

**PROMOTING AMERICAN AGRICULTURAL AND
MEDICAL EXPORTS TO CUBA**

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

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PROMOTING AMERICAN AGRICULTURAL AND MEDICAL EXPORTS TO CUBA

TUESDAY, DECEMBER 11, 2007

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:05 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Max Baucus (chairman of the committee) presiding.

Present: Senators Salazar, Grassley, Bunning, and Crapo.

OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. The hearing will come to order.

A little more than 2,000 years ago, the Roman author, Publius Syrus said, "It is folly to punish your neighbor by fire when you live next door." We are here today to consider one of our neighbors, Cuba. We are here to consider whether or policies toward this neighbor commit the folly against which Syrus warned.

Many aspects of the government's Cuba policy are, indeed, folly. The government's policy is stuck in the past and it no longer makes sense for either Cubans or Americans. It undermines America's economic competitiveness and does not help promote our overall foreign policy goals.

It is high time to rethink Cuba policy and direct it toward today's realities and opportunities. Most importantly, we have to look at how our policy affects our economy and our competitiveness. For instance, American businesses can neither export to, nor invest in, the Cuban market of 11 million people. We sit on the sidelines while our competitors, Canada, China and Brazil, take full advantage of our absence.

American farmers and ranchers are supposed to be one exception to this policy. Congress enacted landmark legislation in 2000 to make agriculture sales to Cuba possible. But in stark defiance of Congressional intent, the administration enacted rules in 2005 to make such sales extremely difficult. As a result, our own government's rules give farmers and ranchers in other countries a competitive advantage over American farmers and ranchers. It makes no sense.

We must also rethink the travel ban and how it affects American families. How does it affect Cuban families? How does it affect American business people, students, and missionaries? How does preventing approximately 1 million Americans a year from traveling to Cuba actually encourage positive change on the island?

Finally, let's think about the big picture. Do sanctions make sense in today's economy? How does our Cuba policy fit in with our larger policy goals? What signals does it send to the world, and what signals does it send to our neighbors?

I have thought carefully about our Cuba policy and I have seen the problems up close on several visits to Cuba, but I have also seen opportunities. That is why I, along with Senator Crapo and other colleagues of the Finance Committee, introduced legislation this year, the "Promoting American Agricultural and Medical Exports to Cuba Act of 2007," to address these very real problems and opportunities.

Today's hearing examines the issues raised in this bill, including agricultural sales and the travel ban. We have invited a distinguished panel of witnesses, three of whom have traveled from different corners of our country to represent a broad range of opinions.

Let me give a special welcome to a Montana farmer and my friend, Dave McClure. He was in Cuba just last week with seven other Montana farmers and ranchers, and I look forward to hearing, Dave, what you have to say.

My goal today is to begin to chart an effective way forward and craft a policy that avoids Syrus's folly. I hope we can put ideology aside and make good, sound policy, policy that ignites possibilities, not policy that stokes tensions. Then we will not only have a better policy and a stronger economy, we will also have a better neighbor.

I would like to turn to my colleague right now, Senator Grassley.

**OPENING STATEMENT OF HON. CHUCK GRASSLEY,
A U.S. SENATOR FROM IOWA**

Senator GRASSLEY. Thank you. Thank you very much.

I welcome our witnesses. Thank you all for coming, taking time out of your busy schedule, some of you traveling awfully long distances to be here. The committee appreciates your efforts.

Our current policy towards Cuba is designed to weaken the dictatorial regime of Fidel Castro and brother Raul Castro. In order to isolate the Castro government, we significantly restricted our economic interaction with Cuba, even including travel to that country. Some in Congress have questioned this policy. They contend that the continuing to hold power by Fidel and Raul demonstrates that our policies are not working. They have called, in varying degrees, for changes in our relationship with Cuba.

Now, in my judgment, is not the time to pull back on our efforts to put pressure on the Cuban government. After all, although Fidel Castro has provisionally passed the reigns of power to his brother Raul, the Cuban government remains as oppressive as ever.

Given the current leadership situation in Cuba, now is perhaps an appropriate time to review the status of our bilateral negotiations. Chairman Baucus has sparked this discussion by introducing his bill entitled "Promoting American Agricultural and Medical Exports to Cuba Act of 2007." This bill focuses largely on agricultural trade between our two countries.

Over the years, I have supported efforts to expand exports of U.S. agricultural commodities to Cuba. Iowa farmers have bene-

fitted from agricultural sales in that country that were made possible through this enactment.

In addition, the lifting of restrictions on U.S. food exports has served humanitarian purposes. Cuba's socialist agricultural system is inefficient, and U.S. agricultural exports to Cuba provide needed nutrition for Cuban people. Likewise, I supported, for humanitarian reasons, the ability of U.S. exporters to ship medicines and medical supplies to Cuba.

That said, going beyond that, I am very skeptical of efforts to further broaden our bilateral economic relationships until we see meaningful democratic reform in Cuba. I know free elections might be inimical to some countries. We may do a lot of trade relations with countries that don't necessarily have free elections, but I want to see some movement towards freedom in Cuba before I make any additional moves because of the appalling human rights situation there.

I look forward to this hearing, and I thank you, Mr. Chairman, for keeping this issue before us, because sometime there's going to be greater freedom in Cuba, and thinking about what we are going to do in anticipation of that is a very good move that requires leadership like yours. Thank you.

The CHAIRMAN. Thank you, Senator Grassley.

Now I will turn to the panel. We fortunately have a very distinguished group of witnesses. Clearly, we all look forward to hearing their testimony.

Today's panel begins with Colonel Lawrence Wilkerson, who has served as Chief of Staff to Secretary of State Colin Powell. He currently acts as co-chair of the U.S.-Cuba 21st Century Policy Initiative at the New America Foundation. Next, Dr. Jaime Suchlicki, professor of history and director of the Institute for Cuban and Cuban-American Affairs at the University of Miami. The third witness is Sergeant Carlos Lazo, a member of the Washington National Guard and an Iraqi war veteran. Fourth, I have mentioned earlier and will do it again, Dave McClure, president of the Montana Farm Bureau. It is good to see Dave, as always. Finally, we welcome Mr. Frank Calzon, executive director of the Center for a Free Cuba.

I would remind everybody, your full statements will be included in the record. I would encourage you to limit your oral testimony to 5 minutes, and let us have a good hearing here.

Colonel Wilkerson, you are first.

STATEMENT OF COL. LAWRENCE WILKERSON (RET.), FORMER CHIEF OF STAFF TO SECRETARY OF STATE COLIN POWELL; AND CO-CHAIR, U.S.-CUBA 21st CENTURY POLICY INITIATIVE, NEW AMERICAN FOUNDATION, WASHINGTON, DC

Col. WILKERSON. Thank you for allowing me to testify today. Let me say that my perspective is that of a strategist. I was trained as a strategist, educated as a strategist at the U.S. Naval War College in Newport, RI, the finest educational institution for that purpose in America, as far as I am concerned.

I am a soldier of 31 years, with tours in Vietnam, Japan, Korea, and elsewhere. I come at this from a strategic point of view and I come at it from the point of view of a realist.

So, with due diligence done, let me say, Mr. Chairman, that for almost half a century U.S. policy towards Cuba has failed, and failed miserably. The latest indicator of that failed policy is that while our President talks of transforming the regime in Cuba, he is apparently unaware that Cuba has already undergone regime change and the Cuban people await, with no small degree of excitement, what their new leader, Raul Castro, through the existing ministries, the legislature and the bureaucracy, will do, particularly—particularly—with regard to reshaping the Cuban economy, something that already started once Soviet subsidies were removed.

Other countries, too, await that reshaping, having carefully positioned themselves to take advantage of the changes that are occurring. No place in Cuba is more indicative of this burgeoning change and of these poised countries than Havana Vieja, or Old Havana, the portion of the city which literally exhales the long-ago past. It is stunning, what the Cubans are doing with the help of foreign investors in restoring this part of Havana.

Yet, while we have significant relations on almost every level—I was just in Beijing, for example—with communist countries 10,000 miles away, Vietnam included, we have almost no relations with the 11 million souls on an island 90 miles off our southern coast where all this dynamism is occurring. Cubans on the island are energetic, talented, hardworking. We have not, through our failed policy, as we intended to do, stolen all of their brain power over the last almost 50 years.

Because of our failed Cuba policy, we miss valuable opportunities to share Cuba's rapidly growing store of knowledge with regard to delivering health care to deeply impoverished areas, something we could use some of, in places like Mississippi, Alabama, rural areas, inner cities.

We have not explored the opportunities to the fullest in vaccine development, something the Cubans are doing quite well. We are not sharing in Cuba's rather extraordinary knowledge of how to deal with hurricanes and the floods that accompany them. We turned down the offer, for example, of Cuba for help with Katrina and Rita.

We have not explored the opportunities that might exist in searching for non-renewable fossil fuels in Cuba's continental shelf. We impose some rather onerous restrictions on selling our agricultural products. We could do it in a much more cost-effective way and in a way that, even more importantly, would benefit the island's population.

We also, because of our failed policy, miss a range of broader opportunities to cooperate in the development in Cuba of a robust infrastructure for a growing tourist trade, as well as to assist the Cubans more generally as they reshape their economy, an opportunity not lost by a number of other countries, as the Chairman pointed out. In fact, it strikes me as particularly ironic that the one country that votes with us consistently in the U.N., with our lonely, lonely vote—184:4 I believe was the last vote—Israel, is actually participating in the Cuban economy in citrus farming and shopping center development. So, the leaders in Tel Aviv apparently are a little bit smarter than the leaders in Washington.

And there is still much more to what we as a country are missing with regard to Cuba because there is a prospect of an existing opportunity lying across the Florida Straits. That is an opening to a brand-new approach to all of Latin America, a region of the world that the U.S. needs to address in a far more successful way than it has in the last few decades.

One of our own cities has become, in almost every significant aspect, the capital of that region. One need only examine the aviation routes that start, end, and criss-cross Miami to understand how important this new development is, or consider for a few moments that in the next 2 to 3 decades our own public school population will be more than 50 percent non-Caucasian, or my armed forces—your armed forces—will go, one West Point study shows and I think it is fairly accurate, in the next 20 years from being heavily dependent on its African American minority in its enlisted ranks to being very heavily dependent upon Hispanic minorities in its enlisted ranks. So we need to take advantage of this opportunity to open a new policy with Latin America.

There is an opening to do that, in my view. A rapprochement with Cuba, however gradually—and I do believe it should occur gradually for a number of reasons I would be glad to explore with you—would create the same opening in Latin America that a final settlement of the Israeli-Palestinian issue would create in the Middle East.

I am not sufficiently naive to believe that either development would solve all the problems in either area, but I do believe both would have a dramatic impact on a new policy, and a new policy in both areas is desperately needed. Both would give America a decisive leg up on regaining some of the prestige and power we have lost through squandering in the world in the past 7 years.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Col. Wilkerson. That was really interesting. I really appreciate that, very much. Thank you.

[The prepared statement of Col. Wilkerson appears in the appendix.]

The CHAIRMAN. Dr. Suchlicki? Am I pronouncing it correctly?

Dr. SUCHLICKI. You have.

The CHAIRMAN. Thank you. Thank you, Doctor, very much.

STATEMENT OF DR. JAIME SUCHLICKI, PROFESSOR OF HISTORY AND DIRECTOR, INSTITUTE FOR CUBAN AND CUBAN-AMERICAN STUDIES, UNIVERSITY OF MIAMI, MIAMI, FL

Dr. SUCHLICKI. Thank you, Chairman Baucus, and thank you to the members of the committee for the opportunity to be here.

Let me pick up on your original statement about American foreign policy, and specifically toward Latin America. Since the late 1970s and the administrations of Presidents Ford and Carter, U.S. foreign policy towards Latin America, distinct from foreign policy toward the rest of the world, has changed. Instead of supporting dictatorships, which we had for the first half of the century, we turned to supporting democracy, elections, and freedom in Latin America—human rights.

This has been consistently our policy for the past 30 years. We have intervened, both under Democratic and Republican adminis-

trations, in various countries in Latin America—Panama, Haiti, and Grenada—to restore democratic governments. We have gotten involved in the electoral process in the Dominican Republic and in Peru to prevent military coups and to sustain free elections.

What message will we be sending to Latin America and the rest of the world if we now turn to support Cuba? There has been a succession in Cuba. There has been no change. Raul Castro, the head of the armed forces, is now running Cuba. This is a succession and not a transition. This is a general. Cuba is controlled now by a military regime led by Fidel's brother, Raul Castro. Cuba, for the past 47 years, has been a steadfast enemy of the United States. It has been involved in supporting terrorists and guerrilla groups in Latin America, in the Middle East, in other parts of the world.

With the support of the Soviet Union, it introduced 300,000 troops in Angola to support the coming to power of a communist regime. This is not the result of American foreign policy, this is a result of Castro's anti-Americanism. Here is a leader that, since he was a student at the University of Havana in 1948, distributed anti-U.S. propaganda in Bogota. This is a leader who, while he was in the mountains fighting against Batista, wrote "my real destiny and my real struggle will be once I come to power, and that is to fight the United States."

This is a leader who has opened the door to the PLO. The Jewish Center in Havana is now the headquarters for the PLO. It has allowed the ETA, the Spanish terrorist organization, to operate in Cuba, the IRA to operate in Cuba. This is a leader who has sent Cuban troops to Syria to support Syria during the Yom Kippur War against Israel. Fidel Castro has not given up on his anti-Americanism. He has been a steadfast leader against the United States. Throughout the world, Cuba's embassies are devoted to undermining U.S. influence, U.S. interests throughout the world.

We should not offer unilateral concessions to the Cuban government. If the Cuban government is willing to open up, democratize, open up the political process, open up the economic process, we should reciprocate. But to provide unilateral concessions without any opening in Cuba at a time that the regime is even more repressive than it has ever been, when they are arresting dissidents, when they are violating churches and arresting people just for wearing a bracelet that calls for "cambio," I think it would send the wrong message to the world. It would send the wrong message to our Latin American friends.

The policy of the United States is not only trade and business. Business is not America's only policy. America's policy—and we stand for freedom, human rights, respect for law, and our National security, so it is not only a matter of selling our products. It is a matter of doing what is right, and especially that for 35 years that has been the policy in the hemisphere. We do not want to send the wrong message, that we support a military dictatorship and we foster dictatorship in Cuba.

The embargo is not the cause of Cuba's suffering. The cause of the Cuban suffering is a system that has failed, not differently from what happened in Eastern Europe. The Cuban system does not produce, the Cuban system is not productive. State enterprises do not produce. That is the reason why there is an economic failure

in Cuba. If Castro and his brother were to unleash the capabilities of the Cuban people, we would see a different Cuba.

The fact that there are no mangoes and no potatoes and no bananas in Cuba has nothing to do with the embargo. The real embargo is what Castro has on the Cuban people, an embargo on the control of the economy, an embargo on the Internet, an embargo on learning and listening to the world. That is the real problem and the real embargo.

So I call for American foreign policy to wait until there is a regime that is willing to negotiate with the United States, willing to offer irreversible concessions. Embargo is the tool that the United States has: trade, investment, tourism, credits, loans. This is what we have to force a regime to come around and to change its policy. We have waited so long. Let us wait a little longer until there is a regime in Cuba willing to change its policy and to offer us irreversible concessions.

Thank you very much.

The CHAIRMAN. Thank you. I would not mind taking a course from you.

Dr. SUCHLICKI. Any time.

The CHAIRMAN. Thank you.

[The prepared statement of Dr. Suchlicki appears in the appendix.]

The CHAIRMAN. Sergeant Lazo?

**STATEMENT OF SGT. CARLOS LAZO, WASHINGTON STATE
NATIONAL GUARD, LYNNWOOD, WA**

Sgt. LAZO. My name is Carlos Lazo. I am a Cuban American. I live in Seattle, WA. I am a proud member of our State's National Guard and serve as a sergeant and combat medic.

I speak to you this morning as a private citizen, someone who sacrificed to come here, who believes in his obligation as a father, who loves our country, and who believes strongly that it is wrong, morally wrong, for the United States to divide Cuban families. This is an injustice that I believe you must address.

I arrived in the U.S. on a raft in 1991. I came in search of freedom and greater opportunities. In 1988, I served a year in a Cuban prison for attempting to leave the country legally. When I left Cuba, I also left members of my family, including my two sons. Since then, I have maintained a close relationship with them, visiting whenever I could and supporting them economically.

In 2000, I enlisted in the Washington National Guard. In 2003, my brigade was mobilized as part of Operation Iraqi Freedom. We arrived in Iraq at the beginning of 2004. After spending several months there, during my 2 weeks of R&R, I returned from the Middle East with plans of visiting my two sons in Cuba, as I was legally allowed to do. I flew all the way from Iraq to Miami, intending to board a plane to Havana from there.

By that time, though, our government had imposed new restrictions limiting traveling to the island. These new regulations, among other things, limited family visits by Cuban Americans to once every 3 years. I had a ticket, but I was not even allowed to board the charter flight to Cuba. I had to go back to the war without any chance of reuniting with my two sons in Havana, with a

possibility of giving what could have been my last hug to both of them.

I returned to Iraq to fight for freedom, to fight for my adoptive country and to promote American values and ideas. I served, and I survived. After more than a year, I completed my tour of duty in Iraq. I tried once more to visit my sons and family in Cuba, but I was again denied the license to do so. Not even the fact that one of my sons was very ill in a hospital in Havana was good enough reason for our government to allow me to spend a few hours to travel to Cuba. These Cuba travel restrictions make no exceptions for humanitarian reasons.

Since I last visited my family in Cuba in 2003, I was forced to wait until 2006 to be eligible for my next visit. Later, after battling for many months in order to visit my sons in Cuba, I was finally granted the chance to bring them to live with me in the U.S. I am deeply grateful for this, but I am a member of a very fortunate minority. The majority of Cuban American families do not have this privilege, and they find themselves unable to visit their families if they happen to live in Cuba.

What does this mean, no humanitarian exceptions? For example, if I visited my father in Cuba, and 3 months later he were to die, there is no legal or humanitarian mechanism in place which would allow me to go to his funeral. This license may be granted, but once every 3 years, and there are no exceptions.

This regulation was supposed to deprive the Cuban government of money and thereby assist the so-called Cuban transition to a more democratic society, but, after 40 years, all those years have done is impose even greater suffering on Cuban Americans here and their families on the island. The real victims of this cruelty are not the Cuban government or its leadership, but Cuban families and America's highest ideals.

These restrictions are cruel, they are inhuman, they are irrational, and they are unjust, unmerciful. Rules that prevent families from visiting, helping, and loving each other are un-American. But you have the power to undo them. This rule may have not humanitarian sections, but I cannot believe there is no humanity here in the U.S. Senate. With a great deal of respect, I implore you to eliminate these restrictions so you can reunite Cuban families on both sides of the Florida Strait.

I would like to conclude with this quote by Alex Haley. He said, "In every conceivable manner, the family is a link to our past, a bridge to our future."

Let me leave you with a question. Will America allow the future to be defined by the cruelty of these regulations or would we instead win over our enemies with the love that a united family provides? Thank you.

The CHAIRMAN. Thank you, Sergeant. That was very moving. Thank you very, very much. Thank you.

[The prepared statement of Sgt. Lazo appears in the appendix.]

The CHAIRMAN. Mr. McClure?

**STATEMENT OF DAVID McCLURE, PRESIDENT, MONTANA
FARM BUREAU FEDERATION, LEWISTOWN, MT**

Mr. McCLURE. Thank you, Mr. Chairman and members of the committee. It is always a thrill to come to Washington and participate in the democratic process, and I have come a distance.

It is my pleasure to offer testimony supporting the "Promoting American Agricultural and Medical Exports to Cuba Act." My name is David McClure. I am president of the Montana Farm Bureau Federation, and a wheat farmer from Lewistown, MT.

The last week in November, I had the opportunity to travel to Cuba with Senator Baucus's Finance Committee staff and see firsthand the importance of promoting agricultural relations with Cuba and the vast potential for expanding U.S. agricultural exports to Cuba. Both goals will directly help American agricultural producers and the Cuban people.

Foreign policy towards Cuba and unilateral sanctions is clear: we support immediate resumption of normal trading relations with Cuba. We believe all agricultural products should be exempt from all embargoes and unilateral sanctions, except in case of armed conflict. In short, food should not be used as a weapon.

We have rather attractive prices now in beef, wheat, and other products, but now is not the time to let up on expanding markets, as those increased prices for our products will ensure that we produce more. So, now is the time to try to develop those additional markets.

Our Montana trip to Cuba, I am convinced, will produce sales for many Montana producers of seed potatoes, barley malt, perhaps some high-end pork cuts, beef genetics, and peas and lentils. Those are some specialty products that I am convinced we will be able to move into that area. We believe that the United States is a natural supplier of agricultural products to Cuba just because of location.

I did travel to a neutral location in Mexico in 2002 and met with the officials of Alimport of Cuba, their importing officials. There was interest then, but I see increased interest in importing products from the United States today just because of the increased cost of fuel, increased ocean freight charges. They are looking at a more reasonable supplier, and we think that we can do that.

Most contracts made with the Cuban government for the purchase of U.S. agricultural products have used payment in cash in advance as a method of payments. Under its original interpretation, U.S. agricultural products could be shipped to Cuba, but all certificates, title, and ownership could only be transferred once payment was received from Cuba. This has resulted in the loss of sales, putting U.S. agricultural producers in a position of being viewed as an unreliable supplier.

Another problem is that most of our buyers are allowed to come to the United States, look at our production and our food safety facilities. We would like to see the travel restrictions relaxed so that Cuban purchasers can come to the United States, tour our facilities, and we can give them reliable sales of our products. Denial of visas associated with those commercial visits is contrary to how we do business with any other country.

The Cuban market must remain open for export sales of U.S. food and agricultural commodities. Maintaining our current trade

with Cuba and taking steps to lift the restrictions to trade that remain are needed in order to improve our bilateral relationship with Cuba and foster democratic reform. Agricultural trade is a great first step.

I appreciate your time and look forward to answering any questions you may have. Thank you.

The CHAIRMAN. Thank you, Dave, very much. I appreciate it.

[The prepared statement of Mr. McClure appears in the appendix.]

The CHAIRMAN. Mr. Calzon?

**STATEMENT OF FRANK CALZON, EXECUTIVE DIRECTOR,
CENTER FOR A FREE CUBA, WASHINGTON, DC**

Mr. CALZON. Good morning, Mr. Chairman. Good morning, Mr. Grassley. I am delighted to be here. Thank you for the opportunity to appear before the committee.

I am the executive director of the Center for a Free Cuba, a non-profit organization dedicated to the promotion of human rights on the island.

Many have called in recent days for an investigation of the CIA burning of interrogation tapes of enemy combatants, but this is not the only intelligence matter that Congress has to look into. Why not ask the intelligence community to disclose the full damage done by Ana Belen Montes, a high-level intelligence analyst serving a 25-year sentence for spying for Havana?

She divulged American secrets and prepared numerous reports for the Pentagon that were sometimes leaked. She helped shape the debate on Cuba. Congress should realize that the arguments advanced sometimes by others were, actually, earlier advanced by her. It is simply recycled Cuban government disinformation.

The Department of State lists the Castro dynasty as a "State Sponsor of Terrorism." The Castro brothers provide a safe haven for U.S. fugitives, including killers of American police officers. The Castro brothers have murdered American citizens and nurtured like-minded anti-American regimes. The Castros' support for terrorism and their cooperation with violent anti-American groups and regimes cannot be swept under the carpet.

What is happening outside of these chambers should be taken into account in this discussion. There has been a renewal of political repression on the island. As Dr. Suchlicki indicated, Cuban police just a couple of days ago broke into a Catholic church and took away, beating up, a number of Cubans. Other dissidents were detained just yesterday.

But Cuba's peaceful opposition has not been cowed. The European Union has awarded, in recent years, Cuban opposition leaders with the distinguished Sahkarov award. The Europeans have conditioned Havana's admittance to a tariff accord on respect for minimal human rights standards.

