-Canada Sugar Company and the Bartle Antilla Company- for most of the inter-war period.

The post-war period ushered in a new era in Canadian-Cuban trade relations. Important changes took place in the volume, balance and, to a lesser extent, in the composition of commodity exchanges. Concerning the spotlight on sugar, the bilateral accord with Canada was more modest in intent. Under its terms, Ottawa bound itself to purchase less than 75,000 tons of Cuban raw sugar in a three-year period. In return, Cuba pledged to revalidate the tariffs on important goods.

The apparently large volume of investment in Canada attributed to the Canadian insurance companies resulted in part as a consequence of legislation enacted during the first Batista government (1940-1944).

In April, 1945, Cuba and Canada were ready to establish more formal diplomatic relations. Both countries had fought with the Allies in the Second World War, and both took part in the founding of the United Nations. Canada emerged from the war with a greatly heightened role in the world, and was keen to establish diplomatic missions in many Latin American countries. Cuba was the first country in the Caribbean selected by Canada for a diplomatic mission, and Prime Minister Mackenzie chose a renowned writer and historian, Joseph Marie Emile Vaillancourt of Montreal as the first Canadian diplomat emissary to Cuba, with the rank of a Minister. Cuba's first Minister to Canada, appointed in the same year, was Dr. Mariano Brull.

In August of 1950, Canada and Cuba upgraded their respective delegations in Havana and Ottawa to full embassy status. It was the culmination of a processual development in bilateral relations extending back nearly a half-century. The slow growth and maturation of formal diplomatic bonds typifies the evolutionary character of Canadian representation abroad, just as it attests to Canada's increasing independence from The Mother Country and the concomitant expansion of the role played by the Department of External Affairs in the development of the Dominion foreign policy. From the turn of the century until 1945, the highest ranking officials in either country had been consuls or trade commissioners. In that year, Ministers were exchanged after the appropriate elevation of the consular offices to legation status.

CANADA-CUBA RELATIONS FROM 1959 TO DATE.

The triumph of the Cuban Revolution attracted huge public interest in Canada –as it did everywhere around the world. During the first days of January, 1959, just after the dawn of the Revolution led by Fidel Castro, a note was sent to the government of Canada by the new government, pledging to respect all of Cuba's "international obligations and existing treaties" in accordance with "the principles of international law". Mr. Sydney Smith, Canada's Secretary of State for External Affairs at the time, directed the Canadian Ambassador in Havana, Mr. Hector Allard to acknowledge receipt of the Cuban note and to "confirm the desire of the Canadian government to have friendly relations with the Government of Cuba." A formal exchange of credentials took place on January 8, just one day after the US government accorded the new regime similar recognition. Traditionally,

Canada has applied two general criteria for recognition. The first one is that the new government represents the people of the country; the second, that it is in control of the country and is likely to remain so. It was universally acknowledged that Dr. Castro's 26-of-July movement satisfied both requirements, a fact that Mr. Allard himself noted in a diplomatic dispatch to Ottawa just after Batista fled.

In April 1959, Fidel Castro made a brief visit to Canada. It came on the heels of his unofficial trip to Washington during which president Eisenhower was unwilling to meet with him and the US refused to grant him long-term economic aid. In Montreal he and his entourage attracted a larger crowd than any other foreign leader in the previous decade. He drew fascinated crowds wherever he went. Indeed, so warmly was he received that he was led to make a remark to reporters that "he thought he was in Cuba. He also said that "there is a Latin atmosphere here that I sort of missed in the United States."¹ Fidel Castro asked the Canadian government to expand the trade with Cuba and this, from the outset, was at the centre of the Canadian-American controversy.

On October 19, 1960, The United States announced the imposition of a sweeping embargo on trade with Cuba. On that date, President Eisenhower gave the Secretary of Commerce, Frank Meuller, the authority to place Cuba on the US Export Control list, stipulating that "until otherwise instructed", all U.S. exports "except non-subsidized foodstuffs, medicines and medical supplies" were to be barred from shipment to the island. Like the abolition of the Cuban sugar quota by the US on July 6, the action of the President, marking as it were another step along the path of no return in relations between Washington and Havana, was taken specifically in reprisal for the nationalization of the hundreds of US-controlled businesses and several US. banks announced by Premier Castro on October 13 and 14, just as the quota was cut off because of the seizure of US oil companies. There is good evidence to suggest that the final draft of the Eisenhower order was not released until consultation with the Canadian authorities took place. An article in the Canadian edition of Time in late October disclosed that "while the U.S. did not ask Canada to join the embargo, it sent advance notice of her plans as a courtesy".² Several days prior to the US announcement, the Globe and Mail quoted the Canadian Prime Minister at the time, Mr. John George Diefenbaker, as saying that "under no circumstances whatsoever would Canada follow the US lead"³, although actually, the US did not ask for such a change.

