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# The Case for Cuban Oil

By **Justin Rohrlich** Mar 10, 2010 1:15 pm

We need oil. Cuba has it. So why aren't we drilling?

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On Thursday, the House of Representatives Agriculture Committee will [discuss legislation](#) introduced to ease agricultural trade by allowing direct payments between US and Cuban [banks](#).

Cuba is a "market right at our back door," American Farm Bureau Federation President Bob Stallman [says](#). "'There's no reason we shouldn't own [it]."

John Block, who served as President Ronald Reagan's Agriculture Secretary [says](#) it's "truly ridiculous that we don't have an open relationship with Cuba." He adds, "We have seen time and again that the best way for our nation to influence change eventually leading to the spread of democracy is through building relationships with our [trading](#) partners."

The Obama administration has already [relaxed restrictions](#) on exporting Internet communications services to Cuba, a move that **Google (GOOG)** director of policy communications, Bob Boorstin, hails as "a great accomplishment."

There happens to be another market "right at our back door" that can help US industry reap tremendous benefits -- and help the Cuban people, as well.

Oil.

The US consumes 20.8 million barrels of oil each day. **Exxon Mobil (XOM)**, **Chevron (CVX)**, **BP (BP)**, **ConocoPhillips (COP)**, and **Shell (RDS-A)** are buying tremendous amounts of oil from "dangerous or unstable" states including Syria, Saudi Arabia, Nigeria, Mauritania, Iraq, Congo, Chad, Algeria, and Libya -- whose National Oil [Corporation](#) warned US oil concerns just last week of "repercussions" because of a negative reaction by State Department spokesman Philip Crowley in response to a statement by Muammar el-Qaddafi calling for jihad against Switzerland.

Why not Cuba, which just announced that there may be more than 20 billion barrels of oil in the Cuban-controlled area of the Gulf of Mexico? That's double its previous estimate (and, granted, considerably higher than the US Geological Survey's numbers), but if it's true, that number is more than four times the amount estimated to lie beneath Alaska's Arctic National Wildlife Refuge.

"This is not the 1960s, when the Kennedy administration was protecting the US from a possible missile attack," says Charles Drevna, executive vice president of the [National Petrochemical and Refiners Association](#). "These resources will be developed and produced. Prohibiting US companies from developing [Cuban] resources...is an Alice in Wonderland approach to policy that must be revisited."

Kirby Jones, president of [Alamar Associates](#) -- a firm that advises US companies interested in pursuing [business](#) opportunities with Cuba when the antiquated embargo is ultimately lifted -- has worked with companies both in the oil industry and otherwise, including **Abbott Labs**

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+/-	Symbol	Price	Change
	Nasdaq	2353.21	(-0.24%)
	NYSE	7304.55	(-0.32%)
	AMEX	1883.84	(+0.10%)
	S&P 500	1142.01	(-0.31%)
	US Oil Fund	39.82	(-0.20%)

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(ABT), General Electric (GE), and Caterpillar (CAT), to name but a few.

"Maintaining the embargo means that we lose something of strategic importance to us -- oil," Jones told Minyanville. "It's one thing to let people export tractors to Cuba. It's quite another to decide you don't want oil sitting mere miles off the US coast that Russia, Canada, and Brazil are taking right now. The Cubans have said they welcome the involvement of US companies. The opportunity is there."

Money manager Ryan Krueger of Houston's [Krueger & Catalano Capital Partners](#) has a decidedly interesting take:

"If you throw a mid-90 mph fastball, we will break laws to get you here, as in the case of Cuban pitcher Aroldis Chapman, who just signed with the Cincinnati Reds," he says. "But I'll be damned if we fuel our planes, cars, and heavy machinery with Cuban oil? It makes no sense at all."

Finally, what to make of Cuba's human rights record when considering a normalization of trade with Cuba?

Daniel Griswold of the Cato Institute says, "In sheer numbers, the Chinese government has jailed and killed far more political and religious dissenters than has the Cuban government. And China is arguably more of a national security concern today than Castro's pathetic little workers' paradise."

The question is, into whose hands should we be putting our dollars in exchange for oil? Ones that are enriching uranium and calling for the destruction of Western democracies? Or ones that are running a "pathetic little workers' paradise" that poses no danger whatsoever to our national security?

Chances are, most rational minds would choose the pathetic little workers' paradise.

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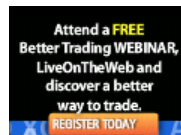
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2010-03-10 18:29:02

**Matt Beller**

Perhaps Cuba can just sell to Venezuela, who can sell to Mexico, who can sell to the US.

2010-03-10 21:05:23

**PATRICIA LORENZ**

The US already has agricultural exports to Cuba in poultry - you just don't hear about it much. A Canadian company with operations in Cuba is Sherritt - "S" on the TSE. It has oil, gas, nickel and cobalt operations in Cuba.

2010-03-11 08:15:09

**Ted Cossette**

**Enough is enough**

It's time to normalize relations with Cuba. If Nixon could go to China, then Obama can go to Cuba. For one, I'd love to go there for a vacation, especailly come next winter. Get it done.

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