The Europeans are not offering unilateral concessions to Havana. They want to see some change before they give some benefit to the regime. The President, just a few days ago, awarded the Medal of Freedom to Oscar Elias Biscet, an Amnesty International prisoner of conscience sentenced to 25 years. This is not the time for the U.S. to cuddle Havana. As Secretary of State Condoleezza Rice has

said, "In Cuba, Fidel Castro is still the one man through whom everything has to go. Any trade that goes through Cuba is going to strengthen Cuba's regime."

Or as former Secretary of State Colin Powell wrote in a 2002 letter to Congress, "Trade by other nations with Cuba has brought no change to Cuba's despotic practices." Secretary Powell said, "Two governments have approached the United States to complain that Cuba's payments of cash for U.S. agricultural products have meant that they are not getting paid at all. . . ." The Cuban government is robbing Paul to pay Peter.

"The lack of a sound economic rationale," said Secretary Powell, "makes it more likely that Castro will use any liberalizing of our trade position for his political benefit." I believe we ought to pay attention to what Secretary Powell said.

The situation has not changed since then. I would like to ask that the letter of Secretary Powell be included in the record of this hearing.

Senator GRASSLEY. Without objection.

[The letter appears in the appendix on p. 33.]

Mr. CALZON. Thank you, Senator.

I also deplore the tendency of some members of Congress who want to assert not only the responsibilities of the Secretary of State, but the duties of consular officers responsible for issuing visas. Congressional micromanagement of foreign policy is a mistake. Cuba should not be an exception to U.S. restrictions in State sponsors of terrorism such as Iran and North Korea.

It is wrong, in the aftermath of the vote of the Venezuelan people, to send a message that a regime could bring the world to the edge of nuclear armageddon, confiscate American property, murder Americans, and while it continues its anti-American campaigns the U.S. will reward it with business as usual and access to U.S. financial institutions.

Ordering the executive branch to facilitate travel to the U.S. by Castro's government officials denies the President of the United States one of the few levers he has to influence the regime's behavior. At the very least, these hearings need to include a review of the lack of reciprocity in the treatment of American diplomats stationed in Cuba and Castro's government officials, including Castro's diplomats in the United States.

The U.S. diplomatic pouch has been broken into. Is this the time to reward such behavior? Havana is broke. If the U.S. were to facilitate trade with the Castro brothers outside current guidelines, it could end up holding the bag at the end of a long line of creditors.

Some of the trade with Havana, Senators, is likely to have violated American law. I urge you to ask the Justice Department to look into it. At least in one case, a multi-million dollar sale was canceled when a company executive discovered their export deal included the commitment to lobby the U.S. in exchange for Castro's business. That is illegal. American exporters believe they are selling products. The Castro brothers believe they are hiring advocates and lobbyists.

There is also the travel ban which U.S. courts have found constitutional. Cubans, like blacks during South Africa's apartheid,

are not allowed to stay in hotels and other places set aside for tourists. Cuban nationals who have been granted political asylum in the United States should not demand the right to travel on vacation to Cuba. Finally, Cuban Americans should be permitted limited travel to the island for emergency, humanitarian reasons, but Cuban Americans should also fall under the ban that prohibits American tourism to the island.

Thank you, Senator.

[The prepared statement of Mr. Calzon appears in the appendix.]

Senator GRASSLEY. Thank you. I am going to ask questions, since the Chairman stepped out momentarily. He will be right back.

I will start. Dr. Suchlicki—if I pronounced it right—to what extent does the Cuban government use our trade embargoes as a scapegoat for economic conditions in that country? I will give you an example. Earlier this year it was reported that the Cuban Communications Minister, Ramiro Valdes, insisted that if few Cubans had Internet access, it was because the U.S. trade embargo prevented Cuba from having decent Internet connections.

How would you respond to that?

Dr. SUCHLICKI. That is nonsense, in one word. Look, the embargo is not the cause of the problems of Cuba. The problems of Cuba are a system that does not produce, that does not allow for productivity of the Cuban people. The Cuban government controls the Internet because they do not want alternate ideas to enter Cuba. They want to control the thought processes. They write the books that the children read. They control education at all levels. There is only the government media. There is only radio controlled by the government. So, Cuba is a totalitarian country resembling North Korea, not resembling any other democracies in Latin America.

Senator GRASSLEY. Also to you, Professor: proponents of lifting the economic embargo argue that it would be win-win in that Cubans would have access to our products and U.S. exporters would enjoy the benefits of more commercial sales. In practice, Cuba already has this type of trading relations with open market economies of Europe and Canada.

To what extent does Cuba's performance as a trading partner of Europe and Canada undermine that argument, and more specifically, what is to guarantee that, if we lift the embargo, our exporters would actually be paid by the Cubans?

Dr. SUCHLICKI. Well, let us distinguish between paying in cash, which Cuba does now and is buying all kinds of agricultural products in the United States for cash—if the United States were to provide Cuba credit, Cuba is a deadbeat country. It owes the rest of the world. In 1991, I was invited to Moscow to go talk to the Russian leadership, and they were worried about the \$19 billion that Cuba owed them. I told them they would never collect.

Two months ago, I had a delegation of Japanese foreign ministry people saying, oh, Cuba owes us \$2 or \$3 billion, how can we collect on this debt? I said, you are never going to collect. We did a study at the University of Miami, which I would like to introduce into the record, if you do not mind, dealing with the countries that Cuba owes money to, starting with Venezuela, \$6 billion; Japan, \$2.2 billion; Spain, \$2 billion; Argentina, \$1.9 billion; China, \$1.7 billion; France, \$1.4 billion, and on, and on, and on. Cuba owes everybody,

and Cuba does not have the capacity or the will to pay any of these countries. So, this report, if you will allow me——

Senator GRASSLEY. We will take it however under the rules we take studies like that, yes.

Dr. SUCHLICKI. All right.

[The study appears in the appendix on p. 76.]

Senator GRASSLEY. Colonel Wilkerson, you state in your testimony that our policy with respect to Cuba has failed miserably, yet you do not address why you draw that conclusion. You also state that our Cuba policy “is just as responsible for keeping Castro in power as Castro himself, perhaps more so.”

Europe and Canada have traded openly with Cuba for years, yet the Castro government remains in power. Does that not undermine your assertion? I have a couple more questions. Are there not other factors influencing here? For example, what role has financial support from Venezuela, and previously from the Soviet Union, had to keep Castro in power?

Separately, I note that Amnesty International cites Cuba for imposing severe restrictions on freedom of expression and association, harassing and intimidating dissidents and activists, and detaining scores of people without charges on suspicion of counter-revolutionary activities.

The Cuban government has also restricted free travel within its territory for representatives of the human rights organizations. To what extent have such oppressive government policies helped to keep Castro in power? Then that will be my last question.

Col. WILKERSON. All right. First of all, I would like to just throw out the possibility that Argentina, Canada, and other countries doing business with Cuba sort of belies the fact that they are not being paid. I really do not think I would be continuing to do business with a country that did not make good on its debts.

I would also point out that my latest briefing from the CIA, even, indicates that Cuban growth is somewhere in the high single digits, if not the low teens right now. And of course, Cuba’s official figures are somewhere around 12, 13 percent. There is no question that once Soviet subsidies were withdrawn, that Cuba had enormous problems.

It is a subject that I think medical personnel are going to be studying in the future. Medical personnel on the island are already studying it. Nutrition alone, the deficiency in nutrition alone, caused Cubans to have an island-wide, almost, weight loss and caused certain diseases to erupt that had not erupted before, and caused other diseases to come back that they thought were licked, because the subsidies being pulled out so abruptly essentially sent Cuba into a tailspin.

But that is the past, just as I think Fidel Castro is the past. I doubt that he is going to survive another year or two. I think Raul Castro is the past also. I think what we are looking at right now is a situation on the island where the Cubans have, through their talent, hard work, and energy essentially pulled themselves up by their bootstraps, with some help from the Chinese, from Venezuela, and others. I was impressed by the almost exquisite nature of the barter agreement they have with Venezuela, for example.

They sit down and compute exactly how much some 20,000-plus doctors and medical technicians and so forth operating in the barrios—incidentally, where no doctors have operated in the past—in Venezuela, bringing health care to people who have never had health care before, how much that costs. Then they compute how much the heavy fuel oil on the market costs and they exchange heavy fuel oil for medical service. That is a pretty exquisite barter relationship and it shows a lot of talent and skill in putting something together that keeps Cuba from sinking.

The other thing about the Soviet subsidies is, there is no question in my military mind that one of the reasons Fidel Castro went abroad when he went abroad was not because he was an ardent revolutionary seeking to bring to sub-Saharan Africa some kind of Fidel Castro-like leadership. It was because the Soviet Union asked him to. And since he was so beholden to the Soviet Union, he put his soldiers wherever the Soviet Union asked him to put them.

Now for some reason—do not ask me why—he is putting doctors where people ask him to put them. It is stunning, what he is doing to our public diplomacy in Latin America with his public diplomacy of medical personnel. When we send a hospital ship to call in a few port cities around the perimeter of South America, it gets very little notice. When he sends 20,000 doctors to operate in poor areas where they have never operated before, it gets a heck of a lot of notice.

I would say that right now, in the realm of public diplomacy, Fidel Castro, however much we may all hate him, is putting us to shame. I do not care what his motivation is. I am a realist. I am a strategist. We are losing the battle. We are losing the battle for the hearts and minds of Latin America. It is not too difficult to see when you are down there reading the headlines and reading the newspapers.

We are also losing the battle with respect to what he is doing—and I have to differ sharply here with what most Latin Americans would say about the embargo on Cuba, because most Latin Americans would say it is nonsense. That is the reason the votes are 180 to 2, or 3, or 4 in the U.N., every time the embargo comes up. So I have a very different view from a realistic point of view of what we could do with that island to the south of Florida, if we were to open up.

Let me just quote Colin Powell in a private conversation. He had a conversation that was not written by Roger Noriega or Otto Reich at the State Department. Colin Powell said, “It’s the dumbest policy on the face of the earth.” If we opened up, Fidel Castro, Raul Castro, would be gone in a couple of years because they would be drowned in what America’s opening up would put on that island. In other words, if you open up and you flow freedom to them, freedom will happen.

If you close it down, if you shut it down, if you embargo, if you continue to do that, all you are giving is the dictatorship more tools with which to reinforce its own view of El Colosso del Norte and its own view of how America operates in the world. And worse, you are sending signals, much as Abu Ghraib and Guantanamo and other signals we have sent recently.

You are sending signals to the rest of the world that we are lunatics. We do not understand the realities of power. We do not understand the realities of strategy in the world. We do not have a long-term plan. Our long-term plan is captured by Dade County, FL and the few Cuban Americans who want to keep the policy that we have right now. I do not think there is anybody in the world, from Canada, to Tokyo, to Berlin who does not understand that, except perhaps us here in Washington.

The CHAIRMAN. Thank you, Colonel, very much.

I have a question. When Congress passed the Trade Sanctions Reform and Export Enhancement Act of 2000, the Treasury Department issued regulations to implement it. I think the record will show that sales really took off. I mean, it worked quite well. It took off in 2001.

Then after several years of expanding farm sales to Cuba, Treasury changed its mind and issued a reinterpretation of the law in 2005. That is after the 2004 elections. Congress, including many members of this committee, vigorously protested the new rule. We feared it would result in reduced market share for U.S. agricultural exports. It turned out we were right.

I am told that before the rule was implemented, there was an interagency discussion that included the State Department. For 3 years, Colonel, I have been trying to get a straight answer. If you could shed some light on this, I think it would be very helpful.

Who is driving this process, this change? Who made the decision, essentially, to sacrifice the interests of farmers and ranchers with this new policy that shut us out of Cuba and which dramatically limited the ability of American farmers and ranchers, even on a cash basis, to sell to Cuba?

Col. WILKERSON. Like so many things with this administration, I could never take this into a courtroom and expect a conviction. But it is my very firm view that some people who wanted to reward voters in Florida, not just for 2004 but for 2000 as well, and Roger Noriega, Assistant Secretary of State for Western Hemisphere Affairs, were at the heart of this. Otto Reich before him—and Karl Rove was involved—decided that the best way to pay back those voters in Florida was, in fact, to tighten everywhere they could tighten with regard to Cuba.

So as I said before, we have a farm policy that is essentially hijacked by a few people who see the island through a lens that is about 50 years old now, and that lens, in my view, is no longer the right lens to use. I think we should use a realist lens to look at that island.

The CHAIRMAN. I appreciate that.

Dr. SUCHLICKI. Is it possible to rebut some of these statements?

The CHAIRMAN. Yes. I will call on you next.

Dr. SUCHLICKI. Good. Thank you.

The CHAIRMAN. But I would just say, you are basically saying—is that a political decision, Colonel, in your judgment?

Col. WILKERSON. That is my judgment. I saw most of the documentation, the summaries of conclusions, and so forth. But I could not carry that into a courtroom.

The CHAIRMAN. Right.

As you were speaking, I just reflected back on my experiences. I have been down there a couple of times. I was almost stunned with the medical training. I saw the hospital or medical school where a lot of these doctors are being trained, and they explained to me, they are going all over the hemisphere.

Col. WILKERSON. There were 15 Americans down there when I was there, and one of the Americans from the Bronx came up to me and said, you know, I am the oldest guy here. I had to get a waiver to be here. But let me tell you what we do. I said, how do you get certified in America? He said, let me tell you what we do.

Every Saturday we Americans get together and we set up stations all around the hospital. This is every Saturday, and I run this. We get the board certification papers from previous years from the various States, we bring them down here, and we quiz these kids every Saturday for four hours. We put them through the board certification process for their State. These are dedicated people down there doing this. This is not about communism. This is not about putting soldiers in Angola. This is about health care.

The CHAIRMAN. I must say, too, when I was there, one can only trust one's own instincts and one's judgments. But when I visit Cuba, to be honest, I have the same reaction that apparently Secretary Powell had: our policy is nonsense. It is ludicrous. When I have been down there I ask myself, what planet are we on?

I notice my good colleague from Kentucky. I can hear him kind of erupting over here. But I can tell my colleague, when I am down there, Senator—and I know you have been down there a few times, too—it is amazing to me that we have this backwards policy. In my personal judgment it makes no sense whatsoever.

Doctor?

Dr. SUCHLICKI. Let me disagree. If we lift the embargo without any concessions and change in Cuba, what we will be doing is trading with state enterprises, supporting state enterprises, strengthening those state enterprises. We would be providing money to the Cuban government. The military operates 60 percent of all businesses and enterprises in Cuba. We would be strengthening the Cuban military, not changing it.

We would allow Fidel Castro to select, Microsoft yes, IBM no, Coca-Cola yes, Pepsi-Cola no. He would pick up on who he wants to invest in. It is not an open society where you can go and invest. You have to deal with the Cuban government. All businesses in Cuba are in partnership with the Cuban government. The Canadians, the French with Pernod-Ricard, the Spaniards and the hotels, they are all in partnership with the Cuban government.

The CHAIRMAN. I appreciate that.

Let me ask Colonel Wilkerson, so what about that, Colonel? Dr. Suchlicki says, first of all it is a closed society. It is a dictatorship. We Americans support democracy. We would be sending the wrong signal by opening up trade to Cuba as a dictatorship, not a democracy. Second, it is a planned economy, dealing with state-owned enterprises. I am curious what your reaction to all that is.

Col. WILKERSON. Well, some of that is true, of course. I am a person who advocated dealing with North Korea, which makes Cuba look like a paradise, 7 years ago. But I am a realist. Let me just read you something from an official government report with regard

to Vietnam and our rapprochement with Vietnam: "Vietnam's very successful adoption of a market economy began with agricultural reform approved by the six-party Congress in 1986 and flourished after the first Bush administration eased U.S. travel restrictions in 1991, and President Clinton lifted a unilateral embargo in 1994." That is a communist country. That is a communist country that we killed 2.5 or 3 million people of in a war, and they killed about 58,000 of my friends who are over on that wall over there.

The CHAIRMAN. If you could, very quickly, because my time is expiring.

Sgt. LAZO. I lived in Cuba for 27 years. I am the best ambassador of democracy and Americans or Cuban Americans going over there. The people in Cuba, when they talk about their political situation, they say that the main reason for not changing is the Americans, because they keep these policies and it seems like Americans want to keep Castro there by not changing the policies that they have been keeping for 50 years. That is what I have to say.

The CHAIRMAN. Thank you.

Senator Bunning?

Senator BUNNING. Thank you, Mr. Chairman.

I want to get to the reason for the hearing, to start with.

Mr. Calzon and Dr. Suchlicki—

Dr. SUCHLICKI. You can call me Jaime if it would be easier.

Senator BUNNING. Jaime?

Dr. SUCHLICKI. Yes.

Senator BUNNING. All right, Jaime. As you both know, when the Cuban government took over, it nationalized companies still operating in Cuba, all of them. One of the most prominent of these was the makers of Havana Club Rum. The owner of this successful company that had been in existence since 1878 fled to the United States and later sold the rights to the Havana Club brand.

Even though Cuban-made rum cannot be sold in the United States, the Cuban government is waiting for the day when the trade ban is lifted. To pave the way for this, Cuba enlisted the support of a French company and the European Union to file a court challenge and a WTO challenge to a part of the trade ban that applies to the Cubans' confiscated trademarks.

In the year 2002, the World Trade Organization ruled against Cuba and its allies, but it did find that there was a minor defect in the U.S. law that needed to be corrected. I am sorry to say that the legislation we are considering today would reverse a rare victory for the United States at the WTO and allow the Castro regime to profit from its ill-gotten gains.

In other words, when they took over the company. It would allow Cuba and its allies to file a lawsuit to stop pre-Castro Cuban companies—the rightful owners—the victims of the Castro appropriations, from using the business trademarks in the United States. Because of the way it is drafted, it is a virtual gift to the Cuban government.

Our U.S. Trade Representative has said alternative legislation I have co-sponsored, together with Senator Ensign, would address the problem the WTO identified and it would do so without changing United States policy on Cuba's confiscated trademarks.

I would urge the Chairman to work with me and Senator Ensign if he is truly interested in fixing the WTO defects instead of sanctioning Cubans' actions.

What is your candid opinion of the legislation before us today as it relates to the Havana Club trademarks and other confiscated brands? I would ask the two of you.

Dr. SUCHLICKI. You are absolutely correct. The Arrechabala family, which owned the Havana Club Rum, sold their trademarks to the Bacardi Company. They are the legitimate owners of that brand. Cuba not only confiscated the trademarks of Arrechabala, but many other trademarks, and confiscated about \$3.5 billion in American properties. This would be a gift that Cuba does not deserve and has not earned. It would change the ruling included in this bill.

Senator BUNNING. All right.

Mr. Calzon?

Mr. CALZON. Well, Senator, I am not an expert on commercial issues of that nature, but it seems to me that it does not make any sense for the U.S. Senate to be doing favors for the Castro government in this regard. If you would allow me to say something very briefly about Mr. Wilkerson's characterization of what I quoted by Secretary Powell.

Senator BUNNING. Secretary Powell?

Mr. CALZON. Secretary Powell said a number of things. I am not here to attack Otto Reich or anybody else. That is a personal issue that the Colonel ought to deal with with them. I think it is sort of unfair to bring other people into a debate when they are not here to present their views.

But in any case, I have a little respect for Secretary Powell. Secretary Powell did say that trade——

Senator BUNNING. Can you hurry? Because I am getting time limited here.

Mr. CALZON. Trade by other nations with Cuba has not brought change to Cuba's despotic practices. As Secretary Powell said, "Two governments have approached the U.S. to complain that Cuba's payments of cash for U.S. agricultural products have meant that they are not getting paid at all." Is the Colonel saying that the Secretary lied when he said that? Is that inaccurate?

Senator BUNNING. I do not think you speaking to him or him speaking to you is the way that we conduct hearings here in the U.S. Senate.

Mr. CALZON. Well, my point, Mr. Chairman, is that I quoted Secretary Powell in a public statement, and then another witness challenged those statements. Those two statements that were read are facts. They are not opinions. So either the Secretary told the truth or he did not. I think we ought to clarify and ask the witness who challenged those statements to tell us if those two things are accurate when the Secretary wrote it.

Senator BUNNING. Let me conclude. I have gone over by a minute.

The CHAIRMAN. Go ahead. Go ahead.

Senator BUNNING. I have lived in Cuba. Five months, I lived there. Fidel was in the mountains. I was doing other things besides being a politician. I can tell you this: when Fidel Castro took over

Havana, with our help, and took over Cuba with our help, with our State Department's help, it was the worst possible thing that could happen to that island.

Nothing in the 40-plus years that he has been the ultimate dictator of that island has changed for the better. So what you all are suggesting, trade, opening up, and doing all those things, would not significantly help the Cuban people.

As far as doctors, trainees, and all those people, the only reason they are in Cuba getting their medical degree is they cannot get into a medical school in the United States of America. That is a fact, because I had a son-in-law go to Mexico to get his medical degree because he could not get in a medical school in the United States of America, and got one in Guadalajara. So I just wanted to put that on the record.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Colonel Wilkerson, I will give you an opportunity to respond to Mr. Calzon's statement if you wish to. I just want to give you that opportunity.

Col. WILKERSON. Well, I would rather not make it personal here. I would rather talk about the present and future.

The CHAIRMAN. And there is no need to make things personal. I just thought I would give you the opportunity if you cared to.

Col. WILKERSON. I appreciate that. My view is on the present and the future. I hear so much about the past. Yes, the past is important, but in this case we have to move on. There is so much that has changed, in my view, with respect to the power calculus, both on our side and on the Cuban side. And Castro is gone. I mean, my father is 92 years old and I am going to go to South Carolina very shortly for a funeral, I know. Castro is in the same position my father is. He is not going to be here much longer. And Raul is not a young chick either.

So we are looking at the possibility of a significant power change in Cuba and we are looking at the potential for the United States to influence that power change. We are not going to influence it by the kind of statements that our President recently made, tightening down on the embargo rather than beginning to loosen up and position ourselves a little bit better for the change that is coming. That is the reality that I am trying to point out.

I was also in Cuba when I was 13 years old, in 1958. I will tell you that my grandmother, who is the greatest influence on my life, wonderful woman, 62 years she taught first grade without missing a day, 59 years she taught Sunday school without missing a day, extraordinary woman, traveled all over the world and drug me around. Let me tell you what my grandmother said to me when we got off the boat in Havana. She said—and I am 13—“Be sure you do not go into any of the houses of ill repute or the casinos.” That was Cuba in 1958, with the mafia running rampant, with Batista probably one of the most corrupt dictators in the history of the island, and that is saying something.

So I do not have this longing for the pre-1959 Cuba. At the same time, I do realize that Castro and his brother and the group that are down there are not any patriots. They are not Thomas Jeffer-

sons. But it is going to change. We are just ill-positioned to take advantage of that change.

The CHAIRMAN. Colonel, your example tends to prove one of my theories. You show me an achiever, and I will show you that one of his or her parents is a teacher. In your case, it is your grandmother. I have found that to be very true, that if the parent is a teacher, or grandparent is a teacher, that person's children are going to more than likely be achievers than not.

Dr. Suchlicki, that is true in your case, too.

Dr. SUCHLICKI. I have three children. Some of them are achievers.

The CHAIRMAN. All right. Not all of them. They are just sleepers. They are going to come along. [Laughter.] Mr. Calzon, and also you, Doctor, how have your personal visits to Cuba lately informed your views on what we should or should not do? I say that because I have been down there a couple of times. It leaves a very strong impression.

Those visits have informed my view of what should be done there. I have met with Fidel Castro and with Pedro Alvarez, who is one of the chief persons to buy agricultural products. I have spent a lot of time with him. I spent time with Oswaldo, one of the dissidents down there.

I have spent time with a lot of people down there at all levels. That has helped inform my view of what we should be doing there. Mr. Calzon, in your recent visits, whom have you talked to down there and how has that informed your views of things?

Mr. CALZON. Well, Senator, with all due respect, I think the premise of your question is one of the great fallacies of the social sciences, because you do not have to have been in with George Washington 200 years ago to know about the America Revolution. What I do professionally is, I monitor Cuba. I interview people who come from Cuba. I receive documents from Cuba. I monitor Cuban broadcasts.

