

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

August 30, 1974

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MEMORANDUM FOR: SECRETARY KISSINGER
 FROM: STEPHEN LOW ^{SL}
 SUBJECT: Cuba Policy



Events are now forcing us to make piecemeal decisions relating to our sanctions policy. Decisions already taken on licenses for Argentine subsidiaries and agreement for an OAS Committee of Inquiry have moved us beyond the policy framework within which we had previously been operating. We are called on to make recommendations and decisions on such matters as Cuban participation in the Detroit Energy Conference, validation of passports for travel to Cuba, continuing requests for licenses to U. S. subsidiaries for trade with Cuba, and the like. With the change in the Presidency, each isolated action in this area is taken by the press and foreign observers as a straw in the wind pointing to a new policy--and each is given an importance out of proportion to its real significance.

In fact, we may not wish to modify our bilateral policy toward Cuba in the absence of some real concessions. These might include renewed assurances from the Soviets on military activity in Cuba, in addition to commitments from Castro on such problems as the \$1 billion in expropriated and uncompensated U. S. assets, U. S. political prisoners in Cuba, maintenance of Guantanamo, the reunification of families, the loosening of Cuba's travel controls and so on. At least exploration of the possibility for progress in these areas would probably be necessary before modifications should be contemplated.

However, there are strong arguments for reducing the problem to manageable proportions by disentangling it from the workings of the inter-American system. A majority of the countries in the Hemisphere now oppose OAS sanctions; the constant intrusion of the Cuban issue threatens to distort the new dialogue; and the enforcement of our trade denial sanctions on third countries now costs us far more than it costs Castro. The Cuba issue is also complicating our relations with Canada and some of the European and Asian countries.

In agreeing to the OAS Committee of Inquiry, we have already moved toward extracting the issue from the inter-American context. The requirement now is to determine how this process can best come out in terms of U. S. interests. The Committee of Inquiry will predictably find either that the sanctions should be eliminated entirely or that the member countries should be set free to make

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their own decisions. We should examine the implications of these two outcomes while there is still time to influence the process. The terms of reference under which the Committee operates will have a significant effect and these will be decided within the next two to three weeks.

In addressing these tactical decisions, we have to think ahead to a restatement of U.S. -Cuba policy after the sanctions have been lifted or modified. That policy will have to deal with maintenance of a bilateral position as well as current legislative and executive sanctions against third country trading with Cuba. As more countries normalize their trade and diplomatic relations with Cuba, pressures on us to modify these laws and regulations will increase. That policy must also deal with our bargaining position vis-a-vis the Soviet Union and Cuba and pressures from the Congress to move quickly toward normalization of bilateral relations.

If you agree, I would propose to draw up an options paper dealing with the various alternatives involved. The project should be held very closely. I would plan to work with only one person each from CIA, State and Defense. We would hope to submit the paper for your and the President's consideration within the next few days.

RECOMMENDATION:

That you approve drawing up an options paper as outlined above by NSC, CIA, State and Defense and on an extremely restricted basis for submission to the President.

Approve
Disapprove



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