The first indication that the Canadian "moderating influences" were used in the US-Cuban imbroglio became evident in July 1960. In late June the revolutionary government nationalized, without compensation (or "intervened" as we Cubans called it), all the foreign oil companies on the island. This step brought immediate US retaliation in the form of the virtual elimination of Cuba's sugar quota on the American market. Just as rapidly, the Soviet Union acted to fill the void by offering to purchase the full amount of the quota. At Canada's official level its government refused comment, except to confirm a report that Ottawa's diplomatic relations with Havana would continue uninterrupted. A week later, a Canadian government spokesman was quoted as saying that Canada would not take similar action for the following reasons: 1 No other NATO country had broken with Cuba; 2 Canada had little diplomatic businesses in the past to transact with Cuba, and 3 Canada had had "no diplomatic difficulties with the government of Fidel Castro."

The decision of the US government to sever diplomatic relations in Cuba in January 1961 and impose a trade blockade on Cuba placed other members of the Organization of American states (OAS) under tremendous pressure to follow suit. Canada, although a member of NATO and trans-Atlantic ally of the US, was not a member of the OAS and felt no obligation to do the same, as Prime Minister Diefenbaker explained to his Cabinet on January 4 1961. Canada and Mexico proved to be the only two nations of the Americas which maintained uninterrupted diplomatic relations with Cuba throughout the 1960s.

The Royal Bank of Canada and the Bank of Nova Scotia tried to work with the new revolutionary government. The Cuban government reciprocated by taking the decision not to nationalize the two Canadian banks. Instead, both reached compensation agreements with the Cuban government in January 1961 and their assets were transferred to the Central Bank of Cuba. Once again, the Royal Bank played an unusual political role in Cuban history after the failed exile invasion attempt at the

Bay of Pigs in April 1961. Both the American and the Cuban governments turned to the Royal Bank to act as the financial intermediary to manage the exchange of prisoners for food and agricultural machinery.

In the early years after the Triumph of the Revolution, Canada acquired a new commercial importance for Cuba as an alternative source of North American technology and equipment once the US blockade had been imposed. Canada also offered a potentially important new market for Cuban exports beyond sugar. At the same time, from a geopolitical point of view, an independent policy of Canada towards our country is an indicator of that country's exercise of power, in a hemisphere where North American hegemony has marked international relations.

It is worth stating here that, in 1966, on the occasion of the ninety-ninth anniversary of the Confederation, there appeared in the Havana newspaper *El Mundo* the following tribute to the Dominion of Canada: "Today, on the first day of July, Canada celebrates her national holiday... Canada, a thriving and prosperous nation, with an enlightened, intelligent, progressive, industrious, and therefore prosperous people, constitutes a model state which today can take legitimate pride in belonging to the family of truly free and sovereign development in all respects, gives her the right to be considered among the great countries of the world. We do not exaggerate when we affirm that the Cuban people consider themselves inextricably tied in brotherhood and friendship to the Canadian people, with whom we have friendly relations and the warmest of ties. Therefore, in the name of our people and EL MUNDO, we congratulate the people of Canada and her leaders with all our heart on the occasion of this historical date".⁴

In a documented analysis by Professor Raúl Rodríguez⁵, he shows us the elements of judgment that led Ottawa to maintain a differentiated policy towards Cuba in the context of the Cold War. The bases of US policy toward Cuba, whether the Monroe Doctrine or more recently the Torricelli, Helms-Burton and other bills, are not instruments of international law, are not extraterritorial and Canada is not obliged to follow them. The authorities of that country with Diefenbaker raised a series of principles for relations with Cuba that continue to be reasonable for the present:

- Differences are not an obstacle to the maintenance of normal relationships.
- Each nation is free to choose its form of government and determine its policies.
- Faced with a policy of isolation from Cuba, Diefenbaker reasoned, this would be seen, in his opinion, pushed into the Soviet orbit and reflected with sharpness that while maintaining normal relations there were few options to influence Cuba, the absence of diplomatic ties would be worse, which reveals a great political realism and an unbiased analysis of the international conflicts of the time, which served the Canadian interests perfectly and at the same time offered a good basis for Cuban foreign policy, confronting the myths and very bad intentions of the North American Cold War policy.
- For Canada, being a nation formed largely by people displaced from other places, the public opinion of that country is usually very sensitive to injustice and discrimination, so at crucial moments, has accompanied the decisions of the US regarding normal relations with Cuba.