This is the same thing that was done by the Soviet Union. We discovered, after the Soviet Union collapsed, that people that did that kind of work had a much better idea of what was happening in the Soviet Union than the occasional visitors who went there and saw the villages and the Cuban government officials.

So I do not go to Cuba because I am a Cuban. Unlike an American who could come home any time, Cubans need a permit from the Cuban government to return home. You are dealing with travel issues here. You might want to ask your Cuban government contacts to allow Cubans not to go to Cuba every 3 years, but to go to Cuba at least once without having to have the ideological approval of the Cuban government. You are in a position to ask the Cuban government to do that, sir.

The CHAIRMAN. All right.

Dr. SUCHLICKI. As you are aware, I am the director of the Cuba Transition Project at the University of Miami. We have staff. Some of the staff has gone to Cuba. We have a debriefing program, a focus group program with people who arrive from the island. We are also informed by the ambassadors who are there. We are in close consultation with a number of ambassadors from European

and other countries who go to Cuba and do come by the institute and brief us.

We also have contacts with the U.S. Government, naturally; I brief the CIA, they do not brief me. So this is a very, very detailed program to analyze, to study, and to learn what is happening in Cuba, not different from what Harvard had dealing with Eastern Europe and the Soviet Union. So we are very much on top of the attitudes, the values of the Cubans and what is happening on the island.

The CHAIRMAN. I appreciate it.

Sergeant Lazo, your experience. I heard you say in your testimony you had a hard time getting there.

Sgt. LAZO. Yes. Well, before the travel restrictions were implemented in 2004, I used to go to Cuba once every year. My father was very sick over there and sometimes we had humanitarian exceptions to go. It means that I have been in Cuba a lot of times from 1991 to now.

The CHAIRMAN. And based upon those visits and your experiences there, how has that shaped or informed your views as to what American policy should be?

Sgt. LAZO. Well, I talk to regular Cubans. When I go to Cuba, I go to my neighborhood and I sit down with my family, but I also sit down with the neighbors, the people who saw me when I grew up, when I was a kid. They are waiting for me over there when I go over there. They want for me to tell about, what is democracy about, what is America, what I have done.

I went to Cuba to see my brother in the beginning of this year. The whole family, the whole neighborhood was there, trying to see, trying to learn what I have done in Iraq, what a combat medic was. I mean, they are hungry for knowledge. They are hungry for news. They want contact with people.

The CHAIRMAN. So what do you take away from those visits? They want news. They want contacts. Anything else?

Sgt. LAZO. I have talked to regular people. I never have talked to—I mean, just regular neighbors. And as I said before, when you talk to somebody, regular neighbors, and most of them, they are not for Castro, they are basically regular people and they said that a change in the policy of the United States not allowing contact would be a good thing for the Cuban people. That is what I hear in my personal experience.

They say the response for this mess that we have here is, there is not a change in American policy, because the Cuban government blamed everything on the embargo. It is a joke. When you do something in your house wrong and your wife tells you something, you say “blame the embargo.” It is a joke. I mean, it is something, and that is what the government uses that for. That is my personal experience.

The CHAIRMAN. Mr. McClure, you were there recently. What personal experiences did you have there that might bear on what you think our policy should be?

Mr. McCLURE. I can give a couple of personal experiences that were rather touching. But first of all, I think that engaging Cuba with sales and travel might be an example of how we can influence the transition from the Castros. As we returned on the charter

plane that we were on, there was a young girl, Cuban girl, 21 years old, who had finally gotten permission to travel to Miami to see her father. She was 21 years old. She had not seen her father for 15 years. That is wrong. But I think only maybe through engagement can we influence that transition.

I am a farmer, a producer, but I am also looking for markets. They are already buying these products from Canada or Europe or somewhere else. I just think economically it makes sense for them to buy from the U.S. just because of location and less transportation costs. But I am not an expert in diplomacy, so I will leave my story with you.

The CHAIRMAN. I am going to have to wrap up here. I am way over my time. Senator Bunning, I am way over mine. You are next.

Senator BUNNING. Thank you very much.

Anybody, in March, 2008, Cuba is scheduled to hold national elections. They are scheduled. I firmly believe that the Cuban government is at a critical crossroads, much like our good Colonel. It can either show the international community that it truly cares about its people by holding free and fair elections and giving them the opportunity to work towards economic reform, or it can continue to rule with an iron fist.

I fear that premature lifting of our trade embargo on Cuba could jeopardize this outcome for the people of Cuba, giving the Castro brothers little incentive to hold open elections. Do you believe that lifting the trade embargo on Cuba would affect the likelihood of free and fair elections? If so, how?

Mr. CALZON. Well, it is obvious that making unilateral concessions to Havana is not going to get them to do anything. The Europeans finally have come around to that position of saying Havana must change before Havana gets into the Cotonou agreement. Just let me say also that the hope expressed by Mr. McClure, that by opening up and having trade that there will be influence, has been shown to be false.

When trade began with Cuba, I approached some of the people who were going to Cuba. I thought it was a wonderful thing. Why do you not try to get some political prisoners out? Why do you not try to help in that regard? The result has been the opposite, Senator. People trading with Cuba, for the most part, have become advocates and lobbyists of the Cuban government instead of influencing the Cuban government to respect human rights in Cuba.

Senator BUNNING. All right.

Col. WILKERSON. I have a completely different view of free and fair elections. I watched Hamas get elected.

Senator BUNNING. Who?

Col. WILKERSON. Hamas get elected.

Senator BUNNING. Oh, yes.

Col. WILKERSON. I can go back in history and tell you that—

Senator BUNNING. That really helped us out.

Col. WILKERSON. Yes. I can tell you that Adolph Hitler was elected. There is a lot more, I think, that is vital and important to freedom as the best human condition, democracy as the best governance system to monitor that condition, and free markets as the best system, economically speaking, to bring prosperity to that governance into that condition, a hell of a lot more than elections.

Senator BUNNING. Well, we have major differences of opinion here.

Col. WILKERSON. I would be perfectly willing to wait to lift the embargo after March, but I do not think you are going to see free and fair elections there any more than you are in Beijing or you are in Hanoi.

Senator BUNNING. No. We did not see any.

Col. WILKERSON. In either of those cities.

Senator BUNNING. No, neither one.

Col. WILKERSON. You had 1.3 billion people, and the United States is 300 million.

Senator BUNNING. And they still suppress religion, and they still suppress people—

Col. WILKERSON. That is true.

Senator BUNNING [continuing]. In every one of those countries you are talking about.

Col. WILKERSON. That is true. And they own 1.4 trillion U.S. dollars right now. That scares me more than anything.

Senator BUNNING. Whoopee! That does not scare me a bit. We have lots more.

Go ahead.

Dr. SUCHLICKI. The elections are the same elections that have been held in Cuba over the past 47 years.

Senator BUNNING. That is what we are going to get.

Dr. SUCHLICKI. The Communist Party selects the candidates. Those people come to the National Assembly. The National Assembly does what the Communist Party, the Politburo, tells them: it is going to elect Fidel, Raul, or someone else. These are not elections that are in any way meaningful.

Senator BUNNING. All right.

Sgt. LAZO. I do not have a way to know if the elections are going to be influenced by the lifting of the embargo. I do not know how the embargo can influence that. What I know by fact is that lifting, or at least changing the current travel ban to allow Cuban Americans to visit over there, to influence with our values the Cuban society, this is going to be a good thing.

Senator BUNNING. You should visit with Senator Martinez and get his view.

Sgt. LAZO. I have talked to the Senator already.

Senator BUNNING. It would be good for you to get together with him and listen on both sides of this issue.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you.

I thank the panel very much. This has been very enlightening. Thank you very much.

The hearing is adjourned.

[Whereupon, at 11:21 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

HALL
ESTILL
ATTORNEYS AT LAW

August 4, 2004

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

The Honorable Patrick J. Leahy
Ranking Member, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Re: Hearing on Section 211 of the Omnibus Appropriations Act of FY 1999

Dear Senator Hatch and Senator Leahy:

I am writing in connection with the hearing held by the Committee on the Judiciary on July 13, 2004 to examine the effects of Section 211 of the FY 1999 Department of Commerce and Related Agencies Appropriations Act. For the reasons explained below, I respectfully urge you to support legislation to repeal Section 211 in its entirety and to oppose legislation, such as S.2373, that would leave Section 211 in place.

As an adjunct professor of international trade law at Georgetown University Law Center and a practicing international trade lawyer for thirty years, I closely followed the international trade dispute arising from Section 211 and prepared the enclosed article entitled "*An Analysis of the United States-Cuba 'Havana Club' Rum Case before the World Trade Organization*," which was published in the Fordham International Law Journal in 2003. In addressing the question now before your Committee, namely whether to repeal Section 211 in its entirety or to leave it in place, I concluded in relevant part as follows:

While it would be a relatively easy technical matter to amend Section 211 to make it compatible with the TRIPS agreement, it is not entirely clear how this could be done...without adversely affecting other U.S. interests. ... To universalize the ban on enforcing trademarks confiscated by Cuba so that it applied equally to U.S. nationals as well as non-U.S. nationals would protect Bacardi's position but could hurt other U.S. business interests, especially broad.

I stand by my conclusion. In my opinion, the best way to resolve the problems created by Section 211 is to enact legislation that would repeal Section 211 in its entirety.

On the other hand, amending Section 211, as S.2373 would do, will not solve the problem with respect to the inter-American Convention for Trademark and Commercial Protection.¹ Indeed, merely amending Section 211 will continue to complicate U.S. intellectual property policy and expose U.S. companies to the risk that protection abroad for their trademarks could be suspended.

In a number of ways, Section 211 appears to be inconsistent with the Inter-American Convention on a number of grounds. For example Section 211 would seem to expressly violate Article 8 and Article 9 because it prohibits U.S. Courts from recognizing rights arising from prior use of a trademark in another treaty country, or from determining whether an earlier U.S. trademark has been abandoned. By prohibiting U.S. courts from recognizing certain trade name rights, Section 211 could also violate Article 18, which gives the owner of an existing trade name in any treaty signatory the right to obtain cancellation of and an injunction against an identical trademark for similar products. Section 211 could also violate Articles 29 and 30 because it deprives U.S. courts of the authority to issue injunctions and other equitable relief against trademark or trade name infringement.

Unlike the TRIPS Agreement, there is no neutral arbitral process for resolving this dispute. Rather, under customary international law, the aggrieved party may resort to self-help. Therefore, as observed in the testimony of the National Foreign Trade Council, the government of Cuba would be entitled to suspend the protections afforded by that treaty with respect to U.S. trademarks registered in Cuba. Indeed, as one legal commentator observed:

The language of Section 211 directly contradicts reciprocal trademark rights between the United States and Cuba as protected by the Inter-American Convention ... If Cuban companies are not afforded trademark protection under American law, then it is likely that Cuba will enact retaliatory legislative measures and leave approximately four hundred American companies with trademarks in Cuba unprotected.²

I also agree with the testimony of Prof. Kenneth B. Germain that Section 211 is inconsistent with longstanding U.S. trademark law and policy. By precluding courts from considering whether a trademark has been abandoned, Section 211 creates an anomaly in U.S. trademark law and policy - "deadwood" marks interfering with the otherwise lawful adoption and use of similar or identical marks by others. I would like to add that the removal of such "deadwood" trademarks has been an objective of the U.S. in international trade negotiations. For example, use of a trademark is generally required to maintain trademark registration in both the

¹ February 20, 1929, 46 Stat. 2907, 2930-34.

² Carroll, "District Court Orders Up One Havana Club Rum and Whatever Congress is Having," *Tulane Journal of International and Comparative Law* (2000).


North American Free Trade Agreement³ and in the proposed text for a Free Trade Agreement of the Americas.⁴

Finally, the defense of Section 211 has also put U.S. law at cross-purposes with longstanding principles of U.S. trademark law and important intellectual property and trade policy objectives of the U.S. Government. For example, the U.S. Court of Appeals for the Second Circuit ruled in 2000 that Section 211 requires the consent of the original owner, even if that owner has abandoned the trademark at issue.⁵ But in its ruling in 2001 in the trade dispute over Section 211, the WTO relied on representations by the Executive Branch made after that decision that Section 211 would not apply "where a trademark has been legally abandoned."⁶ Moreover, some colleagues have observed that the U.S. defense of Section 211 "could adversely affect U.S. interest abroad in the future" because it arguably expands the discretion of foreign governments to refuse to register trademarks.⁷

Therefore, in my opinion the best course for addressing the problems created by Section 211 would be for Congress to enact legislation that would repeal Section 211 in its entirety. Repealing Section 211 will resolve U.S. inconsistencies with the Inter-American Convention and thereby eliminate the risk that the protection of U.S. trademark abroad will be suspended. Repealing Section 211 will also, as acknowledged several times by the U.S. Trade Representative, bring the U.S. into compliance with the WTO ruling. I also urge you to oppose S.2373 which would leave Section 211 in place in amended form.

Please note for the record that the views expressed in this letter and the enclosed article are my own and do not necessarily reflect those of my law firm or Georgetown University Law Center. Please also note that neither my law firm nor I have any other financial interest in this matter, and that I have not been retained by any party that, to my knowledge, is taking a position on Section 211 or the pending litigation involving the HAVANA CLUB trademark and trade name.

Sincerely,



Donald R. Diman

Enclosures: Curriculum Vitae
Article

³ North American Free Trade Agreement, at Art. 1708, December 8, 11, 14 and 17, 1992, __ U.S. Treaties in Force

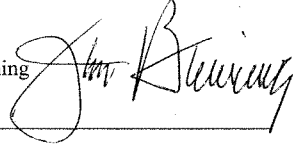
⁴ Third Draft, Free Trade Agreements of the Americas, Chap. 20, Art. B9, available at http://www.ftaa-alca.org/FTAADraft03/ChapterXX_e.asp.

⁵ *Havana Club Holding, S.A. v. Galeon, S.A.*, 203 F.3d 116, 129 (2d Cir. 2000), cert. denied, 531 U.S. 918 (2000).

⁶ WTO Dispute Panel Report, U.S.--Section 211 Omnibus Appropriations Act of 1998, WT/DS/176/R, at para.8.69 (August 6, 2001), reported, 40 I.L.M. 1493 (2001), available at http://www.wto.org/english/tratop_e/dispu_e/176r_e.pdf, modified by WTO Appellate Body Report, AB-2001-7, 41 I.L.M. 654 (2002).

⁷ Bhala & Gantz, "WTO Case Review 2002" Arizona Journal of International & Comparative Law (2003).

Statement of Senator Jim Bunning
December 11, 2007



Thank you, Mr. Chairman for holding this hearing today. I would also like to thank all of the witnesses here today. I realize this is a busy time of the year and appreciate you coming today to testify.

The United States has effectively maintained a comprehensive trade embargo against Cuba since 1962. The regulations do not ban travel itself to Cuba, but place restrictions on any financial transactions related to travel to Cuba. I have some serious concerns with relaxing these restrictions.

Current law allows for a number of approved travel purposes with Cuba and thousands of Americans travel under those purposes every year. Lifting the current travel restrictions would not expose Cubans to American values and ideals. Instead it would open up a large and lucrative tourist market for the Castro brothers - Fidel and Raul - to strengthen and prop up their anti-American and anti-democratic regime.

Like my colleagues here today, I firmly believe in helping the people of Cuba. They deserve the opportunity to live in an open and free society. As Cuba moves into an election year in the New Year, I call upon the Cuban government to hold free and fair elections.

Cuban voters should have the opportunity to cast their vote for real political and economic reform. They deserve democracy in its true form. I firmly believe that lifting our sanctions prematurely against Cuba would jeopardize these elections benefiting Castro and his military thugs at the expense of the Cuban people.

The only way to truly free the Cuban people's suffering under the Castro's totalitarian regime is to choke off the cash flow entering their country. Its financial collapse will then bring about a change to Cuba where its people can exercise the freedoms and rights that we all treasure here in the United States.

Meaningful reform by Cuba will be met by a meaningful response by the United States. Until the Cuban government is ready to undertake substantial economic and political reforms, I have serious concerns about rewarding a tyrant that has a history of political repression. The choice rests with Mr. Castro and I can only hope that the New Year will bring freedom and democracy to Cuba.

I also have concerns about how the legislation this Committee is reviewing today would affect a long-standing dispute with the European Union over the use in the United States of trademark property confiscated by the Cuban regime.

Thank you Mr. Chairman and I look forward to questioning the witnesses.



*Testimony
before
the Senate Committee on Finance
Tuesday, December 11, 2007*

*by
Frank Calzon
Executive Director
Center for a Free Cuba*

Dirksen Senate Office Building
Room 215
10 a.m.

Good morning. Thank you for the opportunity to appear before you.

I am the Executive Director of The Center for a Free Cuba, a non-partisan, nonprofit organization dedicated to the promotion of human rights in the island. The Center administers a grant from USAID to help achieve that goal. Our activities in the U.S. and part of our program in Cuba are funded by private donations. The Center has been granted 501c-3 status by the IRS, and does not take a position on any bill before Congress.

I have spent my life as a human rights advocate, notably as Washington's representative of Freedom House, in which capacity I denounced all types of dictatorships before the United Nations Commission on Human Rights. By training, I am a political scientist.

Last week, many called for an investigation of the CIA burning of tapes and documents of enemy combatant interrogations. But this is not the only intelligence matter the Congress has to look into. Why not asked the intelligence community for a full disclosure of the damage done by Ana Belen Montes, a high level intelligence analyst currently serving a 25-year sentence for spying for Havana. She divulged American secrets, but most importantly, by preparing numerous reports for the Pentagon, that were sometimes leaked, she helped shaped the debate on Cuba. It is time for Congress to realize that arguments advanced by Mrs. Montes, are sometimes repeated by folks who should know better. They are simply recycled Cuban government disinformation.

The Department of State lists the Castro dynasty as a "State Sponsor of Terror." Castro provides safe haven for U.S. fugitives, including killers of American police officers. The Castros' 50 year effort to harm Americans did not end when he urged Moscow to drop an atomic bomb on the U.S. in 1962; and did not end with the collapse of the Soviet Union. He has murdered American citizens and he nurtures like minded regimes that share his hostility to America.

The Castros' support for terrorism and his cooperation with violent anti-American groups and regimes cannot be swept under the carpet. Timing, in life as in politics, is extremely important. What is happening outside these chambers today that should be taken into account in this discussion?

- There has been a renewal of political repression on the island. Cuban police broke just last week into a Catholic Church, beating up several people. Other dissidents were detained yesterday. But Cuba's peaceful opposition had not been cowed. The Ladies in White, mothers, sisters, daughters of political prisoners, joined by foreign women, protested early this week before Cuba's Parliament. The Ladies in White were awarded in 2005 the prestigious Sakharov award by the European Union. The European Union recognized earlier Oswaldo Paya for his pro-human rights work, which included the gathering of more than 20,000 signatures demanding change.
- The Europeans have conditioned Havana's admittance to a tariff accord to respect for minimal human right standards.

- The President just awarded the Medal of Freedom to Oscar Elias Biscet, a Cuban physician and Amnesty International prisoner of conscience sentenced to 25 years.

This is not the time for the U.S. to cuddle the Cuban dictatorship. As Secretary of State Condoleezza Rice has said: "in Cuba Fidel Castro is still the one man through whom everything has to go, any trade that goes through Cuba is going to strengthen Cuba's regime." Or as former Secretary of State Colin Powell wrote in a 2002 letter to the Congress: "trade by other nations with Cuba has brought no change to Cuba's despotic practices... Two governments have approached the US to complain that Cuba's payment of cash for US agricultural products have meant that they are not getting paid at all... the lack of a sound economic rationale makes it more likely that Castro would use any liberalizing of our trade position for his political benefit."

The situation has not changed since Secretary Powell wrote that letter. I would like to ask that the letter be included into the record.

As a political scientist I deplore the tendency of some members of Congress to want to usurp not only the responsibilities of the Secretary of State, but of the duties of consular officer responsible for issuing visas. Congressional micromanagement of foreign policy is a mistake. I urge the Committee to ask the Administration to provide input into your deliberations.

To conclude:

- 1- This is not the time to make Cuba an exception on U.S. restrictions on state sponsors of terrorism, such as Iran, North Korea, Syria and Sudan.
- 2- This is not the time, in the aftermath of the courageous vote of the Venezuelan people to send a message that a regime could bring the world to the edge of nuclear Armageddon, confiscate American properties, murder Americans, and while it continues its anti-American campaigns, the U.S. will reward it with business-as-usual, including access to American financial institutions.
- 3- Many in Congress mean well, but ordering the Executive to facilitate travel to the US by Castro's government officials, Congress denies the President one of the few levers he has to influence the regime's behavior. At the very least, these hearings need to include a full review of the lack of reciprocity in the treatment of American diplomats stationed in Cuba and Castro's diplomats in the US. The work of the US Interests Section in Havana is severely curtailed by the regime's effort to impede its work, intimidate, and harass American diplomats and their families. Despite US waivers of constraints affecting Cuban diplomats in Washington, the flow of American needed supplies is often interrupted and the US diplomatic pouch has been broken into. Is this the time to reward such behavior?
- 4- Havana is broke. It owes billions to the Paris Club, a consortium of banks and governments. If the U.S. were to facilitate trade with the Castro brothers outside current guidelines, it could end up holding the bag at the end of a long line of

creditors. Let's not forget that when there is a financial catastrophe corporate interests like Enron come to Congress asking for a bailout from the American tax payers. Furthermore, business with the Castro brothers is done outside any real legal protection, as BANCOMEXT discovered when Havana stopped payments in response to a political controversy between the two governments.

- 5- Some of the trade with Havana is likely to have violated American law. I urge any of you to ask the Justice Department to look into it. At least in one case, a multimillion dollar sale was cancelled when company executives discovered their export deal included a commitment to lobby the US in exchange for Castro's business. They had signed a memorandum to that effect. How many business deals are currently taking place albeit without an incriminating piece of paper? American exporters believe they are selling products; the Castros believe they are hiring lobbyists.
- 6- It has been argued that American companies trading with the regime would help improve the human rights situation on the island, by using their access to urge the release of political prisoners. But no such appeals have been made.

And there is also the travel ban, which U.S. Courts have found constitutional. The ban denies hard currency to Havana for the reasons already mentioned. And because Cuba's tourist industry is controlled by the military, and Cubans, like blacks during South Africa's apartheid, are not allowed to stay in hotels, patronized beaches, hospitals, etc. set aside for tourists.

Congress needs to take into account that a growing portion of Cuba's tourism is channeled to tourist enclaves in offshore islands: tourists fly in from abroad without even setting foot in Cuba proper.

The issue of traveling to the island by Cuban Americans is misunderstood. Cuban nationals who have been granted political asylum in the United States should not demand the right to travel on vacation to the island while their countrymen are kept outside tourists enclaves.

Travel restrictions by Cuban Americans should be revamped to permit travel to the island for emergency reasons while bringing Cuban Americans under the general ban of tourist travel to the island.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

July 11, 2002

The Honorable C. W. Bill Young
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

We are writing to reiterate the Administration's strong opposition to any legislative efforts that weaken the United States' current Cuba policy by permitting U.S. citizens to finance the Cuban purchase of American agricultural commodities or by changing the restrictions on travel to Cuba by U.S. citizens. We would recommend that the President veto such legislation if it reaches his desk.

Our Cuban policy recognizes that a relationship of continuing hostility exists between the Government of Cuba and the United States. Cuba has long been listed by the State Department as a state-sponsor of terrorism. It continues to harbor fugitives from the American justice system, and it supports international terrorist organizations.

International human rights organizations recognize that Cuba violates internationally accepted standards of basic human rights in the treatment of its own citizens. The U.N. Commission on Human Rights recently addressed Cuba's egregious conduct by directing it to make progress on human, civil, and political rights. And Cuba recently responded to a grass-roots petition drive calling for a referendum on fundamental freedoms for all Cubans by drumming up a sham petition drive of its own that purported to show that the Cuban population overwhelmingly wants to make "socialism" immutable in Cuba.

Current U.S. law allows Cuba to purchase agricultural commodities from the US on a cash basis (or with financing by a third country's financial institutions). Some make the argument that expanding trade might bring change to Cuba. But trade by other nations with Cuba has brought no change to Cuba's despotic practices, and it has frequently proved to be an unprofitable enterprise.

France, Spain, Italy, and Venezuela have suspended official credits, because Cuba has failed to make payments on its debt -- including debt incurred while making agricultural purchases from these countries. Two governments have approached the U.S. to complain that Cuba's payments of cash for U.S. agriculture products have meant that they are not getting paid at all.

In sum, current economic circumstances in Cuba do not support changing our position on trade with Cuba. Moreover, the lack of a sound economic rationale makes it more likely that Castro would use any liberalizing of our trade position for his political benefit.

Some argue that loosening travel restrictions to Cuba would help open Cuba's closed society. On the contrary, unrestricted tourist travel by U.S. citizens would benefit the Government of Cuba more than the Cuban people. The existing licensing regime, which promotes outreach to the Cuban people by facilitating humanitarian endeavors and activities that involve both Cuban nationals and Americans, appropriately fits current conditions.

The Cuban government has refused to cooperate with the global coalition's efforts to combat terrorism, refusing to provide information about al Qaeda. On November 13, 2001, Cuban Foreign Minister Perez Roque delivered a speech at the United Nations in which he accused the United States of war atrocities in Afghanistan. And in a June 8, 2002, speech, Castro slanderously compared President Bush's terrorism policies to Nazi Germany's efforts to assert world hegemony, suggesting that the Administration permitted the 9/11 attacks in order to "reshape the world as they wish."

Our Cuba policy continues to promote the goal of a rapid and peaceful transition to democracy in Cuba. On May 20, 2002, President Bush laid out his "Initiative for a New Cuba," challenging the Cuban government to take steps toward a democratic, free-market system that respects human rights. President Bush has also indicated his intention to continue our country's legacy of strong support for the Cuban opposition. The Administration is determined to oppose any policy action that would bolster the Cuban dictatorship.

Cuba has repeatedly demonstrated its implacable hostility to the United States. It has a long history of espionage activities directed against the U.S. The highest-ranking Cuba analyst in the Defense Intelligence Agency confessed in March to

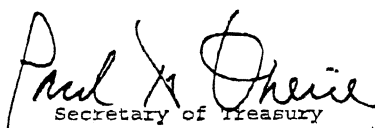
having spied for Cuba for 16 years. And last year, seven Cuban spies were convicted of conspiring to commit espionage against the United States, after being caught seeking to infiltrate the U.S. Southern Command. Any easing of the financing restrictions in the Trade Sanctions Reform and Export Enhancement Act or any loosening of the restrictions on travel to Cuba by Americans would be inconsistent with our continuing and long-held foreign policy objectives regarding Cuba.

Colin L. Powell



Secretary of State

Paul H. O'Neill



Secretary of Treasury

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

**United States Senate
Committee on Finance**

**Hearing on
S. 1673, Promoting American Agricultural and
Medical Exports to Cuba Act of 2007
December 11, 2007**

Questions for Frank Calzon from Senator Cantwell

Question 1:

You cited Fidel Castros' cooperation with violent anti-American groups. How has Castros' position changed since the 1960s and since the collapse of the Soviet Union?

I appreciate very much your interest in Cuba because I believe a clear understanding of Castro's regime, its nature, its hostility toward the United States is very important because American interests and indeed American lives have been and continue to be at stake. You wrote me:

"You cited Fidel Castro's cooperation with violent anti-American groups. How has Castro's position changed since the 1960's and since the collapse of the Soviet Union?"

Yes, to this day there are many examples of Havana's cooperation, support, training and financing of violent anti-American groups. Castro's anti-Americanism was not limited to the 1960's and did not originate with his ties to the Soviet Union. While in the Sierra Maestra Mountains in the late 1950's he wrote a letter to his confidant, Celia Sanchez, saying that once the war against Batista would be over he had a larger war to wage against the Americans. He has waged that war for almost fifty years; and his involvement with international terrorism is part of it.

In the 1960's he attempted to turn the Andean Mountains from Colombia to the southern tip of Argentina into a pro-Soviet/anti-American conflagration. It was then that he began his support for violence in Latin America, the Middle East, Africa and Europe. Those are the facts.

In June of 1976, as reported by Granma, the official organ of Cuba's Communist Party Fidel Castro said:

“If the Cuban state opted for performing terrorist acts, to respond to terrorists with terrorism, we are sure that we would be very efficient terrorists. . . . Let no one be mistaken! If we decided to be terrorists, no doubt we would be very efficient at it. But the fact that the Cuban revolution has never chosen terrorism does not mean that we are renouncing that possibility. . . . Let this be a warning.”

In 1996 the murder of Americans by Castro’s MIGS in international airspace while on a humanitarian mission, was fully documented by then Secretary of State Madeline Albright. Those murders have gone unpunished.

That was not the first time in which Castro’s military engaged in acts of terror outside Cuba’s territory. In May of 1980 Cuban MIGs sank the HMBS Flamingo in Bahamian waters. The Flamingo, was a Bahamian patrol ship. The survivors were strafed on the water and several died.

Castro’s support, financing, and training, of groups like Puerto Rico’s Macheteros is a matter of record. In 1983 the Macheteros assaulted a Brinks armored truck in Connecticut and stole 7.2 million dollars which a Cuban defector reported later had been delivered to Castro’s embassy in Mexico City. The Macheteros have claimed credit throughout the years for bombings and destruction of federal property; and for attacks on U.S. servicemen.

The Macheteros, ETA (Spain’s terrorist organization), the Irish Republican Army, Arab radical groups and Colombia’s guerrillas, are among the terrorists who enjoy Castro’s hospitality to this day. At the 2000 Ibero-American summit in Panama Castro refused to denounce ETA’s terrorism.

On August 15, 2001 the Colombian government arrested IRA members who had been training Colombian terrorists. One of the IRA terrorists had been living in Cuba.

In a short reply to your question, I can only summarize Havana’s long and documented support for international terrorism which includes the infamous Venezuelan Vladimir Ilich Ramirez, who murdered eleven Israeli athletes in Munich in 1972. According to Agence France Presse (May 2007), “he once boasted that his plots had killed more than fifteen hundred people.” Captured in 1994, he was sentenced to life in prison. According to The New York Times, July 10, 1975 “France expelled three high ranking Cuban diplomats in connection with the world-wide search for a man named Carlos, who is believed to be an important link in an international terrorist network.”

Take the case of Ana Belen Montes, a high ranking Defense Intelligence Agency analyst who helped cover Castro's tracks for years. Her detention in 2001 was precipitated because, although she was under investigation, the U.S. feared that she could pass information to Havana about America's response to the terrorist attacks on the World Trade Towers, which Castro would share with America's enemies such as Iran and others sympathetic to Osama bin Laden.

Ms. Montes conveyed American secrets to Havana and just as importantly helped to shape the debate about US Cuba policy. Castro publicly congratulated the Pentagon for its reporting on Cuba, reporting written in a large degree by Ms. Montes.

Bill Gertz, in his book Enemies: How American foes steal our vital secrets, wrote that "U.S. officials also believe that information she provided to the Cubans led to the death of Nicaraguans anticommunist contra rebels and possibly of American agents as well." There is no status of limitations on murder.

Despite efforts by Ms. Montes and others, four U.S. Administrations since 1982 have listed the Castros' regime as a state sponsor of terrorism.

Question 2:

You and Professor Suchlicki also indicated that Cuba would not be a reliable trading partner and that Cuba has large unpaid debts to other partners. Do you believe American companies would be treated any differently than Canadian, European, or Asian companies?

On your second question you wrote:

"You and Professor Suchlicki also indicated that Cuba would not be a reliable trading partner and that Cuba has large unpaid debts to other partners. Do you believe American companies would be treated any differently than Canadian, European, or Asian companies?"

The issue of Castro's insolvency is part of the public record. He stopped payment to the Paris Club in 1986 *before the end of the Soviet Union*. Despite Venezuelan subsidies Havana is broke. At issue is not trade but extending American export credit, export insurance and access to U.S. financial institutions to Havana. On August 7, 2002, the *Montreal Gazette* reported –and this is one of several examples that,

"Lilac Islands, a 15,000 ton Cuban-owned ship, has been held in the port of Conakry, the Guinean Capital, for the past month while an Ontario company, armed with legal judgments, pursues Cuba for more than \$3 million U.S. Last week, Guinea's Court of Appeals upheld the

continuance of the steel-laden ship's detention-pending the payment of more than \$275,000 in debt to Adecon Ship Management of Mississauga.”

In another case another Cuban ship was held in Holland to force Havana to make payments. Castro in the midst of an ugly debate with Mexico's president, suspended payment to Bancomex. The dispute had nothing to do with the bank, and there are no courts in Cuba which would provide an impartial hearing for such matters.

I have personal knowledge of a Canadian investor who claimed the Cuban regime took over his assets and there was little he could do about it. In my testimony before the Senate Finance Committee I urged the Committee to raise the issue quid pro quos between American exporters and Havana's expectation that they would lobby on Castro's behalf. Your staff, I am sure can ask the Congressional Research Service for details.

Are exporters now without the embarrassment of written memoranda lobbying on behalf of such an anti American regime?

I cannot predict Havana's behavior, but the record suggests a great deal of caution when dealing with the regime. A policy of moving exports from a cash and carry basis to credit extensions is like sentencing taxpayers to investing in Enron or WorldCom right before those stocks plummeted. American taxpayers did not have to bail out those companies. And they should not be forced to bail out the head of an openly hostile government, especially when his default is more a question of “when” than “if.”

Senator Cantwell, may I suggest that you ask the Congressional Research Service to verify all claims, including mine, which have been presented to the Committee. For example, although the Committee was told that Cuba enjoyed a 12% to 13% growth rate, the fact remains that Cuba's Minister of Economics reported a growth for last year of only 7.5%. More so, Cuba has changed the basis for its computation of GDP away from international practice and these methods are not accepted as comparative to those used by other countries.

The London based *Economist* reported in its “Business Environment Forecast 2008-20012” that out of 82 countries Cuba was the 78th worst listed only ahead of Libya, Iran, Venezuela and Angola.

**Testimony of Sgt. Carlos Lazo
Before the Finance Committee of the United States Senate
Hearing on Legislation:
The Promoting American Agricultural and Medical Exports to Cuba Act of 2007
December 11, 2007**

Good morning. My name is Carlos Lazo. I am a Cuban-American. I live in Seattle, Washington. I am a proud member of our state's National Guard and serve as a sergeant and combat medic. I also work as an advisor in the Washington Social Services Department.

I speak to you this morning as a private citizen; as someone who sacrificed to come here, who believes fiercely in his obligations as a father, who loves our country, and who believes, strongly, that it is wrong, morally wrong, for the laws of the United States to divide Cuban families. This is an injustice that I believe you must address.

I arrived in the U.S. on a raft in 1991. I came in search of freedom and greater opportunities. In 1988, I served a year in a Cuban prison for attempting to leave the country illegally. When I left Cuba, I also left members of my family – including my two sons. Since then I have maintained a close relationship with them, visiting whenever I could and supporting them economically.

In 2000, I enlisted in the Washington National Guard. This was my way of offering thanks to this country which embraced me and offered me so much. In 2003, my brigade was mobilized as part of Operation Iraqi Freedom. We arrived in Iraq at the beginning of 2004. After spending several months there, during my two weeks of R and R, I returned from the Middle East with plans of visiting my two sons in Cuba, as I was legally allowed to do.

In Iraq, I was risking my life on a daily basis. All I wanted to do was to hug my boys and spend even a few hours with them. In a war, time is precious, life is uncertain, and this visit had profound significance to me.

I flew all the way from Iraq to Miami intending to board a plane to Havana from there. By that time, though, our government had imposed new restrictions limiting travel to the island. These new regulations, among other things, limited family visits by Cuban Americans to once every three years. The new rules also re-defined the concept of a family.

I had a ticket, but I wasn't even allowed to board the charter flight to Cuba. I had to go back to the war without any chance of reuniting with my two sons in Havana. Without the possibility of giving them what could have been my last hug for both of them.

I returned to Iraq to fight for freedom, to fight for my adoptive country and to promote American values and ideals in Iraq. But what about my freedom to visit my children and my other family members in Cuba? That freedom was denied to me.

I served and I survived. After more than a year, and I completed my tour of duty in Iraq, I tried once more to visit my sons and family in Cuba, but I was again denied a license to do so. Not even the fact that one of my sons was gravely ill and in a hospital was good enough reason for our government to allow me to spend a few hours to travel to Cuba.

These Cuba travel restrictions make no exceptions for humanitarian reasons. Since I had last visited my family in Cuba in 2003, I was forced to wait one more year, until 2006, to be eligible for my next visit.

Later, after battling for many months in order to visit my sons in Cuba, I was finally granted the chance to bring them to live with me in the U.S. I am deeply grateful for this. But I am a member of a very fortunate minority. The majority of Cuban-American families *do not* have this privilege, and they find themselves unable to visit their grandma, a father or even a mother if they happen to live in Cuba.

What does this mean, no humanitarian exceptions? For example, if I were to visit my father in Cuba and three months later he were to die, there is no legal or humanitarian mechanism in place which would allow me to go to his funeral. These licenses may be granted but once every three years – and there are no exceptions.

These regulations were supposed to deprive the Cuban government of money and thereby accelerate the so-called Cuban transition to a more democratic society. But after four years, all these rules have done is impose even greater suffering on Cuban Americans here and their families on the island. These laws have created only a greater sense of family separation and suffering with no discernible impact on Cuba's economy or its government.

Wouldn't it be better if the greatest ambassadors of democracy – Cuban Americans – could visit the island and relay our message of freedom and American values? What better way of promoting these basic values intrinsic in our society than through people to people contacts.

When I tell my American friends about the obstacles that stop Cuban-Americans from visiting their family members in Cuba, they automatically assume that they have been imposed by the Castro government. Even after I explain the truth to them, they cannot believe that the travel restrictions were created by our government. The real victims of this cruelty are not the Cuban government or its leadership, but Cuban families and America's highest ideals.

These restrictions are cruel, they are inhumane, they are irrational, and they are unjust. Most of all, rules that prevent families from visiting, and helping, and loving each other, are un-American. But you have the power to undo them. These rules may have no humanitarian exemptions, but I cannot believe there is no humanity here in the United States Senate.

With the greatest respect, I implore you to eliminate these restrictions so you can reunite Cuban families on both sides of the Florida Straits.

I would like to conclude with this quote by Alex Haley. He said, "In every conceivable manner, the family is link to our past, bridge to our future." Let me leave you with a question: Will America allow its future to be defined by the cruelty of these regulations or will we instead win over our enemies with the love that a united family provides? Thank you.

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

**United States Senate
Committee on Finance**

**Hearing on
S. 1673, Promoting American Agricultural and
Medical Exports to Cuba Act of 2007
December 11, 2007**

Questions for Carlos Lazo from Senator Cantwell

Question 1:

Sgt. Lazo, the Bush administration argues that restrictions on family visits help pressure the Castro regime to end human rights violations and make political and economic reforms. How have your family and friends in Cuba reacted to these restrictions? Do they believe they are influencing the Castro regime's actions?

I do not believe the travel restrictions for family members implemented by the USA, helps pressure the Castro regime to end human rights violations or to make political and economic reforms in Cuba. I believe these measures are counterproductive. During almost half of century, the United States policies toward Cuba have being based in the embargo and in trying to strangle the Cuban economy. The Cuban government never has made political changes on the bases of economical pressure from the United States.

When the Soviet Union collapsed and Cuba lost most of its markets and providers, the Cuban economy faced a huge crisis, not even during those years (from around 1991 to around 1995) the Cuban government moved to make political reforms based in the economical hardship the country was going through.

It is naïve to think that because the United States denies to Cuban-Americans in the United States the right to visit their families in Cuba more than once every three years, that will force the Cuban government to reform the Cuban society. The Cuban economy has being continuously growing during the last four years (that is around the time when this restrictions were implemented) and Cuba has solid economic ties with Venezuela, and countries of Europe. China is also investing heavily in the oil exploration and all kind of industries in Cuba.

By denying Cuban-Americans the right to visit their families in Cuba the United States loses the opportunity to influence the Cuban society with the American values. This travel restrictions also gives an ideological weapon to the Cuban government to blame the United States for the separations between families on both sides of the Florida straits.

The majority of the families in Cuba and in the United States reacted to these restrictions by denouncing how inhuman they are. It is not a coincidence that according to a poll performed by Florida International University a few moths ago, the majority of the Cuban-Americans in South Florida (55%) support the unrestricted right to travel to Cuba. <http://www.fiu.edu/~ipor/cuba8/pollresults.html>.

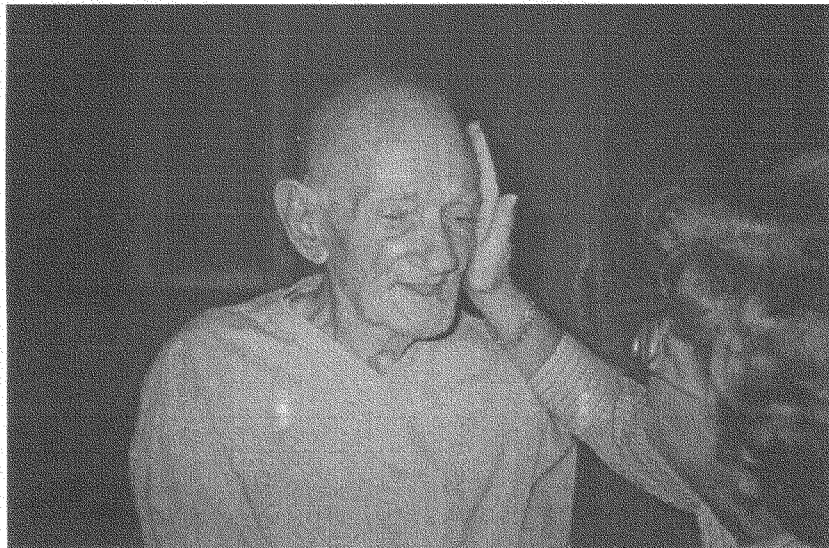
Question 2:**Have you heard from other Cuban Americans that have suffered from the restrictions on family visits?**

I have heard a lot of stories of Cuban-Americans in the United States and Cubans in Cuba who have suffered because these regulations. However the best example I can give about cases of Cuban Americans who have been victims of the travel restrictions to Cuba is a report presented by the organization Human Rights Watch.

There are some illustrative cases based in this report that I want to share with you. It is easy to see the lack of common sense and the lack of humanity these restrictions are about. <http://hrw.org/reports/2005/cuba1005/>

Illustrative Cases**Marisela Romero**

Before the new travel restrictions went into effect, **Marisela Romero**, fifty-three, had been visiting Cuba several times a year to help her eighty-seven-year-old father, who was in the advanced stages of Alzheimer's disease and incapable of taking care of himself. He needed help eating and regularly urinated on himself, requiring others to change his sheets, his clothes, and the diapers he was forced to wear.



Marisela Romero's last visit with her father.

"Whenever she came he became very contented," her nephew's wife recalled. "Because even though he had Alzheimer, he knew who she was."

© 2004 Private

Romero had left Cuba in 1992, and after her mother and sister both died in 2002, the only remaining relatives who could take care of her ailing father were her nephew and his wife. Romero hired two people to help them and began making frequent trips to Cuba so that she could pay these helpers, bring money and supplies, and, perhaps most importantly, provide her father with filial affection. “Whenever she came he became very contented,” Marisol Claraco, her nephew’s wife, told Human Rights Watch. “Because even though he had Alzheimer, he knew who she was. ... She would lie next to him and talk to him, and he would feel her love and get better.”



“We were desperate,” the wife of Romero’s nephew recalled.

“We saw him deteriorate day by day, and she wasn’t able to come, and we couldn’t do anything. We were suffering on this side and she was suffering on that side.”

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The new restrictions put a halt to her visits. Since her last trip had been in May 2004, she would not be eligible to visit her father again until 2007. The regulations also effectively prevented her from sending money for his medical care and other expenses. While she was still allowed to send remittances to members of her “immediate family,” the only relative in Cuba who fit that definition was her father, and he was incapable of cashing checks or even signing them over to someone else. (Under the regulations, her nephew did not qualify as a member of her “family.”) It also became much more difficult and expensive to send supplies as it became harder to find other people traveling to Cuba and willing to carry goods for her.

Ms. Romero’s absence was felt by her nephew and his wife. “After the restrictions,” Claraco told Human Rights Watch, “I was alone with the old man and my husband was in charge of going and finding what medicines he could. We were waiting for Mari to come. But she couldn’t come and she couldn’t send the pampers and the medicines. So we had to endure rough times.” After several months, they began to run out of diapers and basic medical supplies, such as iodine and hydrogen peroxide, which they needed to clean his bed sores.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

NOV 15 2004

CM-92776

Marisela Ruiz Gonzalez de Romero
7867 W 36 Avenue Unit 104
Hialeah, FL 33018

Dear Marisela Ruiz Gonzalez de Romero:

This is in response to your application dated September 07, 2004, requesting authorization to engage in travel-related transactions involving Cuba for the purpose of a family visit.

The Cuban Assets Control Regulations, 31 C.F.R. Part 515 (the "Regulations"), prohibit all persons subject to U.S. jurisdiction from dealing in property in which Cuba or a Cuban national has an interest, including all Cuba travel-related transactions, unless authorized in accordance with current licensing policy. Under § 515.561(a) of the Regulations, specific licenses may be issued authorizing certain travel-related transactions for the purpose of visiting a member of a person's immediate family who is a national of Cuba, provided it has been at least three years since the most recent of the following three dates: (a) the date of emigration, if the applicant emigrated from Cuba; (2) the date the applicant left Cuba after the applicant's most recent trip to visit family there pursuant to a general license; (c) the date of issuance of the applicant's most recent specific license to visit family in Cuba.

We have reviewed your application and determined that the issuance of a specific license is inconsistent with current U.S. policy because it has been less than three years since the most recent of the three dates listed above. Accordingly, your request for a license is hereby denied.

We note that, consistent with § 515.561(a) of the Regulations, it would be inappropriate for you to make application with the Office of Foreign Assets Control for a specific license to visit a member of your immediate family until the required three-year period has passed.

Sincerely,


Charles Binkey
Sanctions Coordinator (Miami)
Office of Foreign Assets Control

Romero was notified by OFAC that "it would be inappropriate" for to seek permission to visit her family in Cuba "until the required three-year period has passed."

Her absence also seems to have had an impact on her father's health. "When she wasn't able to come, he started to get quieter and quieter, he started to get worse, as if he was debilitating little by little," Claraco said. "We were desperate. We saw him deteriorate day by day, and she wasn't able to come, and we couldn't do anything. We were suffering on this side and she was suffering on that side."

In September, Romero learned from her father's doctor in Cuba that he had become deeply depressed, most likely because of her extended absence, and stopped eating. She was torn about what to do. "I would have gone every month," she said. "I would have stayed with him. I would have made sure he was taken care of. But I was afraid of breaking the law."

She decided to submit a request to the Office of Foreign Asset Control (OFAC) for permission to travel, hoping that an exception might be made given her situation. She still had not received a response in October, when her nephew alerted her that her father had been hospitalized and was in very serious condition. She called OFAC twice, leaving a message on voicemail but received no reply. Meanwhile, her father's condition deteriorated. And finally, on October 20, he died.

The following month, Romero received a letter from OFAC responding to her September request for permission to visit her father. The request was denied. She was not authorized to travel until 2007.

Four months after her father's death, Ms. Romero told Human Rights Watch that she still had not recovered from the trauma. "I'm in very bad shape. I can't live normally. It's torture, night after night, minute after minute." The main source of her anguish is the knowledge that she was unable to be with her father when she believes he needed her most. "He died alone. There was no one to summon a priest for him. We never had a chance to say goodbye."