An analysis of bilateral relations cannot ignore the role of the government and personnel of Pierre Elliot Trudeau, which exceeded bilateral interests and represented a contribution to the fight against the blockade and to break the dogmas of the cold war.

Relations were especially warm in the 1970s and 1980s during the time when Pierre Elliot Trudeau was the Prime Minister of Canada. Trudeau spent three days in Cuba and sparked a lifelong friendship with Fidel Castro. The visit was also the first by a Western nation to Cuba since 1960. Fidel Castro was among Pierre Trudeau's pallbearers at his funeral in 2000

In 1994, a joint venture was formed between the Cuban Nickel Union and the Canadian firm Sherritt International, which operates a mining and processing plant on the island in Moa. A second

enterprise, Cobalt Refinery Co. Inc., was created in Alberta for nickel refining. There are in total 85 Canadian companies and subsidiaries operating in Cuba, including brewer Labatt Breweries.

Canada has been critical of the US trade blockade against Cuba, and strongly objected to the Helms-Burton Act. In 1996 Foreign Affairs Minister Lloyd Axworthy stated: "Canada shares the US objectives of improving human rights standards and moving to more representative government in Cuba. But we are concerned that the Helms-Burton Act takes the wrong approach. That is why we have been working with other countries to uphold the principles of international law". In 1996 a Private Member's Bill was introduced, but not made law, in the Canadian parliament; this law called the Godfrey-Milliken Bill was in response to the extraterritoriality of the Helms-Burton Act. Godfrey-Milliken was essentially a parody, and would have allowed descendants of United Empire Loyalists who fled the American Revolution to be able to reclaim land and property that was confiscated by the American government in the 1700s.

Canada has also protested US preclearance customs agents in Canadian airports who tried to catch American citizens traveling to Cuba in defiance of US law.

CANADA'S ROLE AFTER RE-ESTABLISHMENT OF US-CUBA DIPLOMATIC TIES IN 2017.

Canada's longstanding friendship with both the US and Cuba was at the forefront on December 17, 2017, as the two longtime foes announced a historic diplomatic breakthrough that promised to end more than a half-century of hostilities.

In separate speeches, U.S. President Barack Obama and his Cuban counterpart, Raul Castro, thanked Canada as well as the Vatican for hosting secret talks between the two countries, which have been at odds since the 1960s.

The talks were held after the US and Cuba approached Canada seeking help in hosting the discussions last year, a senior Canadian government official said. Canada facilitated seven meetings in Ottawa and Toronto over the past 18 months, he added.

US National Security Council spokeswoman Bernadette Meehan described Canada's support as well as its discretion as "instrumental to the success of the talks."

The delegation, led by President Barack Obama's deputy national security adviser Ben Rhodes and senior Latin America specialist Richard Zuniga, came for meetings that covered a swap of prisoners and the re-establishment of diplomatic relations – a breakthrough after more than 50 years of US blockade.

In all, they quietly travelled seven times to Canada in 2013 and 2014, holding six sessions in Ottawa and one in Toronto, according to a Canadian government source.

None of the high-level discussions were held on US or Cuban territory, US officials told reporters. Key details of the release from prison of US contractor Alan Gross and, in exchange, of three members of the so-called Cuban Five, were worked out in the other third-country site for talks, Vatican City, after Pope Francis played a key role in urging Mr. Obama and Cuban President Raul Castro to talk.

But Canada's role, highlighted afterwards, by both Mr. Obama and Mr. Castro was in keeping with its history. Canada kept its direct diplomatic ties to Cuba over the five decades when the US had none. And under governments of all stripes, Ottawa kept encouraging Americans to reconsider the embargo, while Canadian diplomats in Havana passed messages between the two countries.

Keith Christie, a former senior foreign affairs official who served as ambassador to Cuba from 1997 to 2000, said the host role in these talks fit the role Canada long played. "It is certainly consistent with our long-standing view that the two parties have to get together, in a world where everybody's re-established relationships with the People's Republic of China, and the US, as Obama himself pointed out, managed to come to terms a couple of decades ago with the Republic of Vietnam," he said. "We had some very frank discussions with the Cubans and the Americans in that regard."

In a year-end interview with the CBC, Harper said he didn't want to exaggerate Canada's role in the secret talks, and that Canadian officials did not actually participate in any discussions.

"We facilitated places where the two countries could have a dialogue and explore ways of normalizing the relationship," Harper said. "We were just trying to make sure that they had the opportunity to have the kind of dialogue they needed to have."