Romero's anguish is compounded by her anger at having her freedom to travel restricted by the U.S. government:

I came to this country in search of freedom, not for economic reasons. I remember when I saw myself in the Miami Airport, the first thing that came to my mind was, "Oh my God, I am free!" And now I feel like someone is taking away this freedom that I came here for. ... They have taken away from me the right to go to see my family when I want to. ... How can such a beautiful country have a law like this?"

Andrés Andrade

Andrés Andrade, age fifty, who migrated in 1980 "looking for new opportunities," had been returning regularly to Cuba in recent years to help his sister, Arelis Andrade López, take care of their parents, including a mother who was battling cancer.

"He was a great support for me," Arelis Andrade told Human Rights Watch. "I am alone here, my sons are young and they have to work." But with the restrictions in place, she could no longer count on his help. "It was horrible because I couldn't have him next to me ... I was not able to have my brother's emotional support ... I missed my brother a lot."

In November 2004, their mother developed a severe pulmonary problem and had to be hospitalized. In the past, Andrés Andrade would have been able to travel to Cuba to help his sister care for her mother. But this time she was alone. "I spent four straight days without any sleep, sitting on a chair next to her," Arelis Andrade recalled.

Andrés Andrade's absence was even harder on their dying mother. "She was holding on to life because she hoped that he would come," Arelis Andrade recalled.

She wanted him to come, but at the same time she would say, "Tell him not to come, because I don't want him to get in trouble." Sometimes she did not want to eat, and I would tell her "Look Mima, you have to eat, because my brother is going to come to see you and he has to see that you have been eating." I would have to tell her such "merciful lies," as they say. But she died. She died longing to see my brother. ... That day before she died, the screaming was horrible. She wept and cried out his name.

After she died, Arelis Andrade sent her brother the news via email. "He called me crying, saying that he had not been able to see my mom, that he would have been able to see her before she died, if it hadn't been for the restrictions."



Andrés Andrade with his mother. "She died longing to see my brother," his sister said. "That day before she died, the screaming was horrible. She wept and cried out his name."

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Their mother's death also had a devastating impact on their eighty-two-year-old father, a diabetic with high blood pressure who has survived three heart attacks. According to Arelis Andrade, losing his wife after a sixty-year marriage provoked a deep depression that has further undermined his already precarious health.

In the past, Andrés Andrade had regularly sent his father medicines and, at times when his situation grew more critical, traveled to Cuba himself with enough medical supplies to last months. Under the new restrictions he is only able to send \$100 a month, which he insists is not enough to cover his father's needs. Moreover, he will not be able to visit again until 2007 and he fears that his father will have died by then. The travel restrictions, he says, "have affected me a great deal emotionally." His inability to visit his family and provide them great support has caused him a feeling of "helplessness."

As in the final stage of their mother's illness, Arelis Andrade must assume the full burden of her father's care.

Currently, I take care of my dad, but I am alone ... He is a very difficult person to take care of. He is very stubborn and he always wants to get his way ... When my mom died, I would tell him "Pipo, don't worry," but he would cry. ... He still can't believe that she died and he starts crying.

Like their mother before she died, she says, he is extremely distressed that he cannot see her brother.

Everyday he tells me that he is waiting for Andrés to come, because he has a gift for him that my mom gave him, and that it is something he can only tell him. And I ask him "Pipo, what is it that you have to give him, to tell Andrés?" But he only tells me that it is something that he must tell Andrés himself ... He can hardly see and he is practically deaf. He is very thin. He says that he wants to go join my mom, that he wants to die, but that before he goes he wants to see Andrés to give him the gift that my mom left him. I pray to God everyday that my dad makes it until 2007 ... But he is eighty-two years old already and he is very sick. ... Sometimes, when I despair, I sit out on the patio alone and cry.

Leandro Seoane

Leandro Seoane's ties to his family were first tested when, at age fifteen, he told his parents he was gay. Refusing to accept this news, his father took him to a psychologist and then a psychiatrist in Havana. "When the psychiatrist told my father that I wasn't going to change—that the one who'd have to change was him—he was heartbroken," Seoane recalls.



Leandro Seoane at age six with his mother in Havana.

© 1970 Private

A year later, Seoane was walking home with some friends one evening when he was picked up by the police, thrown in a jail with dozens of other openly gay men, abused verbally, held overnight, and, before being released the next morning, told he had a choice: he must leave Cuba or go to prison.

The year was 1980, the Mariel boatlift was getting underway, and the Cuban government had decided to use the exodus to send gays—as well as prostitutes, Jehovah's Witnesses, and convicted criminals—out of the country. By the time Seoane had his interview for an exit visa several weeks later, many people eager to leave the island had begun claiming, falsely, that they too belonged to one of these stigmatized categories, prompting the authorities to scrutinize each claim closely.

Although his parents had still not fully reconciled themselves to his sexual orientation, they were determined to help their son escape persecution because of it—which meant helping him convince the authorities that he was in fact gay. So they accompanied him to his interview and, beforehand, his mother applied makeup to his face and lent him her jewelry.

After a humiliating interview, Seoane obtained the authorization and soon traveled along with thousands of other Cubans to Miami. Shortly after he had settled in, he received a letter from his father who suggested that he should take the opportunity of starting afresh in a new country to change his lifestyle. "I wrote back to him right away," Seoane recalls. "And I told him that if he ever said anything like that again, he would never hear from me again. He would no longer be my father."

Seoane's father wrote back, apologized, and never repeated the suggestion, thus avoiding a family rupture. But they remained separated nonetheless by the distance between them and the fact that, throughout the 1980s, the Cuban government refused to let the "Marielitos" (Cubans who had left on the Mariel boatlift) return to Cuba.

It wasn't until 1989 that Seoane had a chance to see his parents again, when they visited the United States and got to see him living with a long-term male partner. Two years later, in 1991, Seoane was finally able to return to Cuba. One day while he was there, his family sat down together on the floor of their Havana home and talked about what they had been through. "My father told me that he had been wrong, that he had come to see that his son was a true man," Seoane recalls. "He even said he had come to see that I was braver than most men."



Seoane visiting his parents in Havana. "Oh, my lord, when will I see Leandro?"

Seoane's father said when he learned of the new restrictions.

"From now to when Leandro comes, I don't know what could happen."

Within six months he had died of cancer.

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After that reunion, Seoane returned to Cuba seven or eight times to visit his family, until his last visit in March 2004. His parents looked forward to these visits and were greatly distressed when the new travel restrictions went into effect. Seoane's mother recalled her husband's reaction: "When he found out that his son would not be allowed to travel for three years, he said 'Oh, my lord, when will I see Leandro? From now to when Leandro comes, I don't know what could happen.' You see, he foresaw that he wouldn't ever see him again."

In August 2004, Seoane's father, eighty-three, was diagnosed with throat cancer. In the following weeks his health deteriorated rapidly. "If I could have traveled then, I would have," Seoane said. "I would have spent time with him. I knew he would have done better." But unable to travel, he called Cuba repeatedly, running up monthly telephone bills as high as \$600.

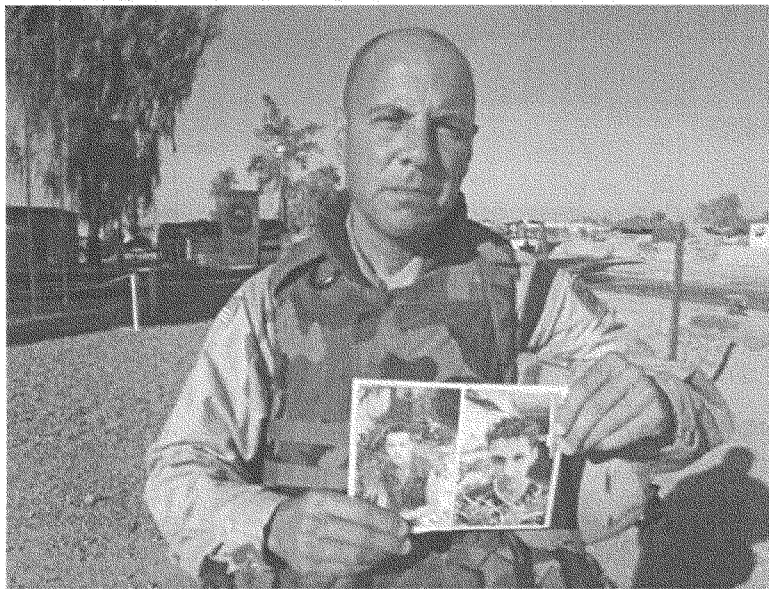
Seoane's father died on November 14. His mother described the sadness that had afflicted him during his final weeks. "He was really hoping that Leandro would come to see him. I don't think he would have died so quickly if Leandro could have come." And she recalled Seoane's reaction to the news: "My son was desperate because he could not come," she said. "He didn't know what to do. ... He called me every day, asking how I was and, poor guy, he spent a lot of money calling me."

Seoane is still bitter about not being able to be with his family during his father's illness and then for his funeral. "Here in this country they talk so much about family values," he said. "But what could be more valuable than reuniting a family?"

Carlos Lazo

After seven months serving as a combat medic in Iraq, there was nothing U.S. Army Sergeant **Carlos Lazo** wanted more during his two-week furlough than to see his two teenage sons in Havana. He would soon be back on the frontlines and, having already seen the carnage there firsthand, he realized there was a chance he might never see them again.

But when he arrived in Miami in June 2004, he was stunned to learn that, because of the new restrictions, he could not travel to Cuba. As he saw it, “the administration that trusted me in battle in Iraq does not trust me to visit my children in Cuba.”



Sgt. Carlos Lazo in Iraq with photos of the teenage sons he was unable to visit during his furlough. “[T]he administration that trusted me in battle in Iraq does not trust me to visit my children in Cuba,” he complained.

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Lazo had left Cuba on a raft in 1992 “for the same reasons immigrants have always come to these shores: to taste freedom, to take advantage of the economic opportunities and to build a better life for the people I cared about.”

He returned to school for a counseling certificate, moved to Seattle where he got a job working with people with developmental disabilities, and, at the age of 35 joined the Washington National Guard.

Although he had become a U.S. citizen, he maintained close ties with his family in Cuba, sending money every month to his sons and other relatives, and visiting once a year—and even more often when his father fell ill. His last visit was in April 2003.

Forced to return to Iraq without seeing his family in Cuba, Sergeant Lazo would soon witness some of the heaviest fighting of the war while providing backup to the Marines during the battle of Falluja in November 2004.

Safely back in the United States at the end of his tour, he no longer fears he will die without seeing his family in Cuba again. Yet the travel restrictions are still taking a heavy toll on him. "I can't help out my sons," he told Human Rights Watch. "I can't give them human warmth. I can't fulfill my obligation as a father. I can't send money to my uncles because they are no longer part of my family."

The separation has also taken a toll on his sons. "Three years is too long," his eighteen-year-old son told an NBC News reporter. "I miss him when I'm alone. When I don't have anyone to talk to. When I'm with my friends. When my friends are talking about their fathers. There's a hole because he's not with me."

By keeping him from his sons, the travel restrictions have produced an acute dilemma for Sergeant Lazo. He is very proud of his service in the U.S. army and worried that, if he were to violate the travel ban, he might jeopardize his military career. "I always believe in doing my duty," he said at a public gathering in Washington, D.C. "I did my duty in Iraq, even when it meant I could lose my life. But I think I also need to do my duty as a father."

Milay Torres

Milay Torres, age seventeen, migrated to the United States in 2000 to live with her father, leaving behind her mother, siblings, cousins, grandparents, and uncles in Cuba. It was three years before her father was able to save enough money for her to return to the island for a very emotional visit in 2003. And she told Human Rights Watch that she was "very excited" about returning again during her summer vacation in 2004.

News of the new travel restrictions came as a major blow to her. When she found out she would not be able to travel, she says, she became "very depressed and turned rebellious and stopped going to school."

The impact on her mother appears to have been even more severe. Mirladi Arias, forty, who suffers from diabetes and a nervous condition, told Human Rights Watch that her inability to see her daughter has had a profound impact on her psychologically.

After she left Cuba, I began suffering more anxiety attacks. After I found out [about the travel restrictions] my anxiety worsened. I am seeing psychologists and psychiatrists, and when I get these attacks, I go to the hospital and they inject me with some sedatives and send me home. ... What happens to me with these nervous crises is that I get really sad and I start screaming and crying and I break the things that I am holding in my hands ... When I see the things that are happening there, with the traveling restrictions ... my condition worsens, because I am waiting for her to come, but she doesn't come. ... Sometimes I tell people that I would give up my life to be able to see my daughter for just five minutes.

Amparo Alvarez

“**Amparo Alvarez**,” age sixty-nine, migrated to the United States in 1993 seeking medical treatment that was unavailable to her in Cuba. She eventually became a citizen, retired, and currently receives disability payments from the government. She is distressed that she will no longer be able to visit her daughter and grandchildren, as she had been doing once a year before the new restrictions went into effect.

One reason she wants to travel now is to help her forty-one-year-old daughter, who has been told she needs a hysterectomy as soon as possible, but has no one to take care of her two children while she is hospitalized and recovering.

A second reason is that she herself is in very poor health, suffering from high blood pressure, degenerative osteoarthritis, and serious kidney problems that may require surgery. She believes that visiting her family can help give her the emotional strength to face her illnesses. “It’s like a very sick person who gets a blood transfusion and, as a result, comes back to life. That is what it’s like for me, seeing her, it’s as if they injected me with life.”

But she is afraid that she may not live to see her family again. Since her last visit was in May 2004, she will have to wait until 2007 to obtain permission to travel again. “I am seventy years old already,” she told Human Rights Watch. “I am already ‘due’ like they say. My priority now is to see my daughter. . . . I don’t have much time left, so I have to do everything possible to see her.”

Despite her desire to travel, she says she is unwilling to circumvent the travel restrictions. “I don’t like doing anything illegal. I have always respected the laws of this country.” But she conceded that she felt torn between her obligation to her family and her obligation as a law-abiding citizen of the United States:

I am very grateful to this country. This country gave me refuge, I worked and I was able to retire and have the disability and that is something one is grateful for. But I feel extremely affected, because what I want the most is to be able to see my daughter and my two grandsons.

Nohelia Guerrero

“**Nohelia Guerrero**,” age forty-six, a businesswoman, left Cuba in 1992, and had returned three times before the restrictions were imposed, the last visit in June 2004. Her sixty-five-year-old mother has advanced Alzheimer’s disease and needs around-the-clock care. Guerrero pays a nurse to take care of her. When her mother was hospitalized in February 2005, she decided to visit her, circumventing the travel restrictions by traveling via a third country.

Under the new restrictions on remittances, Guerrero reported, she cannot send enough cash to cover the cost of her mother’s most basic needs: food, diapers, and the nurse’s wages. In the past it was easy to send cash with friends and acquaintances that were traveling, but now fewer are traveling. A collateral effect of the restrictions has been to force courier companies to raise their rates (by 50 percent in the company she regularly used) as the companies themselves have more difficulty finding people they can pay to carry packages.

The restrictions have hurt her on several levels, she told Human Rights Watch. One is emotional: “Not being able to visit a mother who is dying affects me daily because you feel helpless.”

The restrictions have also hurt her financially. “I’m losing lots of money,” she said. When she traveled to visit her hospitalized mother, the airfare was much more expensive than it would have

been flying directly to Cuba, she said, “and this means less money for my family.” Moreover, she added, “you always have that terrible fear that if they catch you you’ll have to pay” a fine.

A third way the travel restrictions affected her, she says, is by putting her in a situation where she felt compelled to break the law. “I have never had problems with the law. And I have great respect for the American laws. But I have had to break the law because of a humanitarian problem—my mother.”

Finally, the restrictions have provoked in her a sense of betrayal by the adopted country whose values she had embraced. “I came to this country for the freedom,” she said, “and now they are taking it away from me.”

The Impact of U.S. Travel Restrictions

Family Separation

In defending the new travel restrictions, the Bush administration has disregarded the importance that many Cubans attach to their visits to their families in Cuba. Deputy Assistant Secretary of Western Hemisphere Affairs Dan Fisk has stated, for example, that prior to the new restrictions, “Cubans had, in effect, established a commuter relationship with the island—living and working part-time here and living and vacationing part-time there—all the while serving as conduits of hard currency to the regime.”

The right to return to one’s home country is not contingent upon the purpose of the travel, so the fact that many Cubans may indeed be merely “vacationing” in Cuba is largely irrelevant. But as the seven cases above illustrate, that right serves to protect much more than travel for pleasure. It can also be crucial for allowing migrants to maintain their connection with some of the people they most value in their lives—their families.

It is undoubtedly true that many Cubans, including some of the ones we interviewed, traveled regularly to Cuba for holidays and special occasions. “**Saray Gómez**,” for instance, a sixty-two-year-old school teacher who left Cuba in 1970, traveled to Cuba three times a year—for her father’s birthday in March, her mother’s birthday in August, and at Christmastime. Yet she and several of the Cubans we interviewed bristled at the suggestion that they traveled to Cuba simply for pleasure. “My family is the most important thing to me,” she said.

“I don’t go to Cuba to vacation,” insisted “**Isabella González**,” age seventy-six, who used to visit Cuba once a year until the new regulations went into effect. “I go because I have to see my sisters. The family is the most important thing you have.” In the end, she said, “it is the only thing you have.”

While many of the people interviewed stressed their opposition to the Cuban government, they also insisted that their political views had no bearing on their family ties. “**Gregorio Torres**,” who left behind his parents, siblings, and two children when he migrated in 2000 with his wife and stepdaughter, told Human Rights Watch: “You can oppose the regime, the policies. But you’re never going to oppose your family.”

Family Illness

Family-related travel becomes particularly important when there are family members in Cuba whose health is failing. The previous regulations recognized this fact by allowing Cubans to obtain special licenses to visit family in Cuba for “humanitarian” reasons. The current regulations eliminate this exception.

The Bush administration has insisted that Cubans will still be able to visit their ailing relatives, only less frequently. “An individual can decide when they want to travel once every three years and the decision is up to them,” Fisk has said. “So if they have a dying relative, they have to figure out when they want to travel.”

But this option is entirely inadequate for people with relatives in poor health, and even worse for those with multiple family members who are ailing. **Saray Gómez**, for example, visited her family before her father died in January 2004, and as a result is now restricted from visiting her mother who is also seriously ill.

Nor is it an option for many of the people we interviewed who have traveled last year and therefore must wait until 2007. “**Nelson Espinoza**,” for example, said, “I can’t wait three years to see my sister, who is in a very delicate condition, because I don’t know what’s going to happen.” Similarly, “**Lorena Vasquez**,” who visited Cuba in 2004, is anxious about her sister who has cancer. “It’s likely I won’t see her again,” Lorena Vasquez said. “She won’t last three years.”

Moreover, the issue for many is not so much saying goodbye to a family member as helping that person to live. One central purpose of the family visits, as we saw in the case of Marisela Romero, is to bring money and medical supplies. While individuals can still send remittances and supplies through couriers, a collateral effect of the travel restrictions, according to several people, is that it is now more difficult to do so. “**Sandra Sanchez**,” has been sending medicine to her father, who has cancer, every month, but she finds that it takes longer to arrive because the number of people traveling has decreased.

Similarly, **Ivonne Acanda**, who has been sending medicine to relatives for several years, reports that the courier company she used in the past was compelled to shut down because of the travel restrictions. “I don’t know now anybody that goes to Cuba, and one can’t risk sending these medicines that are so important with someone one doesn’t know very well.” In October 2004 she did in fact send medicines with a woman who was making the trip.

I took the risk with that lady, and thank god she behaved really well and brought the medicines directly to my nephew’s door. But in other occasions, you can find people who won’t do you the favor and it is difficult to ask someone that you don’t know to bring the medicines to Cuba.



Maria Lemos with her ailing mother.

“Each time I go there is like giving her an injection of happiness,” she said. “It makes her want to keep living.”

© 2002 Private

Even where it is possible to send cash and medical supplies, several people stressed that caring for a sick relative involves more than covering the costs of care. **María Lemos**, for example, has been helping care for her eighty-four-year-old mother in Cuba who is in very poor health and chronic pain, confined to a wheelchair, with an ulcer and severe arthritis. Before the restrictions, she used to visit her once or twice a year, but since her last visit was in May 2004, she is prohibited from traveling again until 2007. She is still able to send money and medicine to Cuba. But she is convinced that her mother needs more than that to endure her ailments.

They say it doesn't really matter [if you can't travel] because you can still send medicine and money. But it's not just about money and medicine, it's also being able to touch her, and see her. In other words, [it's] the human warmth. Each time I go there is like giving her an injection of happiness. It makes her want to keep living.

Similarly, **Saray Gómez** reports being told by a psychiatrist who is treating her mother for a nervous condition that she should visit as often as possible, as her mother's condition worsens when she is not around.

According to **Arlene García**, her frequent trips to Cuba prior to the restrictions were critically important for her sister and brother-in-law, who are alone caring for a father who is battling cancer and an aunt who was left partially paralyzed by a stroke: “When I go it is the only time they have vacation,” García said, adding that her trips were even more critical for her ailing relatives. “It is the best medicine that they get. It's amazing how the presence of a person can sometimes reduce the problems that they have even if it is just for a little bit.”

While Cubans in the United States can still communicate directly with relatives in Cuba by telephone, calls to Cuba are exceedingly expensive (because of the embargo), and do not compensate for the lack of direct human touch. Sometimes communication by telephone is not even an option. "**Johana Suarez**," age sixty-four, had been traveling to the island every year at Christmastime to see her mother, who is eighty-eight, sick, and alone. Unable to travel because of the restrictions, she tried calling her mother on Christmas in 2004. But her mother's ability to speak had by then deteriorated to such a degree that when she got her on the phone and said "It's me, your daughter," there was complete silence on the other line.

The visits can also provide a critical respite for relatives in Cuba who are taking care of an illness, as in the case of Marisela Romero and Andrés Andrade above. **Santiago Hernández**, for example, is anxious to provide a break for his sixty-six-year-old sister who is caring for their ninety-six-year-old mother in Cuba. The mother has cancer and his sister is exhausted from bearing the full responsibility of taking care of her, he says. There are currently no other relatives in Cuba who can help her.

"**Cecilia Espinoza**," seventy-four, who lives in Cuba and suffers from diabetes, expressed her dismay that her brother in Miami would not be able to visit her until 2007:

My other brother died already. My husband also died. I don't have any children, or uncles or aunts. I am alone. [The travel restrictions] have affected me because there are no medicines here. I can hardly see anymore. My legs hurt. When he [used to visit]..., he would buy things for the house, he would take me out to eat, he would buy me clothes, shoes, and he would leave me money. But not anymore. Now he is unable to come. I am alone, and who is going to help me? I have no hope.

Redefining the Family

For those with no relatives who fit the definition of "immediate family," traveling is not an option. The administration has defended this restriction by trivializing its impact. "[W]hat are we supposed to say to them?" As already noted, Roger Noriega, while serving as assistant secretary of state for western hemisphere affairs, told one reporter. "We're going to continue to allow this money to be shoveled into the coffers of a regime that's going to keep them in chains under a dictatorship because we want to preserve the right of people to visit their aunts?"

But for many people Human Rights Watch spoke with the impact could be quite significant. **Saray Gómez**, for example, is concerned that, should her ailing mother die, she will then not be able to obtain permission to visit her seventy-five-year-old aunt, who is also in very poor health. "Apparently for [President Bush], aunts and uncles are not family," she said. "[But] I love her as though she were my mother. She helped raise me. She didn't have kids. We were her kids."

Several other people also reported that their aunts or uncles had played such a central part in their upbringing that they were, in fact, like parents to them. For example, **Luisa Rimblás**, age fifty-seven, who left Cuba in 1970, had been making yearly trips to Cuba to visit her ailing mother and six aunts, who she says raised her, since her mother worked as a teacher in the countryside and was often away from home. Rimblás worries that should her mother die, she will not be permitted to visit her aunts. "It's not fair that they tell me that I can't go to see my aunts, who are like mothers to me ... that they tell me that my aunts are not important."

"**Mario Fuentes**," age sixty-two, who left Cuba in 1971, lost his great-uncle in January 2005, a man who he says was like a father to his own mother, raising her after she was orphaned. "And for me he was like a father or a grandfather, the person I admired more than anyone."

The ties with uncles and aunts can become particularly important for people after their own parents die. **Irene Espinoza**, age thirty-two, who lives in Cuba and lost her father to cancer in September 2003 and her mother in 2000, described how important it was for her to see her uncle, who cannot travel to Cuba until 2007. “Imagine, first my mom dies and then after my dad dies. And I have a daughter and I am a single parent. And he is my uncle, which is to say like my dad, the one that looks after my aunt and me. I really need his support.”

In addition to aunts and uncles, others told us of close relatives who did not qualify as “immediate family” under the new restrictions. **Ignacio Menéndez**, age fifty-five, came to the United States on the 1980 Mariel boatlift, with his wife, who was forced to leave behind three children from her first marriage because their father prevented them from leaving. Menéndez says he was very close to the three children and that they see him as their “true father.” Since the 1990s, he and his wife have visited them in Cuba once a year, but they will not be able to engage in family-related travel again until 2007. He is especially concerned about his thirty-three-year-old stepdaughter who was diagnosed with lymphoma last year and whose recovery, after four operations, is far from guaranteed.

Ivonne Acanda no longer has any relatives in Cuba who fit the Bush administration’s definition of “immediate family,” but she does have numerous uncles, cousins, and nephews, as well as relatives of her husband, whom she considers part of her family. One of them is her husband’s nephew, now in his mid-20s, who was run over by a train in 2002, losing one leg and badly damaging the other. Since the accident she has traveled to Cuba three times, bringing him medicine, and she has sent medicine through couriers when she could not travel herself. She is anxious now to travel so that she can bring him a wheelchair and to visit the other relatives who are not part of her “immediate family,” because, she says, “blood is something that pulls you.”

Divided Loyalties

Faced with these restrictions, many Cubans have felt compelled to break the law, either by providing false information to obtain a special license for travel, or by traveling via a third country and not reporting the trip. One means of circumventing the restrictions reportedly has been by signing up with churches that have special licenses as religious organizations. These licenses are meant for religious delegations doing church-related work in Cuba. However, several people we spoke with said the churches had, for a considerable fee, allowed them to sign up for delegations and then spend their time in Cuba with their families.

Falsely declaring themselves members of a church may have caused these individuals some discomfort, but they felt that the need to see family members justified it. **Saray Gómez**, for example, a former Catholic youth leader in Cuba, signed up with a Santería delegation after her father had a heart attack in December. (Ironically, Gómez abandoned the island in 1970, in part, she says, because the government had not allowed her to practice her religion.)

Many others told Human Rights Watch that they were unwilling to violate the restrictions. **Jorge Rodríguez**, age forty-six, for example, who is anxious to visit his aging mother and a sister who had been hospitalized with a serious illness, refuses to consider traveling with a fraudulently obtained religious license. “I love this country,” he said. “I have been in this country for twenty-six years. I have two daughters who were born here ... And I don’t want any problems with the law in this country.”

Isabella González expressed a similar mix of respect for U.S. law and fear of the consequences of violating it. Before the new restrictions, she used to visit Cuba once a year and is anxious now to see her sister and step-sister, both of whom are gravely ill, but not if it means doing something illegal.

I am American and I love this country. I respect the laws of this country. And I thank God and this country for everything I have had, for the opportunity to work and receive disability [payments]. I want to see my sisters above all because they are in very poor health. But I don't want to lose what I have here.

Others felt similarly torn between their obligation to their families and their obligation as citizens. **María Lemos**, for example, said she is unwilling to circumvent the restrictions, explaining that she "had never done anything outside the law and didn't want to do it." But she says that the fact that she can't visit her mother until 2007 has had a major impact on her emotionally. "Just thinking about it makes me want to cry," she said. "I have a mom who is sick and old and I don't know what could happen in three years ... I don't understand why, because of political problems between governments, I can't go to see my mom."

Ignacio Menéndez summarized his internal conflict this way: "We are citizens of the United States and we need to follow the law. But I have a right to visit Cuba. Cuba is my country. My mother country."

Curtailed Freedom

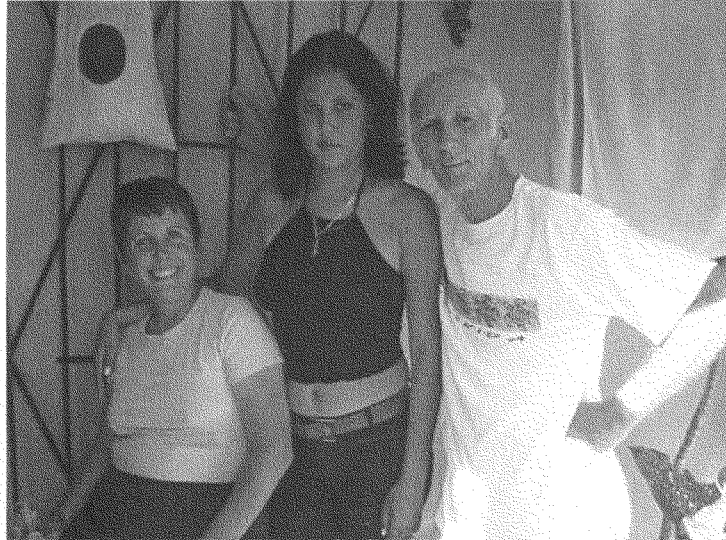
As with the embargo, the Bush administration justifies the travel restrictions as a response to Castro's human rights record. "To the individuals it may not seem fair," then-Assistant Secretary Noriega has said. "But the problem of the Cuban situation is not that families are divided. The problem is that half the family lives in a dictatorship."

Many of the people interviewed for this report share the administration's critical view of Castro's human rights record. Some said that they, themselves, had been victims of political persecution in Cuba. A few even endorsed the embargo. But all opposed the restrictions on family travel. And, in fact, several said it reminded them precisely of the sort of policy that they hoped to escape when they migrated.

"We also hate the Cuban government," said **Alejandro López**, a forty-one-year-old artist who had once been threatened with jail time because a work of his was misinterpreted by authorities as being religious. "I'm here because I want to be free. But now the U.S. government wants to treat me the way the Cuban government would."

"I would understand that [a policy like] this could happen in Cuba," said **Beatriz Niz Gallardo**, who left Cuba in 1983, "but not here in the most democratic country in the world."

Lourdes Arteaga, who left Cuba in large part because she "was tired of the repression," said: "Here they are doing the same thing that Fidel does. Over there you are not allowed to leave, and over here they don't allow you to go and visit your family."



Arlene Garcia visiting her niece and father, who made a “big sacrifice” sending her out of Cuba when she was a teenager.

Now he is battling cancer and she is unable to visit him.

© 2004 Private

For **Arlene García**, whose father is now battling cancer back in Cuba, the restrictions are a bitter reminder of the sort of policy her parents wanted her to escape when they arranged her emigration as a teenager thirty years ago:

My parents made a big sacrifice sending me, their oldest daughter, out of the country so I could be free. ... Now I can't visit and help the father who made that enormous sacrifice for me. I'm an American citizen now and I think that for our country to have a law like this is shameful.

After insisting that he would not violate the travel restrictions, **Jorge Rodríguez** added:

I feel really bad because that was precisely why I came to this country. I left Cuba because I didn't have any freedom of expression. ... I get here and this is a free country, where I have all the freedom to express myself. But I think that they can't take away one's right to travel freely, especially when one travels to a country to visit one's family, and especially when a family member is sick. For a country that proclaims human rights to create restrictions like these is wrong.

Like Rodríguez, many others questioned what they saw as a double standard on human rights in the administration's Cuba policy. **Saray Gómez**, for example, said “I don't understand how a country that talks about human rights could do something like this.”

“We came here thinking this was the country of liberty,” said **Ignacio Menéndez**. “You say you are the country of freedom, the country of human rights, when you are violating the human rights of the Cubans.”



**MONTANA
FARM BUREAU
FEDERATION**

502 S. 19th Ave. Ste 104
Bozeman, MT 59718

**STATEMENT OF THE
MONTANA FARM BUREAU FEDERATION
TO THE
SENATE FINANCE COMMITTEE
REGARDING PROMOTING AMERICAN AGRICULTURE AND MEDICAL EXPORTS TO CUBA**

DECEMBER 11, 2007

Presented by:
David McClure
President, Montana Farm Bureau Federation

Chairman Baucus and Distinguished Members of the Senate Finance Committee;

It is my pleasure to offer testimony supporting S. 1673, the Promoting American Agriculture and Medical Exports to Cuba Act of 2007. My name is David McClure. I am President of the Montana Farm Bureau Federation and a wheat farmer from Lewistown, Montana.

The last week of November, I had the opportunity to travel to Cuba with Senator Baucus' Finance Committee Staff and see firsthand the importance of promoting agriculture relations with Cuba and the vast potential for expanding U.S. agriculture exports to Cuba. Both goals will directly help American agriculture producers as well as the Cuban people.

Farm Bureau policy toward Cuba and unilateral sanctions is clear: We support immediate resumption of normal trading relations with Cuba. We believe all agricultural products should be exempt from all embargoes and unilateral sanctions except in case of armed conflict. In short, food should not be used as a weapon.

More than forty years of isolationist U.S. trade policy toward Cuba has failed to produce democratic reform. The most effective means for bringing about democratic reform is engagement. We support engagement with Cuba. Engaging Cuba through export sales of U.S. food and medicine, are necessary for humanitarian, foreign policy and economic reasons.

- From the humanitarian perspective, nothing could be more important than providing the Cuban people with access to affordable, abundant, high quality food.

- From a foreign policy perspective; trade fosters engagement and engagement fosters democratic reform. Face-to-face contact between American farmers and the Cuban people will yield positive results. When we export food to a nation, we also export our values. Allowing trade and unrestricted travel to Cuba will further our nation's foreign policy goals. Enabling Americans to visit freely with their Cuban counterparts promotes the American way of life and the freedoms that we cherish.
- Economically speaking, American farmers should have the same equal access to the Cuban market as our foreign competitors. In today's global economy numerous countries compete for foreign agricultural export sales. Shutting off Cuban markets to our exports simply means our competitors step in and supply that market. We were told directly by Cuban buying officials that many agriculture products are currently supplied by Canada. With our proximity to Cuba, this seems to be a perfect trading opportunity we are missing out on.

As you all know, until passage of the Trade Sanctions Reform and Export Enhancement Act (TSREEA) in 2000, the Cuban market had been closed to U.S. agricultural exports since 1963. Since passage of TSREEA, U.S. agriculture has seen its sales to Cuba grow. According to USDA/FAS our sales have gone from nearly zero in 2000 to almost \$367 million in 2007. Our sales have included a variety of U.S. agriculture products including but not limited to wheat, rice, corn, soybeans, chicken, pork, eggs, dairy products, apples and live animals. Our Montana trip alone may produce sales for Montana producers for seed potatoes, powdered milk, malt barley, high end pork cuts, beef genetics and peas and lentils.

We were told that currently Cuba's tourism industry entertains two million people per year. As this expands, Cuba's demand for high end food products for their hotel industry needs to service its customers will expand. This is a great opportunity for US producers.

Reform of Restrictions

Reforming current finance restrictions for U.S. agricultural exports to Cuba is a good starting point toward better trade relations. U.S. law currently prohibits U.S. agricultural exporters to Cuba from using U.S. banks or financial institutions to execute the sale. This prohibition affects the overall export transaction by 1) adding additional banking fees; 2) increasing the difficulty of completing sales; 3) giving an edge to competing foreign suppliers; 4) taking business away from the U.S. economy; and 5) disproportionately disadvantaging smaller exporters who may not have international banking relationships.

Third country financing restrictions on agricultural export sales prevent U.S. agricultural exporters from developing normal commercial relations with Cuba and are contrary to the spirit of the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSREEA). We support repeal of this provision of U.S. law.

On February 22, 2005, OFAC announced that it was redefining "payment of cash in advance." Under the new definition, cash payments from Cuba for U.S. agricultural sales would have to be received by U.S. banks before the product could be shipped from U.S. ports. This new definition is significant in that "payment of cash in advance" is the most commonly used means for

receiving payment from Cuba. The new definition reverses the original interpretation and established method for sales to Cuba.

Most contracts made with the Cuban government for the purchase of U.S. agricultural products have used "payment of cash in advance" as the method of payment. Under its original interpretation, U.S. agricultural products could be shipped to Cuba but all certificates, title and ownership of the goods would only be transferred once payment was received from Cuba. OFAC's new regulation ignores the original intent of Congress on "payment of cash in advance" under TSREEA. This has resulted in the loss of sales putting U.S. agriculture in the position of being viewed as an unreliable supplier.

Licensing of Export Sales to Cuba and other Previously Sanctioned Nations

Delays have been experienced with the issuance of licenses authorizing agricultural export sales to Cuba under the implementing regulations for TSREEA. In some cases, up to 45 days elapsed before the requested license was issued. Such delays significantly impact our ability to transact commercial sales with these countries. In many cases, the export sale is lost to our competitors.

In addition, the procedures under which these licenses are issued lack transparency and an approved systematic process. Short term efforts should be undertaken to streamline the process to 24 hours or less in cases where licenses have previously been issued for sales to the same end users. Shortening the process to just one day, where possible, is necessary in order for U.S. exporters to compete with their foreign counterparts. Long term legislation should be passed to repeal the licensing provisions now mandated under TSREEA.

Denial of visas

Visa requests authorizing planned meetings between U.S. agricultural representatives and Cuban officials to review U.S. standards and procedures in conjunction with contracted and potential agricultural sales to Cuba have been subsequently denied without just cause.

The purpose of this denied Cuban visit included important meetings for Cuban officials to confer with U.S. suppliers, inspect facilities, discuss sanitary and phytosanitary issues and verify U.S. procedures and standards associated with the sale of U.S. food and agricultural exports to Cuba. Visits of this type are routinely conducted by officials and importers that sell to the United States. It is a customary practice for foreign purchasing agents and government technical teams to travel to the U.S. to meet with U.S. suppliers and tour facilities. Denial of the visas associated with these commercial visits from Cuban officials was contrary to how we do business with any other country.

Farm Bill Amendment

We are aware of a possible amendment to the current Farm Bill debate in the Senate addressing the above issues sponsored by Chairman Baucus. This amendment is important for opening the Cuban market to U.S. agriculture further. If brought to the floor we would encourage all members of the Senate to support its inclusion in the Senate Farm Bill.

Conclusion

The Cuban market must remain open for export sales of U.S. food and agricultural commodities. Maintaining our current trade with Cuba and taking steps to lift the restrictions to trade that remain, are needed in order to improve our bilateral relationship with Cuba and foster democratic reform. Agriculture trade is a great first step. I appreciate your time, and look forward to answering any questions you may have.

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

**United States Senate
Committee on Finance**

**Hearing on
S. 1673, Promoting American Agricultural and
Medical Exports to Cuba Act of 2007
December 11, 2007**

Questions for Dave McClure from Senator Cantwell

Question 1:

Mr. McClure, you mentioned the 2005 Treasury regulations restricting cash-basis sales. Could you tell us more about how the change in regulations impacted agricultural exports from your state? Did any exporters give up on the Cuban market or decide not to pursue opportunities there?

Sales of U.S. agricultural products have declined in the past two years and I have to assume that all states, including Montana, were impacted by that trend. According to the USITC report on U.S. Agricultural Sales to Cuba, July 2007; "From a peak of \$392 million in 2004, sales fell 10 percent in 2005 to \$352 million, and fell a further 2 percent in 2006 to \$337 million. According to the Cuban government, this decline resulted from changes in U.S. regulations on export payments and financing in March 2005"

Also, the report expresses the opinion that large multinational companies view the extra burden of dealing with Cuba as small. However, smaller producer groups or processor companies, as we have in Montana, characterize the process as non-transparent, time-consuming, expensive, and in some cases, a reason not to trade with Cuba altogether.

Because of these reasons, I believe that my state would benefit if the 2005 trade regulations were eased.

Question 2:

From your perspective, what should the U.S. Government do to make sure that American farmers and ranchers are in the best possible position to compete in the Cuban market?

The policy of the American Farm Bureau is that we support immediate normalization of trade and travel relations with Cuba.

Farm Bureau has long been in favor of not using agricultural products as a tool in foreign relations to force some sort of action or compliance by the other country. Sanctions on the sale or shipment of our products usually hurts our producers more than the target country, who then looks for other suppliers and we, the U.S. producers, lose market share and the supplier-consumer relationship. Therefore, sanctions reform has long been a priority for Farm Bureau. We support expanding market opportunities in Cuba, and elsewhere, for our members and all of American agriculture.

Implications of Lifting the U.S. Embargo and Travel Ban of Cuba

Testimony

at the
U.S. Senate Finance Committee

Washington, D.C.
December 11, 2007

Prepared by

Jaime Suchlicki
Professor of History and Director
Institute for Cuban and Cuban-American Studies
University of Miami

I appreciate the opportunity to address this hearing on “Promoting American Agricultural and Medical Exports to Cuba Act of 2007.”

Opponents of U.S. policy toward Cuba continue to claim that if the embargo and the travel ban are lifted the Cuban people would benefit economically. American companies will penetrate and influence the Cuban market; the Communist system would begin to crumble and a transition to a democratic society would be accelerated.

These expectations are based on several incorrect assumptions. First that the Castro brothers and the Cuban leadership are naive and inexperienced and, therefore, would allow tourists and investments from the U.S. to subvert the revolution and influence internal developments in the island. Second that Cuba would open up and allow U.S. investments in all sectors of the economy, instead of selecting which companies could invest. Third that the Castro brothers are so interested in close relations with the U.S. that they are willing to risk what has been uppermost in their minds for 47 years – total control of power and a legacy of opposition to “yankee imperialism” – in exchange for economic improvements for the Cubans.

A change in U.S. policy toward Cuba may have different and unintended results. The lifting of the embargo and the travel ban without meaningful changes in Cuba will:

- Guarantee the continuation of the current totalitarian structures;
- Strengthen state enterprises, since money will flow into businesses owned by the Cuban government. Most businesses are owned in Cuba by the state and, in all foreign investments, the Cuban government retains a partnership interest.

- Lead to greater repression and control since the Cuban leadership will fear that U.S. influence will subvert the revolution and weaken the Communist party's hold on the Cuban people.
- Delay instead of accelerate a transition to democracy in the island.
- Allow Castro to borrow from international organizations. Loans will be wasted by Cuba's inefficient and wasteful system, and will be uncollectible. The reason Cuba has been unable to pay back loans to other countries is not because of the U.S. embargo, but because its economic system stifles productivity and the Castro brothers continue to spend on the military, on adventures abroad, and on supporting a bankrupt welfare system in the island.
- Perpetuate the rather extensive control that the military holds over the economy and foster the further development of "mafia type" groups that manage and profit from important sectors of the economy, particularly tourism, biotechnology, and agriculture.
- Negate the basic tenets of U.S. policy in Latin America since the Ford/Carter era, which emphasize democracy, human rights, and market economies, and send the wrong message to Latin American democracies that the U.S. is willing to support a military dictatorship in Cuba and a succession of power to General Raul Castro.
- Send the wrong message to the enemies of the U.S.: that a foreign leader can seize U.S. properties without compensation; allow the use of his territory for the introduction of nuclear missiles aimed at the U.S.; espouse terrorism and anti-U.S. causes throughout the world; and

eventually the U.S. will “forget and forgive,” and reward him with tourism, investments and economic aid.

Specific considerations:

Tourism:

- If tourists are allowed to visit Cuba, the Castro government will follow the same practices of the Soviet Union and Eastern European countries in the past: tourists would have to obtain visas from the Cuban Interests Section in Washington; their travel would be controlled and channeled into the tourist resorts built in the island away from the major centers of population; and tourists will be screened carefully to prevent “subversive propaganda” from entering the island.
- Tourist dollars would be spent on products, i.e. rum, tobacco, etc., produced by state enterprises, and tourists would stay in hotels owned partially or wholly by the Cuban government.
- The Cuban government would be able to select which U.S. hotel chains will be allowed to invest in the island in joint ventures with the Cuban government.
- The economic impact of tourism, while providing the Castro government with much needed dollars, would be limited. Dollars will flow in small quantities to the Cuban poor; state and foreign enterprises will benefit most and a large percentage of the tourist dollars spent on the island will be sent abroad by the foreign entities operating hotels and nightclubs.
- A large influx of tourists into Cuba will have a dislocating effect on the economies of smaller Caribbean islands such as Jamaica, the Dominican Republic, Bahamas, and Puerto Rico, as well as Florida; highly dependent on tourism for their well being. Careful planning must take place, lest we

create significant hardships and social problems in these countries.

- Since tourism will become a two-way affair, with Cubans visiting the U.S. in great numbers, it is likely that many will stay in the U.S. as illegal immigrants, complicating a rather thorny issue in American domestic politics.
- If we honestly believe that tourism can bring democracy to a foreign society we should also encourage Americans to visit North Korea and Iran to democratize those countries.

Trade

- No foreign trade that is independent from the state is permitted in Cuba.
- Cuba would export to the U.S. most of its products, cigars, rums, citrus, vegetables, nickel, seafood, biotechnology, etc. Yet since all of these products are produced by Cuban state enterprises, with workers being paid below minimum wages, and Cuba has great need for dollars, the Cuban government could dump products in the U.S. market at very low prices, and without regard for cost or economic rationality. Many of these products will compete unfairly with U.S. agriculture and manufactured products, or with products imported from the Caribbean and elsewhere.
- Cuban products are not strategically important to the U.S., and are in great abundance in the U.S. internal market, or from other traditional U.S. trading partners.
- There is little question about Cuba's chronic need for U.S. technology, products and services. Yet, need alone does not determine the size or viability of a market. Cuba's large foreign debt, owed to both Western and former Communist

countries, the abysmal performance of its economy, and the low prices for its major exports make the “bountiful market” perception a perilous mirage.

- From the U.S. point of view, therefore, increased commercial ties with Cuba would create severe market distortions for the already precarious regional economy of the Caribbean and Central America. It would provide the U.S. market with products that are of little value and in abundant supply. And, while some U.S. firms could benefit from a resumed trade relationship, it would not help in any significant way the overall U.S. economy. Cuba does not have the potential to become an important client like China, Russia, or even Vietnam.

Investments

- Cuba has promoted investments in tourism as its highest priority and only recently has begun to promote investments in other sectors. Cuba has not permitted greater individual freedom in economic matters. Unlike China, Cuba has not legalized private agriculture or manufacturing.
- Investments are directed and approved by the Cuban government. They would be limited, however, given the lack of an extensive internal market, the uncertainties surrounding the long-term risk to foreign investment, an uncertain political situation; and the opportunities provided by other markets in Latin America and elsewhere.
- The Cuban constitution still outlaws foreign ownership of most properties and forbids any Cubans from participating in joint ventures with foreigners.
- It is illegal for foreign companies to hire Cuban workers directly. Foreign employers must pay the wages owed to

their employees directly to the Cuban government in hard currency. The Cuban government then pays out to the Cuban workers in Cuban pesos, which are worth a fraction of the hard currency.

- All arbitration must take place in the corrupt and arbitrary government offices or in the government controlled judiciary, where little protection is given to the investor.
- Foreign investors must also confront political uncertainties that do not exist in many other countries. They must contend with the possibility of the regime's reversing its policies, the legal questions surrounding previously confiscated properties, and potential sanctions against foreign investors that cooperated with the Castro government in the event that an anti-Castro government eventually comes to power.
- Opposition to market reforms will limit the extent to which the private sector emerges and functions effectively, and thereby will slow, if not prevent, attaining a measurable degree of economic recovery. The Castro brothers fear the likely erosion of political power that accompanies the restructuring of the economy along free market rules. Adoption of market reforms may well represent a solution to the economic crisis, but a full-blown reform process carries with it the risk of loss of control over society, as well as the economy, and threatens to alienate some of the regime's key constituencies.

Final considerations:

- The embargo is not the cause of Cuba's economic misery... A failed economic system, similar to what existed in Eastern Europe and the Soviet Union and lack of productivity and incentives is what is stifling the Cuban economy.