News of Canada's role in facilitating the secret talks was met with largely positive reviews from opposition parties, who have previously criticized what they see as the Conservative government's strident approach to diplomacy.

"I thank our Canadian diplomats for their hard work on this file," NDP foreign affairs critic Paul Dewar said in a statement. "This is what diplomacy looks like, and Canada is very good at it. Today is a great day for those who believe in engagement as the most effective tool of diplomacy."

Liberal leader Justin Trudeau described the re-establishment of ties between the US and Cuba as "a very good piece of news," and said he is looking forward to Canada "continuing to play a positive role in bringing together those two countries."

But Canada might not have had any role at all if it were not for its unique relationship with the two adversaries, particularly Cuba.

Canadian companies have since done a booming business in Cuba, thanks in part to the fact they have not had to compete with US counterparts. Two-way trade amounts to more than \$1 billion each year, while Canadian companies having a sizeable presence in the island country's mining, oil and gas, agricultural and tourism industries.

CANADA'S POSITION ON THE HELMS-BURTON BILL

Historically, Canadian foreign policy towards Latin America and the Caribbean has largely been interpreted as mirroring or converging with US hegemonic interests in the region. However, in its relationship with Cuba, Ottawa has seemingly diverged from this path, preferring instead, as its official policy declares, "engagement" through trade and diplomacy, rather than isolation, the decades-old American strategy.

The Helms-Burton Legislation (so named after its architects, Republicans Senator Jesse Helms of North Carolina and Representative Dan Burton of Indiana) has as its overriding mission the collapse of the Castro government, and its *modus operandi* is the intensification of pressures on the Cuban economy and government by suffocating inflows of capital into the country. This legislation reinforces and expands the preexisting Cuban Democracy Act of 1992, also known as the Torricelli Bill that prohibited US subsidiaries abroad from trading with Cuba.

The central provisions of the Helms-Burton bill are elaborated in four Titles, with Titles III and IV being of particular significance to US trading allies, including Canada. Title III, one of the most controversial sections, aims to compensate US citizens whose properties were expropriated during the revolution by penalizing those foreigners who are deemed to have profited from these confiscations. Under this measure, US citizens have been accorded the right to sue for compensation, in US courts, any foreigner who traffics (trades or invests) in the confiscated property. Should such a national or company have no assets in the US, then redress could be sought in the judicial system of the defendant's home state, for example Canada, whereby Canadian courts would be asked to enforce the ruling of the US judiciary system and appropriate the defendant's holdings. The bill did accord the US President the authority to waive such suits indefinitely, for six-month intervals, and this waiver has been granted on an on-going basis ever since.

Canada, along with several US allies affected by the Helms-Burton bill, have denounced the legislation as an infringement on national sovereignty, a violation of the rules of the international marketplace and a contravention of the terms of existing trade agreements such as the North American Free Trade Agreement (NAFTA). The Canadian government also resorted to countervailing legislation arguing that although Title III has been suspended on an ongoing basis, protective legislation should be on the books in case the lawsuit provisions take effect in the

future.

The Helms-Burton Bill has recently been rejected by the Canadian government. On April 3, 2019, during a bilateral meeting in Washington, the Minister of Foreign Affairs, Chrystia Freeland, indicated to Secretary of State Mike Pompeo that “the Government of Canada will defend the interests of Canadians conducting legitimate trade and investment with Cuba, if the United States enforces Title III of the Helms-Burton Act”.⁷

CONCLUSIONS

Canada and Cuba enjoy a broad and diverse relationship erected on a long history of mutually beneficial engagement, important and growing economic and commercial relations, and strong people-to-people ties across a wide range of sectors and interests. Canada’s approach is to engage with all elements of Cuban society - government, the business sector, non-governmental organizations and civil society at large.

Canadians and Americans differ appreciably in their understanding of, and approach to, Cuba. Both, in justifying their positions, rely upon clashing perceptions of world order — which are perceptually and culturally distinct from each other.

Canada supports the process of economic modernization being undertaken by the Cuban government, with greater opportunities for the development of non-state economic activity and private initiatives, built on their successful cooperation experience in areas of economic policy development and institutional strengthening. Canada supports the Cuban government’s intention to implement a process of economic modernization.

Canada has always maintained steadily friendly relations with Cuba, regardless of substantial pressure from the US government, with the island, and played an important and unconditional role in the reestablishment of the diplomatic ties between Cuba and the USA. It is also notable its position before the intensification and strengthening of the US policy against Cuba during the Trump era.

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