- American tourists will not bring democracy to Cuba. Over the past decades hundred of thousands of Canadian, European and Latin American tourists have visited the island. Cuba is not more democratic today. If anything, Cuba is more totalitarian, with the state and its control apparatus having been strengthened as a result of the influx of tourist dollars.
- Cuba's limited economic reforms were enacted in the early 1990s, when the island's economic contraction was at its worst. Once the economy began to stabilize by 1996 as a result of foreign tourism and investments, and exile remittances, the earlier reforms were halted by Castro.
- The embargo and the travel ban should be retained as a negotiating tool with a future regime to accelerate change in the island. If it's given away without meaningful concessions in return, what is the U.S. left with to influence developments in Cuba.
- The travel ban and the embargo should be retained until there is a regime in Cuba willing to provide irreversible concessions in the areas of human rights, democratization and market economics. Providing the Castro brothers unilateral concessions without major changes in the island is a gift they don't deserve and have not earned.

Jaime Suchlicki is Professor History and Director of the Institute for Cuban and Cuban-American Studies, at the University of Miami. He was the founding Executive Director of the North-South Center. From 1984 until 1994 he was also the editor of the prestigious "Journal of Interamerican Studies and world Affairs." Dr. Suchlicki is currently the Editor of "Cuban Affairs", and the author of Cuba: From Columbus to Castro, now in its fifth edition, and Mexico: from Montezuma to the Rise of PAN. He is a highly regarded consultant to the private and public sector on Cuba and Latin American Affairs.



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CUBA FACTS

Issue 29 - March 2007

Cuba Facts is an ongoing series of succinct fact sheets on various topics, including, but not limited to, political structure, health, economy, education, nutrition, labor, business, foreign investment, and demographics, published and updated on a regular basis by the Cuba Transition Project staff.

Castro's Legacy: Cuba's Foreign Debt

Estimated Hard Currency Debt, 2006*

Creditors (by country)	Debts (in U.S. dollars)
Venezuela [1]	5.970 billion
Japan [2]	2.229 billion
Spain [3]	1.974 billion

Argentina [4]	1.967 billion
China [5]	1.770 billion
France [6]	1.468 billion
Russia (post-Soviet) [7]	819 million
United Kingdom [8]	388 million
Italy [9]	384 million
Germany [10]	351 million
Mexico [11]	325 million
Czech Republic [12]	265 million
Iran [13]	256 million
Netherlands [14]	232 million
Belgium [15]	225 million
Panama (Colon Free Zone) [16]	200 million
Canada [17]	99 million
Vietnam [18]	98 million
Austria [19]	59 million
Brazil [20]	40 million
Trinidad & Tobago [21]	30 million
Uruguay [22]	30 million
Sweden [23]	16 million
Portugal [24]	5 million

Switzerland [25]	1 million
Undisclosed Foreign Financing [26]	752 million
TOTAL	19.953 billion (est.)
*On the basis of known claims as of November 2006. All debts are expressed in U.S. dollars and rounded to the nearest million.	

Non-Convertible Debt (Soviet-Era)

Creditors (by country)	Debts (in Transferable Rubles)
Russia [27]	20.848 billion
Romania [28]	951 million
Hungary [29]	200 million
Poland [30]	70 million
TOTAL	22.069 billion (est.)

Notes

1. Includes an estimated US\$3.532 billion in long-term financing and/or unpaid oil deliveries from late 2000 through 2005, and approximately US\$2.218 billion in deferred payments on 98,000 bpd (at a market value of US\$62 per barrel) in 2006. The figure also encompasses \$220 million in trade financing provided to Cuba by Venezuela's state-run export bank, Banco de Comercio Exterior (Bancoex), for non-oil imports from Venezuelan suppliers in 2006. (Cf. Alexei Barrionuevo and José de Córdoba, "For Aging Castro, Chavez Emerges as a Vital Crutch," *The Wall Street Journal*, 2 February 2004; Marianna Párraga, "Cuba acumula deuda de US\$891 millones con Venezuela," Caracas, *El Universal*, 14 January 2004; M. Párraga, "Cuba recibe despachos adicionales de petróleo," Caracas, *El Universal*, 22 February 2005, http://www.el-universal.com/2005/02/22/eco_art_22166F.shtml; M. Párraga, "Petrocaribe captará inversión del holding," Caracas, *El Universal*, 2 July 2005, http://economia.eluniversal.com/2005/07/02/eco_art_02201A.shtml; Danna Harman, "Chavez seeks influence with oil diplomacy," *The Christian Science Monitor*, 25 August 2005, <http://www.csmonitor.com/2005/0825/p01s04-woam.html>; Guillermo Parra-Bernal, "Castro's Doctors-for-Oil Swap with Chavez Bolsters Bush's Foes," Bloomberg, Oct. 30, 2006, http://www.bloomberg.com/apps/news?pid=20601086&sid=auD3Qa0Rf430&refer=latin_america; "Márquez: 120 empresas de Venezuela exportan sus productos a Cuba," Caracas, *El Universal*, 24 October, 2006.).

2. Cuba's long-term debt to Japan is composed of approximately 245.86 billion yen in banking, commercial, and government-to-government debt dating from the 1970s. In 1998, and again in 2002 in order to avoid default, Cuba refinanced 100 billion yen in commercial debt with 182 Japanese suppliers. (Cf. Dalia Acosta, "Cuba-Japan: Brilliant Coup Behind Paris Club's Back," Inter Press Service, Havana, 26 March 1998, citing official Japanese sources and Cuba's Central Bank president Francisco Soberón.) A separate accord, signed in 1999, allowed Havana to reschedule its short-term debt of 12 billion yen (some US\$109 million) to the Japanese government. According to an anonymous Japanese diplomat cited by the foreign press in Cuba, in 2004 the Cuban government reportedly made a payment of US\$50 million toward the principal of its aforementioned short-term debt with Tokyo. (Cf. Kyodo/Associated Press, "Japan accepts terms for deferring Cuba's debt repayment," Havana, 24 November 1999; Marc Frank, "Cuba repays some official debt as economy picks up," Reuters, Havana, 26 April 2004.) As of June 2006, the Basel, Switzerland-based Bank for International Settlements reported US\$80 million in new, short-term financing to Cuba by Japanese banks. (Cf. Bank for International Settlements, *BIS Preliminary International Banking Statistics*, Second Quarter 2006, Oct. 2006, pp. 70-71, <http://www.bis.org/publ/qtrpdf/rpsr0510.pdf#page=2>, hereinafter *BIS Preliminary Statistics*, Oct. 2006).

3. Figure includes 1.141 billion euros in public long-term debt (largely trade credits in default), 180 million euros in new, medium-term debt to suppliers (primarily Basque industrial firms), and US\$280 million in current private financing by Spanish lenders. Cf. Observatorio de la Deuda en la Globalización, "Los 10 más endeudados con el Estado Español," http://www.debtwatch.org/documents/enprofunditat/Estat_espanyol/Xifres_Estadistiques/castella/los10.php. See also I. J. Domingo, "Cuba busca elevar su capacidad financiera con canje de deuda por inversión española," *Expansión*, Madrid, 18 Nov. 2002; EFE, "Empresas españolas negocian contratos en Cuba por 180 millones de euros," Havana, 5 May 2006; *BIS Preliminary Statistics*, Oct. 2006.

4. See Reuters, "Cuba, Argentina restore full ties, discuss debt," Havana, 13 October 2003. The Cuban government has requested 75% forgiveness, as well as partial repayment in kind on the remainder, of its bilateral debt with Buenos Aires dating from the 1970s and early 1980s. (See Natasha Niebieskikwiat, "Cuba busca una quita del 75% de su deuda con la Argentina," *Clarín*, Buenos Aires, 14 October 2003.) A first official visit by Argentina's president Nestor Kirchner to Havana was originally scheduled to take place in January 2005, but has been indefinitely postponed along with any arrangement on the Cuban debt.

5. In 2006, China provided at least \$400 million in new, medium-term loans enabling the Cuban government to acquire Chinese-made buses, locomotives, and other mass transportation equipment and spare parts. In addition, the total known debt includes approximately \$1.370 billion in earlier medium and long-term obligations. Cf. Carmelo Mesa-Lago, *The Cuban Economy Today: Salvation or Damnation?* (Cuba Transition Project, Univ. of Miami, 2005) p. 11; Mark Frank, "China's Cuba business takes big leap forward," Havana, Reuters, 11 April 2001 (which cites a previous US\$210 loan granted in 2000); BBC News, "China to lend Cuba \$400m," Havana, 13 April 2001; "China Offer 400 Million Dollars in Loans to Cuba," Beijing, *People's Daily*, 14 April 2001. Feliberto Carrié, "El Banco de Shanghai concede a Cuba un crédito por 72 millones de

dólares para la construcción de un hotel,” Europa Press, Havana, 4 October 2002; Marc Frank, “Trade with China helps Cuba to move up a gear,” *Financial Times*, March 8, 2006.)

6. Long-term Cuban debt claimed by the government of France stands at approximately 689 million euros. (Cf. French Senate report, “Principales créances et dettes globales et APD de la France sur les Etats étrangers au 31 décembre 2003,” in *Bienvenue au Sénat*, “Project de loi de finances pour 2005,” <http://www.senat.fr/rap/104-074-302/104-074-30250.html>. The total figure also encompasses a separate short-term debt of US\$92 million in unpaid COFACE trade credits (Cf. French Economic Mission in Havana, “Bilan du commerce France-Cuba 2004,” March 2005, http://www.missioneco.org/cuba/documents_new.asp?V=1_PDF_104111). Lastly, the total known debt also includes US\$493 million in short-term financing provided by French banks as of June 2006 (Cf. *BIS Preliminary Statistics*, October 2006.)

7. Figure includes approximately US\$166 million in unpaid trade financing converted to long-term (10-year) government-to-government debt (“Russia grants \$355mln loan to Fidel Castro,” *Kommersant*, Sept. 30, 2006); a US\$85-million loan signed in 2004, repayable over nine years, in order to finance the sale of two Il-96-300 executive aircraft for use by Fidel Castro and the senior Cuban leadership (Cf. MosNews, “Cuba to buy VIP Russian jets for \$100M,” Moscow, 13 July 2004); a \$213 loan for five additional aircraft contracted in 2006 (Sergey Ryzhkin, “Russian Aircraft Industry to Supply Cuba,” *Kommersant*, April 11, 2006; and, most recent, a \$355 million credit line to finance additional transportation and industrial equipment and joint ventures with Russian firms in Cuba (MosNews, “Russia Grants \$355M Credit to Cuba, Restructures Recent Debts,” Moscow, 29 Sept. 2006).

8. Cuba’s obligations in the United Kingdom include a 100-million pound medium-term debt to government-backed Export Credit Guarantee Department (ECGD) and 90 million pounds to British companies. (Cf. Reuters, “UK to reopen Cuba credit cover after debt deal,” London, 23 September 1999) UK-based lending institutions also reported US\$28 million in current short-term financing to Cuba as of June 2006 (Cf. *BIS Preliminary Statistics*, October 2006).

9. Italian claims consist of approximately 227 million euros owed by Cuba to SACE (Italy’s government-backed trade financing agency), as per data provided upon request. Separately, the Banca d’Italia, Italy’s central bank, revealed upon request the existence of a debt of 22 million euros owed to the Italian government as of 2004. In addition, Italy-based banks reported US\$65 million in current short-term loans to Cuba as of June 2006. (Cf. *BIS Preliminary Statistics*, October 2006.)

10. In May 2000, Cuba and Germany signed a debt restructuring agreement, including both former East as well as West German claims, for repayment of 230 million German marks (valued at US\$115 million). Cf. EFE, “Berlín y La Habana firman acuerdo renegociación de deuda,” Berlin, 26 May 2000. See also German Federal Foreign Office, “Cuba,” <http://www.auswaertiges-amt.de/diplo/en/Laender/Kuba.html#t2>. In addition, the figure includes US\$236 million in short-term financing to Cuba by German banks as of June 2006 (Cf. *BIS Preliminary Statistics*, October 2006).

11. Mexico's export financing bank, Bancomext, recovered \$35 million in 2006 through litigation in European courts in an ongoing dispute with the Cuban government over some \$360 million in default. The remaining debt stands at approximately \$325 million. Cf. Miriam Posada Garcia, "Recuperó Bancomext 35mdd que adeudaba Banco Nacional de Cuba," *La Jornada* (Mexico), 3 May 2006, <http://www.jornada.unam.mx/2006/05/03/035n1eco.php>.

12. Cuba's debt to the former Czechoslovakia, and assumed by the Czech Republic, has been reported in convertible currency [5.8 billion Czech korunas]. (Cf. Pablo Alfonso, "Crisis checa puede estar cerca del fin," *El Nuevo Herald*, 31 January 2001.) See also Czech News Agency, "Foreign Countries Owe Czech Rep. KC25BN," Prague, September 18, 2006.

13. In April 2006, Tehran granted Cuba a 200-million euro-denominated credit line for trade and investment financing through the state-run Iran Exports Promotion Bank. Cf. IRNA, "Iran, Cuba sign investment, trade MoU," Tehran, April 24, 2006.

14. The debt represents short-term financing provided to Cuba by Netherlands-based banking institutions as of June 2006. (Cf. *BIS Preliminary Statistics*, October 2006.)

15. The Cuban and Belgian governments negotiated a restructuring accord in 2000 on the short-term portion (17.35 million euros) of Havana's 171-million euro debt to Brussels. (Cf. EFE, "Bruselas y La Habana renegocian deuda bilateral," Brussels, 30 March 2000) In addition, Belgian lenders held US\$6 million in short-term Cuban debt as of June 2006. (Cf. *BIS Preliminary Statistics*, Oct. 2006).

16. In 2003, Panamanian trading companies based in the Colon Free Zone exported more than US\$208 million in primarily third-country goods to Cuba. Suppliers and banks, including subsidiaries of foreign-based institutions, have reported Cuban state-owned enterprises to owe over US\$200 million in financed purchases. Cf. Dustin Guerra, "Cubanos adeudan 200 millones de dólares a ZLC," *La Prensa* (Panama), 25 August 2004.

17. Cuba's official commercial debt in arrears to the Canadian government's export financing agency, Export Development Canada (EDC), stood at C\$114 million as of December 2005. Cf. the Canadian government's "Cuba Fact Sheet," December 2005 <http://www.infoexport.gc.ca/ie-en/DisplayDocument.jsp?did=213&gid=193>. BIS statistics reveal no current short-term financing to Cuba by Canada-based banks as of June 2006 (Cf. *BIS Preliminary Statistics*, October 2006).

18. Vietnam supplies the bulk of Cuba's imported rice with payment terms of 450 to 540 days and either interest-free or very low interest financing. The value of Vietnamese commercial credit for Cuba is based on 400,000 tons of rice per year at an estimated market price of US\$245 per ton. Cf. Hedelberto López Blanch, "Cuba y Viet Nam: Intercambios comerciales multifacéticos," *Opciones* (Cuba), 11 March 2005; Vietnam, Ministry of Foreign Affairs, "Vietnamese, Cuban businesses meet," <http://www.mofa.gov.vn/en/nr040807104143/nr040807105039/ns041109112150> (Nov. 9, 2004); Reuters, "Vietnam and Cuba cement ties with trade agreement," Havana, October 29, 2002.

19. The debt represents current short-term financing provided by Austria-based institutions as of June 2006 (Cf. *BIS Preliminary Statistics*, October 2006).
20. See Mireya Castañeda, "Cuba-Brazil cooperation diversifies," Havana, *Granma Internacional*, September 29, 2003, [<http://www.granma.cu/ingles/2003/septiembre03/lun29/lula3.html>].
21. Trinidad-based Republic Bank Ltd. finances about US\$30 million a year in imports for Cuban state-owned enterprises. (Cf. Larry Luxner, "Trinidad & Tobago seeks to expand links with Cuba," *CubaNews*, October 2003, p. 10).
22. As of 2002, Cuba had a longstanding debt of US\$30 million with Uruguay. There is no evidence to date that the debt has been settled. (Cf. "Cuba desafía a Uruguay a romper relaciones diplomáticas," *Notimex*, Havana, 23 April 2002).
23. Figure represents current short-term financing by Sweden-based banks to Cuba as of June 2006. (Cf. *BIS Preliminary Statistics*, October 2006).
24. Portugal-based banks had issued \$5 (five) million in financing to Cuba as of June 2006. (Cf. *BIS Preliminary Statistics*, October 2006).
25. As of June 2006, BIS statistics revealed only US\$1 (one) million in current short-term financing to the Cuban government by Swiss lenders. (Cf. *BIS Preliminary Statistics*, October 2006).
26. Figure represents other current short-term financing to Cuba as of June 2006 by banks of non-disclosed nationality. (Cf. *BIS Preliminary Statistics*, October 2006).
27. Debt owed in transferable rubles to the former USSR and now assumed by Russia. No repayment accords have been reached with Russia or any other former communist state in Eastern Europe. In response to Moscow's insistence on transferable-ruble debt negotiations with Havana in the context of the island's hard-currency debts to other Paris Club creditors, the Cuban government has refused to countenance any multilateral arrangements and presented claims for damages due to defunct accords with the former Soviet Union. Cf. "The Infamous Paragraph," (official editorial by the Cuban government on disputes, including the bilateral debt, with the Russian government), Havana, *Granma Internacional* English ed., 27 Oct. 2001, <http://www.granma.cu/documento/ingles01/041-i.html>. Cuba's total Soviet-era transferable ruble debts to Russia and Eastern European states have been estimated at US\$26.7 billion. Cf. Carmelo Mesa-Lago, Market, *Socialist and Mixed Economies: Comparative Policy and Performance: Chile, Cuba and Costa Rica* (Baltimore: Johns Hopkins University Press, 2000), pp. 380-381. See also Oscar Espinosa Chepe, "Crece la deuda externa cubana," *Cubonet*, Havana, 6 February 2003, <http://pscuba.org/articulos/crece.htm>.
28. As of the end of 2001, Cuba's Soviet-era debt to Romania in transferable rubles, including unpaid interest, had reached approximately 951 million, making the island one of Romania's top

debtors. (Cf. National Bank of Romania, *Balance of Payments 2001* report, at http://www.bnro.ro/def_en.htm).

29. As per Hungarian Ministry of Foreign Affairs press release, "Hungary Seeks Closer Ties with Latin America," Budapest, 8 May 1997. (Cf. <http://www.undp.org/missions/hungary/0509hula.htm>).

30. Debt figure provided upon request by Poland's embassy in Havana.

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FINANCE COMMITTEE QUESTIONS FOR THE RECORD

United States Senate
Committee on Finance

Hearing on
S. 1673, Promoting American Agricultural and
Medical Exports to Cuba Act of 2007
December 11, 2007

Questions for Professor Suchlicki from Senator Bingaman

I regret that I was unable to attend today's hearing in person, and I am grateful for the opportunity to submit the following questions for the record.

Question 1:

Prof. Suchlicki, as you know, I am a co-sponsor of S. 1673, the Promoting American Agricultural and Medical Exports to Cuba Act of 2007. I am also a co-sponsor of S. 1806, the Judicial Powers Restoration Act of 2007. Both of these bills would repeal Section 211 of the Omnibus Appropriations Act of 1998, which stripped the federal courts of jurisdiction to hear certain trademark matters.

As a preliminary matter, Section 211 does not strip the federal courts of jurisdiction to hear certain trademark matters; it provides a substantive rule for the resolution for those matters. This was made clear by the WTO Appellate Body that considered the EU challenge to Section 211 (Report, p.64) and by the application of Section 211 by the U.S. courts.

Question 2:

In 2004, the Judiciary Committee held a hearing on Section 211. Prof. Donald R. Dinan of the Georgetown University Law Center, in a letter included in the record of that hearing, urged the Committee "to repeal Section 211 in its entirety." Prof. Dinan stated that Section 211 violates the United States' obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS"). He further stated that Section 211 violates the Inter-American Convention for Trademark and Commercial Protection. He further stated that to eliminate the violation of the latter agreement, an amendment to Section 211 would be insufficient and a complete repeal is necessary.

The substance of Section 211 is entirely consistent with the TRIPs Agreement, as the WTO Appellate Body held in its ruling. The sole defect that the Appellate Body found in Section 211 is that it does not apply on its face to U.S. nationals. That defect can easily be corrected by a narrow amendment making Section 211 applicable – on its face and not just as applied- to U.S. nationals.

Question 3:

Do you agree with Prof. Dinan’s observations about the inconsistency of Section 211 with TRIPS and the Inter-American Convention? If not, why not?

Section 211 is consistent with the Inter-American Convention for Trademark and Commercial Protection (IAC) for the same reasons that it is consistent with TRIPS and the Paris Convention. Under each of these treaties, a Contracting State is free to adopt laws, such as Section 211, that determine who may legitimately own a local trademark. Further, as the Trips Agreement is later in time and includes as parties all the parties to the IAC, under the Vienna Convention on the Law of Treaties the TRIPS Agreement supersedes the IAC to the extent on any inconsistency. Finally, the IAC authorizes States to deny trademark protection for reasons of public order (public policy), which is the ground on which the United States and Western nations have consistently refused to give effect of foreign confiscations, the key purpose of Section 211.

Question 4:

Do you share Prof. Dinan’s conclusion that as a result of this alleged inconsistency, Section 211 could “expose U.S. companies to the risk that protection abroad for their trademarks could be suspended”?

Because there is no violation of the IAC, there is no basis for any State Party to that treaty to suspend the protection of trademarks owned by U.S. companies in that country. Further, under the IAC, any alleged violation by the U.S. must be submitted for adjudication to the U.S. courts and an international claim would arise only in cases of denial of justice by the U.S. court of last resort, a highly unlikely proposition. No State Party to the IAC would be entitled to suspend protection of U.S. owned trademarks except in a case of such denial of justice.

NOTE: I hold the Emilio Bacardi Chair in Cuban Studies at the University of Miami. This Chair was endowed in 1985 by Amalia Bacardi, granddaughter of the founder of Bacardi. Bacardi provides yearly support to the Institute for Cuban and Cuban-American Studies (ICCAS). Casa Bacardi, an interactive cultural center, is part of ICCAS and was established in 1999 with an endowment from the Bacardi Family Foundation.

Questions for Professor Suchlicki from Senator Cantwell

Question 1:

Professor Suchlicki, you say American trade and tourism will consolidate state power in the hands of the Castro regime. However, Cuba has significant trade with Canada, China, and other countries. Why would trade with the U.S. do any more to aid Fidel Castro than other growing foreign trade?

You are right. Other countries are trading with Cuba. The Castro brothers are using purchases of U.S. products to entice the U.S. to lift the travel ban and provide credits to the Cuban regime. If the Cuban government wants to buy U.S. products, we should sell them but for cash. Cuba is a debtor nation (See enclosed report) and will eventually default on our loans and credits, forcing the U.S. taxpayers or American corporations to foot the bill.

Question 2:

You believe that easing trade restrictions on Cuba now means the United States will lose a bargaining chip with the next Cuban government that emerges after Fidel Castro. Given growing Chinese and other foreign trade and investment in Cuba, how much leverage will the United States still have?

The U.S. retains a significant leverage with a future Cuban government. American tourism and investments, under a free market society and with a regime willing to modernize the country, will have a significant impact; will energize small businesses; will provide funds for development projects; will help directly the Cuban people. Under the current system U.S. tourism and investments are controlled by the government and state enterprises, which run most of the Cuban economy and which benefit most. There are significant numbers of Cuban both, in and out of government, that would like to see a resumption of relations with the U.S. They would like to sell Cuban products in the U.S. market. They see American economic power as a significant engine to help Cuba's development. Yet to change our policy unilaterally without any major irreversible changes in the island would frustrate the aspirations of the Cubans, would help existing totalitarian structures and would prevent us from using our strength: tourism, investment, technological innovation to move Cuba toward a market, free society.

Also, as a matter of principle, I don't believe nations should give away their policies without a quid pro quo. When there is a regime in Cuba willing to provide the U.S. with meaningful concessions, then and only then, we should offer our help.

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Colonel Lawrence B. Wilkerson, USA (Ret)*

U.S. Cuba Policy: Ending 50 Years of Failure

**Prepared Testimony to the Committee on Finance
United States Senate
11 December 2007**

Thank you, Chairman Baucus, Ranking Minority Member Grassley and members of the committee, for the opportunity to testify today on U.S. policy with respect to Cuba.

For almost half a century, U.S. policy with respect to Cuba has failed—miserably.

The latest indicator of this failed policy is that while our President talks of transforming the regime in Cuba, he is apparently unaware that Cuba has already undergone regime change and the Cuban people have accepted it and await, with no small degree of excitement, what their new national leader, Raul Castro, using the existing ministries, bureaucracy, and legislature, will do—particularly with respect to reshaping the island's economy.

Other countries, too, await this reshaping, having carefully positioned themselves to take advantage of the changes as they occur (e.g., see investment figures attached). No place in Cuba is more indicative of this burgeoning change—and the poised positions of other countries—than *Habana Vieja*, or Old Havana, the portion of the capital city that simply exhales the long ago past. It is stunning what the Cubans are doing, with the help of foreign investors, in restoring this part of Havana. Like the city planners in Marseilles, France, the Cubans are not driving people from their homes by renovating living quarters and putting them out of the financial reach of their previous occupants, *they are renovating them and then bringing back in their original occupants*. As a result, the city center is not simply beautiful, it is full of life and vitality, children and families. Our own city planners could learn from these efforts.

Yet, while we have significant relations on almost every level with Communist countries 10,000 miles away such as China and Vietnam, we have almost no relations with the 11 million souls on an island 90 miles off our southern coast where all this dynamism is beginning to show.

Cubans on the island are energetic, capable, hard-working people—we have not stolen all of the island's talent through the machinations of our half-century of failed policy, though I must admit we have tried mightily to do so.

* Col. Lawrence B. Wilkerson, USA (ret.), is co-chair of the U.S.-Cuba 21st Century Policy Initiative at the New America Foundation. He is also the Pamela C. Harriman Visiting Professor of Government and Public Policy at the College of William and Mary. Col. Wilkerson served as Chief of Staff to Secretary of State Colin Powell from 2001-2005.

Because of our failed Cuba policy, we miss valuable opportunities to share Cuba's rapidly growing store of knowledge and expertise in, for example, how to deliver high quality healthcare to deeply impoverished areas. Moreover, we are missing opportunities to explore mutual interests in vaccine development, to share in Cuba's extraordinary wealth of experience in combating hurricanes and the floods that often accompany them, to explore together Cuba's continental shelf for fossil fuels, and to sell our agricultural products in a more cost-effective and profitable way to an island population that needs these products and would benefit greatly from the shortened transits and thus reduced expenses.

When I was in Cuba in March of this year, I had dinner with Ricardo Alarcón, the President of Cuba's National Assembly—their legislature, as you know. He told me that Cuba would much prefer that a western oil company, such as Exxon Mobil or Royal Dutch Shell, help Cuba with its offshore oil exploration and recovery efforts. But, he said, it was not to be. So, Cuba is moving on, as *el coloso del norte*—the colossus of the north, the U.S.—becomes increasingly irrelevant to Cuba's future.

We also, because of our failed policy, miss a range of broader opportunities to cooperate in the development in Cuba of a robust infrastructure for a growing tourist trade as well as to assist the Cubans more generally as they reshape their economy—an opportunity almost no other country with the resources and the interest, including Israel, is missing. In fact, it strikes me as particularly ironic that the country that consistently casts its vote with our very lonely vote in the United Nations when the U.S. embargo comes up, is doing business in Cuba nonetheless. Tel Aviv's leaders are smart, unlike their counterparts in Washington.

The Economist recently reported that after two years of negotiations, plans are moving forward for Dubai Ports World, a partly state-owned company in the United Arab Emirates, to invest \$250 million (US) in converting the now-decaying port in Mariel, which is west of Havana, into a modern container facility. Mariel appeals to international port operators because of its proximity to the United States. As we all know, American ports are close to capacity and environmental restrictions make any big expansion of existing terminals extremely difficult if not downright impossible. If you are thinking ahead—as many other countries in the world are doing—Mariel, which is expected to be functional by 2012, would be an *entrepot par excellence*.

And there is still much more to what we as a country are missing with regard to Cuba because there is the prospect of an exciting opportunity lying across the Straits of Florida. There is an opening to a brand new approach to all of Latin America—a region of the world that the U.S. needs to address in a far more successful way than it has in the last few decades.

One of our own cities has become in almost every significant respect the capital of that region. One need only examine the aviation routes that begin, end and crisscross in Miami to understand how important this new development is; or, consider the fact that our own public schools and armed forces will transform in the next 20-30 years, as

projections show that public school populations will be over 50% non-Caucasian in that time and that the enlisted ranks of the military, now dominated by the African-American minority, will soon be dominated by a Hispanic minority.

Mr. Chairman, we ignore our backyard to our increasing disadvantage. It is time we stopped doing so. From unprecedented levels of immigration, to the constant flow of illicit drugs, to throwbacks to the *caudillo* past such as Hugo Chavez, to governments even today still based on the power of five percent of their people instead of ninety-five percent of their people, Latin America projects perils ahead as surely as it projects promise. It's the promise we need to enhance and expand and, in so doing, avoid the peril. And we need to do it with more than the largely lip service of the past, we need to do it with real actions in the real world.

In 1924, a very wise American made an astute observation about his own country. Irving Babbitt—who, incidentally, was a true conservative in the Edmund Burke mold and not one of these so-called neo-conservatives who are actually Trotskyites in English-speaking camouflage—said: “If the American thus regards himself as an idealist at the same time that the foreigner looks on him as a dollar-chaser, the explanation may be due partly to the fact that the American judges himself by the way he feels, whereas the foreigner judges him by what he does.”

We need—in some instances, desperately—to change that perception because, right or wrong, it is swiftly becoming a reality in the minds of billions.

There is an opening to do that with respect to Latin America and to do it quickly and effectively.

A *rapprochement* with Cuba would create the same opening in Latin America that a final settlement of the Israeli-Palestinian situation would create in the Middle East. I am not sufficiently naïve to believe that either development would meet all regional challenges or solve all problems, but both would be a dramatic and effective start. Both would give America a decisive leg-up on regaining some of the prestige and power we have squandered in the past seven years.

Mr. Chairman, I am not an expert on agricultural goods, finances, petroleum exploration and recovery, urban development, or healthcare. I am a soldier of three decades-plus and a sometimes diplomat who, in four years with Colin Powell at the U.S. State Department, saw vividly how my country has imbalanced dangerously the elements of its national power.

I am also a strategist, educated as such in one of the finest institutions America has for such education, the U.S. Naval War College at Newport, Rhode Island.

Strategists look at the long-term. We try as best as possible to see where the world is going and why, and then design ways to use all the elements of America's power in order to further and protect our interests as we move forward.

As Secretary of Defense Robert Gates recently stated in the Landon Lecture at Kansas State University, "One of the most important lessons of the wars in Iraq and Afghanistan is that military success is not sufficient to win."

I am not certain where Mr. Gates gained his knowledge with regard to this lesson, but I can tell you that I gained my certain knowledge of this incontrovertible truth about military power in Newport in 1981.

In fact, I learned there a much deeper truth that is just as incontrovertible: military power is the least likely instrument of national power to be successful if you decide to use it.

A corollary truth with great relevance to Cuba is that sanctions, embargoes, closing embassies and withdrawing ambassadors, the silent treatment, branding other countries as evil and advocating and supporting regime change—all of these methods, even if actually backed by strong military power and the threat to use it, rarely work and, even when they appear to do so, the results they produce are usually negative and even when they are positive, are almost never long-lasting.

Let's examine just two of the extremely negative impacts of our almost half-century of failure vis-à-vis Cuba:

First, for almost half a century U.S. policy has sought to end the revolution of Fidel Castro, Cuba's dictator. What that policy has accomplished instead is to keep Fidel Castro's revolution alive and well. Vicki Huddleston, a visiting scholar at the Brookings Institution and a former chief of the United States Interests Section in Cuba, gave new clarity to this reality in a recent op-ed in *The Washington Post*. Here's the gist of what she said:

President Bush yesterday [24 October 2007] made a case for bringing democracy to Cuba. Yet by telling the Cuban people not to expect help from the U.S. until they have made Cuba free, and by refusing to make any substantive change to U.S. policy, he is actually forestalling democratization...

We...won't see meaningful movement toward democracy without changes to the U.S.'s rigid travel restrictions. These prevent the person-to-person contact and exchange of ideas that could build support for democracy and competition within Cuba.

At the same time, the U.S. provides a safety valve that allows the most disillusioned Cubans and their families to escape rather than press for change at home. Bush was joined by many Cuban-born, could-have-been-reformers at the State Department yesterday, including Commerce Secretary Carlos Gutierrez and former Sen. Mel Martinez, Rep. Ileana Ros-Lehtinen and Rep. Lincoln Diaz-Balart of Florida...

Fidel Castro has outmaneuvered two Bush administrations and a total of nine American presidents. By continuing hard-line policies, President Bush is making it more likely that the Castro family will be in power on the 50th anniversary of the Cuban Revolution on Jan. 1, 2009.

The president said our goal in Cuba is democracy. But it should be both democracy and stability. No one -- most of all the Cuban people -- wants bloodshed or a humanitarian disaster. To encourage democratization and a peaceful transition, the U.S. must start a dialogue with both the people of Cuba and their government.

In his speech, Bush said the Cuban government "isolates its people from the hope that freedom brings, and traps them in a system that has failed them." By maintaining the status quo, the U.S. government is just reinforcing that isolation.

My hat is off to Ms. Huddleston for speaking the truth—and the truth is that our failed Cuba policy is just as responsible for keeping Castro in power as Castro himself, perhaps more so. Even Cuban dissidents realize this: "Instead of encouraging the changes that at this moment are debated within the [Cuban] government, changes that are possible though not certain, [Washington] reinforces the sectors that don't want any reform... It seems there is a Holy Alliance between those who—in Cuba and the U.S.—don't want anything to change." These words are from Oscar Espinosa Chepe, Cuban economist and former prisoner.

The U.S. has reconciled with the Communist governments in China and Vietnam. We support dictators throughout Central Asia under the strategic mantra of "contact and influence is better than isolation". We talked to the Communist Soviet Union for the duration of the Cold War. But we cannot bring ourselves to deal with Havana and have maintained that failed policy for almost half a century. It is simply absurd to continue to do so.

Second, let's examine what I believe to be the most dramatic change in Cuban policy that has taken place since the Soviet Union disappeared from Cuba's calculus—a change which we have utterly ignored.

The export of revolution at the behest of the Soviets has been transformed into the export of healthcare at the behest of the Cuban people. When I visited Cuba this past March, this was one of the areas of Cuban activity on which I focused—the delivery of first-class healthcare to impoverished people in Cuba, in Venezuela and elsewhere in South and Central America, and increasingly in sub-Saharan Africa. I visited Cuba's medical "contingency brigade", for example, and talked with doctors and other healthcare personnel about the brigade's recent, highly successful tenure in Pakistan following the devastating earthquake there in late 2005.

The passion in the doctors' eyes as they related their experiences in delivering basic healthcare in isolated, extremely cold and snow-covered regions of Pakistan was truly heartwarming. Some of the human interest stories the doctors related brought laughter to us all and served to demonstrate conclusively how deeply these medical personnel had been touched by their almost year-long experience in Pakistan. They were proud to announce that as a result of the good relations thus created, Cuba was asked to open its first-ever embassy in Islamabad. Such effective public diplomacy has become a hallmark of Cuba's medical outreach. I might add that such effective public diplomacy puts to shame our own public diplomacy, particularly in Latin America.

I also visited the Finlay Institute's Center for Research, Development and Production of Human Vaccines—incidentally, one of the places that former Undersecretary of State for

International Security Affairs, John Bolton, alleged in 2002 was manufacturing biological weapons. I didn't find any such activity (and we did discover that at best the Institute has a rudimentary Bio-Level III capability and no Bio-Level IV capability—the latter needed if a country is to engage in sophisticated biological agent research and development). It's safe to say that I considered the assessment by the former commander of the U.S. Southern Command, General Charles Wilhelm, as more definitive: "During my three year tenure, from September 1997 until September 2000 at Southern Command, I didn't receive a single report or a single piece of evidence that would have led me to the conclusion that Cuba was in fact developing, producing or weaponizing biological or chemical agents." I knew General Wilhelm when I was Deputy Director of the Marine Corps War College and I know I can trust his views. I knew John Bolton when he was Undersecretary of State. I know I cannot trust his views.

In March of this year, what I did find at the Finlay Institute, for example, was information about its having developed a serogroup B meningococcal vaccine (VA-MENGOC-BC), one that had virtually eliminated that deadly disease among the children of Cuba. Moreover, I discovered that there was a significant incidence of the disease among children in the western U.S., but that due to the embargo on Cuba our doctors and health officials had been unable to avail themselves of this new and very effective (better than an 80% success rate) vaccine.

One of the most dramatic moments for me occurred when I visited one of Cuba's hospitals in Havana and plowed through a waiting room of people from all over the world—poor people who had come to this Cuban hospital largely to have eye surgery of some sort, many to have cataracts removed so their blindness or near-blindness would be eliminated. Speaking to some of them was, again, heartwarming. They all said that they were there because of Cuba's outreach. Again, this is powerful public diplomacy.

We could learn much from how the Cubans deliver healthcare particularly applicable to our rural areas and our inner cities where impoverished people predominate. And in the process, the contact would benefit Cubans. They would be able to study what is strong and robust about the U.S. healthcare system—the high technology components, for example—and at the same time learn that freedom and democracy are pretty good items too.

Mr. Chairman, because I don't consider U.S. leaders as consistently incompetent, I have to ask why some of the policies they produce fail so badly. After all, the embargo on Cuba and its concomitant policies have persisted for almost half a century and through many presidents and Congresses.

And, Mr. Chairman, the policy is recognized publicly as utterly bankrupt. On November 28, for example, the *Providence Journal* made this poignant editorial comment: "The absurdity of U.S. policy toward Cuba becomes ever clearer. Consider that our government does not prohibit U.S. tourists from enjoying the new resorts in North Korea, run by what might be the world's most brutal regime but does ban them from visiting Cuba, a dictatorship much milder than Pyongyang's. The latter, desperate for dollars, lures Westerners with luxury mountain and beach hotels sealed off from its suffering masses. Cameras and other recording devices, by the way, are banned."

When a foreign policy phenomenon such as this occurs—a failing policy yet a continued application of that policy—we must search in different places to find the reasons.

In the case of U.S. Cuba policy the search ends in Dade County, Florida and similar environs. There, monied interests among certain Cuban-Americans and their supporters have hamstrung any efforts to change the failed policy. Republican or Democrat, presidents and their congresses are too cowed by the prospect of losing the Florida vote to take any ameliorative action. And so this feckless, stupid and failed policy persists. More recently, in terms of national security policy, our necessary focus on the Middle East and south Asia has made us blind to opportunities elsewhere and has cut off any chance of our seeing clearly the excellent opportunity that lies across the Florida Straits.

Mr. Chairman, I believe it is high time we recognized that opportunity and waded right into it.

Thank you for allowing me to testify. I stand ready to answer any questions you may have if I am able to do so.

ATTACHMENT:

Today, quietly and behind the scenes, more hard currency flows in and out Cuba via European financial capitals than through Beijing or Caracas. While Venezuela's and China's multi-billion dollar credit lines for Cuba have done much to offset the loss of Soviet-era subsidies, such politically-driven deals are largely in the form of in-kind aid (oil and refined fuels from Venezuela and "soft" trade credits from China for the purchase of Chinese-made goods) rather than in convertible currency. Moreover, the rather exquisite "barter" deal for Heavy Fuel Oil (HFO) from Venezuela includes very precise calculations of extensive medical care expenses, so that in exchange for the HFO, Cuba gives to Venezuela medical capabilities of equivalent costs.

With more than US\$1.6 billion in hard credit lines (see Table I below) from European lenders, Cuban authorities have been able to conduct strategic international transactions ranging from imports of agricultural products from the U.S., to financing the expansion of the island's nickel industry, this latter a major source of foreign revenue for the regime.

European capital also sustains foreign direct investment. Of 185 foreign-financed joint ventures with the Cuban government (see Table II below), two-thirds originate in Europe. The strong correlation between foreign financing and foreign investment is best exemplified by Spain's leading role in the Cuban economy. Spanish lenders account for nearly 40 percent of all joint ventures currently operating on the island and are also the largest source of private capital -- upwards of US\$581 million -- for Cuba.

Table I. Foreign Private Financing to Cuba, 2007

(Lending Countries/Amount (in U.S. dollars))

Spain	581 million
France	440 million
Germany	216 million
Netherlands	182 million
Italy	79 million
Japan	79 million
United Kingdom	22 million
Sweden	14 million
Switzerland	9 million
Belgium	6 million
Portugal	4 million
Total European Financing	1.632 billion
Financing of Undisclosed Origin	728 million

Total Foreign Private Financing 2.360 billion

Note: Unless otherwise noted, claims represent short-term loans (typically one-year repayment terms) from private lenders (banks and supplier financing) to Cuba-based borrowers (e.g., Cuban state-owned enterprises or joint ventures) as of March 2007. The data do not include bilateral state-backed loans or trade credits from political allies such as Venezuela and China. See Bank for International Settlements (BIS), Consolidated Banking Statistics, *BIS Quarterly Review*, September 2007. All debts are expressed in U.S. dollars and rounded to the nearest million.

Table II. Top Foreign Investors' Joint Ventures with Cuban State-Owned Enterprises 2007:

Spain	73	Venezuela	11
Canada	38	United Kingdom	9
Italy	29		
France	13		
China	12		

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

United States Senate
Committee on Finance

Hearing on
S. 1673, Promoting American Agricultural and
Medical Exports to Cuba Act of 2007
December 11, 2007

Questions for Lawrence Wilkerson from Senator Cantwell

Question 1:

Mr. Wilkerson, you mentioned that European countries have invested more than \$1.6 billion in Cuba this year. Do you believe the Chinese might invest even more than the Europeans in Cuba in the long term?

First, thank you Senator Cantwell for your questions and your interest in these matters and for taking the time to submit these questions for the record. Second, my area of expertise is East Asia, so I feel particularly able to comment on this question about China.

At present, Beijing operates in my view on the basis of strict self-interest—and not necessarily enlightened self-interest. In short, the concept of *realpolitik* drives China's decision-making. While former DepSecState Zoellick was right to encourage China to be a regional and global stakeholder and operate responsibly, it will take some time before China's decision-making calculus is able to accommodate any degree of altruism, concern for human rights, or other less pragmatic considerations. That said and understood about Beijing, it is my view that were the situation to present itself for China to advance its interests majorly with respect to Cuba, it would do so and increased funding might be one way to support that. For example, if Cuba's recoverable oil reserves were to prove in significant excess of current predictions, China would likely move to increase investment and interest. Likewise, if the US and China disagreed aggressively over economic or security matters—Taiwan, for instance—China might move to exploit its relationship with Cuba to our disadvantage. In that case, I could foresee a large upswing in Chinese support for Cuba, including monies. This potential for China to use Cuba as a tool in its competition with the US—much the way the Soviet Union did in the past—is one reason I believe the US errs significantly in not revising its approach to Cuba.

Question 2:

You noted that the United States currently trades and has traded with other Communist countries. Is there anything about Cuba that is different from these countries other than it is located only about 90 miles from the United States?

Yes, there are significant differences as well as some important similarities. First, Cuba is an island nation of 11 million. China is a continental power of huge proportions with 1.3 billion people. Vietnam is much smaller in comparison but still huge by Cuban standards, with 85 million people. While most Americans do not realize that Cuba would stretch from our eastern seaboard to beyond Chicago if it were superimposed on a map of the US (over 3900 kilometers), Cuba is still a very tiny nation. Because of its size and location, Cuba has historically been a fragile economy, dependent on one or two crops or commodities/minerals for almost its entire GDP. Like Haiti, the Dominican Republic, and other Caribbean island countries, Cuba's economic fragility will likely never be ameliorated; at best, such countries can only hope for a modicum of economic success, usually dependent in some degree on tourism in addition to agriculture or mining. This fragility is why I believe we must be very careful about the way we open up to Cuba so that we do more good than harm. China and Vietnam, with larger populations, more territory, and more diversified economies, enjoy more economic potential—and thus current success—and don't suffer from some of the vulnerabilities that Cuba does. Still another difference in these countries is healthcare. Cubans enjoy universal and swift access to excellent healthcare. They also enjoy such access to education. The island's literacy rate, for instance, is over 99 per cent. I must say also that I have been in all three countries and I believe that on a day-to-day, issue-by-issue basis, Cubans enjoy more personal freedom than Chinese or Vietnamese (it is hard to oversee more than a billion people but the Chinese seem able to do it rather well, more or less on an exception basis of course—but the recent hanging of the minister responsible for food and drug safety, Zheng Xiaoyu, is an example of an "exception"). Finally, there is a vibrant world of the arts in Cuba—music in particular is a part of every Cuban's life. While China focuses resources and gives incentives for prima donna violinists, cellists, pianists, and others, and Vietnam's arts community is beginning to open up, Cuba is alive with art and its Minister of Culture, Abdel Prieto, is a staunch advocate and overseer of a flourishing artistic community.

Question 3:

Has U.S. economic engagement brought about change or reform in other countries?

Yes, definitely so. The most dramatic example is the Republic of Korea. There in less than four decades, an authoritarian state progressed to a leading democracy and an economic powerhouse. Taiwan is another example of the same type of transformation, largely led by the drive for a successful economy. Today, in a similar fashion, China and Vietnam are far more open than they were 20 years ago and much of the reason is their

leaders' desire to be economically successful—and the influence of the WTO, globalization, international financial institutions, and the overall free market on this process (which, among other things, strengthens the rule of law in these societies). In the case of each of these countries—to of course varying degrees—the engagement with them by the world's leading economic power, the US, has been essential to the transformation or opening up process.

COMMUNICATION

Miriam and Mario de la Peña
1000 SW 184 Terrace
Pembroke Pines, FL 33029
(954) 348-1623
December 13, 2007

Dear Senator Grassley:

We are writing to request that this letter be included in the Finance Committee's report on the hearing on Cuba held this past Tuesday.

Our names are Mario and Miriam de la Peña and we are the parents of Mario de la Peña, Jr., a pilot and human rights activists who was murdered under direct orders of Fidel and Raul Castro, in the Florida Straights in international air space on February 24, 1996. The officers who pulled the trigger and their superiors who ordered the crime continue to enjoy impunity. Two other American citizens and one legal resident were also murdered that afternoon; they were: Armando Alejandro, Jr., Carlos A. Costa and Pablo Morales.

Our son was born in New Jersey and had never visited Cuba. Both of us are American citizens. At the time, U.S. Secretary of State Madeleine Albright said that *"even at the height of the Cold War, the Soviet Union did not shoot down the civilian aircraft, a Martin Roost, that landed in the middle of Red Square. So this is totally unheard of and absolutely something that needs to be condemned by the international community. . . . These planes were shot down in cold blood by MiG 29s by air-to-air missiles."*

We understand that the focus of Senator Baucus' efforts in regards to Cuba policy is to increase commercial trade with the Cuban government and the lifting of travel restrictions. While those goals might have merit in the eyes of some, we hope that we could all agree that among the first priorities of U.S. policy should be the protection of American lives and punishment of American killers. We would like to request that you bring to the attention of other Senators our request that hearings be held on this unspeakable crime.

We also respectfully request that you ask the Attorney General why the names of the Cuban officers who committed this crime are yet to be forwarded to Interpol. We live in dangerous times. The Castro brothers continue to provide safe haven to individuals responsible for the killings of other Americans, including U.S. police officers. We pray that the impunity granted to them and the lack of U.S. actions will not encourage enemies of the United States intending to kill other Americans.

Respectfully,

Miriam and Mario de la Peña